



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2018

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

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NOTICE TO READER OF THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months period ended September 30, 2018

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 nine month period ended September 30, 2018 ("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, 2017, 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").



Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	September 30, 2018	December 31, 2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		372	398
Short term investments	4	5,000	2,500
Receivables and other current assets	5	158	242
TOTAL CURRENT ASSETS		5,530	3,140
NON-CURRENT ASSETS			
Property, plant and equipment		39	49
Exploration and evaluation assets	6	63,808	50,494
Reclamation of deposit	6	14	14
TOTAL NON-CURRENT ASSETS		63,861	50,557
TOTAL ASSETS		69,391	53,697
LIABILITIES			
CURRENT LIABILITIES			
Trade payables and accrued liabilities	7, 9	1,628	969
TOTAL CURRENT LIABILITIES		1,628	969
TOTAL LIABILITIES		1,628	969
EQUITY			
Share capital - preferred	8	591	591
Share capital – common	8	87,952	73,598
Reserve	8	7,749	5,089
Deficit		(28,529)	(26,550)
TOTAL SHAREHOLDERS' EQUITY		67,763	52,728
TOTAL LIABILITIES AND EQUITY		69,391	53,697

Nature of Operations (Note 1)

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

Approved by the Board of Directors on November 20, 2018

“signed”

Keith Morrison
Director

“signed”

Doug Ford
Audit Committee Chair



Condensed Interim Consolidated Statements of Comprehensive Loss

(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	Three-months ended		Nine-months ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
EXPENSES					
General and administrative	9	(521)	(595)	(1,702)	(1,739)
Property investigation		(28)	-	(62)	-
Amortization		(3)	(14)	(10)	(42)
Share-based payments	8	-	-	(317)	(451)
		(552)	(609)	(2,091)	(2,232)
OTHER ITEMS					
Interest income		31	11	52	20
Foreign exchange loss		(124)	(2)	(169)	(14)
		(93)	9	(117)	6
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(645)	(600)	(2,208)	(2,226)
Weighted average number of common shares outstanding		787,928,500	534,103,943	694,766,107	436,049,679
Basic and diluted loss per share		(0.00)	(0.00)	(0.00)	(0.01)

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



Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	Number Shares	Share Capital	Preferred Stock	Reserve	Deficit	Total Equity
BALANCE AT DECEMBER 31, 2016		368,581,886	62,315	591	2,767	(23,972)	41,701
Net and comprehensive loss for the period		-	-	-	-	(2,226)	(2,226)
Share capital issued through prospectus	8	145,030,833	10,877	-	-	-	10,877
Share capital issued through private placement	8	40,982,448	3,074	-	-	-	3,074
Share issue costs	8	-	(511)	-	-	-	(511)
Value allocated to warrants issued	8	-	(2,080)	-	2,080	-	-
Forfeited/expired options	8	-	-	-	(236)	236	-
Expired warrants	8	-	-	-	(19)	19	-
Share-based Payments	8	-	-	-	451	-	451
BALANCE AT SEPTEMBER 30, 2017		554,595,167	73,675	591	5,043	(25,943)	53,366
BALANCE AT DECEMBER 31, 2017		554,595,167	73,598	591	5,089	(26,550)	52,728
Net and comprehensive loss for the period		-	-	-	-	(2,208)	(2,208)
Share capital issued through private placement	8	233,333,333	17,500	-	-	-	17,500
Share issue costs	8	-	(574)	-	-	-	(574)
Value allocated to warrants issued	8	-	(2,572)	-	2,572	-	-
Expired warrants	8	-	-	-	(48)	48	-
Forfeited/expired options	8	-	-	-	(181)	181	-
Share-based Payments	8	-	-	-	317	-	317
BALANCE AT SEPTEMBER 30, 2018		787,928,500	87,952	591	7,749	(28,529)	67,763

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



Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	Nine months ended	
		September 30, 2018	September 30, 2017
OPERATING ACTIVITIES			
Loss for the period		(2,208)	(2,226)
Items not affecting cash:			
Amortization		10	42
Share based payments	8	317	451
Interest income		(52)	(20)
Changes in working capital	10	197	1,461
Other:			
Interest received		62	18
Net cash used in operating activities		(1,674)	(274)
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets (includes changes in working capital)		(12,778)	(10,626)
Short-term investments		(2,500)	(1,300)
Purchase of equipment		-	(20)
Net cash used in investing activities		(15,278)	(11,946)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares		17,500	13,951
Direct financing costs		(574)	(511)
Net cash provided by financing activities		16,926	13,440
Change in cash equivalents for the period		(26)	1,220
Cash and cash equivalents, beginning of the period		398	630
Cash and cash equivalents, at the end of the period		372	1,850

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

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 head office and principal address 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 PO Box 63623 Capilano, North Vancouver, British Columbia, Canada, V7P 3P1. 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 condensed interim consolidated 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 condensed interim consolidated 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.

The condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on November 20, 2018.

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, 2017. Any subsequent changes to IFRS that are reflected in the Company's consolidated financial statements for the year ended December 31, 2018 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.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

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, 2017.

(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 adopted during the nine months period ended September 30, 2018:**

IFRS 9 "Financial Instruments" (IFRS 9)

IFRS 9 addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in the statement of earnings to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard is effective for annual periods beginning on or after January 1, 2018. The adoption of this standard did not result in any impact to the Company's financial statements.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 was issued in May 2014 to replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 also results in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple element arrangements. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The adoption of this standard did not result in any impact to the Company's financial statements.

Standards, Interpretations and Amendments Not Yet Effective:

IFRS 16 "Leases"

IFRS 16 replaces current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on the balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low value assets, however this exemption can only be applied by lessees. The standard applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

Company is currently assessing the impact of this standard and it does not expect that the application of this standard will have a significant impact on the Company's financial statements.

4. SHORT-TERM INVESTMENTS

Short-term investments are comprised of a highly liquid Canadian dollar denominated guaranteed investment certificate with an initial term to maturity greater than ninety days, but not more than one year, that is readily convertible to a contracted amount of cash. The counter-party is a Canadian financial institution. During the period ended September 30, 2018, the instrument was yielding an annual interest range of 1.40% (September 30, 2017 - 0.80% - 1.05%).

5. RECEIVABLES AND OTHER CURRENT ASSETS

A summary of the receivables and other current assets as of September 30, 2018 is detailed in the table below:

	September 30, 2018	December 31, 2017
Sales taxes receivable	103	143
Interest receivable	6	16
Other current assets	49	83
	158	242

Other current assets is mainly comprised of prepaid expenses.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Canada			US	Greenland	Total
	Post Creek Property	Halcyon Property	Quetico Claims	Section 35 Property	Maniitsoq Property	
Acquisition						
Balance, December 31, 2017	278	214	-	6	36	534
Acquisition costs – cash	10	8	40	2	18	78
Balance, September 30, 2018	288	222	40	8	54	612
Exploration						
Balance, December 31, 2017	1,138	187	-	-	48,635	49,960
Administration	2	2	2	-	476	482
Corporate social responsibility	1	1	-	-	57	59
Environment, health & safety	-	-	-	-	137	137
Property maintenance	1	1	1	-	17	20
Drilling	5	-	-	-	3,917	3,922
Camp operations	-	-	-	-	2,942	2,942
Helicopter charter aircraft	-	-	-	-	4,168	4,168
Geology	24	15	17	-	638	694
Geophysics	-	-	1	-	761	762
Infrastructure	-	-	-	-	31	31
Technical studies	-	-	-	-	19	19
	33	19	21		13,163	13,236
Balance, September 30, 2018	1,171	206	21		61,798	63,196
Total, September 30, 2018	1,459	428	61	8	61,852	63,808

	Canada		US	Greenland	Total	
	Post Creek Property	Halcyon Property	Section 35 Property	Maniitsoq Property		
Acquisition						
Balance, December 31, 2016		268	206	3	20	497
Acquisition costs – cash		10	8	3	16	37
Balance, September 30, 2017		278	214	6	36	534
Exploration						
Balance, December 31, 2016		1,085	173	-	36,587	37,845
Administration		-	-	-	403	403
Corporate social responsibility		-	-	-	33	33
Environment, Health & Safety		-	-	-	92	92
Property maintenance		-	-	-	7	7
Drilling expenses		-	-	-	2,969	2,969
Camp operations		-	-	-	2,305	2,305
Helicopter charter aircraft		-	-	-	2,993	2,993
Geology		40	6	-	562	608
Geophysics		1	-	-	949	950
Infrastructure		-	-	-	183	183
Technical studies		2	-	-	46	48
		43	6	-	10,542	10,591
Balance, September 30, 2017		1,128	179	-	47,129	48,436
Total, September 30, 2017		1,406	393	6	47,165	48,970

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

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

Post Creek

On December 23, 2009, the Company executed a letter of intent whereby the Company has an option to acquire a mineral claim known as the Post Creek Property located within the Sudbury Mining District of Ontario.

On April 5, 2010 and as amended on March 12, 2013, the Company entered into an option agreement to acquire a 100% interest in the Post Creek Property, subject to certain net smelter return royalties ("NSR") and advance royalty payments. To December 31, 2015, the Company has completed the required consideration and acquired its interest in the Post Creek Property. Commencing August 1, 2015, the Company is obligated to pay advances on the NSR of \$10 per annum, totalling \$10 during the year ended December 31, 2017, the total of which will be deducted from any payments to be made under the NSR. The total advances paid during the nine months period ended September 30, 2018 were \$10, (September 30, 2017 - \$10).

During the nine months period ended September 30, 2018, the Company incurred exploration expenditures totalling \$33 (September 30, 2017 - \$43) on the Post Creek Property.

Halcyon

On April 5, 2010 and as amended on March 12, 2013, the Company entered into an option agreement to acquire rights to Halcyon Property, subject to certain NSR and advance royalty payments. To December 31, 2015, the Company has completed the required consideration and acquired its interest in the Halcyon Property. Commencing August 1, 2015, the Company is obligated to pay advances on the NSR of \$8 per annum, totalling \$8 during the year ended December 31, 2017, the total of which will be deducted from any payments to be made under the NSR.

During the nine months period ended September 30, 2018, the Company incurred \$27 (September 30, 2017 - \$14) in exploration and license related expenditures on the Halcyon Property.

Quetico

During the nine months period ended September 30, 2018, the Company acquired 757 claims known as Quetico located within the Sudbury Mining District of Ontario. The Company incurred total acquisition and exploration related costs of \$61 for the nine months period ended September 30, 2018 (September 30, 2017 - \$nil).

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 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 nine months period ended September 30, 2018, the Company spent in aggregate of \$13,181 in exploration and license related expenditures on the Maniitsoq Property, (September 30, 2017 - \$10,558).

Sulussugut License

(All references to amounts in Danish Kroner, "DKK" are in thousands of DKK)

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

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 \$6 (DKK 31) upon granting of the Sulussugut License. The Sulussugut License was valid for 5 years until December 31, 2015, with December 31, 2011 being the first year. The application for another 5 year term on the Sulussugut License was submitted to the Greenland Mineral Licence & Safety Authority (MLSA) which was effective on April 11, 2016, with December 31, 2017 being the seventh year.

To December 31, 2015, under the terms of the preliminary license, the Company completed the exploration requirements of an estimated minimum of DKK 83,809 (approximately \$15,808) between the years ended December 31, 2011 to 2015 by incurring \$26,116 on the Sulussugut License. The accumulated exploration credits held at the end to December 31, 2015, of DKK 100,304 can be carried forward until 2019. Under the terms of the second license period, the Company had no minimum required exploration for the year ended December 31, 2016. As of December 31, 2017, the Company has spent \$44,937 on exploration costs for the Sulussugut License.

To December 31, 2017 and 2016, the Company has completed all obligations with respect to required reduction of the area of the license.

During the year ended December 31, 2017, the Company had approved exploration expenditures of DKK 85,094 (approximately \$16,746) which results in the total carried credits for the Sulussugut License at DKK 246,507 (approximately \$48,513).

During the nine months period ended September 30, 2018, the Company spent a total of \$10,401 in exploration and license related expenditures, (September 30, 2017 - \$9,168).

Ininngui License

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 \$6 (DKK 32) upon granting of the Ininngui License. The Ininngui License was valid for 5 years until December 31, 2016, with December 31, 2012 being the first year. The Ininngui License is contiguous with the Sulussugut License.

To December 31, 2016, the Company's expenditures exceeded the minimum requirement and the Company has a surplus of DKK 15,677 (approximately \$3,044) and the Company was granted a credit for the excess, which may be used towards future expense requirements on the Ininngui License until the following years; year 2018, DKK 2,276, year 2019, DKK 6,790 and year 2020, DKK 9,367, and should the Company be granted an extension on the exploration license.

The required minimum exploration expenditures on the Ininngui License for year 5, ending December 31, 2016 was DKK 2,715 (approximately \$535). As of December 31, 2017, the Company has spent \$3,698 on exploration costs for the Ininngui License.

During the year ended December 31, 2017, the Company had approved exploration expenditures of DKK 9,367 (approximately \$1,843) which results in the total carried credits for the Ininngui License at DKK 25,044 (approximately \$4,929).

During the nine months period ended September 30, 2018, the Company spent a total of \$1,366 in exploration and license related expenditures, (September 30, 2017 - \$1,390).

New Mineral Licenses

During the nine months period ended September 30, 2018 the Company was awarded new mineral licenses over a highly prospective block of ground to the west of the Fossilik Intrusion in Greenland:

a) Ikertoq License

In March 2018, the Company was granted an exploration license (the "Ikertoq License") by the BMP of Greenland for exclusive exploration rights of an area located near Kangeriussaq in West Greenland. The Company paid a license fee of \$7 (DKK 31) upon granting of the Ikertoq License. The Ikertoq License is valid for 5 years until December 31, 2022, with December 31, 2018 being the first year.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

During the nine months period ended September 30, 2018, the Company spent a total of \$132 in exploration and license related expenditures, (September 30, 2017 - \$Nil).

b) Carbonatite License

In January 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 \$7 (DKK 31) upon granting of the Carbonatite License. The Carbonatite License is valid for 5 years until December 31, 2022, with December 31, 2018 being the first year.

During the nine months period ended September 30, 2018, the Company spent a total of \$1,282 in exploration and license related expenditures, (September 30, 2017 - \$Nil).

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 require an annual rental fee at a rate of US \$3.00 per acre for years 1-5 and at a rate of US \$6.00 per acre for years 6-10. The Company shall pay a minimum royalty at a rate of US \$10.00 per acre for the 11th year onwards, with an increase of an additional US \$5.00 per acre per year up to a maximum of US \$55.00 per acre per year. A production royalty of between 2% - 2.5% is payable from production of minerals and/or mineral products from an established mining operation area. The Company paid the first year rental fee and the required reclamation deposit of \$14 (US \$10). The Department of Natural Resources shall annually review the level of the reclamation deposit and shall require the amount to be increased or decreased to reflect changes in the cost of future reclamation of the leased premises.

During the nine months period ended September 30, 2018, the Company spent a total of \$2 in license related expenditures, (September 30, 2017 - \$3).

7. TRADE PAYABLES AND ACCRUED LIABILITIES

	September 30, 2018	December 31, 2017
Trade payables	1,256	813
Amounts due to related parties (Note 9)	1	42
Accrued liabilities	371	114
	1,628	969

8. 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

On April 19, 2018, the Company closed of a non-brokered private placement equity financing of 233,333,333 units at a price of \$0.075 cents unit and raised aggregate gross proceeds of \$17,500 through the issuance of 233,333,333 units at a price of \$0.075 per unit. Each unit consists of one common share and one-half of one common share purchase warrant of the Company. Each warrant will entitle the holder to acquire one common share of the Company at an exercise price of \$0.12 for a period of 24 months from its date of issuance. The Company incurred share issuance costs of \$574 resulting in net proceeds to the Company of \$16,926. The Company allocated a \$2,572 fair value to the warrants issued in conjunction with the private placement. The fair value of warrants was determined on a pro-rata basis using the Black-Scholes Option Pricing Model with the following assumptions; expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.91% and an expected volatility of 94.26%.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

Contemporary Amperex Technology Limited ("CATL") subscribed for 200,000,000 units under the placement for a total purchase price of \$15,000. CATL now beneficially owns, or exercises control or direction over approximately 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.

