NORTH AMERICAN NICKEL INC.

(formerly Widescope Resources Inc.)

Unaudited interim consolidated financial statements of
North American Nickel Inc. (formerly Widescope Resources Inc.) (the "Corporation")
for the period ended September 30, 2010.

NATIONAL INSTRUMENT 51-102 NOTICE

Attached are the unaudited interim consolidated financial statements of North American Nickel Inc. (formerly Widescope Resources Inc.) (the "Corporation") for the period ended September 30, 2010. The Corporation's auditor has not reviewed the attached financial statements.

NORTH AMERICAN NICKEL INC.

"signed"
Rick Mark
Director

November 24, 2010

NORTH AMERICAN NICKEL INC.
(formerly Widescope Resources Inc.)
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMBER 30, 2010
(Expressed in Canadian Dollars)

	September 30, 2010	December 31, 2009
ASSETS		
CURRENT		
Cash	$ 788,870	$ 16,515
Marketable securities (Note 3)	-	62,500
GST receivable	14,143	4,197
Prepaid expenses and deposits	823	-
	803,836	83,212
MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (Note 4)	605,767	101,000
	$ 1,409,603	$ 184,212
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	$ 49,636	$ 185,747
Due to related party (Note 6)	13,030	-
	62,666	185,747
NON-CONTROLLING INTEREST (Note 4)	-	53,249
SHAREHOLDERS' EQUITY		
SHARE CAPITAL - PREFERRED (Note 7)	604,724	604,724
SHARE CAPITAL - COMMON (Note 7)	14,705,609	13,044,609
CONTRIBUTED SURPLUS	200,844	53,344
DEFICIT	(14,164,240)	(13,781,986)
ACCUMULATED OTHER COMPREHENSIVE LOSS	-	24,525
	1,346,937	(54,784)
	$ 1,409,603	$ 184,212

Nature and Continuance of Operations (Note 1)

Approved by the Board:

Rick Mark

Edward D. Ford

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

NORTH AMERICAN NICKEL INC.
(formerly Widescope Resources Inc.)
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2010	2009	2010	2009
EXPENSES				
General and administrative	$ 200,626	$ 7,822	$ 388,003	$ 38,048
Mineral property and deferred exploration costs impairment (Note 4)	-	-	91,000	-
Loss before other item	(200,626)	(7,822)	(479,003)	(38,048)
Other item:				
Write-off of equipment (Note 5)	-	-	-	(716)
Income (loss) from operations	(200,626)	(7,822)	(479,003)	(38,764)
Non-controlling interest in loss			-	6,697
Sale of investment gain/(loss)	0	2,076	96,749	-
Net loss	(200,626)	(5,746)	(382,254)	(32,067)
Basic and diluted loss per share	$ (0.01)	$ (0.00)	$ (0.03)	$ (0.00)
Weighted average shares outstanding	32,746,730	10,883,452	14,788,836	10,883,452
COMPREHENSIVE LOSS				
Net Loss	(200,626)	(5,746)	(382,254)	(32,067)
Unrealized gain on marketable securities	-	50,000	-	25,000
COMPREHENSIVE LOSS	(200,626)	44,254	(382,254)	(7,067)

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

NORTH AMERICAN NICKEL INC.
(formerly Widescope Resources Inc.)
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF DEFICIT AND ACCUMULATED OTHER COMPREHENSIVE LOSS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Three Month Period Ending September 30,		Nine Month Period Ending September 30,	
	2010	2009	2010	2009
DEFICIT				
Deficit, beginning of period	$ (13,963,614)	$ (13,690,662)	$ (13,781,986)	$ (13,664,341)
Net loss	(200,626)	(5,746)	(382,254)	(32,067)
Deficit, end of period	$ (14,164,240)	$ (13,696,408)	$ (14,164,240)	$ (13,696,408)
ACCUMULATED OTHER COMPREHENSIVE INCOME				
Balance, beginning of period	$ -	$ -	$ 24,525	$ -
Unrealized gain/(loss) on available for sale marketable securities	-	50,000	(24,525)	25,000
Balance, end of period	$ -	$ 50,000	$ -	$ 25,000

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

NORTH AMERICAN NICKEL INC.
(formerly Widescope Resources Inc.)
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Three Month Period Ended September 30,		Nine Month Period Ended September 30,	
	2010	2009	2010	2009
OPERATING ACTIVITIES				
Net loss	$ (200,626)	$ (5,746)	$ (382,254)	$ (32,067)
Items not affecting cash				
Sale of investment	-	(2,076)	(67,880)	(6,697)
Amortization	-	-	-	58
Stock-based compensation	147,500	-	147,500	-
Write-off of equipment	-	-	-	716
Impairment of mineral properties	-	-	91,000	-
	(53,126)	(7,822)	(211,633)	(37,990)
Changes in non-cash working capital items:				
Receivables	(6,663)	(390)	(9,946)	(1,816)
Prepaid expenses	(823)	-	(823)	-
Accounts payable and accrued liabilities	(110,017)	5,920	(4,112)	13,928
Cash used in operations	(170,629)	(2,292)	(226,514)	(25,878)
FINANCING ACTIVITIES				
Proceeds on issuance of common shares	39,000	-	1,100,000	-
Due to related parties	13,030	-	13,030	-
	52,030	-	1,113,030	-
INVESTING ACTIVITIES				
Expenditures on mineral properties	(45,615)	-	(166,767)	10,000
Proceeds from sale of investment	-	-	52,606	-
Cash from investing activities	(45,615)	-	(114,161)	10,000
INCREASE (DECREASE) IN CASH	(164,214)	(2,292)	772,355	(15,878)
Cash - beginning	953,084	27,075	16,515	40,661
Cash - ending	$ 788,870	$ 24,783	$ 788,870	$ 24,783

See supplemental cash-flow information - note 11

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

NORTH AMERICAN NICKEL INC.
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010
CONSOLIDATED SCHEDULE OF MINERAL PROPERTY COSTS

	Pinefalls Gold Property	Post Creek Property	Woods Creek Property	Halcyon Property	Bell Lake Property	Thompson North	South Bay Property	Cedar Property	Period Ended: September 30, 2010 Total
Mineral Properties Acquisition									
Balance, December 31, 2009	$ -	$ 7,500	$ 2,500	$ -	$ -	$ -	$ -	$ -	$ 10,000
Acquisition costs - cash	-	12,500	7,500	15,000	25,000	333	333	333	61,000
Acquisition costs - Shares	-	24,000	9,000	18,000	18,000	120,000	120,000	120,000	429,000
Balance, September 30, 2010	$ -	$ 44,000	$ 19,000	$ 33,000	$ 43,000	$ 120,333	$ 120,333	$ 120,333	$ 500,000
Expenditures (recoveries)									
Balance, December 31, 2009	$ 91,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 91,000
Administration	-	12,140	-	-	-	-	-	-	12,140
Assay and sampling (recovery)	-	1,198	-	-	-	-	-	-	1,198
Automobile costs	-	6,035	-	-	-	-	185	-	6,220
Consulting services	-	69,329	-	-	-	25	760	-	70,114
Equipment and supplies	-	165	-	-	-	-	-	-	165
Equipment rental	-	11,120	-	-	-	-	-	-	11,120
Shipping and printing costs	-	2,581	-	-	-	-	-	-	2,581
Travel and accomodation	-	1,820	-	-	-	-	-	-	1,820
	-	104,387	-	-	410	25	945	-	105,767
Impairment	(91,000)	-	-	-	-	-	-	-	(91,000)
	(91,000)	104,387	-	-	410	25	945	-	14,767
Balance, September 30, 2010	-	104,387	-	-	410	-	945	-	105,767
Total, Balance September 30, 2010	$ -	$ 148,387	$ 19,000	$ 33,000	$ 43,410	$ 120,333	$ 121,278	$ 120,333	$ 605,767

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

1. Nature and Continuance of Operations

North American Nickel Inc. (formerly Widescope Resources Inc.) (the "Company") was incorporated on September 23, 1983. The Company changed its name from Widescope Resources Inc. to North American Nickel Inc. effective April 19, 2010 (Note 12). The Company's principal business activity is the exploration of natural resource properties. During the period, the Company entered into an agreement to option out certain of its mineral claims and allowed certain other mineral claims to lapse (Note 4). The Company is currently seeking opportunities to acquire other mineral properties or enter into additional mineral property option agreements.

