CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018

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

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements, and the notes thereto, of North American Nickel Inc., and its subsidiary have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management, in discharging these responsibilities, maintains a system of internal controls designed to provide reasonable assurance that its assets are safeguarded, only valid and authorized transactions are executed and accurate, timely and comprehensive financial information is prepared. However, any system of internal controls over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors, principally through the Audit and Risk Committee, is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfils its financial reporting responsibilities.

The consolidated financial statements have been audited by Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, Licensed Public Accountants, who were appointed by the shareholders to examine the consolidated financial statements and provide an independent auditor's opinion thereon. The auditor's report outlines the scope of their examination and their opinion on the consolidated financial statements. Dale Matheson Carr-Hilton LaBonte LLP has full and free access to the Board of Directors.

"signed"
Keith Morrison
President and Chief Executive Officer

"signed"
Sarah Zhu
Chief Financial Officer

April 26, 2019

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of North American Nickel Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of North American Nickel Inc. (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of comprehensive loss, changes in equity and cash flows, for the years ended December 31, 2018, 2017 and 2016, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years ended December 31, 2018, 2017 and 2016, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has not generated revenues since inception, has incurred losses in developing its business, and further losses are anticipated. The Company requires additional funds to meet its obligations and the costs of its operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting in accordance with the standards of the PCAOB. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion in accordance with the standards of the PCAOB.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

We have served as the Company's auditor since 2005
Vancouver, Canada
April 26, 2019

NORTH AMERICAN NICKEL

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars)

	Notes	December 31, 2018	December 31, 2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		339	398
Short-term investments	4	2,500	2,500
Receivables and other current assets	5	133	242
TOTAL CURRENT ASSETS		**2,972**	**3,140**
NON-CURRENT ASSETS			
Property, plant and equipment	6	35	49
Exploration and evaluation assets	7	64,479	50,494
Reclamation of deposit	7	14	14
TOTAL NON-CURRENT ASSETS		**64,528**	**50,557**
TOTAL ASSETS		**67,500**	**53,697**
LIABILITIES			
CURRENT LIABILITIES			
Trade payables and accrued liabilities	8, 11	556	969
TOTAL CURRENT LIABILITIES		**556**	**969**
TOTAL LIABILITIES		**556**	**969**
EQUITY			
Share capital – preferred	10	591	591
Share capital – common	10	87,947	73,598
Reserve	10	7,749	5,089
Deficit		(29,343)	(26,550)
TOTAL EQUITY		**66,944**	**52,728**
TOTAL LIABILITIES AND EQUITY		**67,500**	**53,697**

Nature of Operations (Note 1)

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

Approved by the Board of Directors on April 26, 2019

"signed"	"signed"
Keith Morrison Director	Doug Ford Audit Committee Chair

NORTH AMERICAN NICKEL

Consolidated Statements of Comprehensive Loss

(Expressed in thousands of Canadian dollars, except loss per share)

	Notes	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
EXPENSES				
General and administrative expenses	11, 18	(2,340)	(2,375)	(2,021)
Property investigation		(216)	-	(15)
Amortization	6	(14)	(25)	(42)
Share-based payments	10	(317)	(504)	(309)
		(2,887)	**(2,904)**	**(2,387)**
OTHER ITEMS				
Interest income		74	32	28
Finance fee	9	-	-	(95)
Interest on capital contribution loan	9	-	-	(265)
Foreign exchange loss		(209)	(7)	(158)
		(135)	**25**	**(490)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(3,022)**	**(2,879)**	**(2,877)**
Basic and diluted weighted average number of common shares outstanding		**718,248,135**	**465,929,638**	**269,778,932**
Basic and diluted loss per share		**(0.00)**	**(0.01)**	**(0.01)**

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

Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian dollars, unless otherwise indicated)

	Notes	Number Shares	Share Capital	Preferred Stock	Reserve	Deficit	Total Equity
			$	$	$	$	$
BALANCE AT DECEMBER 31, 2015		**207,629,506**	**50,574**	**591**	**5,135**	**(23,820)**	**32,480**
Net and comprehensive loss		-	-	-	-	(2,877)	(2,877)
Share capital issued through private placement	10	160,000,000	12,000	-	-	-	12,000
Shares issued for fee on loan	9	952,380	95	-	-	-	95
Share-based payments	10	-	-	-	309	-	309
Forfeited/expired options	10	-	-	-	(912)	912	-
Expired warrants	10	-	-	-	(1,813)	1,813	-
Capital contribution interest on loan	9	-	-	-	265	-	265
Capital contribution reallocation on loan settlement	9	-	265	-	(265)	-	-
Share issue costs	10	-	(619)	-	48	-	(571)
BALANCE AT DECEMBER 31, 2016		**368,581,886**	**62,315**	**591**	**2,767**	**(23,972)**	**41,701**
Net and comprehensive loss		-	-	-	-	(2,879)	(2,879)
Share capital issued through private prospectus	10	145,030,833	10,877	-	-	-	10,877
Share capital issued through private placement	10	40,982,448	3,074	-	-	-	3,074
Value allocated to warrants issued	10	-	(2,080)		2,080	-	-
Forfeited/expired options	10	-	-	-	(283)	283	-
Expired warrants	10	-	-	-	(18)	18	-
Share-based payments	10	-	-	-	504	-	504
Share issue costs	10	-	(588)	-	39	-	(549)
BALANCE AT DECEMBER 31, 2017		**554,595,167**	**73,598**	**591**	**5,089**	**(26,550)**	**52,728**
Net and comprehensive loss		**-**	**-**	**-**	**-**	(3,022)	(3,022)
Share capital issued through private placement	10	233,333,333	17,500	-	-	-	17,500
Value allocated to warrants issued	10	-	(2,572)	-	2,572	-	-
Forfeited/expired stock options	10	-	-	-	(181)	181	-
Expired warrants	10	-	-	-	(48)	48	-
Share-based payments	10	-	-	-	317	-	317
Share issue costs	10	-	(579)	-	-	-	(579)
BALANCE AT DECEMBER 31, 2018		**787,928,500**	**87,947**	**591**	**7,749**	**(29,343)**	**66,944**