Sentient Executive GP IV Limited ("Sentient") subscribed for 13,333,333 units under the placement for a total purchase price of \$1,000. Sentient now beneficially owns, or exercises control or direction over 369,809,820 common shares constituting approximately 46.93% of the currently issued and outstanding shares of the Company.

As at September 30, 2018, the Company has 787,928,500 common shares issued and outstanding, (September 30, 2017 – 554,595,167).

2017

On June 8, 2017, the Company closed a brokered placement, through a prospectus, of units for total gross proceeds of \$10,877. The Company issued 145,030,833 units at a price of \$0.075 per unit. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.12 until September 8, 2019. The Company paid share issuance costs of \$533 and also issued 1,965,093 agent's warrants, exercisable at \$0.075 per warrant until September 8, 2019. The Company allocated a \$1,500 fair value to the warrants issued in conjunction with the private placement and \$61 to agent's warrants. The fair value of warrants was determined on a pro-rata basis using the Black-Scholes Option Pricing Model with the following assumptions; expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 0.71% and an expected volatility of 98.60%. The Company also granted the agent an over-allotment option for a period of 30 days, which expired unexercised. The fair value of over-allotment option of \$39 was recorded as a share issuance cost and was determined on a pro-rata basis using the Black-Scholes Option Pricing Model with the following assumptions; expected life of 30 days, expected dividend yield of 0%, a risk-free interest rate of 0.71% and an expected volatility of 66.6%.

On August 15, 2017, the Company closed a non-brokered private placement of units for total proceeds of \$3,074. The Company issued 40,982,448 units at a price of \$0.075 per unit. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at an exercise price of \$0.12 until August 15, 2019. The Company allocated a \$519 fair value to the warrants issued from the private placement. Direct financing costs totalled \$16 resulting in net proceeds to the Company of \$3,058. The fair value of warrants was determined on a pro-rata basis using the Black-Scholes Option Pricing Model with the following assumptions; expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.23% and an expected volatility of 98.64%.

b) Preferred shares issued and outstanding

As at September 30, 2018 and September 30, 2017, 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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

dividing the conversion value of the share, \$1 per share, by \$0.90.

c) Warrants

A summary of common share purchase warrants activity during the nine months period ended September 30, 2018 is as follows:

	September 30, 2018		December 31, 2017	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of the period	176,175,413	0.12	95,982,036	0.15
Issued	116,666,664	0.12	94,971,721	0.12
Cancelled / Expired	(34,869,241)	0.12	(14,778,344)	0.30
Outstanding, end of the period	257,972,836	0.12	176,175,413	0.12

At September 30, 2018, 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)
72,515,414	June 8, 2019	0.12	0.19
1,965,083	June 8, 2019	0.075	0.01
46,334,451	Jul 21, 2019 ^{1,2}	0.12	0.14
20,491,224	August 15, 2019	0.12	0.07
116,666,664	April 19, 2020	0.12	0.70
257,972,836			1.11

¹ The warrants are subject to an acceleration clause such that if the volume-weighted average trading price of the Company's common shares on the TSX-V exceeds \$0.18 per common share for a period of 10 consecutive trading days at any date before the expiration date of such warrants, the Company may, at its option, accelerate the warrant expiry date to within 30 days. To September 30, 2018, the Company's common shares have not met the criterion for acceleration.

² On May 28, 2018, the Company applied to the TSXV to extend the expiry date of 46,334,451 common share purchase warrants of the Company. The warrants were originally granted pursuant to a public offering of units of the Company, which closed on July 21, 2016. The warrants are exercisable for common shares of the Company at a price of \$0.12 per common share and are set to expire on July 21, 2018. The Company proposed to extend the expiry date of the warrants by an additional twelve months to July 21, 2019. All other terms of the warrants, including the exercise price, will remain the same. On September 1, 2018, TSXV approved the proposed term extension of the warrants.

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.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

A summary of option activity under the Plan during the nine months period ended September 30, 2018 is as follows:

	September 30, 2018		December 31, 2017	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of the period	20,720,500	0.23	12,823,000	0.30
Issued	6,425,000	0.12	9,137,500	0.12
Cancelled / Expired	(1,200,000)	0.18	(1,240,000)	0.24
Exercised	-	-	-	-
Outstanding, end of the period	<u>25,945,500</u>	<u>0.18</u>	<u>20,720,500</u>	<u>0.23</u>

During the period ended September 30, 2018, the Company granted 6,425,000 incentive stock options to employees, directors and consultants with a maximum term of 5 years. All stock options vest immediately and are exercisable at \$0.12 per common share. The Company calculates the fair value of all stock options using the Black-Scholes Option Pricing Model. The fair value of option granted during the nine-month period ended September 30, 2018 amounted to \$317 and was recorded as a share-based payments expense.

During the period ended September 30, 2017, the Company granted 8,137,500 incentive stock options to employees, directors and consultants with a maximum term of 5 years. All stock options vest immediately and are exercisable at \$0.12 per common share. The Company calculates the fair value of all stock options using the Black-Scholes Option Pricing Model. The fair value of this grant amounted to \$451 and was recorded as a share-based payments expense.

The fair value of stock options granted and vested during the period ended September 30, 2018 and September 30, 2017 was calculated using the following assumptions:

	September 30, 2018	September 30, 2017
Expected dividend yield	0%	0%
Expected share price volatility	96.9%-101%	100.6%
Risk free interest rate	2.04%- 2.17%	1.17%
Expected life of options	<u>5 years</u>	<u>5 years</u>

Details of options outstanding as at September 30, 2018 are as follows:

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

Options Outstanding	Options Exercisable	Expiry Date	Exercise Price	Weighted average remaining contractual life (years)
2,440,000	2,440,000	Jul 9, 2019	0.62	0.07
200,000	200,000	Aug 27, 2019	0.37	0.01
100,000	100,000	Sep 26, 2019	0.26	0.00
350,000	350,000	Nov 5, 2019	0.21	0.01
1,000,000	1,000,000	Dec 19, 2019	0.22	0.05
900,000	900,000	Feb 3, 2020	0.275	0.05
450,000	450,000	Oct 5, 2020	0.20	0.03
5,443,000	5,443,000	Jan 28, 2021	0.21	0.49
7,637,500	7,637,500	Feb 21, 2022	0.12	1.00
1,000,000	1,000,000	Dec 20, 2022	0.12	0.16
5,725,000	5,725,000	Feb 28, 2023	0.12	0.97
500,000	500,000	May 1, 2023	0.12	0.09
200,000	200,000	May 4, 2023	0.12	0.04
25,945,500	25,945,500			2.97

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 year ended December 31, 2017 the Company recorded \$504 of share-based payments to reserve and transferred \$301 to deficit for expired options and warrants.

During the nine months period ended September 30, 2018 the Company recorded \$317 of share-based compensation to reserves, (September 30, 2017 - \$451) and transferred \$229 (September 30, 2017 - \$255) to deficit for expired options and warrants.

9. RELATED PARTY TRANSACTIONS

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 7):

	September 30, 2018	December 31, 2017
Directors and officers of the Company	1	42
Total	1	42

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

(a) Related party transactions

During the nine months period ended September 30, 2018, the Company recorded \$203 (September 30, 2017 - \$231) in fees charged by a legal firm which retains the Chairman as a counsel.

During the nine months period ended September 30, 2018, Sentient subscribed for 13,333,333 units under the placement for a total purchase price of \$1,000. As part of the subscription, Sentient was granted 6,666,666 common share purchase warrants exercisable at \$0.12 until April 19, 2020.

As of September 30, 2018, Sentient beneficially owns 369,809,820 common shares constituting approximately 46.93% of the currently issued and outstanding Common Shares.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

During the nine months period ended September 30, 2018, CATL subscribed for 200,000,000 units under the placement for a total purchase price of \$15,000. As part of the subscription, CATL was granted 100,000,000 common share purchase warrants exercisable at \$0.12 until April 19, 2020.

As of September 30, 2018, CATL beneficially owns, or exercises control or direction over approximately 25.38% 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.

2017

On August 15, 2017, Sentient subscribed for a total of 38,666,666 units under the private placement equity financing transaction for a total net proceeds of \$2,900. As part of the subscription, Sentient was granted 19,333,333 common share purchase warrants exercisable at \$0.12 until August 15, 2019.

On June 8, 2017, Sentient acquired 94,666,666 units in the equity financing for net proceeds of \$7,100. As part of the Offering, Sentient was granted 47,333,333 common share purchase warrants exercisable at \$0.12 until June 8, 2019.

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

Key management compensation was:

	September 30, 2018	September 30, 2017
Geological consulting fees – expensed	78	10
Geological consulting fees – capitalized	18	140
Management fees – expensed	577	539
Salaries - expensed	127	88
Share-based payments	192	331
Total	992	1,108

10. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital for the nine months period ended September 30, 2018 and 2017 are as follows:

	September 30, 2018	September 30, 2017
Decrease (increase) in accounts receivables	54	(116)
Decrease in prepaid expenses	20	67
(Decrease) increase in trade payables and accrued liabilities	123	1,510
Total changes in working capital	197	1,461

During the period ended September 30, 2018, the Company:

- i) transferred \$229 from reserve to deficit for expired options and warrants;
- ii) recorded \$536, the net change for accrued exploration and evaluation expenditures.

11. COMMITMENTS AND CONTINGENCIES

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2018

(Unaudited - Expressed in thousands of Canadian dollars)

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) Management fees: \$31 per month effective June 2018.

Effectively on June 1, 2018, the Company has changed the terms with Keith Morrison, the CEO, from direct employment to contracted consultant and entered into service agreement with his company.

- ii) Directors' fees: \$2 stipend per month for independent directors and \$3 stipend per month for the chairman of the board, and \$2.5 for committee chairman.

The agreements which were in effect from July 1, 2014 for services with directors of the Company and a company in which a director has an interest remain unchanged.

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.

12. 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 6). The Company's geographic segments are as follows:

	September 30, 2018	December 31, 2017
Equipment		
Canada	13	19
Greenland	26	30
Total	39	49
	September 30, 2018	December 31, 2017
Exploration and evaluation assets		
Canada	1,948	1,817
Greenland	61,852	48,671
United States	8	6
Total	63,808	50,494

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2018



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 September 30, 2018 and December 31, 2017, and the results of operations for the three and nine months ended September 30, 2018 ("**Q3 2018**" and "**YTD 2018**", respectively) and for the three and nine months ended September 30, 2017 ("**Q3 2017**" and "**YTD 2017**", respectively). The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2018 and with the audited consolidated financial statements and notes thereto of the Company for the fiscal year ended December 31, 2017 ("**FY 2017**"). 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 thousands of Canadian dollars and in thousands of Danish Kroners ("DKK") where applicable, except per share data and unless otherwise indicated. All amounts in tables are expressed in thousands of Canadian dollars, 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 November 20, 2018. 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.

Company Overview

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's principal asset is its Maniitsoq Property, in southwestern Greenland, a district scale land position. The Company is focussing its resources on exploration and resource development of its Maniitsoq nickel-copper-cobalt-precious metal sulphide project ("Ni-Co-Co-PM") but it also has an aggressive program of project generation in North America and exploration projects at Post Creek and Halcyon in the footwall of the Sudbury Igneous Complex.

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.

On August 15, 2011, the Company was granted an exploration license by the Bureau of Minerals and Petroleum of Greenland for exclusive exploration rights over an area totalling 4,841 square kilometres located near Sulussugut, Greenland.

On March 4, 2012, the Company was granted an additional exploration license by the Bureau of Minerals and Petroleum of Greenland for exclusive exploration rights over an area covering a total of 142 square kilometres license and located near Ininngui, Greenland.

Overall Performance – Highlights of YTD 2018 and as of the Date of this Report

Financing Activities

- On March 29, 2018, The Company announced that it had entered into agreements to complete a non-brokered private placement (the "Placement") of up to 233,333,333 Units at a price of \$0.075 per Unit for aggregate gross

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2018



proceeds of \$17,500. Each Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company.

- On April 19, 2018, the Company announced closing of the previously announced non-brokered private placement and raised aggregate gross proceeds of \$17,500 through the issuance of 233,333,333 units at a price of \$0.075 per unit.

Corporate Activities

- On January 31, 2018, the Company announced the retirement of Ms. Patricia Tirschmann as VP Exploration effective February 2, 2018. Ms. Tirschmann will remain as Technical Advisor to the Company and will continue to offer guidance to the technical team. Peter Lightfoot, PhD, PGeo of Lightfoot Geoscience Inc., acting in the role of Chief Geologist assumed the role of Qualified Person and provides technical leadership to the Company.
- On March 1, 2018, the Company granted incentive stock options to certain directors, officers, employees and consultants of the Company to purchase up to 5,725,000 common shares in the capital of the Company pursuant to the Company's stock option plan. All options are exercisable for a period of five years at an exercise price of \$0.12 per share.
- On April 20, 2018, the Company announced that on April 19, 2018, Contemporary Amperex Technology Limited ("CATL") acquired 200,000,000 units of the Company at a price of \$0.075 per unit for a total purchase price of \$15,000. CATL now beneficially owns, or exercises control or direction over approximately 25.38% of the currently issued and outstanding share of the Company. CATL has pre-emptive rights and the right to nominate one director to the board of directors of the Company.
- On May 22, 2018, the Company announced that it has appointed Sarah-Wenjia Zhu as Chief Financial Officer of the Company.
- On May 22, 2018, the Company also announced that it has granted incentive stock options to certain officers and consultants of the Company to purchase up to 700,000 common shares of the Company. All options are exercisable for a period of five years at an exercise price of \$0.12 per share.
- On May 28, 2018, the Company announced that it applied to the TSXV to extend the expiry date of 46,334,454 common share purchase warrants of the Company issued pursuant to a prospectus offering of units of the Company, which closed on July 21, 2016. The warrants were set to expire on July 21, 2018, and the Company proposed to extend the expiry date by an additional twelve months to July 21, 2019.
- On June 26, 2018, the Company announced that TSXV has consented to the extension in the expiry date of 46,334,451 warrants issued pursuant to a prospectus offering of units of the Company, which closed on July 21, 2016. The warrants were originally set to expire on July 21, 2018 with the expiry date now of July 21, 2019. All other terms of the warrants, including the exercise price, will remain the same.

Exploration & Development Activities

- On January 17, 2018, the Company announced an exploration update and summary of significant results on its 100% owned Maniitsoq nickel-copper-cobalt-PGM sulphide project in Southwest Greenland and strategy for 2018 exploration.
- On March 1, 2018, the Company announced that it has received the final Hydropower Feasibility Assessment Study within watershed 06.H located on the eastern flank of the Company's 100% owned Maniitsoq nickel sulphide project in Southwest Greenland.
- On May 4, 2018, the Company was awarded an exploration license for the 63 km² Carbonatite property, license 2018/21.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2018



- On May 4, 2018, the Company was awarded an exploration license for the 33 km² Ikertoq property. In April of 2018 an application was submitted to the Mineral Licencing and Safety Authority for the Greenland government to enlarge license 2018/31. The enlargement application was granted on August 27, 2018.
- On May 9, 2018, the Company announced its 2018 exploration strategy focusing on the advancement of the Maniitsoq nickel sulphide project.
- On June 28, 2018, the Company announced that the 2018 exploration program has commenced at its 100% owned Maniitsoq nickel-copper-cobalt project in Southwest Greenland. The 2018 exploration program is planned to comprise up to 12,500 metres of drilling.
- On July 9, 2018, further to announcements in May 2018, the Company was awarded two mineral licenses over highly prospective ground near the 100% owned Maniitsoq Ni-Co-Co-PM sulphide project in Southwest Greenland, the Carbonatite and Ikertoq properties.
- On July 31, 2018, the Company announced the intersection of significant mineralization in a new target hosted within a melanorite intrusion on its 100% owned Maniitsoq nickel sulphide project in Southwest Greenland.
- On September 10, 2018, the Company announced exploration update of work completed on the Qeqertassaq Carbonatite property in Southwest Greenland.
- On September 19, 2018, the Company announced exploration update upon completion of its 2018 drilling program at the Company's 100% owned Maniitsoq nickel-copper-cobalt project in Southwest Greenland.
- On November 15, 2018, the Company announced details of the 2018 exploration and drill program at its Post Creek nickel-copper-PGE sulphide project in Sudbury Ontario. The program includes a targeted 1,000 metres of diamond drilling, including borehole electromagnetic (BHEM) surveys, following up on 2018 trench mapping petrography and geochemistry studies and prospecting.
- On November 19, 2018, the Company announced that assays have been received from four drill holes completed to test the P-008 target on the Company's 100% owned Maniitsoq nickel-copper-cobalt sulphide project in Southwest Greenland.