Effective April 19, 2010, the Company also consolidated its share capital on a 2:1 basis, whereby each two old shares are equal to one new share and increased its authorized capital from 100,000,000 common shares without par value to an unlimited number of common shares without par value (Note 11). All references to common shares, stock options, warrants and weighted average number of shares outstanding in these consolidated financial statements reflect the share consolidation unless otherwise noted.

The Company's principal business activity is the exploration and development of mineral properties in Canada, The Company has not yet determined whether these properties contain ore reserves that are economically recoverable.

The recoverability of amounts shown for mineral property costs 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.

The financial statements have been prepared under the assumption the Company is a going concern. 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. As a result, additional losses are anticipated prior to obtaining a level of profitable operations**.** The Company has working capital of $741,170 at September 30, 2010 (December 31, 2009 year-end $102,535) and has accumulated a deficit of $14,164,240 (December 31, 2009 year-end $13,781,986).

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 Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to manage its capital.

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.

2. Significant Accounting Policies

Basis of presentation
These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

2. Significant Accounting Policies – cont'd

Basis of consolidation

These financial statements have been prepared on a consolidated basis and include the accounts of the Company and its 65.42% owned subsidiary, Outback Capital Inc. dba Pinefalls Gold ("PFG"). All intercompany balances and transactions have been eliminated on consolidation. On April 7, 2010, the Company entered into a Stock Purchase Agreement whereby it has agreed to sell its entire interest in Outback to an arms length party for cash consideration equivalent to the calculated book value of the Company's holding at the date of closing which eliminates the consolidation on the current reporting period.

Estimates, assumptions and measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Areas requiring significant use of estimates by management relate to going concern assessments, determining the carrying value of mineral properties, determining the fair values of marketable securities, asset retirement obligations and financial instruments and tax rates used to calculate future income tax balances.

Equipment

Equipment is recorded at cost. Amortization is calculated using the following annual rate, which is estimated to match the useful lives of the asset:

Computer hardware	30% declining balance

Mineral properties and deferred exploration costs

The cost of mineral properties and related exploration costs are deferred until the properties are placed into production, sold, abandoned or until management has determined that an impairment has occurred. Carrying costs will be amortized over the useful life of the properties following the commencement of commercial production, or written off if the properties are sold abandoned, allowed to lapse, or if management has otherwise determined that the carrying value of a property is not recoverable and should be impaired. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. It is reasonably possible that economically recoverable reserves may not be discovered, and accordingly a material portion of the carrying value of mineral properties and related deferred exploration costs could be written off. Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the common industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected title defects.

The amounts shown for mineral properties and deferred exploration costs represent costs incurred to date, net of impairments, and do not necessarily represent present or future values which are entirely dependent upon economic production or recovery from disposal.

Asset retirement obligations

The Company follows the provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3110, "Asset Retirement Obligations", which requires the estimated fair value of any asset retirement obligations to be recognized as a liability in the period in which the related environmental or retirement liability can be reasonably established and measured. The present value of the associated future costs when measureable is recorded as a liability and added to the cost of the related property and amortized over the estimated remaining life. As of September 30, 2010 and 2009 the Company has not incurred and is not aware of any significant asset retirement obligations in respect of its mineral exploration properties.

2. **Significant Accounting Policies cont'd**

Impairment of long-lived assets
The Company follows the recommendations of the CICA Handbook Section 3063, "Impairment of Long-Lived Assets". Section 3063 establishes standards for recognizing, measuring and disclosing impairment of long-lived assets held for use. The Company conducts its impairment test on long-lived assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized when the carrying amount of an asset to be held and used exceeds the undiscounted future net cash flows expected from its use and disposal. If there is impairment, the impairment amount is measured as the amount by which the carrying amount of the asset exceeds its fair value, calculated using expected discounted cash flows when independent or quoted market prices are not available.

Financial instruments
The Company adopted the CICA Handbook Sections 3855, "Financial Instruments – Recognition and Measurement"; Section 3856, "Hedges"; Section 3862, "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments Presentation". Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. Under Section 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost. Section 3862 and Section 3863 replace Section 3861, "Disclosure and Presentation" and revise and enhance disclosure requirements while carrying forward presentation requirements. The Company's financial instruments consist of cash, receivables, marketable securities, and accounts payable. Cash is measured at face value, representing fair value and classified is held for trading. Receivables are measured at amortized cost and classified as loans and receivables. Marketable securities are classified as available-for-sale and measured at fair value at each reporting period with fair value being determined by quoted market price of the securities. Unrealized gains and losses from available-for-sale instruments are recognized in other comprehensive income (loss) during the period. Accounts payable are measured at amortized cost and classified as other financial liabilities.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values unless otherwise noted.

The Company has determined that it does not have derivatives or embedded derivatives.

The Company does not use any hedging instruments.

Comprehensive income (loss)
Effective January 1, 2007, the Company adopted the CICA Handbook Section 1530, "Comprehensive Income". Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Section 1530 establishes standards for reporting and presenting certain gains and losses not normally included in net income or loss, such as unrealized gains and losses related to available for sale securities and gains and losses resulting from the translation of self-sustaining foreign operations, in a statement of comprehensive income (loss).

For all periods presented through December 31, 2008, the Company has no items required to be reported in comprehensive loss. Commencing in the 2009 calendar year, the Company recognized in comprehensive income for the period, its proportionate share of an unrealized gain on marketable securities.

2. **Significant Accounting Policies cont'd**

Loss per share
The loss per share figures are calculated using the weighted average number of shares outstanding during the respective fiscal periods on a post-consolidation basis. The calculation of loss per share figures using the treasury stock method considers the potential exercise of outstanding share purchase options and warrants or other contingent issuances to the extent each option, warrant or contingent issuance was dilutive. For all periods presented, diluted loss per share is equal to basic loss per share as the potential effects of options, warrants and conversions are anti-dilutive.

Income taxes
The Company accounts for income taxes using the asset and liability method, whereby future tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the carrying values of the asset and liabilities and their respective income tax bases. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income taxes and liabilities of a change in rates is included in operations in the period that includes the substantive enactment date. Where the probability of a realization of a future income tax asset is more likely than not, a valuation allowance is recorded.

Stock-based compensation
The Company follows the CICA Handbook Section 3870, "Stock-based Compensation and Other Stock-based Payments," which recommends the fair value method of valuing all grants of stock options. The estimated fair value of the stock options is recorded as compensation expense over the vesting period or at the date of grant if the options vest immediately, with the offset recorded in contributed surplus. The fair value of options granted is estimated at the date of grant using the Black-Scholes option pricing model incorporating assumptions regarding risk-free interest rates, dividend yield, volatility factor of the expected market price of the Company's stock, and a weighted average expected life of the options. Any consideration paid on the exercise of stock options is credited to share capital.

Accounting changes
CICA Handbook Section 1506, "Accounting Changes," establishes criteria for changes in accounting policies, accounting treatment and disclosure regarding changes in accounting policies, estimates and corrections of errors. In particular, this section allows for voluntary changes in accounting policies only when they result in the financial statements providing reliable and more relevant information. This section requires changes in accounting policies to be applied retrospectively unless doing so is impracticable.

Capital disclosure
CICA Handbook Section 1535 "Capital Disclosure", specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as a capital; (iii) whether the entity has not complied with any capital requirements; and (iv) if it has not complied, the consequences of such noncompliance. The Company has included disclosures recommended by this section in Note 9 to these financial statements.