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 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 consists of four exploration licenses, No. 2011/54 and No. 2012/28 comprising 2,689 and 296 square kilometres, respectively and the recently acquired Carbonatite property No. 2018/21 (63 km²) and the Ikertoq property No. 2018/31 (33 km²). 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2018



The Company acquired the Maniitsoq project because it has potential for the discovery of significant magmatic sulfide discovery 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.

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, 2017 being the seventh year.

The Greenland MLSA for the year 2016 has adjusted the minimum required exploration expenditures to zero. There will be an annual license fee on the Sulussugut License for year 7 and forward of approximately DKK 41.

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

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

Exploration Commitment	2012	2013	2014	2015	2016	2017
Fixed amount	149	310	313	317	-	650
4841 km ² of DKK 1.460 per km ²						
4841 km ² of DKK 1.490 per km ²	7,213					
3336 km ² of DKK 7.760 per km ²		25,887				
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
Exploration obligation	7,362	26,197	21,368	21,668	-	44,374
Approved exploration expenditures	23,616	37,349	55,509	59,150	61,109	85,094
Exploration obligation	(7,362)	(26,198)	(21,368)	(21,668)	-	-
Credit from previous year	1,276	17,530	28,681	62,822	100,304	161,413
Total Credit	DKK 17,530	28,681	62,822	100,304	161,413	246,507
Average Annual Rate DKK to CAD	0.1726	0.1834	0.1968	0.1901	0.1969	0.1968

The accumulated exploration credits held at the end of 2017, DKK 246,507 (approximately \$48,513) can be carried forward as follows:

Carry forward period:

- a) **DKK 59,150** from 2015 until December 31, 2018
- b) **DKK 61,109** from 2016 until December 31, 2019
- c) **DKK 85,094** from 2017 until December 31, 2020

On the first 5-year license, the Company completed the exploration requirements of an estimated minimum of DKK 83,809 (approximately \$15,808) between the years ended December 31, 2011 to 2015 by incurring \$26,116 on the Sulussugut License.

There was no exploration commitment in year 2016. The Company completed approved expenditures for 2017 DKK 85,094, for 2016, DKK 61,109 (approximately, \$16,746 and \$12,032, respectively). With a credit from 2015 of DKK 59,150 (approximately \$11,250) and credit from 2016 of DKK 61,109 (approximately \$12,032), and a commitment of \$nil left the Company with excess credits of DKK 246,507 (approximately \$48,513). The Sulussugut License area was not reduced in 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2018



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, 2017 being the sixth year.

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

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

Exploration Commitment	2012	2013	2014	2015	2016	2017
Fixed amount	149	155	313	318	323	-
142 km ² of DKK 1.490 per km ²	211					
265 km ² of DKK 1.550 per km ²		411				
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						-
Exploration obligation	360	566	2,388	2,668	2,715	-
Total Credits Available						
Approved exploration expenditures	2,872	2,966	5,470	6,276	6,790	9,367
Exploration obligation	(360)	(576)	(2,388)	(2,668)	(2,715)	-
Credit from previous year	-	2,512	4,902	7,984	11,592	15,667
Total Credit	DKK 2,512	4,902	7,984	11,592	15,667	25,044
Average Annual Rate DKK to CAD	0.1726	0.1834	0.1968	0.1901	0.1969	0.1968

Carry forward period:

- a) **DKK 6,276** from 2015 until December 31, 2018
- b) **DKK 6,790** from 2016 until December 31, 2019
- c) **DKK 9,367** from 2017 until December 31, 2020

On the first 5-year license, the Company completed the exploration requirements of an estimated minimum of DKK 8,697 (approximately \$1,635) between the years ended December 31, 2012 to 2016 by incurring \$2,722 on the Ininngui License.

In 2016 (year 5 of the Ininngui License), there was an exploration commitment of DKK 2,715 (approximately \$535). The Company completed approved expenditures for 2016 of DKK 6,790 (approximately \$1,337). With a credit from 2015 of DKK 6,276 and 2016 of DKK 6,790 (approximately \$433 and \$1,337, respectively) and a commitment of DKK Nil for 2017, resulting in excess credits of DKK 25,044 (approximately \$4,929). The Ininngui License area was not reduced in 2017.

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.

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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.

Exploration History

Period – 2012-2015

During the period of 2012 to 2015, the Company undertook numerous exploration activities and completed various mineralogical studies. The details of the results and areas explored can be viewed in technical reports and other pertinent information found on the Company's website at www.northamericannickel.com.

Year ended December 31, 2016

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

March 30, 2016: the Company filed a National Instrument 43-101 Technical Report on the Maniitsoq property.

April 11, 2016: the Company reported the results of QEMSCAN mineralogical analyses from drill core announcing the potential for high nickel recoveries from Maniitsoq mineralization, similar to results from previous studies.

In 2016, the Company completed an exploration program comprising 9,596 metres of drilling in 30 drill holes and two drill hole extensions, borehole electromagnetic surveys, 13 line-kilometres of surface electromagnetic surveying, 53 line-kilometre of surface induced polarization (IP) surveying and ground follow-up of VTEM, geological and remote sensing targets.

Exploration and Development Activities during FY 2017

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

March 15, 2017: the Company announced the results of mineralogical studies performed by SGS Canada Inc. ("SGS") on four drill core samples of nickel-copper sulphides from the Mikissoq and P-058 mineralized norite intrusions at the Imiak Hill Complex and Fossilik area, respectively. The objectives of the study were to determine modal mineralogy, mineral texture, nickel, copper and cobalt department, and the liberation, association and exposure of the nickel, copper and iron sulphides for each sample.

Highlights from the report include:

- Nickel:
 - 93.5 to 95.9% of the total nickel in each sample is contained within pentlandite. Potential pentlandite recoveries range from 94.9 to 96.8% based on liberation, association and exposure characteristics of crushed samples stage pulverized to 90% passing 150 micrometres;
 - 2.3 to 4.4% of the total nickel in each sample is contained within pyrrhotite; and
 - Pentlandite D₅₀ (µm) grain sizes range from 42 to 46 micrometres.
- Copper
 - All copper is hosted by chalcopyrite. Potential chalcopyrite recoveries for the Mikissoq samples range from 90.6 to 94.3% based on liberation, association and exposure characteristics of crushed samples stage pulverized to 90% passing 150 micrometres. Potential chalcopyrite recovery for the P-058 sample is 75.2%; and
 - Chalcopyrite P₅₀ (µm) grain sizes range from 26 to 34 micrometres.
- Cobalt:
 - Pentlandite and pyrite are the main hosts of the cobalt in the samples.
- Orthopyroxene, amphibole, feldspar and clinopyroxene are the major silicates. Talc was identified by QEMSCAN in all samples and confirmed by XRD in two out of the four samples. Talc abundances (in crushed samples) were 0.88% for the P-058 sample and 4.1 to 10.1% for the Mikissoq samples.

March 29, 2017: the Company announced the granting of a watershed prospecting license for the assessment and development of hydropower resources on its Maniitsoq project. The license was awarded by the Ministry of Industry, Labour, Trade and Energy of the Greenland Government subsequent to a review of the Companies prospecting plan. The license provides for the exclusive right to assess and develop potential hydropower resources to produce electricity. The

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license is in force for two years with the option to extend it for an additional three years. Subsequently, an exploitation license can be awarded following a successful assessment of the watershed. A map of watershed 0.6H in relation to the Maniitsoq property boundary is provided in Figure 1.

The Company intends to assess watershed 0.6H (Figure 1) as a source of electricity for its Maniitsoq project consistent with the emphasis by the Greenland Government on securing environmentally friendly energy sources for any industrial development, including mining.

May 5, 2017: the Company retained Efla Consulting Engineers ("EFLA") to provide a one-year review of the hydropower potential of the watershed based upon existing in-house databases supplemented by hydrologic data from Asiaq the hydrogeology arm of the Greenland Government. The study will include technical, environmental and socio-economic studies as part of the evaluation. EFLA will examine the local topography and provide an initial assessment of the development's viability, identify key areas of risk and suggest mitigation actions, and determine the economic viability of hydropower development at watershed 0.6H.

The Company will work closely with Nukissiofiit the Greenland Energy Company responsible for supplying most of Greenland with electricity, water and heat from hydropower.

On June 20, 2017: the Company commenced the 2017 exploration program at its 100% owned Maniitsoq nickel-copper-alt-PGM project in Southwest Greenland.

The primary exploration objective in 2017 was step-out drilling at three key locations, the Imiak Hill Complex (IHC), Fossilik and P-013SE, to advance one or more areas to the delineation drilling stage for 2018 (Figure 2). Concurrently, infrastructure-related and environmental baseline studies and ongoing corporate social responsibility initiatives will be undertaken.

Based on exploration results in 2015 and 2016 approximately 11,000 metres of diamond drilling were targeted for 2017. Drilling was accompanied by 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. New drilling targets were developed within prospective norite stratigraphy by utilizing 3D integration and integrated modeling of exploration data.

The three drill targets in 2017 included Fossilik and the IHC where one or more discrete and open sulphide lenses and multiple untested exploration targets were defined. Target P-013 SE was a new discovery of high-grade nickel sulphide mineralization which was previously tested by one drill hole.

The Company's exploration base camp on Puiattoq Bay was re-opened in late May and early June. The exploration program was carried out from mid-June to late September.

July 13, 2017: the Company finalized the details for the acquisition of its previously announced watershed ("0.6H") prospecting license that overlaps the eastern boundary of its Maniitsoq property.

Environmental surveys and social impact assessments are ongoing and are a requirement for an Exploitation License for the Maniitsoq property. Environmental surveys were commenced in June in the areas of active exploration and in the area of watershed 0.6H.

August 30, 2017: the Company announced an update on the 2017 exploration program at Maniitsoq. Step-out drilling was completed at the P-013 SE target and was in progress at the IHC and Fossilik areas. A total of 5,378 metres in fifteen holes were completed to August 25th out of the total 11,000 metre planned program. An additional drill rig was mobilized to site to increase productivity. The drill program was extended to late September to complete an estimated 9,000 to 9,500 metres. Sample preparation would be completed in-country at a new laboratory in Nuuk for 2017.

October 10, 2017: the Company announced the first assays received from the 2017 drilling program.

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Two holes totalling 1,169 metres were completed at the centrally-located Mikissoq target (see Figure 3). Hole MQ-17-135 tested 50 metres down dip of hole MQ-16-118 and intersected 75.75 metres grading 1.10% nickel and 0.43% copper from 359.85 to 435.6 metres down hole. The mineralization comprised magmatic and remobilized sulphides similar to previously reported intersections (see Figure 4). Sulphide content is variable with higher grade intervals occurring in both the upper and lower portions of the zone.

359.85 – 370.10m: 2.29% nickel and 1.33% copper over 10.25 metres

416.35 – 435.60m: 1.89% nickel and 0.26% copper over 19.25 metres incl.

2.94% nickel and 0.29% copper over 6.0 metres

The mineralization is characterized by typical high nickel tenors (percent nickel re-calculated to 100% sulphides) of 8-11%. The high tenor is reflected by a sample of a near massive sulphide vein that assayed 9.55% nickel and 0.80% copper over 0.30 metres from 425.90 to 426.20 metres. This sample also contained elevated cobalt and Pt+Pd+Au values of 0.24% and 0.61 g/t, respectively.

A mylonite zone was intersected below the mineralized zone from 437.80 to 456.50 metres. Interpretation of downhole televiewer surveys provided a dip and sense of movement of the mylonite. On this basis the hole was extended to test for a faulted extension of the zone. The hole extension (495 to 783 metres) did not intersect a second sulphide zone but did encounter several norite intervals at depth, locally containing trace amounts of sulphides.

A second hole, MQ-17-139, was collared approximately 50 metres along strike to the southwest of hole MQ-16-117 to test for this zone. A wide zone of norite with weakly disseminated and blebby sulphides was intersected.

The lower Mikissoq zone has been intersected over a dip extent of 165 metres, dips sub-vertically and is interpreted to have a pipe-like geometry. BHEM results from MQ-17-135 are dominated by in-hole responses correlating with the more highly sulphidic upper and lower portions of the zone and by a stronger off-hole response located up plunge in the direction of previous drilling. These results do not preclude the continuation of less conductive disseminated and blebby magmatic sulphides in a down dip direction. A possible off-set along the shallowly dipping mylonite zone is yet to be identified.

Figure 1. Location map for the Maniitsoq nickel sulphide project and the area of the watershed Prospecting License.

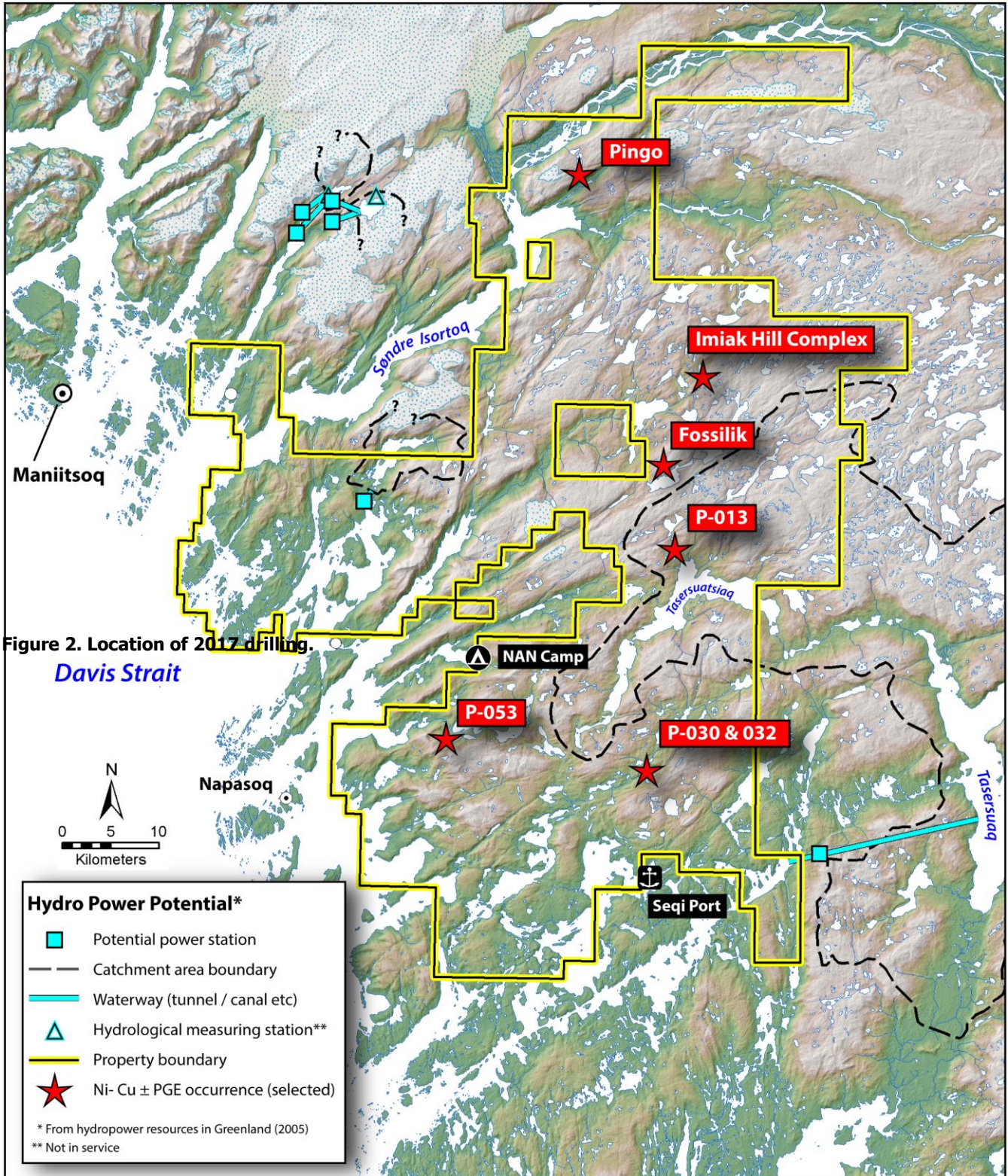


Figure 2. Location of 2017 drilling.

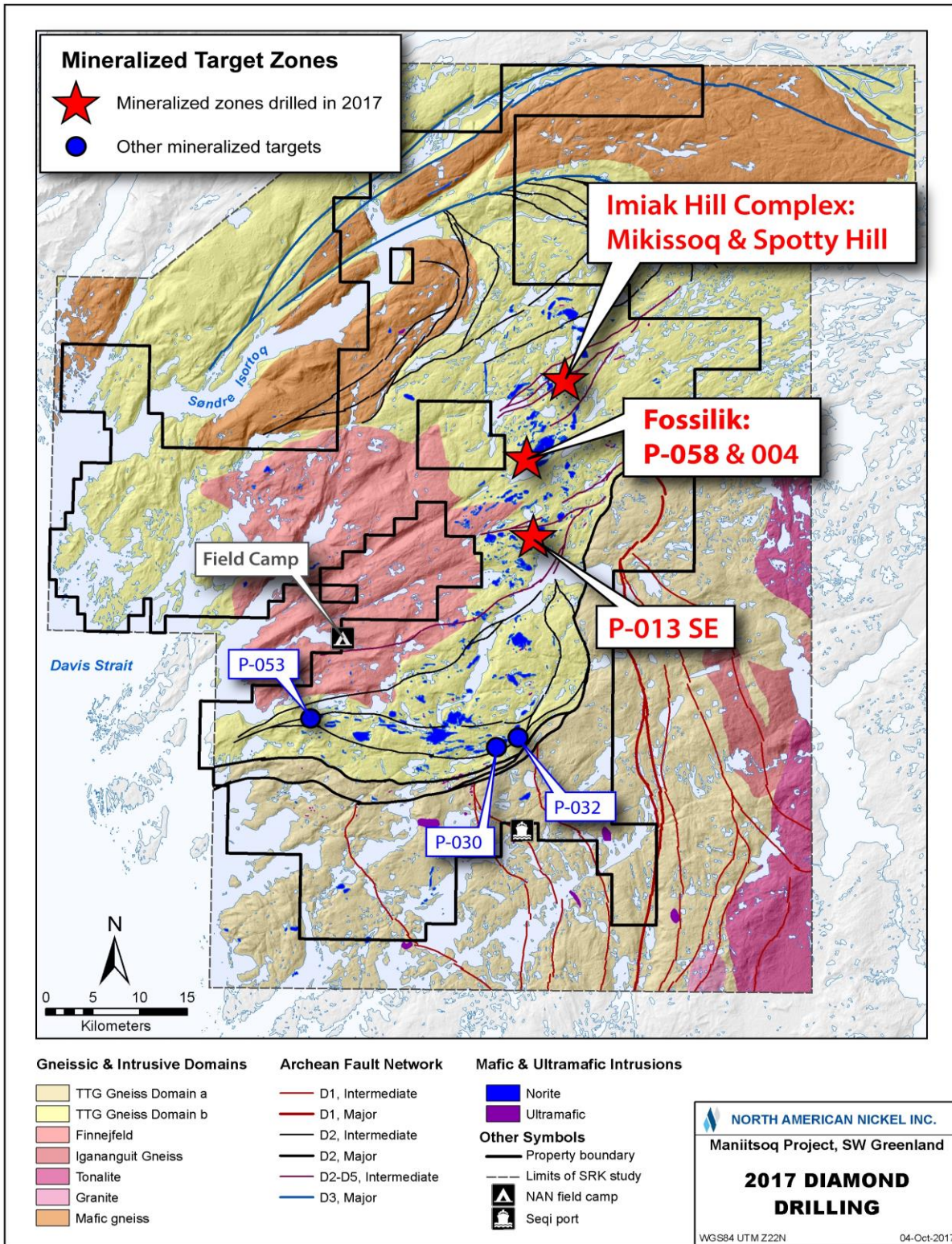


Figure 3. Surface drill plan map of the Mikissoq area.

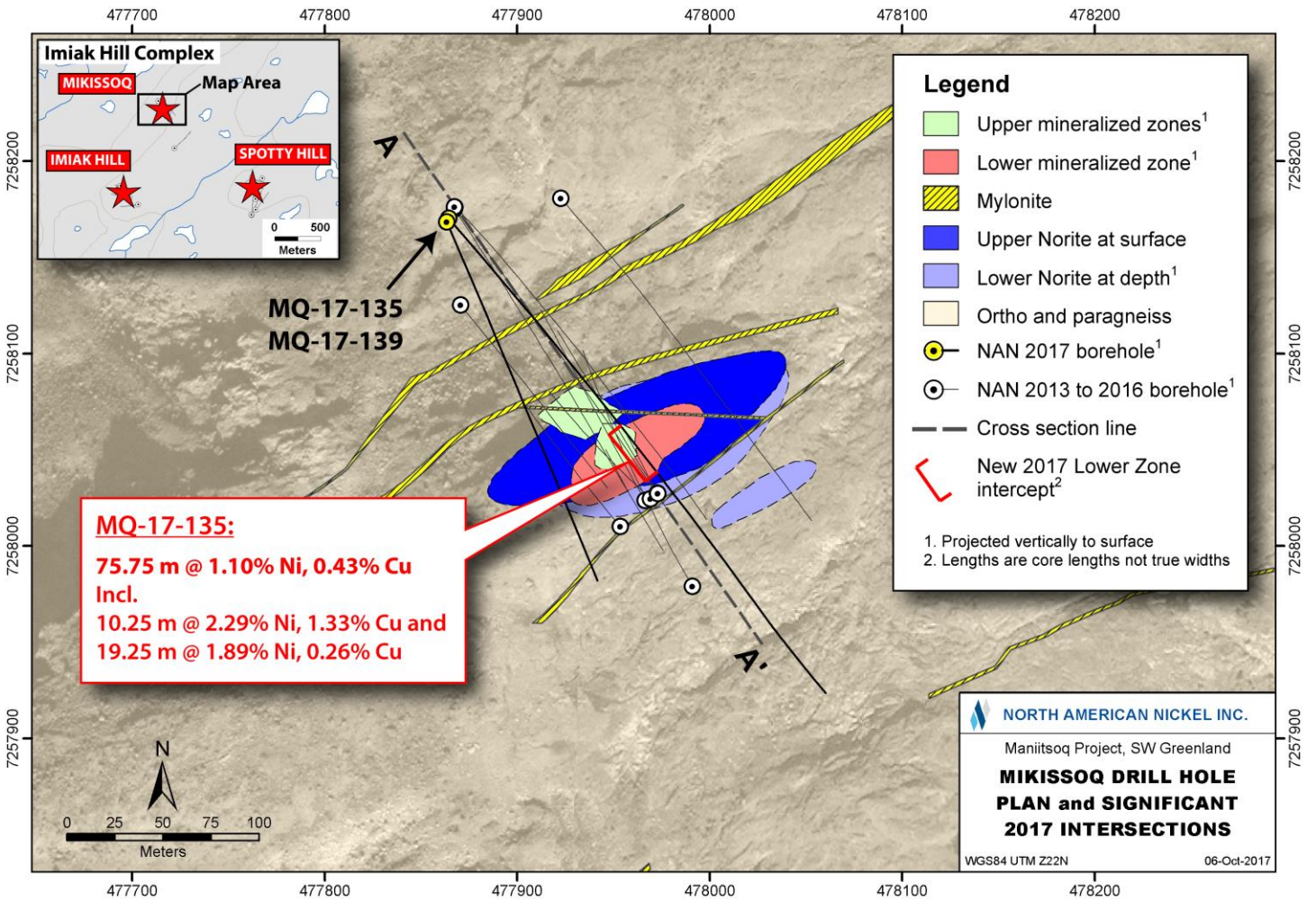
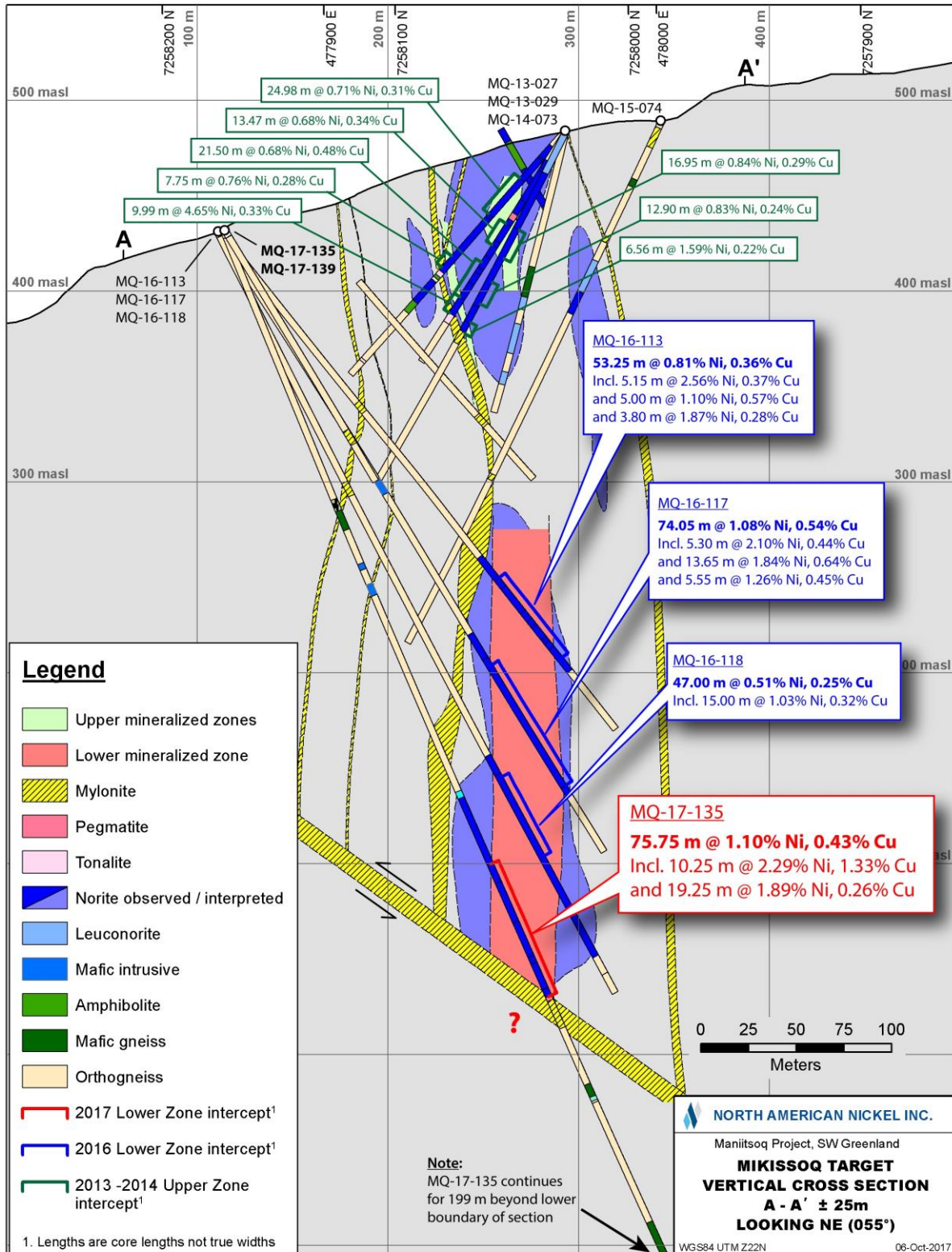


Figure 4. Vertical cross section through the Mikissoq mineralized zones. The azimuth of the section is 145° and it looks N055°E.



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October 19, 2017: the Company announced results from two 2017 holes completed to test the Spotty Hill target (Figure 5) at the Imiak Hill Complex (IHC). This drilling extended the known mineralization and indicated further potential at depth. The 2017 exploration program was concluded in late September after completing 23 drill holes totaling 8,767 metres.

Drilling intersected disseminated and blebby magmatic sulphide and remobilized semi-massive to massive stringer, vein and breccia sulphide with high nickel tenors (8.5-10.5%) and elevated PGM contents. The steeply southwest dipping and moderately southeast plunging zone is well defined over a plunge extent of 300 metres based on previous drilling and BHEM surveys prior to 2016. BHEM surveys of the 2016 and 2017 holes define anomalies with a potential change in orientation of the conductive trend at depth and the orientation of interpreted BHEM plates indicated continuity in the mineralization between these two holes (see Figure 6).

Hole MQ-17-141 was drilled 125 metres down plunge of previous hole MQ-16-121 which intersected 4.75 metres of 1.59% nickel and 0.30% copper. This new hole did not intersect significant mineralization but a BHEM survey of this hole, together with results from hole MQ-16-121, has confirmed the presence of untested moderate to high conductance anomalies located between the two holes.