General standards for financial statement presentation
In June 2007, the CICA modified section 1400 "General Standards of Financial Statement Presentation" in order to require that management make an assessment of the Company's ability to continue as going concern over a period which is at least, but not limited to, twelve months from the balance sheet date. The Company has included this required disclosure in Note 1 to these financial statements.

2. Significant Accounting Policies cont'd

Credit risk and the fair value of financial assets and financial liabilities

In January 2009, the CICA approved EIC 173, "Credit Risk and the Fair Value of Financial Assets and Liabilities". This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The implementation of the recommendations of this section has not had a material impact on the Company's financial statements.

Mining exploration costs

In March 2009 the CICA approved EIC 174, "Mining Exploration Costs". The guidance clarified that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The implementation of the recommendations of this new section has not had a material impact on the Company's financial statements.

Recent accounting pronouncements

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS has not been estimated at this time.

Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued Section 1601, "Consolidated Financial Statements", and Section 1602, "Noncontrolling Interests", which together replace the existing Section 1600, "Consolidated Financial Statements", and provide the Canadian equivalent to International Accounting Standard 27, "Consolidated and Separate Financial Statements (January 2008)". The new sections will be applicable to the Company on January 1, 2011. Section 1601 establishes standards for the preparation of consolidated financial statements, and Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The Company is assessing the impact, if any, of the adoption of these new sections on its consolidated financial statements.

Other accounting pronouncements issued by the CICA with future effective dates are either not applicable or are not expected to be significant to the financial statements of the Company.

3. Marketable Securities

As at March 31, 2010, PFG held 500,000 shares of Cougar Minerals Corp. ("Cougar"), a company listed on the TSX Venture Exchange (Note 4). At initial recognition, each share was recorded at a fair value of $0.05. As at March 31, 2010 the closing price of Cougar's shares was $0.09 per share with a total fair value of $45,000. The Company classifies the investment as available-for-sale. The Company's portion of the unrealized gain on the shares of Cougar was recorded in other comprehensive income and the remaining portion is included in the balance of non-controlling interest as at March 31, 2010. On April 7, 2010, the Company agreed to sell its entire interest in Outback resulting no marketable securities to report on a fair value.

4. **Mineral Properties** –

Mineral properties summary

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mining properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

During the nine month period ending September 30, 2010 the Company had $93,767 in property expenditures as detailed in the above exploration schedule.

At September 30, 2010, the Company held an interest in the following mineral properties:

Pinefalls Gold Property

In April 2005, the Company entered into a subscription agreement to invest into PFG, a private Alberta exploration company with mining claims comprising the Pinefalls Gold Property, located in the Bissett area of Manitoba. Pursuant to the completion of the subscription agreement and a share exchange agreement, the Company acquired the net assets of PFG including an interest the Pinefalls Gold Property valued at $319,306. The Company holds a 65.42% interest in PFG, effective June 30, 2006.

During the year ended December 31, 2009, certain mineral claims comprising the Pinefalls Gold Property were allowed to lapse, and mineral rights to those claims reverted to the Province of Manitoba.

On April 6, 2009 PFG entered into an Option and Purchase and Sale Agreement (the “Agreement”) with Cougar whereby Cougar was granted an option to purchase the remaining claims comprising the Pinefalls Gold Property for the following consideration:

- $10,000 in cash (received) and 500,000 common shares (received; fair value of $25,000) upon execution of the Agreement;
- an additional $25,000 before April 30, 2010;
- an additional $50,000 before April 30, 2011;
- an additional $70,000 before April 30, 2012.

During the year ended December 31, 2009, the Company incurred $Nil (2008 - $6,490) in deferred exploration costs and recorded $79,000 (2008 - $145,445) in impairment provisions on the Pinefalls Gold Property. The basis of the impairment was to reflect the net estimated recoverable value of the Pinefalls Gold Property, based on anticipated future cash flows.

The Pinefalls Gold Property is subject to a 2% royalty based on the gross cash proceeds received from the sale of minerals, less the cost of smelting, refining, freight, insurance and other related costs, and the cost of marketing and sale of minerals derived. The royalty will be calculated on a cumulative basis and will be payable in cash by the Company within 180 days of each fiscal year end of the Company.

On April 7, 2010, the Company sold its entire interest in Outback for cash consideration equivalent to the calculated book value of the Company’s holding which resulted in the Company reporting a $91,000 impairment of the Pinefalls Gold Property.

4. Mineral Properties cont'd

Post Creek

On December 23, 2009 the Company executed a letter of intent whereby the Company would have an option to acquire the mineral claim known as the Post Creek Property located within the Sudbury Mining District of Ontario. The Company paid a non-refundable deposit of $7,500. On April 5, 2010 the Company entered into an option agreement to acquire rights to Post Creek Property. 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 consideration:

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 12,500	400,000	paid & issued	
On or before April 5, 2011	$ 30,000	300,000		$ 15,000
On or before April 5, 2012	$ 50,000	300,000		$ 15,000
On or before April 5, 2013	$ 50,000	-		$ 15,000

As of September 30, 2010 the Company has made the following payments on the Post Creek Property:

	Cash	Shares		Total
		Number	Amount	
Prior to December 31, 2009	$ 7,500	-	$ -	$ 7,500
During the nine months ended Sept 30, 2010	12,500	400,000	24,000	36,500
Total	$ 20,000	400,000	$ 24,000	$ 44,000

Woods Creek

On December 23, 2009 the Company executed a letter of intent whereby the Company would have an option to acquire the mineral claim known as the Woods Creek Property located within the Sudbury Mining District of Ontario. The Company paid a non-refundable deposit of $2,500. On April 5, 2010, the Company entered into an option agreement to acquire rights to Woods Creek Property. 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 consideration:

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 7,500	150,000	paid & issued	
On or before April 5, 2011	$ 15,000	150,000		$ 24,000
On or before April 5, 2012	$ 20,000	-		$ 24,000
On or before April 5, 2013	$ 45,000	-		$ 24,000

4. Mineral Properties cont'd

Woods Creek cont'd

As of September 30, 2010 the Company has made the following payments on the Woods Creek Property:

	Cash	Shares: Number of shares	Shares: Amount	Total
Prior to December 31, 2009	$ 2,500	-	$ -	$ 2,500
During the nine months ended September 30, 2	7,500	150,000	9,000	16,500
Total	$ 10,000	150,000	$ 9,000	$ 19,000

Halcyon Property

On April 5, 2010, the Company entered into an option agreement to acquire rights to Halcyon Property. 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 consideration:

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 15,000	300,000	paid & issued	
On or before April 5, 2011	$ 25,000	200,000		$ 22,000
On or before April 5, 2012	$ 35,000	200,000		$ 22,000
On or before April 5, 2013	$ 35,000	-		$ 22,000

As of September 30, 2010 the Company has made the following payments on the Halcyon Property:

	Cash	Shares: Number of shares	Shares: Amount	Total
Prior to December 31, 2009	$ -	-	$ -	$ -
During the nine months ended Sept 30, 2010	15,000	300,000	18,000	33,000
Total	$ 15,000	300,000	$ 18,000	$ 33,000

Bell Lake Property

On April 5, 2010, the Company entered into an option agreement to acquire rights to Bell Lake Property. 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 consideration:

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 25,000	300,000	paid & issued	
On or before April 5, 2011	$ 25,000	300,000		$ -
On or before April 5, 2012	$ 40,000	400,000		$ -
On or before April 5, 2013	$ 40,000	-		$ -
On or before April 5, 2014	$ 80,000	-		

4. Mineral Properties cont'd

Bell Lake Property cont'd

As of September 30, 2010 the Company has made the following payments on the Bell Lake Property:

	Cash	Shares		Total
		Number	Amount	
Prior to December 31, 2009	$ -	-	$ -	$ -
During the nine months ended Sept 30, 2010	25,000	300,000	18,000	43,000
Total	$ 25,000	300,000	$ 18,000	$ 43,000

Manitoba nickel properties:

On July 23, 2010 the Company issued 6,000,000 shares at a price of $0.06 per share to a company with common directors in accordance with the Purchase and Sale Agreement entered into on April 5, 2010 to acquire ownership of the South Bay, Thompson North and Cedar Lake properties in Manitoba, subject to a 2% NSR reserved by the vendor, in exchange for a $1,000 cash payment and 6,000,000 post-consolidation common shares valued at $0.06 per share.