Hole MQ-17-143 tested an off-hole BHEM anomaly detected from previous hole MQ-16-119 and intersected a melanorite-hosted zone of breccia sulphides and sulphide stringers at the target depth. Assay results include:

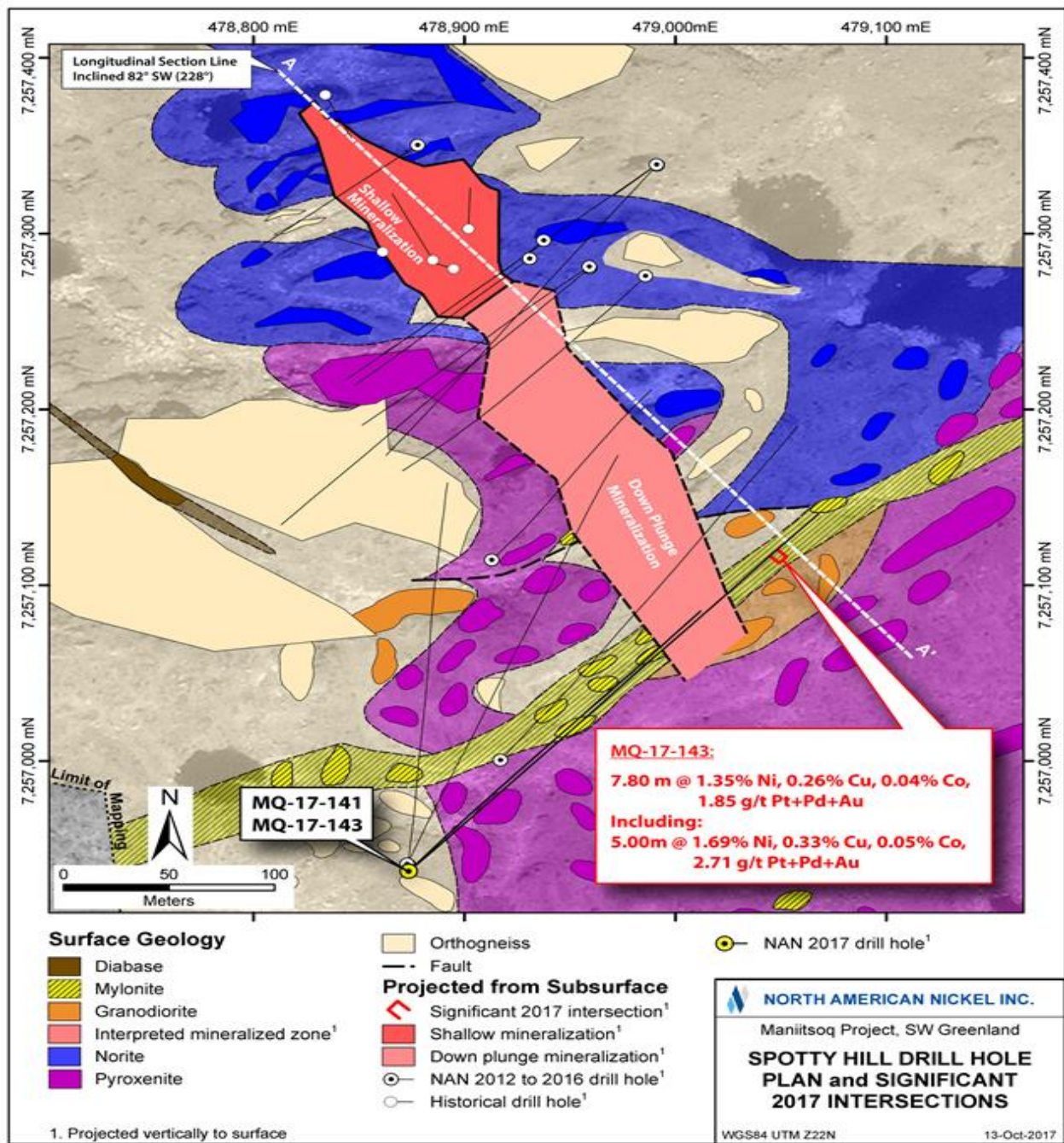
1.35% nickel, 0.26% copper and 1.85 g/t Pt+Pd+Au over 7.8 metres from 381.0 to 388.8, including

1.69% nickel, 0.33% copper and 2.71 g/t Pt+Pd+Au over 5.0 metres, and

10 g/t Au over 1 metre from 381.0 to 382.0 metres

A wide zone of weakly mineralized melanorite was intersected in the immediate hanging wall to the high-grade zone and returned 0.13% nickel over 39.0 metres from 342.0 to 381.0m down hole.

Figure 5. Surface drill hole plan map of Spotty Hill.

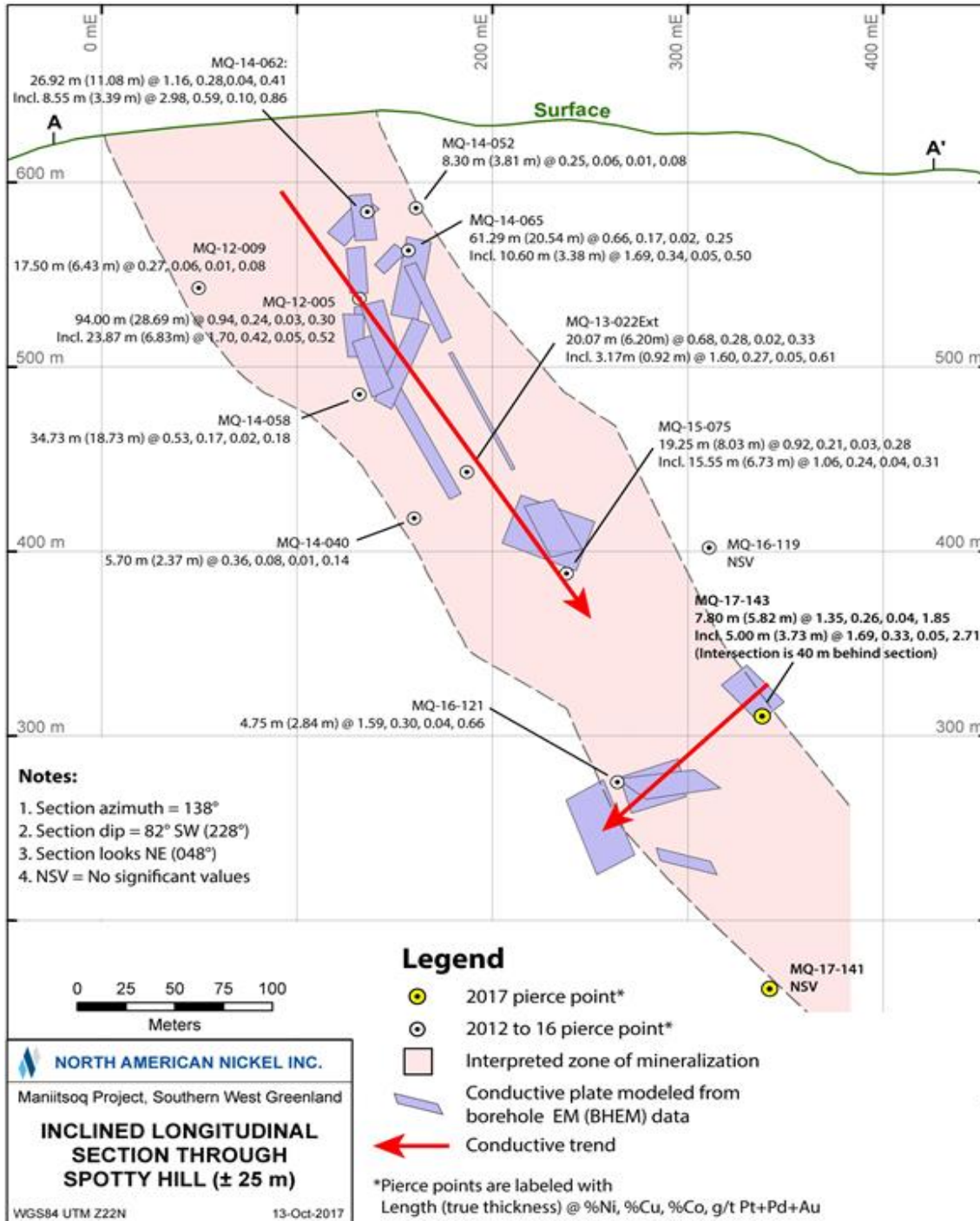


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Figure 6. Inclined longitudinal section through the Spotty Hill mineralized zone. The azimuth of the section is 138° and it looks N048° E and dips 82° SW.



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November 14, 2017: the Company received assays from three drill holes completed to test the P-013 SE target.

Six holes totalling 1,331 metres were completed at the centrally located P-013 SE target located 9 km south of the Fossilik area (Figures 7 and 8). The initial three holes were abandoned due to drilling problems. The drilling was carried out to test the down dip extent of high-grade nickel sulphide mineralization intersected in hole MQ-16-109 in 2016. The first drill hole, MQ-17-138, intersected a 53-metre interval of norite but did not contain significant mineralization. Based on BHEM results, this hole is interpreted to have been drilled off to the side of the zone. Two additional holes intersected nickel sulphide mineralization.

Hole MQ-17-140 was targeted using BHEM results from hole MQ-17-138. Norite-hosted disseminated, patchy and remobilized breccia sulphide was intersected 65 metres down dip of the high-grade sulphides in MQ-16-109. The new assays for intersections in MQ-17-140 included:

- 0.65% nickel, 0.47% copper and 0.38 g/t Pt+Pd+Au over 20.85 metres from 247.35 to 268.20 metres including:
 - 0.75% nickel, 0.64% copper and 0.52 g/t Pt+Pd+Au over 14.25 metres and
 - 1.65% nickel, 0.12% copper and 0.19 g/t Pt+Pd+Au over 1.20 metres

Hole MQ-17-142 was a down dip step out and intersected the interpreted extension of the sulphide zone 75 metres down dip of MQ-17-140. Results included:

- 5.7 metres of norite-hosted disseminated, blebby and fracture-controlled sulphides grading 0.50% nickel, 0.51% Cu and 0.79 g/t Pt+Pd+Au from 298.00 to 303.70 metres and
- 0.59 metres of breccia sulphide grading 0.59% nickel, 0.72% copper and 0.30 g/t Pt+Pd+Au from 316.91 to 317.50 metres.

Borehole electromagnetic surveys confirmed the presence of high conductance anomalies between holes MQ-16-109 and MQ-17-140 and detected a moderate conductance off-hole anomaly located between holes MQ-17-140 and MQ-17-142 indicating continuity of the zone between the holes.

The P-013 SE zone has been intersected over a dip extent of 140 metres and is open down dip and along strike. Similar to other Maniitsoq sulphides zones, the P-013 SE zone is comprised both high grade remobilized sulphides with strong BHEM responses and disseminated to blebby sulphide with little or no BHEM response. This new zone is located approximately 225 metres southeast of the P-013 centre area which contains a steeply northwest dipping sulphide zone defined over a dip extent of 100 metres in previous drilling. The P-013 area represents a third location within the Greenland Norite Belt where multiple zones of mineralization have now been identified.

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Figure 7: Plan map of the P-013 area showing locations of diamond drill holes, interpreted VTEM conductors and selected assay composites. 2017 drill hole collars are colored in yellow.

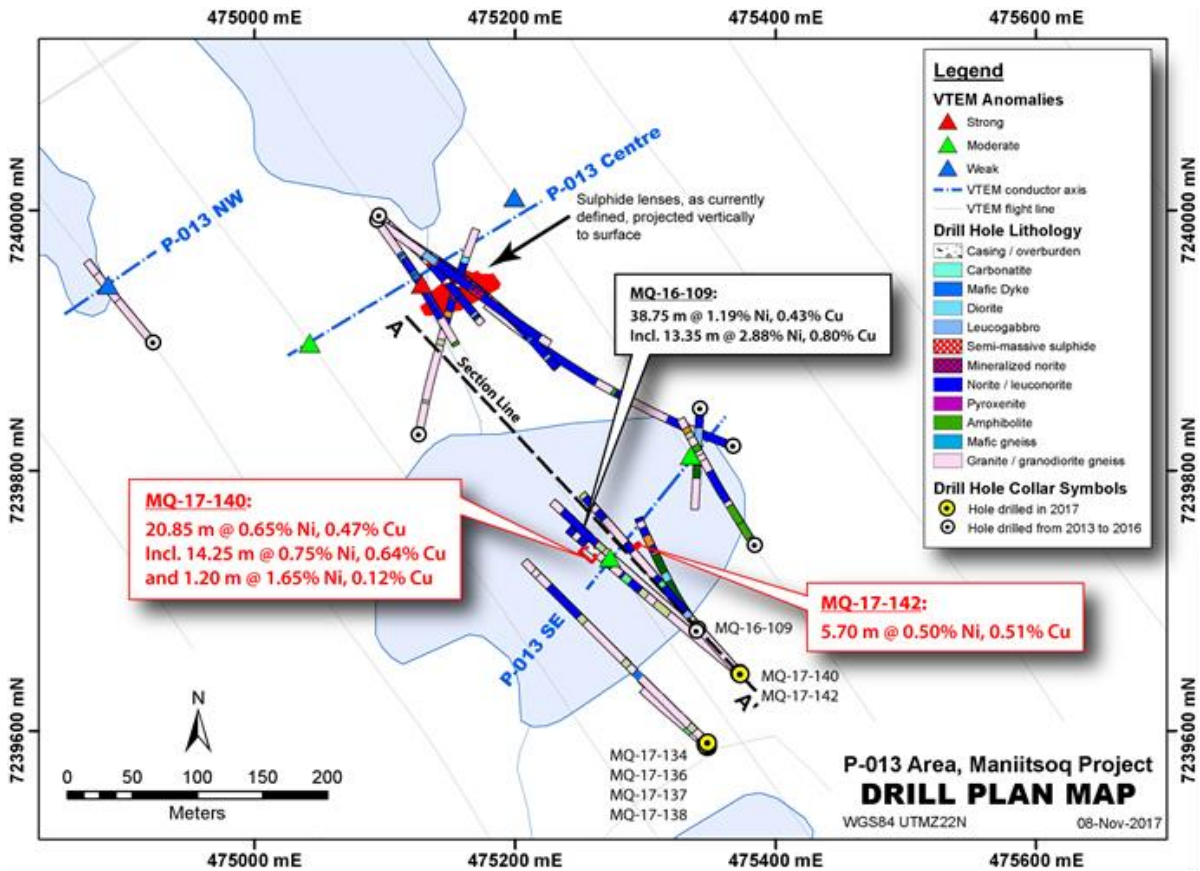
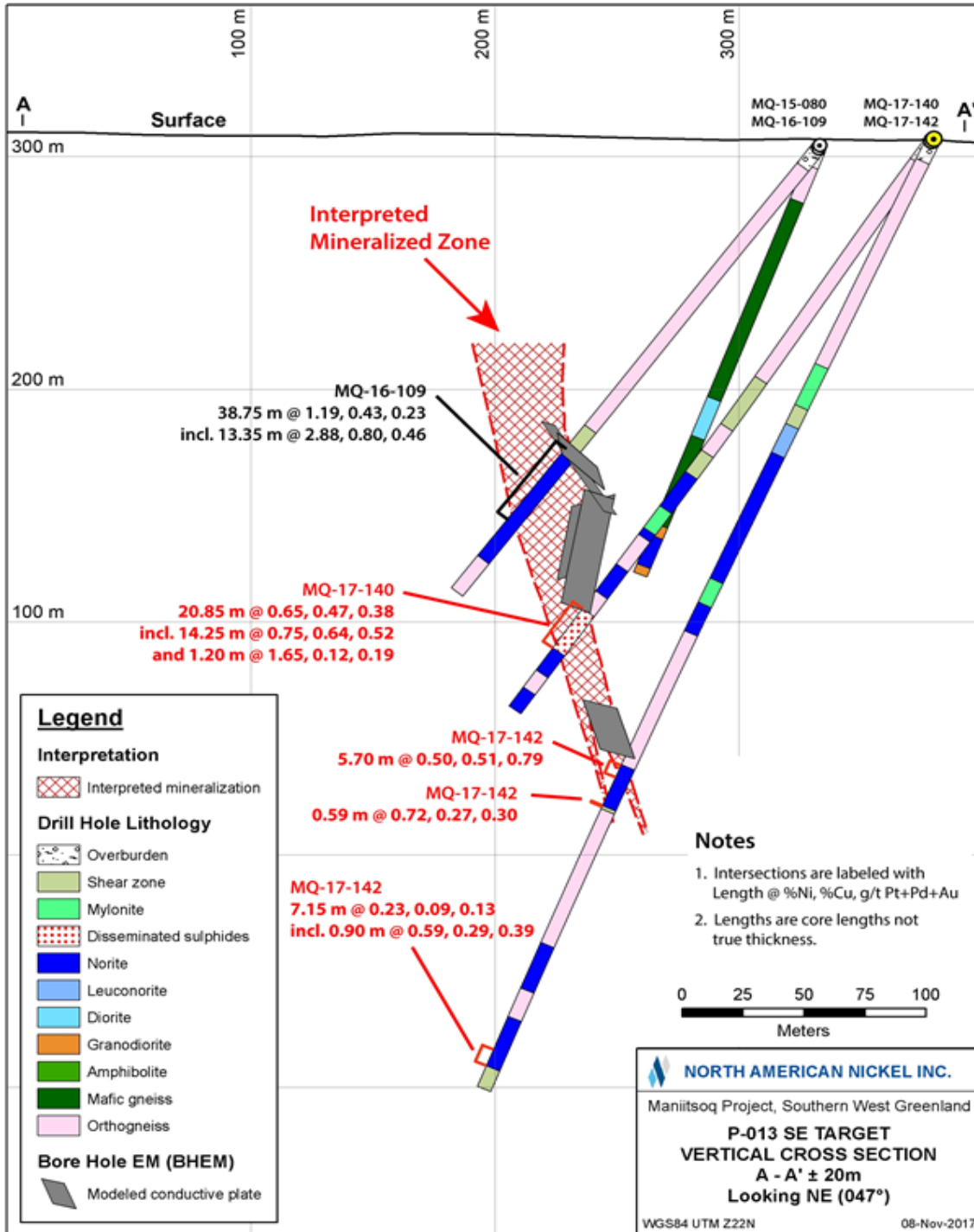


Figure 8: Vertical cross section through the P-013 SE mineralized zone. The azimuth of the section is 137° and it looks N047°E.