Thompson North Property

As of September 30, 2010 the Company has made the following payments on the Thompson North Property:

	Cash	Shares		Total
		Number of shares	Amount	
Prior to December 31, 2009	$ -	-	$ -	$ -
During the nine months ended September 30, 2	333	2,000,000	120,000	120,333
Total	$ 333	2,000,000	$ 120,000	$ 120,333

South Bay Property

As of September 30, 2010 the Company has made the following payments on the South Bay Property:

	Cash	Shares		Total
		Number of shares	Amount	
Prior to December 31, 2009	$ -	-	$ -	$ -
During the nine months ended September 30, 2	333	2,000,000	120,000	120,333
Total	$ 333	2,000,000	$ 120,000	$ 120,333

Cedar Property

As of September 30, 2010 the Company has made the following payments on the Cedar Property:

	Cash	Shares		Total
		Number of shares	Amount	
Prior to December 31, 2009	$ -	-	$ -	$ -
During the nine months ended September 30, 2	333	2,000,000	120,000	120,333
Total	$ 333	2,000,000	$ 120,000	$ 120,333

5. **Equipment**

	September 30, 2010			December 31, 2009			
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Disposal	Net book value
Computer hardware	$ -	$ -	$ -	$ 1,579	$ (863)	$ (716)	$ -

6. **Related Party Transactions**

During the period ended September 30, 2010, a company in which a director has an interest was owed $6,000 (2009: $6,000) for rent and management fees. The unpaid portion of these amounts, plus additional advances and other amounts due to directors, aggregating $148,211 (2009: $119,262) was settled with a cash payment plus the issuance of 2,640,000 shares at a value of $0.05 per share on July 23, 2010.

During the period ended September 30, 2010 the Company was in receipt of $500,000 for a private placement issuing 10,000,000 shares at a price of $0.05 per share. VMS Ventures Inc., the purchasing company, in the private placement shares common directors.

Related party transactions were in the normal course of business and have been recorded at the exchange amount which is the fair value agreed to between the parties. The Company incurred expenditures for various services provided by corporations controlled by directors and officers of the Company during the period ended September 30, 2010 which are as follows:

Period ended September 30, 2010	Expenditure	Stock-based Compensation	Total
Geological consulting - expensed	$ 1,167	$ 30,000	$ 31,167
Geological consulting - capitalized	16,333	-	16,333
Consulting - expensed	20,000	15,000	35,000
Management - expensed	25,000	92,500	117,500
	$ 62,500	$ 137,500	$ 200,000

Period ended September 30, 2009	Expenditure	Stock-based Compensation	Total
Geological consulting - expense	$ -	$ -	$ -
Geological consulting - capitaliz	-	-	-
Management - expensed	9,000	-	9,000
	$ 9,000	$ -	$ 9,000

During the period ended the Company had a balance of $32,000 (December 31, 2009 $nil) reported in accounts payable and accrued liabilities. The amount of $32,000 is owing to directors of the Company of which, $25,000 was management fees and $7,000 was for geological consulting fees. The amount is for reimbursable expenses.

Amounts due to related parties of $13,030 is for reimbursable expenses for shared office administration and are unsecured, non-interest bearing and without specific terms of repayment. The vendor owed is related through common directors.

7. **Share Capital** –

Effective April 19, 2010 the Company's shareholders approved a special resolution to reorganize the Company's capital structure by consolidating in a reverse stock split the existing common shares on the basis of each two (2) old shares being equal to one (1) new share and concurrently increasing the authorized capital of the Company from 100,000,000 common shares without par value to an unlimited number of common shares without par value. All references to common shares, stock options, warrants and weighted average number of shares outstanding in these financial statements reflect the share consolidation unless otherwise noted. The net effect of the above was to reduce the existing outstanding common shares from 10,883,452 to 5,441,726.

7. **Share Capital cont'd**

a) 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. 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; and
   iv) the number of the common shares to be received on conversion of the preferred shares is to be determined by dividing the conversion value of the share, $1 per share, by $0.90.

b) Common shares issued and outstanding

	Number of Shares	Amount	Contributed Surplus
Balance - December 31, 2009	5,441,730	$ 13,044,609	$ 53,344
Shares issued for debt, non-cash	2,640,000	132,000	-
Shares issued for mineral properties - non-cash	7,150,000	429,000	
Shares issued for private placements	20,000,000	1,100,000	-
Stock-based compensation	-	-	147,500
Balance - September 30, 2010	35,231,730	$ 14,705,609	$ 200,844

c) Preferred shares issued and outstanding

	September 30, 2010		December 31, 2009	
	Shares	$	Shares	$
Balance, beginning and end of period	604,724	$ 604,724	604,724	$ 604,724

d) Warrants

A continuity schedule of outstanding common share purchase warrants for the nine months ended September 30, 2010 is as follows:

ıtstanding

	September 30, 2010		December 31, 2009	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of period	-	$ -	-	$ -
Granted	9,850,000	0.10	-	-
Outstanding, end of period	9,850,000	$ 0.10	-	$ -

At September 30, 2010, the Company had outstanding common share purchase warrants exercisable to acquire common shares of the Company as follows:

7. **Share Capital cont'd**

Warrants Outstanding	Expiry Date	Exercise Price	Weighted Average remaining contractual life (in years)
9,850,000	Dec-28-2012	0.10	2.25
-			

e) Stock Options

During the period ending September 30, 2010 stock options were granted to directors, consultants and employees. A summary of the status of stock options granted are as follows:

	September 30, 2010		December 31, 2009	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of period	-	$ -	-	$ -
Granted	2,950,000	0.10	-	-
Outstanding, end of period	2,950,000	$ 0.10	-	$ -

At September 30, 2010, the Company had stock options outstanding exercisable to acquire common shares of the Company as follows:

Options Outstanding	Options Exercisable	Expiry Date	Exercise Price	Weighted Average remaining contractual life
2,950,000	2,950,000	August 27, 2015	$ 0.10	4.91

8. **Income Taxes**

The Company has approximately $3,960,000 in non-capital losses that can be offset against taxable income in future years which began expiring at various dates commencing in 2010, and approximately $8,000 in capital losses which may be available to offset future taxable capital gains which can be carried forward indefinitely. The potential future tax benefit of these losses has not been recorded as a full-future tax asset valuation allowance has been provided due to the uncertainty regarding the realization of these losses.

Date of loss carry forwards expire as of December 31 according to the following schedule:

2010--$37,863.
2014--$23,718.
2015--$54,804.
2026--$28,687.
2027--$45,002.
2028--$50,099.
2029--$3,720,639.

8. Income Taxes cont'd

The related potential income tax benefits with respect to these items have not been recorded in the accounts. Application and expiration of these carry forward balances are subject to relevant provisions of the Income Tax Act, Canada.

9. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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 cash 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.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended June 30, 2010 and 2009. The Company is not exposed to externally imposed capital requirements.

10. Risk Factors –

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements. There is no certainty that all environmental risks and contingencies have been addressed.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to receivables. The Company has no significant concentration of credit risk arising from operations. Receivables include primarily goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to its receivables is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet third party liabilities when due. The Company has working capital of $741,170 at June 30, 2010 (December 31, 2009 year-end $102,535). All of the Company's liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company is dependent on management's ability to raise additional funds so that it can manage its financial obligations.

10. **Risk Factors cont'd**

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt therefore, interest rate risk is minimal.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars: therefore, foreign currency risk is minimal.

11. Supplemental cash flow information

The Company incurred non-cash financing and investing activities during the period ended September 30, 2010 as follows:

	For the nine months ended	
	September 30, 2010	September 30, 2009
Shares issued for debt	$ 132,000	$ -
Sale of investment	53,249	-
Shares issued for resource properties	429,000	-

NORTH AMERICAN NICKEL INC.