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November 23, 2017: the Company reported assays results from drill holes testing the P-058 sulphide zone that occurs near the southwest end of the Fossilik intrusion within a northeast striking and steeply northwest dipping zone consisting of mineralized norite, orthogneiss and parallel to sub-parallel mylonite zones. The goal of the 2017 drilling was to test for continuity and potential expansion of the P-058 mineralization at depth as a means of vectoring to the ultimate source of the remobilized sulphides.

Six holes totalling 2,621 metres were completed at the P-058 target. Four holes totalling 2,384 metres were completed to target depth whereas two additional holes were abandoned and did not reach target depth. Drill collar information and a summary of assays are provided in Tables 1 and 2 respectively. A drill plan map is provided in Figure 9 and an inclined longitudinal section is shown in Figure 10.

Hole MQ-17-146 intersected the extension of the P-058 zone comprised of high-grade massive nickel sulphide veins with high nickel tenors of 5.5 to 8% and elevated copper and cobalt values. The mineralization is hosted in orthogneiss country rocks, extends to 650 metres below surface based on BHEM results and is open down-dip and plunge. Assay results include:

- Footwall zone: 2.51% nickel, 0.15% copper and 0.08 cobalt over 1.90 metres from 408.30 to 410.20 metres downhole including:
 - 4.70% nickel, 0.40% copper and 0.18% cobalt over 0.60 metres and
 - 4.73% nickel, 0.07% copper and 0.12% cobalt over 0.40m
- Main zone: 2.53% nickel, 1.26% copper and 0.07% cobalt over 10.70 metres from 451.50 to 462.20 metres downhole including: (see Figure 9)
 - 4.97% nickel, 2.30% copper and 0.13% cobalt over 3.50 metres and
 - 3.35% nickel, 1.31% copper and 0.10% cobalt over 2.20 metres

The P-058 norite intrusion appears to be either widening or merging with a larger norite body at depth to the NNE in the direction of the Fossilik intrusion. This larger volume of norite represents a potential source for the P-058 mineralization.

Figure 9. Drill plan for P-058 and the Fossilik area.

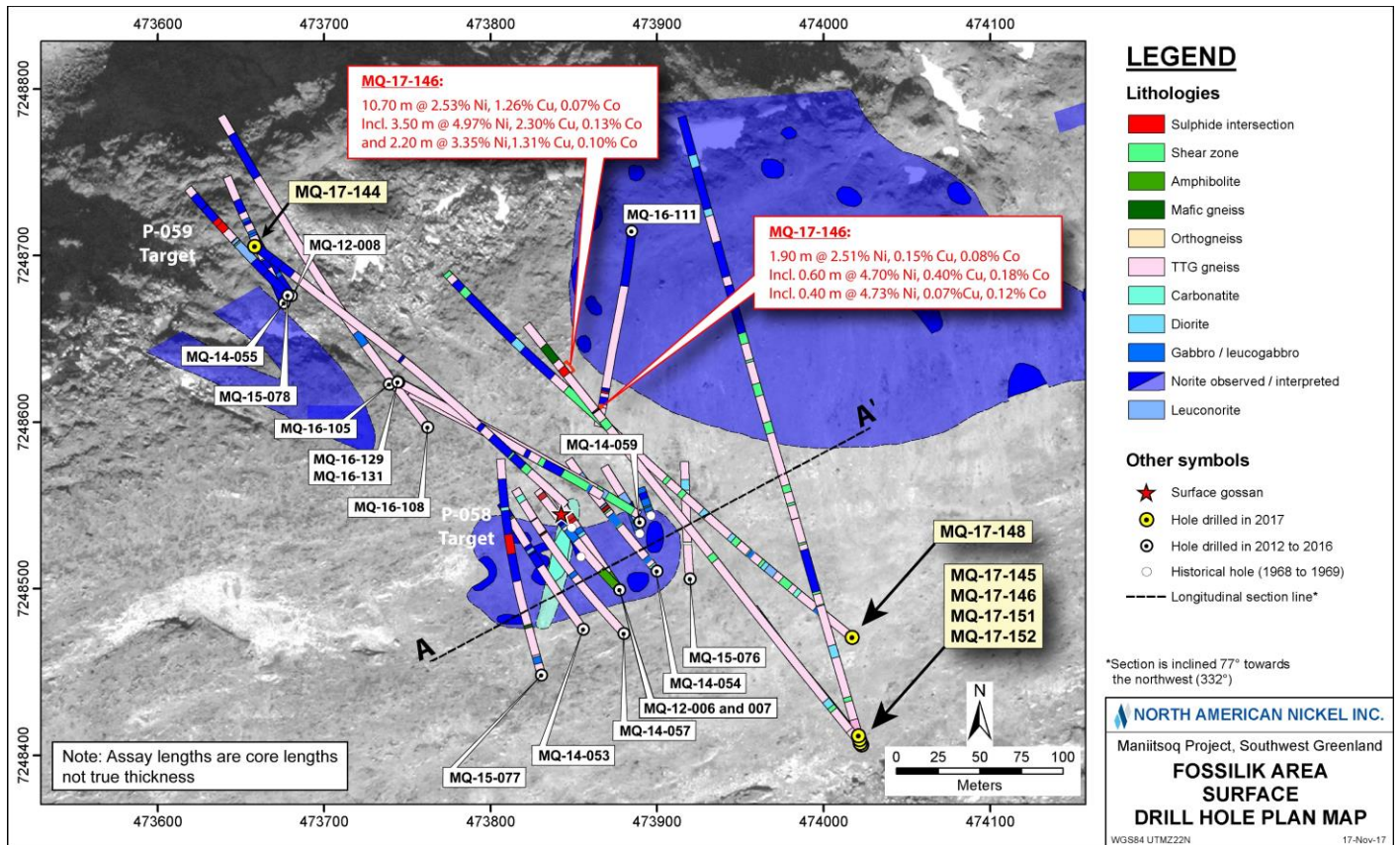
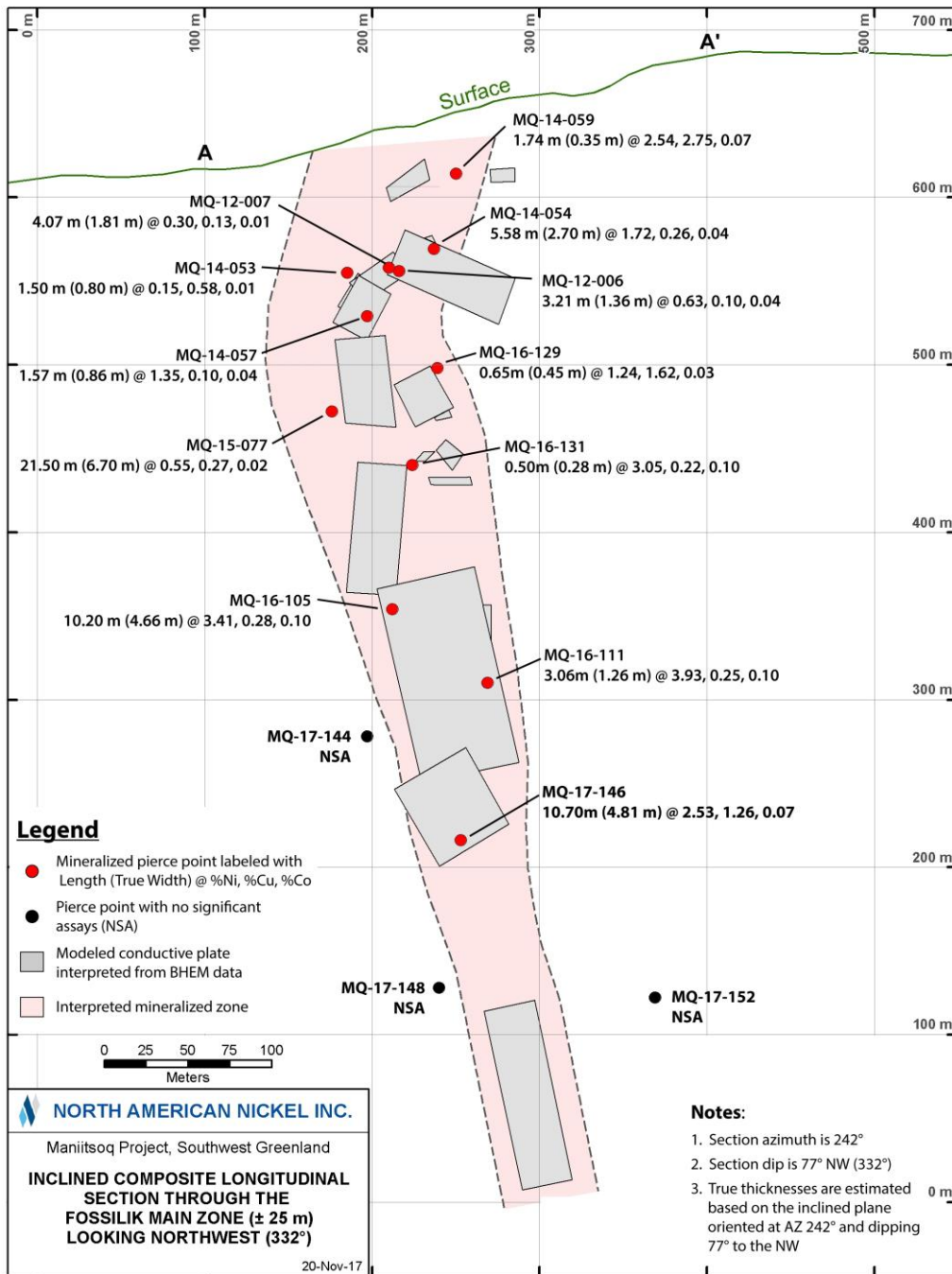


Figure 10. Inclined longitudinal section for target P-058, Fossilik area.



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December 18, 2017: the Company received assays results from seven drill holes and one drill hole extension completed to test targets at Fossilik and the Imiak Hill Complex (IHC). Hole MQ-17-153 intersected multiple zones with elevated nickel values at the P-004 target area within the large Fossilik intrusion.

MQ-17-153:

15.10m @ 0.51% Ni, 0.13% Cu, 0.02% Co and 0.13 g/t Pt+Pd+Au including

- 8.00m @ 0.76% Ni, 0.18% Cu, 0.03% Co and 0.17 g/t Pt+Pd+Au

A program of surface plugger sampling east of the Fossilik intrusion documented strongly elevated values for nickel, copper, cobalt and Pt+Pd+Au at several new locations including at the large G-025 norite intrusion. Values include:

- 2.04% Ni, 0.51% Cu, 0.12% Co and 0.30 g/t Pt+Pd+Au

Based on field mapping, prospecting and re-examination of exploration results melanorites have been identified as an important host to high nickel tenor disseminated sulphide mineralization at Fossilik and the IHC. The larger melanorite bodies have the capacity to host thicker zones of breccia and semi-massive sulphides, potentially in the keels of the intrusions.

SYNTHESIS OF 2017 DRILLING RESULTS

During the 2017 exploration program, 23 drill holes totalling 8,767 metres were completed to test mineralized zones and geophysical targets in the IHC, Fossilik and P-013 SE areas within the Greenland Norite Belt. Results for 2017 are summarized for seven holes totalling 2,679 metres and for the extension of hole MQ-17-135 at Mikissoq and the 2017 surface sampling program and highlights from this program. A summary of analyses is given in Table 1.

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.

TABLE 1: Selected 2017 Assay Results from Mikissoq, Spotty Hill, P-058, P-004 and P-013 SE.

Hole Number		From (m)	To (m)	Core Length (m)	Ni %	Cu %	Co %	S %	Pt g/t	Pd g/t	Au g/t	*Ni Eq %
IHC: Mikissoq												
MQ-17-135		359.85	435.60	75.75	1.10	0.43	0.03	4.02	0.03	0.02	0.07	1.54
	incl.	359.85	370.10	10.25	2.29	1.33	0.05	8.83	0.03	0.03	0.21	3.43
	and	416.35	435.60	19.25	1.89	0.26	0.04	6.70	0.03	0.02	0.02	2.32
	incl.	417.00	423.00	6.00	2.94	0.29	0.07	10.72	0.02	0.02	0.01	3.55
	and	425.90	426.20	0.30	9.55	0.80	0.24	28.98	0.31	0.19	0.11	11.57
IHC: Spotty Hill												
MQ-17-143		381.00	388.80	7.80	1.35	0.26	0.04	5.42	0.25	0.28	1.32	2.30
	incl.	381.00	386.00	5.00	1.69	0.33	0.05	6.89	0.33	0.34	2.04	3.02
	incl.	381.00	382.00	1.00	1.62	0.93	0.04	6.15	0.34	0.37	10.00	5.94
Fossilik: P-058												
MQ-17-146		408.30	410.20	1.90	2.51	0.15	0.08	14.94	0.00	0.02	0.01	3.10
	incl.	408.30	408.90	0.60	4.70	0.40	0.18	30.89	BD	0.03	0.03	5.99
	and	409.80	410.20	0.40	4.73	0.07	0.12	23.67	0.01	0.04	0.01	5.51
		451.50	462.20	10.70	2.53	1.26	0.07	14.63	0.06	0.02	0.03	3.70
	incl.	452.50	456.00	3.50	4.97	2.30	0.13	28.26	0.09	0.04	0.07	7.10
	and	458.00	460.20	2.20	3.35	1.31	0.10	19.16	0.13	0.02	0.01	4.74
Fossilik: P-004												
MQ-17-153		201.60	216.70	15.10	0.51	0.13	0.02	2.05	0.06	0.01	0.06	0.74
	incl.	208.00	216.00	8.00	0.76	0.18	0.03	3.18	0.08	0.02	0.07	1.07
P-013 SE												
MQ-17-140		247.35	268.20	20.85	0.65	0.47	0.02	2.77	0.11	0.05	0.22	1.13
	incl.	247.35	261.60	14.25	0.75	0.64	0.02	3.35	0.15	0.07	0.30	1.39
	and	267.00	268.20	1.20	1.65	0.12	0.04	5.61	0.05	0.09	0.05	2.00
MQ-17-142		298.00	303.70	5.70	0.50	0.51	0.02	2.48	0.07	0.06	0.66	1.13

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Outlook – Exploration and Development for 2018

The Company completed their 2017 exploration program in late September. This program was an \$11.1 million exploration program consisting of 8,767 metres of drilling in 23 holes, two regional and four detailed induced polarisation (IP) surveys covering 13km², surface and borehole electromagnetic (EM) surveys, borehole gyro, optical tele-viewer and physical properties surveys, a comprehensive review of geochemistry and petrology of the noritic intrusions, a surface geology sampling and mapping program, and 3D modeling of the mineral zones. The program focussed on step-out drilling at the Imiak Hill Complex, Fossilik, P-013 SE, P-004 and P-058.

Exploration work in 2018 is focussed on targeting the melanorite portions of prioritized intrusions at Fossilik, the Imiak Hill Complex, P-030, P-032, P-008 and Pingo which are believed to have the best potential to host economic accumulations of Ni-Cu-Co-PM sulphides.

The 2018 work program has focussed on the advancement of the Maniitsoq project via:

- 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

Maniitsoq Mineralization and Future Plans

Systematic analysis of geochemical data indicates that melanorites (> 12.5 wt MgO) are an important host to disseminated sulphide mineralization at both Fossilik and the IHC and this rock type also hosts thick zones of breccia and semi-massive sulphides. The known mineral lenses at P-004, P-058, and Sotty 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.