(formerly Widescope Resources Inc.)

Management Discussion and Analysis
For the Nine Month Period Ended September 30, 2010

THE ATTACHED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE

The date of this Management's Discussion and Analysis is November 24, 2010.

The Company 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. The company's name was changed to Widescope Resources Ltd. on May 1, 1984, and to Gemini Technology Inc. on September 17, 1985. In conjunction with a reverse split of its common shares on a five-old for one-new basis, the Company adopted the name International Gemini Technology Inc effective September 23, 1993. The Company's name was changed to Widescope Resources Inc., effective July 12, 2006. Effective April 19, 2010 the Company's shareholders approved a special resolution to reorganize the Company's capital structure by consolidating in a reverse stock split the existing common shares on the basis of each two (2) old shares being equal to one (1) new share and concurrently increasing the authorized capital of the Company from 100,000,000 common shares without par value to an unlimited number of common shares without par value. Also effective this date the Company's name was changed to North American Nickel Inc. to reflect its new focus. All references to common shares, stock options, warrants and weighted average number of shares outstanding in this discussion and the accompanying financial statements reflect the share consolidation unless otherwise noted.

In April 2010 the Company initiated a series of actions to realign its focus into the field of nickel exploration in the prolific nickel belts around Sudbury, Ontario and Thompson, Manitoba. These actions were reported in a news release dated April 6, 2010.

Additionally – in April 2010 the Company's shareholders elected 4 new directors, to replace three retiring directors. The directors of the Company have appointed new senior management to oversee the daily operations of the Company.

During 2004 alternatives in the resource sector were explored. Oil and gas projects were investigated, and one in particular was the subject of considerable attention. Increasing energy prices brought with them increasing expectations on the part of the owners of that project, ultimately causing interest to wane. Precious metals projects continued to be reviewed as the entry cost was deemed to be lower, and expenditures in minerals exploration appeared to be more controllable. Toward the end of 2004, the Directors were contemplating making a proposal on one particular project.

A proposal was made on a precious metals mining prospect in 2005. The precious metals prospect was comprised of some 2800 hectares in the Rice Lake Mining area of the Province of Manitoba, Canada. The property is just over 3 miles from a mine that had produced over 1.3 million ounces of gold before being closed because it became uneconomic at $35 per ounce gold. (This mine has now been reopened.) The company carried out early stage geological and related work during 2005, through an investment in the company owning the mining claims.

In 2006 further work was done on the prospect, In accordance with the terms of the agreement with the owners of the prospect the cost of work done effectively resulted in the company acquiring ownership in the company owning the prospect. This, combined with the exercise of an option agreement with one of the owners, resulted in The Company now owning just over 65% of Outback Capital Inc. ("Outback" or "PFG") the company which owns the prospect.

In 2007 due to unavailability of qualified personnel no significant work was undertaken on the claims in the Rice Lake Mining area.

In 2008, world economic conditions abruptly curtailed access to new capital. No significant work was undertaken in order to preserve the company's limited capital.

Trend Analysis

The business of the Company entails significant risks. Any analysis of the trend of the company's activities would reveal this. And there is nothing to suggest that these trends will change.

The Company's principal business activity is the exploration and development of mineral properties in Canada. The Company has not yet determined whether these properties contain ore reserves that are economically recoverable.

The recoverability of amounts shown for mineral property costs 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. As of September 30, 2010 the Company had working capital of $741,170 compared with a deficit of $102,535 at the December 31, 2009 year-end and has incurred substantial losses to date. The Company will require additional funding to meet its obligations and the costs of its operations.

When managing capital, the Company's objectives 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 Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to manage its capital.

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.

Resource Properties

All technical information in this document has been reviewed by Dr. Mark Fedikow, PGeo, the qualified person for the Company under National Instrument 43-101.

Sudbury, Ontario nickel properties:

Post Creek Property

On December 23, 2009, the Company executed a letter of intent whereby the Company would have an option to acquire the mineral claim known as the Post Creek Property located within the Sudbury Mining District of Ontario. The Company paid a non-refundable deposit of $7,500. On April 5, 2010 the Company entered into an option agreement to acquire rights to Post Creek Property. 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 consideration:

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 12,500	400,000	paid & issued	
On or before April 5, 2011	$ 30,000	300,000		$ 15,000
On or before April 5, 2012	$ 50,000	300,000		$ 15,000
On or before April 5, 2013	$ 50,000	-		$ 15,000

The property is located 35 km east of Sudbury in Norman and Parkin townships and consists of 35 contiguous unpatented mining claims and one isolated claim covering an area of 688 hectares. It is strategically located adjacent to the producing Podolsky copper-nickel-platinum group metal deposit of FNX Mining. The property lies along the extension of the Whistle Offset Dyke Structure which is a major geological control for Ni-Cu-PGM mineralization. This structure hosted the former INCO Whistle Offset copper-nickel-PGM Mine (5.7 million tons grading 0.33% Cu, 0.95% Ni and 3.77 g/t total platinum metals as well as the Podolsky North and Podolsky 2000 copper-precious metal deposits. FNX forecast the production of 372,049 tons of ore at Podolsky yielding 1.8 million pounds of payable nickel, 28.5 million pounds of payable copper and 27,300 ounces of payable platinum, palladium and gold for 2009. Previous operators located the extension of the Whistle Offset Dyke structure on the Post Creek property as a direct result of their geological, geophysical and Mobile Metal Ion geochemical surveys. Drilling on this structure intersected a 0.66 m near solid to solid sulphide zone with 0.48% copper, 0.08% nickel, 53 parts per billion (ppb) palladium, 34 ppb platinum and 20 ppb gold. A rock sample collected along the structure assayed 0.83% Ni, 0.74% Cu, 0.07% Co, 2241 ppb Pt and 1051 ppb Pd. Significant potential for nickel-copper-PGM is demonstrated on the Post Creek property.

A NI 43-101 compliant Technical Report was commissioned, with Dr. Walter Peredery, formerly of INCO, as the author.

During the nine months ended September 30, 2010:

The exploration program to evaluate the mineral potential of the Whistle Offset Dyke Structure was initiated. This project included outcrop stripping, washing and detailed mapping. There were also a number of reconnaissance programs initiated concurrently to evaluate the Post Creek property for shallowly-buried mineralization. The geophysical approach was based on the use of a beep mat and selected traverses across the property were undertaken. A number of elevated EM responses were obtained and a number of these areas were stripped of overburden using an excavator and washed using a Wajax pump. Exposed mineralization was chip sampled and sent to SGS Mineral Services for a multi-element analysis including assay for Ni, Cu, Co Au, Pt and Pd. Results are pending. Selected soil geochemical surveys were undertaken over historic IP chargeability anomalies. Samples were submitted to SGS Mineral Services for analysis using the Mobile Metal Ions technology.

Airborne VTEM geophysical survey results and ground IP and magnetic surveys undertaken by previous operators were obtained from the geophysical contractors in digital formats and these data will form individual “layers” for integration with geological and geochemical datasets.

All databases will form the basis for an assessment report to be submitted to the Ontario government Mining Recorders office in Sudbury.

Subsequent Events

Analytical data, geological maps and historic geophysical information were compiled by Dr. Walter Peredery to form the basis for a 43-101 technical report which has been submitted to the TSX Exchange as part of listing requirements for North American Nickel.

The assessment report for the Post Creek property of merit is being assembled.

Activities contemplated in the future

Additional outcrop mapping supplemented by thin section studies will be undertaken. Shallow electromagnetic surveys utilizing the Beep mat will be required to cover the remainder of the Post Creek property. Follow-up geological mapping and prospecting will also be done. A phase one drill program is expected in the first quarter of 2011.

Woods Creek Property

On December 23, 2009 the Company executed a letter of intent whereby the Company would have an option to acquire the mineral claim known as the Woods Creek Property located within the Sudbury Mining District of Ontario. The Company paid a non-refundable deposit of $2,500. On April 5, 2010, the Company entered into an option agreement to acquire rights to Woods Creek Property. 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 consideration:

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 7,500	150,000	paid & issued	
On or before April 5, 2011	$ 15,000	150,000		$ 24,000
On or before April 5, 2012	$ 20,000	-		$ 24,000
On or before April 5, 2013	$ 45,000	-		$ 24,000

The Woods Creek claim block is located in Hyman Township about 50 km west of Sudbury and comprises eight contiguous unpatented mining claims covering 1,264 hectares. The target on the property is disseminated to near-solid nickel-copper-cobalt-PGM mineralization hosted within Nipissing Diabase dykes which cover 50% of the property. This style of mineralization is currently being mined by Ursa Major Minerals at their Shakespeare deposit 15 km southwest of the Woods Creek property. It contains 7,301,000 tons grading 0.37% Ni, 0.39% Cu, 0.024% Co, 0.37 g/t Pt, 0.40 g/t Pd and 0.20 g/t Au.

Previous operators defined a number of mineralized zones on the Woods Creek property, but little follow-up exploration was undertaken. The Main Zone prospect is a zone of 10-40% pyrrhotite-chalcopyrite mineralization that assayed 1.22% Cu, 0.95% Ni, 354 ppb combined Pt and Pd and 136 ppb Au. Diamond drilling on this zone intersected a 6.5 m section of gabbro with pyrrhotite and chalcopyrite that assayed up to 1.09% Ni, 0.37% Cu, 301 ppb combined Pt and Pd and 1110 ppm Co (0.11%). The Ravenshill prospect was discovered in 2005 as a result of geological mapping and prospecting. It comprises near solid pyrrhotite and chalcopyrite in brecciated gabbro with assays of 0.66% Ni, 0.90% Cu, 0.09% Co, 68 ppb Pt, 227 ppb Pd and 46 ppb Au.

During the nine months ended September 30, 2010:

An assessment report based on shallow electromagnetic Beep Mat surveys, geological mapping, prospecting, excavator work to clear overburden from outcrop and channel and chip rock sampling was completed on claims 1242388 and 1242390. The results will be summarized in an assessment report to be submitted to the Ontario Mining recorder in Sudbury.

Subsequent Events
No work has been performed subsequently.

Activities contemplated in the future

Activities contemplated for the future include the compilation of historic exploration data from assessment files to prepare for 2011 ground programs.

Halcyon Property

On April 5, 2010, the Company entered into an option agreement to acquire rights to Halcyon Property. 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 consideration:

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 15,000	300,000	paid & issued	
On or before April 5, 2011	$ 25,000	200,000		$ 22,000
On or before April 5, 2012	$ 35,000	200,000		$ 22,000
On or before April 5, 2013	$ 35,000	-		$ 22,000

The property is located 35 Km NNE of Sudbury in the SE corner of Parkin Twp, and consists of 46 unpatented mining claims. It is readily accessible by paved and all-weather gravel road. Halcyon is adjacent to the Post Creek property and contains the extension of the metallogenetically significant Whistle Offset Structure. It 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 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.

During the nine months ended September 30, 2010:

No work was performed on this property during this period.

Subsequent Events

No work has been performed subsequently.

Activities contemplated in the future

Activities contemplated for the future include the compilation of historic exploration data from assessment files to prepare for 2011 ground programs.

Bell Lake Property

On April 5, 2010, the Company entered into an option agreement to acquire rights to Bell Lake Property. 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 consideration:

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 25,000	300,000	paid & issued	
On or before April 5, 2011	$ 25,000	300,000		$ -
On or before April 5, 2012	$ 40,000	400,000		$ -
On or before April 5, 2013	$ 40,000	-		$ -
On or before April 5, 2014	$ 80,000	-		

The Bell Lake property is a 256 acre property that covers approximately 1 km of the Mystery Offset Dyke or "MOD". The MOD is interpreted to be an extension of the Worthington Offset Dyke which is a 10-11 km long mineralized structure that extends from the southwest margin of the Sudbury Igneous Complex. Offset Dyke environments are significant hosts to nickel-copper-PGM mineralization in the Sudbury Basin. The Worthington Offset Dyke hosts the past producing Worthington Mine and the Victoria Mine (1.5 million tons of 2.2% copper, 1.5% nickel and 2.3 g/t total precious metals). It is also host to Vale Inco's Totten Mine development (10.1 million tons at 1.5% nickel, 2% copper and 4.8 g/t platinum group metals). Crowflight Minerals AER-

Kidd property also occurs within the Worthington Offset. The Bell Lake property is marked by surface exposures of disseminated to near-solid nickel-copper sulphide mineralization with PGM values. The Mystery Offset Dyke offers excellent exploration potential for the discovery of additional nickel-copper-PGM mineralization. Deep-looking ground geophysical technologies and diamond drilling will test the property after detailed geological mapping has been undertaken on the property.

During the nine months ended September 30, 2010:

No work was performed on this property during this period.

Subsequent Events

No work has been performed subsequently.

Activities contemplated in the future

Activities contemplated for the future include the compilation of historic exploration data from assessment files to prepare for 2011 ground programs.

Manitoba nickel properties:

On July 23, 2010 the Company issued 6,000,000 shares at a price of $0.06 per share to a company with common directors in accordance with the Purchase and Sale Agreement entered into on April 5, 2010 to acquire ownership of the South Bay, Thompson North and Cedar Lake properties in Manitoba, subject to a 2% NSR reserved by the vendor, in exchange for a $1,000 cash payment and 6,000,000 post-consolidation common shares valued at $0.06 per share.

South Bay: Exploration was spurred at the South Bay property by the September, 2003 discovery of a zone of high-grade nickel mineralization. The nickel-copper-cobalt platinum group element (“PGE”) zone was found in one wall of a new road cut 60 km east of the town of Leaf Rapids, Manitoba. The average grade of eleven samples of near-solid sulphide collected from boulder-sized blast rubble in the road cut exposure is 2.42 % Ni, 0.78 % Cu, 697 ppm Co and 1.32 g/t PGE. The mineralization is sedimentary-rock-hosted and exhibits similar metal characteristics to ores associated with magma-derived nickel deposits that are mined at Thompson and worldwide. Airborne geophysical surveys (VTEM) have been flown over the property and preliminary soil geochemical surveys have been undertaken.

During the nine months ended September 30, 2010:

A Mobile Metal Ions soil geochemical orientation survey was undertaken and samples submitted to SGS Mineral Services (Toronto, Ontario) for analysis. Results are pending.

Subsequent Events

No work was performed on this property subsequently.

Activities contemplated in the future

Activities contemplated for the future include the compilation of historic exploration data from assessment files to prepare for 2011 ground programs.

Thompson North: The property overlies the world class Thompson Nickel Belt (“TNB”) where Vale Inco continues to mine nickel-copper-cobalt and platinum group element mineralization hosted within sedimentary and mafic intrusive rocks. Based on research by the Manitoba Geological Survey the northeastern extension of the TNB has been traced through the Thompson North property making the area highly attractive for repetitions of TNB mineralization. Airborne geophysics (VTEM) has been flown over the property and numerous anomalous magnetic and electromagnetic features identified. Follow-up exploration will be based upon ranking and modeling of geophysics and soil geochemical surveys.

During the nine months ended September 30, 2010:

There have been no current activities on the property.

Subsequent Events

No work was performed on this property subsequently.

Activities contemplated in the future

The activities contemplated for the future are limited to compilation of historic exploration data from assessment files.

Cedar Lake: The property occupies the southern portion of the Thompson Nickel Belt where previous exploration based on the drill-testing of geophysical anomalies has identified key stratigraphic components that host producing nickel-copper-cobalt and platinum group elements at the Thompson and Pipe Mines of Vale Inco. Nickel mineralization has been intersected in drilling on adjacent Mineral Exploration Licenses. The prospective rock units are overlain by younger carbonate rocks and conceal the TNB in this area. The Company has undertaken airborne geophysical surveys (VTEM) and delineated numerous conductive and magnetic anomalies. These anomalies will be prioritized and drill tested subsequent to soil geochemical surveys.