The Maniitsoq nickel sulphide mineralization consistently displays very high nickel tenors (percent nickel re-calculated to 100% sulphides), typically ranging from 5 to 10.5 wt % making near surface disseminated sulphide zones viable exploration targets in this environment.

New Mineral Licenses

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 (Nb, Ta, and rare earth elements) in areas outside of the focus areas of historic drilling.

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 Kryolitselskabet Øresund (“KO”), Greenland Gold Resources and Northern Shield Resources. This work indicated that the proposed license has potential to host economic nickel-copper sulfide and platinum group element (PGE) deposits. The Company intends to compile the results of previous exploration on the license. In the upcoming field season it plans to conduct targeted geological mapping, prospecting, sampling and surface geophysical surveys (electromagnetic and/or induced polarization). NAN will use the data generated by this work to identify targets for drilling.

Application has been made to the Mineral Licensing and Safety Authority (MLSA) of the Greenland government to enlarge the Ikertoq project. The enlargement application was signed by the Minister on August 27, 2018.

Exploration and Development Activities during FY 2018

The Company has identified a small but important intrusion comprising melanorite at the P-008 target south of Fossilik (Figure 11). Two holes (MQ-18-162, MQ-18-163) were drilled to test the surface EM target and both intersected significant

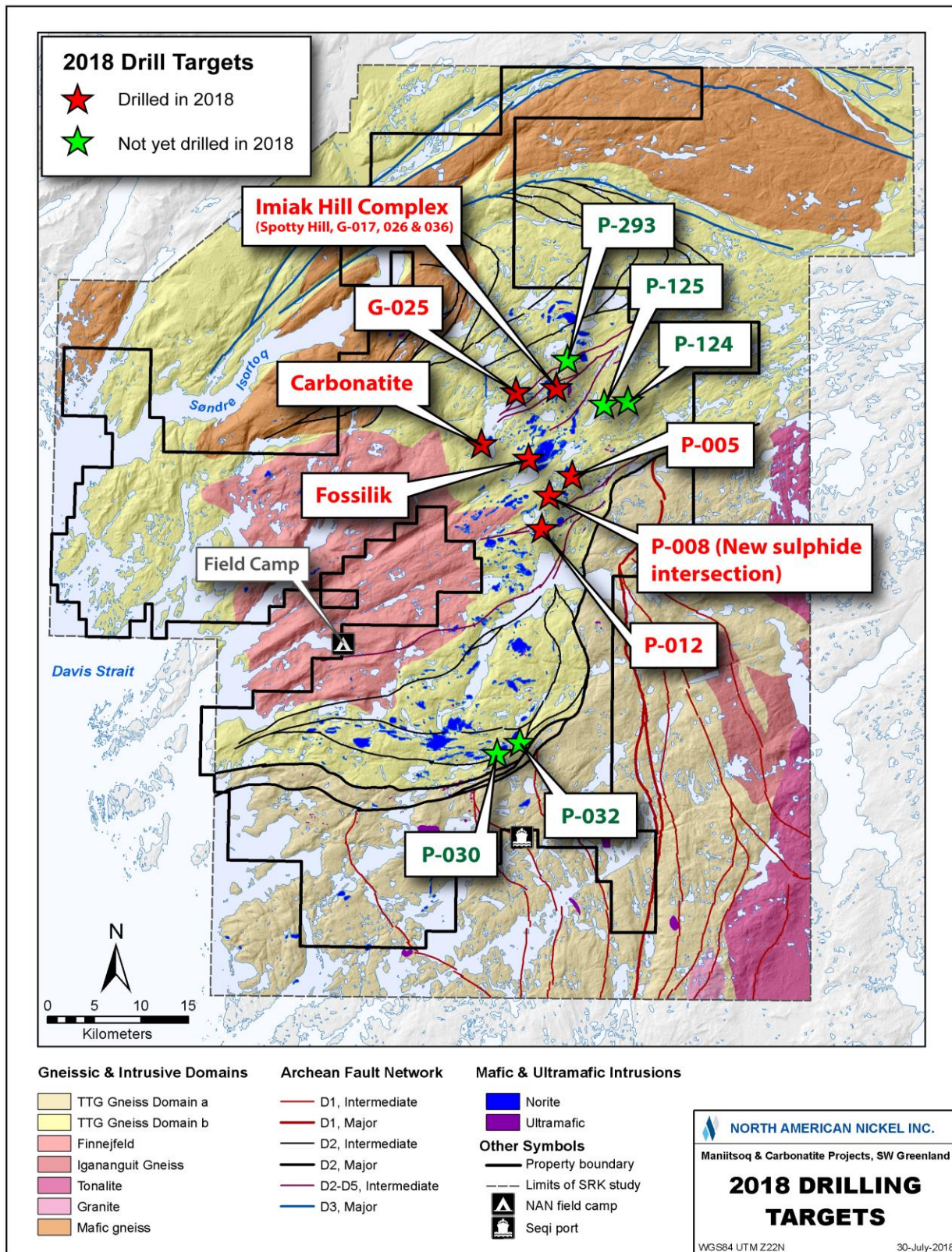
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2018



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 will be tested with drill holes this season. Assays are pending on core from completed boreholes at P-008. Figure 11 summarizes 2018 drill targets and drill holes including the location of P-008 and the new mineralized zone.

Figure 11: Location of 2018 drill targets.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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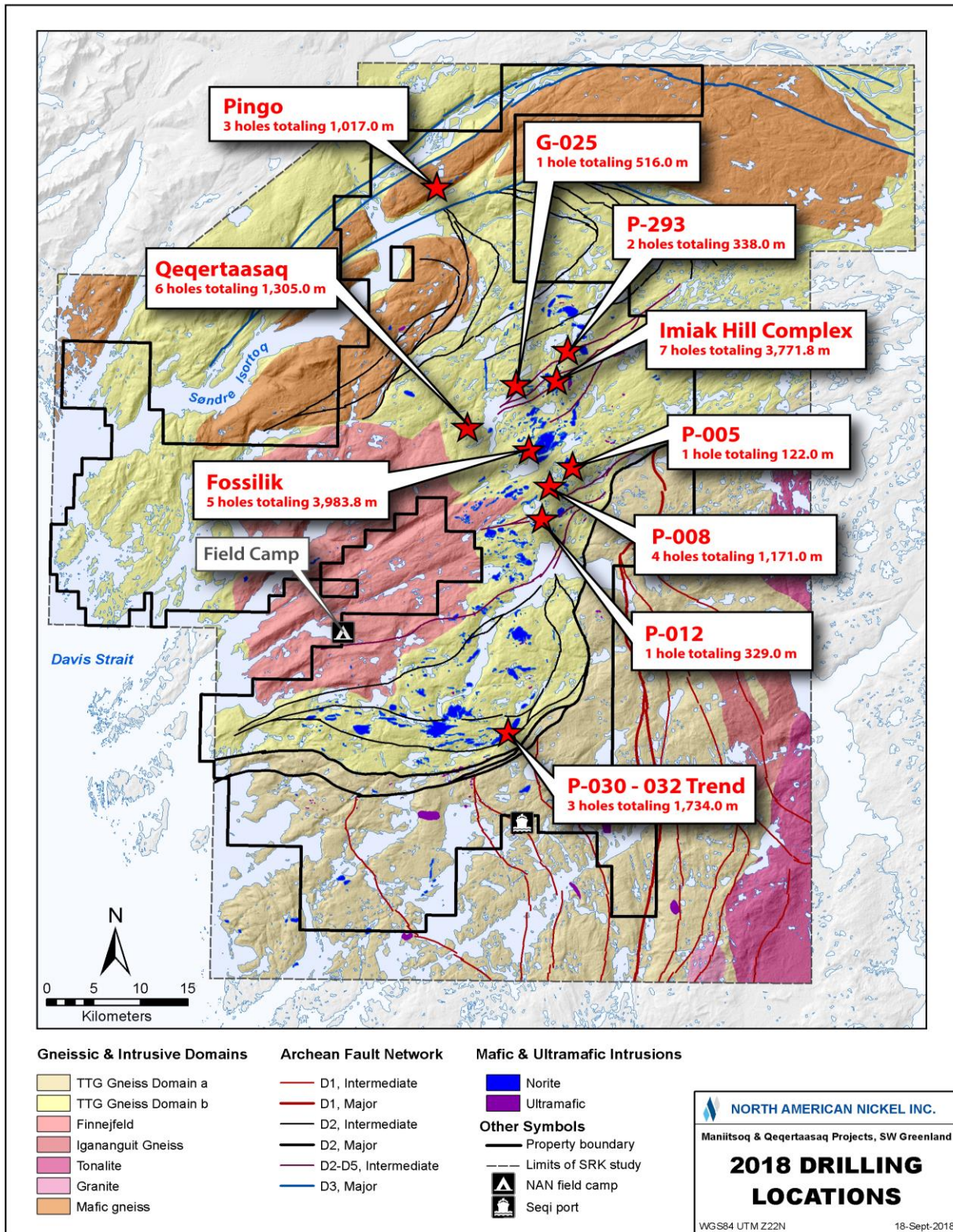
September 10, 2018: Compilation work and re-interpretation of historic data for the 15 km² Qeqertassaq Carbonatite Complex, part of the Greenland Norite Belt, was commenced. The purpose was to identify norite-hosted nickel sulphide targets and focus exploration on the potential for rare and strategic metals. New ground EM surveys were undertaken over historic 1995 Geotem airborne surveys. 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.

Based on compilation of historic exploration data, a surface rock sampling and drilling program was initiated to assess the strategic metal potential for pyrochlore-hosted tantalum (Ta) and niobium (Nb). A total of 284 rock samples were collected from a zone of elevated Ta and Nb 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. Assay results are pending.

September 19, 2018: the Company announced the completion of its 2018 exploration program including 14,288 m of drilling. Drill holes targeted the roots of large intrusions with thick intervals of melanorite, a norite with unusually high magnesium oxide (MgO) concentrations. Melanorite is the host for the majority of the highest-grade nickel mineralization comprising heavily disseminated, net-textured, breccia and massive sulphide mineralization.

Both geological and optimized deep-penetrating surface electromagnetic methods including borehole EM surveys were used 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 12). 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 12: Location of 2018 drilling.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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2018



During 2018, the Company will continue its development of the following infrastructure:

Hydroelectric Power Development - North American Nickel's application to the MLSA for a prospecting license for a watershed adjacent to the Maniitsoq project was submitted to the Greenland government on September 16, 2016. The application requested approval for the Company to begin the collation of available hydrologic, cultural, social and environmental data to assist in the design of future data gathering on the ground. On March 29, 2017, the Company was granted a watershed prospecting license. It provides the exclusive right to assess and develop potential hydropower resources for the production of electricity. The license is in force for two years with the option to extend it for an additional three years. An exploitation license can be awarded following a successful assessment of the watershed. A map of watershed 0.6H in relation to the Maniitsoq property boundary and priority nickel sulphide mineralized zones is provided in Figure 1. An application to renew the watershed prospecting licence for a further two years was submitted to the Greenland government on July 24, 2018. The response is pending.

A contract was signed with Efla Consulting Engineers (Iceland) on May 5, 2017 to undertake an assessment of hydropower potential in watershed 0.6H. The first report from Efla was received September 18, 2017. In this pre-feasibility memo and two high priority sites (02.a at 100 GWh/annum and 02.d at 120 GWh/annum) have been defined for further study.

On March 1, 2018, the Company announced that it has received the final Hydropower Feasibility Assessment Study within watershed 06.H from EFLA. Hydropower is the preferred method for the environmentally-sensitive generation of electricity for the operation of any new mining venture including mine, mill, camp site and harbor facility in Greenland.

The feasibility report was prepared by EFLA Consulting Engineers and includes technical, environmental and socio-economic studies and the documentation of physical and economical aspects of hydropower development. The report examined local topography and provides an assessment of the development's viability, identified key areas of risk and suggests mitigation actions, to determine the economic viability of hydropower development at watershed 0.6H. EFLA was retained based on its extensive knowledge of hydropower feasibility assessments, hydropower development work and applied knowledge in the field. EFLA has extensive skill sets in design and consultancy of transmission lines, roads and bridges, as well as of other infrastructural disciplines in arctic conditions that are or may be relevant.

The feasibility analysis of hydropower within watershed 06.H identifies two subordinate watersheds 7038-001 F03 and 7038-001 F04 (Figure 2) 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 are close to priority nickel sulphide mineralized zones and the Seqi Port.

Ongoing assessment of the watershed is proceeding with waterflow measurements from the two most prospective reservoirs in the watershed as defined in the EFLA report. The initial field work and measurements were undertaken on August 14, 2018 by Asiaq, the hydrologic arm of the Greenland government. A report based on this field work was received on August 28, 2018 with recommendations for ongoing detailed waterflow measurements and assessment of water volume in the reservoir and seismic surveys to characterize thickness of sediment cover and the nature of underlying bedrock. A detailed proposal requesting the nature of ongoing studies, budget and timelines has been forwarded to Asiaq. The response is pending.

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. The location of the tailings facility and the process to assess a suitable site for tailings disposal/storage must be undertaken subsequent to the delineation of a mineable nickel deposit thereby avoiding long distance transport of tailings. The development of a tailings facility is considered to be a component of an Environmental Impact Assessment. The process includes the determination of the scope of disposal (underground or surface), the selection of several potential tailings sites and the review of these sites for their suitability in terms of environmental impact. Review is done by external advisors to the Greenland government and may include environmental consultants or experts from Aarhus University (Denmark). Subsequent to public consultation a white paper is produced which will identify any issues that need addressing by the Company. Following this is an abandonment plan to produce the best possible environmental solution.

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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).

Corporate Social Responsibility for Greenland - The Company completed presentations in August 2017 to communities bordering the Maniitsoq project, including Nuuk, Napasoq, Atammik, Maniitsoq and Sisimiut. The presentations were made in English but translated into both Greenlandic and Danish with the help of an interpreter. Regional associations (Arctic Business Councils and the Fishers and Hunters Association (KNAPF)) were updated with regards to the Company's exploration progress and upcoming plans for 2018. A compilation of the minutes from the community engagements and a copy of the powerpoint presentation were given to the Qeqqata Municipality. A helicopter-supported tour of the Maniitsoq exploration camp, active drill sites and geophysical crews in the field was given to the Prime Minister and Deputy Premier of Greenland and several Civil Service dignitaries.

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 has renewed its support for the annual Greenland mineral hunt with a donation of \$2.

Canada Nickel Projects - Sudbury, Ontario

Post Creek Property

On December 23, 2009, the Company executed a letter of intent whereby the Company had an option to acquire the mineral claim known as the Post Creek Property located within the Sudbury Mining District of Ontario. On April 5, 2010, the Company entered into an option agreement to acquire rights to Post Creek Property. On March 12, 2013, the Post Creek Property Option Agreement was amended, in order to acquire 100% working interests in the property, subject to certain net smelter return royalties ("NSR") and advance royalty payments the Company agreed to the following amended consideration, which was met, cash payments totalling \$138 and the issuance of 1,000,000 common shares. The Company exercised its option on Post Creek and as of August 1, 2015, the Company is obligated to pay advances on the NSR of \$10 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 Whistle Offset Dyke trend. 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 related to Offset Dykes and Sudbury Breccia associated with Footwall deposits.

Exploration History - 2011 to 2016

(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.

The Company carried out exploration programs comprising ground geophysics (magnetics and electromagnetics), diamond drilling (1,533 metres in 7 drillholes), borehole electromagnetic surveys, georeferencing of selected claim posts,

MANAGEMENT'S DISCUSSION AND ANALYSIS

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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.

Year ended December 31, 2016

Work completed on the property during 2016 consisted of geological traverses, prospecting, sampling and trenching carried out in May and June. Selected assay, whole rock and thin section samples were collected for analysis and study. Results have been received and are being compiled.