During the nine months ended September 30, 2010:

There have been no current activities on the property.

Subsequent Events

No work was performed on this property subsequently.

Activities contemplated in the future

Activities contemplated for the future include the compilation of historic exploration data from assessment files to prepare for 2011 ground programs.

Selected Financial Information

The Company's consolidated financial statements for the nine months ended September 30, 2010 (the "Consolidated Financial Statements") have been prepared in accordance with Canadian generally accepted accounting principles and practices. Currency amounts are in Canadian dollars, except where stated otherwise. The following selected financial information is taken from the Consolidated Financial Statements and should be read in conjunction with those statements.

	For the nine months ended		
	September 30, 2010	**September 30, 2009**	**September 30, 2008**
Financial Results			
Net loss	$ 382,254	$ 32,067	$ 51,244
Basic loss per share	0.03	0.00	0.00
As at:	**September 30, 2010**	**December 31, 2009**	**December 31, 2008**
Balance Sheet Data			
Share capital per Canadian GAAP	$ 15,310,333	$ 13,649,333	$ 13,649,333
Common shares issued	35,231,730	5,441,730	5,441,730
Weighted average shares outstanding per Canadian GAAP	14,788,836	5,441,730	5,441,730
Total assets	$ 1,409,603	$ 184,212	$ 251,312
Net assets (liabilities)	1,346,937	$ (54,784)	$ 38,336
Exchange rates (Cdn$ to U.S.$) period average	0.9669	0.8757	0.9371

Results of Operations

Historically - the Company has shown modest losses for the past several years. Prior to the acquisition of PFG - the expenses of the Company were almost completely related to satisfying regulatory requirements, including the annual meeting, financial reporting, communication with shareholders; and seeking and evaluating acquisition prospects for suitability and ability to attract financing. With the June 30, 2006 completion of the PFG acquisition the Company's expenses became more heavily weighted in favour of the exploration work and analysis being carried out on its exploration properties.

During the period ended September 30, 2010 the Company recorded a net loss of $382,254 compared with a loss of $32,067 for the same 2009 period. The loss is a result of the general and administrative expenses increasing due to the private placement transaction and the acquisition of the Sudbury properties and the Manitoba properties. The significant areas of increased general and administrative costs are legal fees of $44,743, regulatory fees of $37,832 and property impairment costs on the Pinefalls Gold Property of $91,000, stock-based compensation $147,500, consulting $40,617 and management fees $31,000. The Company reported a gain on the sale of Outback of $96,749.

Fluctuations in Results

With the June 30, 2006 completion of the PFG acquisition the Company's revenues were derived from management fees charged to PFG prior to the acquisition. From July 2006 forward, these fees have been eliminated upon consolidation.

With the PFG acquisition the Company's expenses rose significantly due to exploration activities. Similarly, our expenses continued to increase due to the upward pressure on professional fees charged to reporting companies for compliance related services such as legal and audit work as a result of changes to securities legislation throughout North America. In previous years expenses fluctuated on the basis of postal rate increases, or reductions in courier or long distance phone rates.

Liquidity and Capital Resources

Since the Company is organized in Canada, the Company's September 30, 2010 financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

As at September 30, 2010 the Company had accumulated losses totaling $14,164,240. The Company had working capital of $741,170 at September 30, 2010. 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, as well as obtaining long-term financing when the company concludes an appropriate merger or acquisition agreement.

On April 7, 2010 the Company entered into a Stock Purchase Agreement whereby it agreed to sell its entire interest in Outback to an arms length party for cash consideration equivalent to the calculated book value of the Company's holding at the date of closing. As a result of this transaction the Company no longer reports the PFG held shares of Cougar Minerals Corp. ("Cougar"), a company listed on the TSX Venture Exchange (Note 4). At initial recognition, each share was recorded at a fair value of $0.05. As at March 31, 2010 the closing price of Cougar's shares was $0.09 per share with a total fair value of $45,000. The Company classifies the investment as available-for-sale. The Company's portion of the unrealized gain on the shares of Cougar was recorded in other comprehensive income and the remaining portion is included in the balance of non-controlling interest as at March 31, 2010.

As noted, these conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustment that might arise from uncertainty. However, had the last audit been conducted in accordance with U.S. generally accepted auditing standards the auditors would have reflected these concerns in their report and would have included an explanatory paragraph in their report raising concern about the Company's ability to continue as a going concern.

As at September 30, 2010 the Company had a cash balance of $788,870.

Selected Financial Data Quarterly

	Three months ended			
	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Net loss	$ (200,626)	$ (176,702)	$ (4,926)	$ (85,578)
Basic loss per share	0.00	(0.03)	0.00	(0.02)

	Three months ended			
	September 30, 2009	June 30, 2009	March 31, 2009	December 31, 2008
Net loss	$ (5,746)	$ (11,508)	$ (14,813)	$ (158,339)
Basic loss per share	0.00	0.00	0.00	(0.02)

Balance Sheet Data

As at:	**September 30, 2010**	**June 30, 2010**	**March 31, 2010**	**December 31, 2009**
Share capital per Canadian GAAP	$ 15,310,333	$ 14,740,333	$ 13,649,333	$ 13,649,333
Common shares issued	35,231,730	25,291,730	5,441,730	5,441,730
Weighted average shares outstanding per Canadian GAAP	14,788,836	5,661,067	5,441,730	5,441,730
Total assets	$ 1,409,603	$ 1,130,716	$ 152,435	$ 184,212
Net assets (liabilities)	$ 1,346,937	$ 971,063	$ (71,155)	$ (54,784)

As at:	**September 30, 2009**	**June 30, 2009**	**March 31, 2009**	**December 31, 2008**
Share capital per Canadian GAAP	$ 13,649,333	$ 13,649,333	$ 13,649,333	$ 13,649,333
Common shares issued	5,441,730	5,441,730	5,441,730	5,441,730
Weighted average shares outstanding per Canadian GAAP	5,441,730	5,441,730	5,441,730	5,441,730
Total assets	$ 251,476	$ 203,378	$ 234,078	$ 251,312
Net assets (liabilities)	$ (31,629)	$ (12,985)	$ 23,523	$ 38,336

Additional Disclosure for Venture Issuers Without Significant Revenue

The business of the Company entails significant risks, and an 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, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

The Company has no significant revenues.
The Company has limited funds.
There is no assurance that the Company can access additional capital.
There is no assurance that the Company will be successful in its quest to find a commercially viable quantity of mineral resources.
The Company has a history of operating losses and may have operating losses and a negative cash flow in the future.
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.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Table of Property Contractual Obligations

Post Creek

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 12,500	400,000	paid & issued	
On or before April 5, 2011	$ 30,000	300,000		$ 15,000
On or before April 5, 2012	$ 50,000	300,000		$ 15,000
On or before April 5, 2013	$ 50,000	-		$ 15,000
	$ 142,500	1,000,000		$ 45,000

Bell Lake

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 25,000	300,000	paid & issued	
On or before April 5, 2011	$ 25,000	300,000		$ -
On or before April 5, 2012	$ 40,000	400,000		$ -
On or before April 5, 2013	$ 40,000	-		$ -
On or before April 5, 2014	$ 80,000	-		
	$ 210,000	1,000,000		$ -

Halcyon

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 15,000	300,000	paid & issued	
On or before April 5, 2011	$ 25,000	200,000		$ 22,000
On or before April 5, 2012	$ 35,000	200,000		$ 22,000
On or before April 5, 2013	$ 35,000	-		$ 22,000
	$ 110,000	700,000		$ 66,000

Wood Creek

Date	Payment	Issuance of shares		Exploration Requirements
On or before April 5, 2010	$ 7,500	150,000	paid & issued	
On or before April 5, 2011	$ 15,000	150,000		$ 24,000
On or before April 5, 2012	$ 20,000	-		$ 24,000
On or before April 5, 2013	$ 45,000	-		$ 24,000
	$ 87,500	300,000		$ 72,000

Related Party Transactions

During the period ended September 30, 2010, a company in which a director has an interest was owed $6,000 (2009: $6,000) for rent and management fees. The unpaid portion of these amounts, plus additional advances and other amounts due to directors, aggregating $148,211 (2009: $119,262) was settled with a cash payment plus the issuance of 2,640,000 shares at a value of $0.05 per share on July 23, 2010.

During the period ended September 30, 2010 the Company was in receipt of $500,000 for a private placement issuing 10,000,000 shares at a price of $0.05 per share. The purchasing company in the private placement shares common directors.

Related party transactions were in the normal course of business and have been recorded at the exchange amount which is the fair value agreed to between the parties. The Company incurred expenditures for various services provided by corporations controlled by directors and officers of the Company during the period ended September 30, 2010 which are as follows:

Period ended September 30, 2010	Expenditure	Stock-based Compensation	Total	Period ended September 30, 2009	Expenditure	Stock-based Compensation	Total
Geological consulting - expensed	$ 1,167	$ 30,000	$ 31,167	Geological consulting - expense	$ -	$ -	$ -
Geological consulting - capitalized	16,333	-	16,333	Geological consulting - capitalize	-	-	-
Consulting - expensed	20,000	15,000	35,000	Management - expensed	9,000	-	9,000
Management - expensed	25,000	92,500	117,500		$ 9,000	$ -	$ 9,000
	$ 62,500	$ 137,500	$ 200,000				

During the period ended the Company had a balance of $32,000 (December 31, 2009 $nil) reported in accounts payable and accrued liabilities. The amount of $32,000 is owing to directors of the Company of which, $25,000 was management fees and $7,000 was for geological consulting fees. The amount is for reimbursable expenses.

Amounts due to related parties of $13,030 is for reimbursable expenses for shared office administration and are unsecured, non-interest bearing and without specific terms of repayment. The vendor owed is related through common directors.

Critical Accounting Estimates
There are no critical accounting estimates.

Recent Changes in Accounting Policies

Other accounting pronouncements issued by the CICA with future effective dates, not listed below, are either not applicable or are not expected to be significant to the financial statements of the Company.

Section 1506, Accounting Changes
This Section establishes criteria for changes in accounting policies, accounting treatment and disclosure regarding changes in accounting policies, estimates and corrections of errors. In particular, this section allows for voluntary changes in accounting policies only when they result in the financial statements providing reliable and more relevant information. This section requires changes in accounting policies to be applied retrospectively unless doing so is impracticable.

Section 1400, General Standards of Financial Statement Presentation
This Section requires that management make an assessment of the Company's ability to continue as going concern over a period which is at least, but not limited to, twelve months from the balance sheet date. The Company has included this required disclosure in Note 1 to the financial statements.

Section 3855, Financial Instruments – Recognition and Measurement, Section 3856 – Hedges, Section 3862 – Financial Instruments – Disclosures, and Section 3863 - Financial Instrument Presentation
The Company adopted the CICA Handbook Sections 3855, "Financial Instruments – Recognition and Measurement"; Section 3856, "Hedges"; Section 3862, "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments Presentation". Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. Under Section 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost. Section 3862 and Section 3863 replace Section 3861, "Disclosure and Presentation" and revise and enhance disclosure requirements while carrying forward presentation requirements. The Company's financial instruments consist of cash, receivables, marketable securities, and accounts payable. Cash is measured at face value, representing fair value and classified is held for trading. Receivables are measured at amortized cost and classified as loans and receivables. Marketable securities are classified as available-for-sale and measured at fair value at each reporting period with fair value being determined by quoted market price of the securities. Unrealized gains and losses from available-for-sale instruments are recognized in other comprehensive income (loss) during the period. Accounts payable are measured at amortized cost and classified as other financial liabilities.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values unless otherwise noted.

The Company has determined that it does not have derivatives or embedded derivatives.

The Company does not use any hedging instruments.

Section 1582, Business Combinations
In January 2009, the CICA issued Section 1582, Business Combinations, which will provide the Canadian equivalent to International Financial Reporting Standard IFRS 3, Business Combinations, and replace the existing Section 1581, Business Combinations. The new standard will apply prospectively to business combinations for which the acquisition date is on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year, in which case an entity would also early adopt Section 1601, Consolidated Financial Statements and Section 1602, Non-controlling Interests. Management does not expect that the adoption of this new standard will have significant impact on the Company's financial statements.

In January 2009, the CICA issued Section 1601, "Consolidated Financial Statements", and Section 1602, "Noncontrolling Interests", which together replace the existing Section 1600, "Consolidated Financial Statements", and provide the Canadian equivalent to International Accounting Standard 27, "Consolidated and Separate Financial Statements (January 2008)". The new sections will be applicable to the Company on January 1, 2011. Section 1601 establishes standards for the preparation of consolidated financial statements, and Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The Company is assessing the impact, if any, of the adoption of these new sections on its consolidated financial statements.

In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS has not been estimated at this time.

The Company is developing a project plan to ensure full compliance with this requirement by 2011. The Company's project plan will consist of three phases:

Phase 1 – Scoping and Planning

This phase includes performing a high-level assessment to determine key areas of focus that will likely be impacted by the adoption of IFRS. The information obtained through this phase will be used to prepare a detailed plan for IFRS convergence. An assessment will also be performed as to whether information technology systems require modification in order to provide relevant and timely data required to meet the new reporting requirements under IFRS.

Phase 2 – Detailed Evaluation

This phase includes a detailed analysis of the impact of IFRS implementation on accounting determinations and disclosures. The detailed analysis will facilitate the selection of accounting policies under IFRS as well as the development of a detailed conversion strategy. A detailed determination of the impact of implementation on current internal control procedures and information technology will also be completed during this phase. As part of its implementation of IFRS, the Company will be required to comply with "IFRS 1 – First Time Adoption of IFRS" which set out the rules for first time adoption. In general, IFRS 1 requires an entity to comply with each IFRS statement effective at the reporting date for the entity's first IFRS financial statements. This requires that an entity apply IFRS to its opening IFRS balance sheet as at January 1, 2010 (i.e. the balance sheet prepared at the beginning of the earliest comparative period presented in the entity's first IFRS financial statements). Within IFRS 1 there are exemptions, some of which are mandatory and some of which are elective. The exemptions provide relief for companies from certain requirements in specified areas when the cost of complying with the requirements is likely to exceed the resulting benefit to users of financial statements. IFRS 1 generally requires retrospective application of IFRS statements on first-time adoptions, but prohibits such application in some areas, particularly when retrospective application would require judgments by management about past conditions after the outcome of a particular transaction is already known.

Phase 3 – Implementation and Reporting

This phase includes formally implementing necessary changes to internal control procedures in order to comply with IFRS. In this phase the final selection of accounting policies, reconciliation of financial statement balances as at January 1, 2010 to IFRS, and ultimately the preparation of financial statements and related disclosures required under IFRS as at and for the year ended December 31, 2011.

Disclosure Controls and Procedures Over Financial Reporting

Management has the responsibility for the design and implementation of controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with the accounting principles generally accepted in Canada. Based on a review of its internal controls at the end of the year covered by this MD&A, management believes its internal controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed and reported in an accurate and timely manner. There have been no significant changes in the Company's internal control over financial reporting during the period ended September 30, 2010.

Management is responsible for the design and effectiveness of disclosure controls and other procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls as of September 30, 2010 and have concluded these controls and procedures are effective in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

Share Capital Data

The following table sets forth the Company's share capital data as at November 24, 2010:

Common Shares	
-issued & outstanding	35,231,730
Preferred Shares	
-issued & outstanding	604,724

Further Information

Additional information about the Company is available at the Canadian disclosure website www.sedar.ca