A final report on an NSERC project completed on the Post Creek Property was received in March 2016 and confirmed the identification of Quartz Diorite ("Post Creek Quartz Diorite" or "CJ Quartz Diorite") in surface trenches. The authors were unable to verify if the exposed Quartz Diorite represented an extension of the Whistle Offset Dyke or a separate new Offset Dyke, but favored the latter. Regardless, the confirmation of Quartz Diorite has significant implications for the exploration potential of the property.

In October 2016, three trenches exposed earlier in 2016 were mapped in detail and identified abundant Sudbury Breccia, locally containing disseminated sulphides. The Sudbury Breccia exposed in the trenches and nearby outcrops are interpreted to be part of a larger Sudbury Breccia belt which is at least 300 metres by 300 metres in size. The breccia belt lies approximately along the projected trend of the Whistle Offset Dyke located on KGHM property to the southwest.

In November 2016, a georeferencing program was completed involving the acquisition of DGPS coordinates for claim posts for selected claims. This work will potentially qualify for assessment work credits and was filed with the government in June 2017.

Outlook – Exploration and Development for 2018

The Company plans to file assessment work carried out in 2016. In 2017, the Company initiated support for a two-year MITAC project whereby an MSc student will be carrying out field and laboratory study aimed at understanding the mineral resource potential of the Post Creek Property. The Company's support for this project includes internship payments of \$7.5 per annum for two years and access to company exploration data. The Company plans to review and synthesize all newly obtained data to formulate a work plan aimed at defining the overall extents footwall breccia zones and quartz diorite dykes and identifying geological and/or geophysical drill targets.

Ongoing work continues to improve the geological understanding and provide focus for exploration on the Post Creek Property at the NE margin of the Sudbury Basin. The property lies along the extension of the Whistle Offset dyke structure. Surface mapping and petrology has identified pods of quartz diorite and extensive domains of Sudbury Breccia along strike from the Whistle Offset. Geologic mapping, geochemistry and petrologic studies are ongoing as part of a M.Sc. thesis project being undertaken at the University of Western Ontario (London).

A drill program planned for November 2018 is in preparation and will assess magnetic and electromagnetic anomalies defined on the property, provide a geologic section through a possible extension of a quartz diorite body surrounded by brecciated country rocks, and to provide a platform for downhole geophysics.

Corporate Social Responsibility

The Company made a presentation in May 2018 to the Wahnapiatae First Nation (WFN) at Capreol (Ontario) with the purpose of establishing a good working relationship with the First Nation. A donation of \$2 was made to the WFN in support of their 2018 Pow Wow celebrations. North American Nickel employees will be unavailable to attend the Pow Wow as they will be in Greenland. A one-page handout has been put together and forwarded to the WFN for display.

Prior to undertaking a planned drill program on the property in November a proposal will be prepared and forwarded to the Wahnapiatae First Nation for the monitoring of possible environmental sensitivities and issues relating to hunting and other cultural activities being undertaken by the Community. An environmental monitor will be employed as necessary to review

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drill collar sites and drill roads to the sites and to review the state of the drill sites subsequent to drilling. Prospecting on the property is ongoing with the assistance of casual labour hired from the WFN community.

Halcyon Property

On April 5, 2010, the Company entered into an option agreement to acquire rights to Halcyon Property. On March 12, 2013, the Halcyon Property Option Agreement was amended. To acquire up to a 100% working interest in the property, subject to certain net smelter return royalties ("NSR") and advance royalty payments the Company agreed to the following amended consideration, which was met, cash payments totalling \$120 and the issuance of 700,000 common shares. Further, commencing on the amended date of August 1, 2015, if the Company exercises its option, the Company will be obligated to pay advances on the NSR of \$8 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.

Exploration History 2011 to 2016

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 drillhole), 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 new occurrences of both Quartz Diorite and Sudbury Breccia have been identified.

Year ended December 31, 2016

Work completed on the property during the year ending September 30, 2017 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. Selected assay, whole rock and thin section samples were collected for analysis and study. Results have been received and are being compiled.

In November 2016, a georeferencing program was completed involving the acquisition of DGPS coordinates for claim posts for selected claims. This work will potentially qualify for assessment work credits and was filed with the government in June 2017.

Outlook – Exploration and Development for 2018

Further work of the Halcyon Property will be rationalized with work programs on the adjacent Post Creek Property.

Quetico Property

During the nine months period ended September 30, 2018, the Company acquired 757 claims known as Quetico located within the Sudbury Mining District of Ontario. The Company incurred total acquisition and exploration related costs of \$61.

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For the Three and Nine Months Ended September 30, 2018



US Nickel Project - Michigan

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 require an annual rental fee at a rate of US \$3.00 per acre for years 1-5 and at a rate of US \$6.00 per acre for years 6-10. The Company shall pay a minimum royalty at a rate of US \$10.00 per acre for the 11th year onwards, with an increase of an additional US \$5.00 per acre per year up to a maximum of US \$55.00 per acre per year. A production royalty of between 2% - 2.5% is payable from production of minerals and/or mineral products from an established mining operation area. To date, the Company paid the rental fees for two years (2016 and 2017), plus the required reclamation deposit of US \$10,000. The Department of Natural Resources shall annually review the level of the reclamation deposit and shall require the amount to be increased or decreased to reflect changes in the cost of future reclamation of the leased premises.

There was no exploration work performed during the year ended December 31, 2017.

Outlook – Exploration & Development for 2018

A surface time-domain Electromagnetic survey planned for 2017 is deferred until 2018 and will be contingent on the submission and approval of work permits.

Project Pipeline

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 cratonic 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. The development of a Moroccan-based subsidiary company is proceeding and will provide an opportunity to assess nickel sulphide environments in that region.

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 Q3 2018, the Company had working capital of \$3,902 (Q3 2017 - \$4,349) and reported accumulated deficit of \$28,529 (FY 2017 - \$26,550). The Company will require additional funds to continue its planned operations and meet its obligations.

As at September 30, 2018, the Company had \$5,372 in available cash, cash equivalents and short-term investments (December 31, 2017— \$2,898). 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.

During YTD 2018, the Company closed a non-brokered private placement of 233,333,333 units at a price of \$0.075 cents per unit for gross proceeds of \$17,500.

Selected Financial Information

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

<i>In thousands of CDN dollars, except per share amounts</i>	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Net loss	645	600	2,208	2,226
Basic and diluted loss per share	0.00	0.00	0.00	0.01
Share capital	88,543	74,266	88,543	74,266
Common shares issued	787,928,500	554,595,167	787,928,500	554,595,167
Weighted average shares outstanding	787,928,500	534,103,943	694,766,107	436,049,679
Total assets	69,391	55,057	69,391	55,057
Investment in exploration and evaluation assets	8,555	7,374	12,772	10,626

Results of Operations

Net loss in Q3 2018 totalled \$645 and was higher by \$45 compared to a loss of \$600 in Q3 2017. The higher loss in Q3 2018 was mainly driven by property investigation costs of \$28 in Q3 2018 compared to \$nil in Q3 2017 and higher foreign exchange loss in Q3 2018 of \$124 compared to \$2 in Q3 2017. The higher costs in Q3 2018 were offset by lower administrative costs and higher interest income in Q3 2018.

Total Assets

Total assets as of September 30, 2018 increased by a net of \$15,694 from the end of FY 2017. The increase is mainly attributed to an increase to exploration and evaluation assets of \$13,314, an increase in cash and cash equivalents and short-term investments of \$2,474 offset by a decrease in receivables and other current assets of \$84 and decrease to property, plant and equipment of \$10.

Investment in Exploration and Evaluation Assets

Investment in exploration and evaluation assets relates primarily to the Greenland property. During YTD 2018, the Company spent a total of \$13,314 in additions to exploration and evaluation assets, of which \$13,181 related to Greenland and \$133 to other properties located in Canada and in USA.

Quarterly Results of Operations

<i>In thousands of CDN dollars, except per share amounts</i>	2018	2018	2018	2017
	3rd quarter	2nd quarter	1st quarter	4th quarter
Statement of Loss				
Interest income	31	21	-	12
Net loss	645	725	838	653
Net loss per share - basic and diluted	0.00	0.00	0.00	0.00
Statement of Financial Position				
Cash, cash equivalents and short-term investments	5,372	14,773	859	2,898
Total assets	69,391	71,078	52,444	53,697
Net assets	67,763	68,658	52,177	52,728
Share capital	88,543	88,793	73,598	73,598
Common shares issued	787,928,500	787,928,500	554,595,167	554,595,167
Weighted average shares outstanding	787,928,500	739,210,551	554,595,167	554,595,167

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In thousands of CDN dollars, except per share amounts

	2017 3 rd quarter	2017 2 nd quarter	2017 1 st quarter	2016 4 th quarter
Statement of Loss				
Interest income	11	4	5	7
Net loss	600	672	954	630
Net loss per share - basic and diluted	0.00	0.00	0.01	0.00
Statement of Financial Position				
Cash, cash equivalents and short-term investments	5,850	10,511	2,388	3,330
Total assets	55,057	52,593	41,358	41,882
Net assets	53,366	50,997	41,198	41,701
Share capital	74,266	71,727	62,906	62,315
Common shares issued	554,595,167	513,612,719	368,581,886	368,581,886
Weighted average shares outstanding	436,049,679	403,644,285	269,778,932	269,778,932

Three Months Ended September 30, 2018, and September 30, 2017

A net loss of \$645 in Q3 2018 compared to a net loss of \$600 in Q3 2017 resulted in a higher loss of \$45 quarter-over-quarter and was due to the following events:

- New properties investigation costs were \$28 in Q3 2018 compared to a \$nil amount in Q3 2017.
- Foreign exchange loss totaled \$124 in Q3 2018 and was higher by \$122 when compared to a loss of \$2 in Q3 2017. The higher foreign exchange loss was due to less favourable exchange rates, specifically DKK in relation to Canadian dollar than in the prior year.

The higher loss in Q3 2018 was offset by the following lower key expenditures in Q3 2018 compared to Q3 2017:

- Interest income was \$31 in Q3 2018 and was higher by \$20 compared to \$11 interest income in Q3 2017.
- Amortization expense of \$3 in Q3 2018 was \$11 lower compared to \$14 in Q3 2017.
- Other administrative and corporate costs in aggregate of \$74 further contributed to a reduction in the loss in Q3 2018 when compared to Q3 2017. Key lower expenditures in Q3 2018 were filing fees and investor relations related costs that were incurred in Q3 2017 due to financing transaction completed in the prior year's period.

Nine months Ended September 30, 2018, and September 30, 2017

The Company incurred a net loss of \$2,208 during YTD 2018 compared to a net loss of \$2,226 during YTD 2017 resulting in a decreased loss of \$18 (period-over-period). The lower loss in YTD 2018 was mainly driven by lower share-based payments amount in YTD 2018 of \$317 compared to \$451 in YTD 2017 resulting in \$134 decrease in period-over-period. The higher cost in YTD 2017 resulted from higher number of options issued in February 2017.

In addition, the following expenditures further contributed to a lower loss in YTD 2018:

- Interest income of \$52 in YTD 2018 was \$32 higher compared to YTD 2017 of \$20.
- Amortization of \$10 in YTD 2018 was \$32 lower compared to YTD 2017 of \$42.
- Administrative and corporate costs were \$1,702 in YTD 2018 compared to \$1,739 in YTD 2017 resulting in \$37 decrease period-over-period. Higher investor relations and other related corporate expenditures resulting from the financing transaction completed during Q3 2017 were the key higher costs in Q3 2017.

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The decreased loss in YTD 2018 was increased by the following higher expenditures in YTD 2018 compared to YTD 2017:

- New properties investigation costs were \$62 in YTD 2018 compared to a \$nil amount in YTD 2017.
- Foreign exchange loss in YTD 2018 of \$169 was \$155 higher compared to a loss of \$14 in YTD 2017.

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 April 19, 2018, the Company closed a non-brokered private placement of up to 233,333,333 units at a price of \$0.075 cents per unit for gross proceeds of \$17,500. Each unit consists of one common share and one-half of one common share purchase warrant of the Company. Each warrant will entitle the holder to acquire one common share of the Company at an exercise price \$0.12 per share for a period of 24 months from its date of issuance.

This financing transaction improved the liquidity and increased the capital resources of the Company and is expected to provide sufficient funding for the planned 2018 exploration program and drilling activities.

Working Capital

As at September 30, 2018, The Company had working capital of \$3,902 (September 30, 2017 - \$4,349), calculated as total current assets less total current liabilities. The decrease in working capital is mainly due to the use of cash for exploration program during YTD 2018.

Going Concern

As at September 30, 2018 the Company had accumulated losses totaling \$28,529. 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 per annum. During YTD 2018, the Company paid \$10 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 per annum. During YTD 2018, the Company paid \$8 which will be deducted from any payments to be made under the NSR.

The Company had no contingent liabilities as at September 30, 2018.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at September 30, 2018.

Transactions with Related Parties

The Company's related parties as defined by International Accounting Standard 24 "Related Party Disclosures" (IAS 24), include the Company's subsidiaries, executive and non-executive directors, senior officers and key management personnel. Transactions with related parties are measured at fair value, which is the amount of consideration established and agreed upon by the related parties. All related party transactions entered by the Company have been approved by the Board of Directors of the Company and/or shareholders of the Company as required.

Key management personnel are defined as directors and senior officers of the Company.

Transactions with related parties during Q3 2018 and Q3 2017 are listed below:

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

	September 30, 2018	December 31, 2017
Directors and officers of the Company	<u>1</u>	<u>42</u>
Total	<u><u>1</u></u>	<u><u>42</u></u>

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

(a) Related party transactions

During the nine months period ended September 30, 2018, the Company recorded \$203 (September 30, 2017 - \$231) in fees charged by a legal firm which retains the Chairman as a counsel.

During the nine months period ended September 30, 2018, Sentient Executive GP IV Limited ("Sentient") subscribed for 13,333,333 units under the placement for a total purchase price of \$1,000. Sentient now beneficially owns, or exercises control or direction over 369,809,820 common shares constituting approximately 46.93% of the currently issued and outstanding shares of the Company. As part of the subscription, Sentient was granted 6,666,666 common share purchase warrants exercisable at \$0.12 until April 19, 2020.

CATL subscribed for 200,000,000 units under the placement for a total purchase price of \$15,000. CATL now beneficially owns, or exercises control or direction over approximately 25.38% of the currently issued and outstanding shares of the Company. As part of the subscription, CATL was granted 100,000,000 common share purchase warrants exercisable at \$0.12 until April 19, 2020. 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.

(b) Compensation of Key Management Personnel

Nine months Ended September 30,

<i>In thousands of CDN dollars</i>	2018	2017
Geological consulting fees - expensed	78	10
Geological consulting fees – capitalized	18	140
Management fees – expensed	577	539
Salaries – expensed	127	88
Stock based compensation	192	331
	<u>992</u>	<u>1,108</u>

Financial Instruments

<i>In thousands of CDN dollars</i>	Fair Value at September 30, 2018	Basis of Measurement	Associated Risks
Cash and cash equivalents	372	Loans and receivables	Credit and foreign exchange
Short term investments	5,000	Loans and receivables	Credit
Receivable and other current assets	158	Loans and receivables	Credit, foreign exchange
Trade, payables and accrued liabilities	1,628	Amortized cost	Foreign exchange

Loans and receivables— Cash and cash equivalents, short-term deposits, 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

IFRS 16 "Leases"

IFRS 16 replaces current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on the balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low value assets, however this exemption can only be applied by lessees. The standard applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company is currently assessing the impact of this standard and does not expect that the application will have a significant impact on the financial statements.

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;

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2018



- 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
Common shares	787,928,500
Preferred shares	590,931
Stock options	25,945,500
Warrants	257,972,836
Fully diluted share capital	1,072,437,767

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

*For the Three and Nine Months Ended September 30,
2018*



- 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2018



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