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

NORTH AMERICAN NICKEL

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars)

	Notes	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
OPERATING ACTIVITIES				
Loss for the year		(3,022)	(2,879)	(2,877)
Items not affecting cash:				
Amortization		14	25	42
Share-based payments		317	504	309
Interest income		(74)	(16)	(28)
Changes in working capital	12	21	(95)	(52)
Other:				
Interest received		80	32	30
Finance fee		-	-	95
Interest expense on loan		-	-	265
Net cash used in operating activities		**(2,664)**	**(2,429)**	**(2,216)**
INVESTING ACTIVITIES				
Expenditures on exploration and evaluation assets		(14,566)	(11,385)	(8,604)
Prior year payables for exploration and evaluation assets		-	-	(87)
Reclamation deposit		-	-	(14)
Short-term investments		-	200	(400)
Purchase of equipment		-	(20)	(3)
Net cash used in investing activities		**(14,566)**	**(11,205)**	**(9,108)**
FINANCING ACTIVITIES				
Proceeds from issuance of common shares	10	17,500	13,951	12,000
Direct financing costs		(329)	(549)	(571)
Net cash provided by financing activities		**17,171**	**13,402**	**11,429**
Change in cash equivalents for the year		(59)	(232)	105
Cash and cash equivalents, beginning of the year		398	630	525
Cash and cash equivalents, at the end of the year		**339**	**398**	**630**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

North American Nickel Inc. (the "Company") 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 Suite 2200, 1055 West Hastings Street, Vancouver, British Columbia, Canada,V6E 2E9. 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 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 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 consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on April 26, 2019.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

The Company's consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Basis of Preparation

These 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. These areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

(c) Basis of consolidation

These 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.

(d) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

(e) Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are initially capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are generally recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts, events and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The Company may occasionally enter into farm-out arrangements, whereby it will transfer part of an interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for in profit.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

(f) Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

(g) Impairment of assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs and for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the profit or loss, except to the extent the loss reverses gains previously recognized in other comprehensive loss/income.

(h) Financial instruments

The Company adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") on a retroactive basis in accordance with the transitional provisions. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). The standard promulgates a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. The adoption of IFRS 9 did not result in any change in the carrying values of any of the Company's financial assets on the transition date; therefore, comparative figures have not been restated.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt

instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial asset/ liability	Original classification IAS 39	New classification IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Other receivable	Amortized cost	Amortized cost
Trade payables	Amortized cost	Amortized cost

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost
An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition
Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss.

(i) Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per common share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

Basic loss per common share is calculated using the weighted average number of common shares outstanding during the period and does not include outstanding options and warrants. Dilutive loss per common share is not presented differently from basic loss per share as the conversion of outstanding stock options and warrants into common shares would be anti-dilutive.

(j) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it arises in a business combination, or from items recognized directly in equity or other comprehensive loss/income.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the asset and liability method of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(k) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognized over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these non-vesting and market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also recognized over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods and services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise shares are issued from treasury and the amount reflected in share-based payments reserve is credited to share capital along with any consideration paid.

(l) Share capital

The Company's common shares, preferred shares and share warrants shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Proceeds received on the issuance of units, consisting of common shares and warrants are allocated to share capital.

(m) Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of a significant replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation and amortization are calculated on a straight-line method to charge the cost, less residual value, of the assets to their residual values over their estimated useful lives. The depreciation and amortization rate applicable to each category of equipment is as follows:

Equipment	**Depreciation rate**
Exploration equipment	20%
Computer software	50%
Computer equipment	55%

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. The adoption of this standard will not result in any impact to the Company's financial statements.

IFRIC 23 – "Uncertainty over Income Tax Treatments"

In June 2017, the IFRS Interpretations Committee of the IASB issued IFRIC 23, Uncertainty over Income Tax Treatments (IFRIC 23). The interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

The adoption of these standards and interpretations is not expected to have a material effect on the Company's future results and financial position.

Amendments to References to the Conceptual Framework in IFRS Standards

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

Some Standards include references to the 1989 and 2010 versions of the Framework. The IASB has published a separate document which contains consequential amendments to affected Standards so that they refer to the new Framework, with the exception of IFRS 3 Business Combinations which continues to refer to both the 1989 and 2010 Frameworks. The Company does not intend to adopt the Amendments in its financial statements before the annual period beginning on January 1, 2020. The extent of the impact of the change has not yet been determined.

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

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

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that can affect reported amounts of assets, liabilities revenues and expenses and the accompanying disclosures. Estimates and assumptions are continuously evaluated and are based on management's historical experience and on other assumptions believed to be reasonable under the circumstances. However, different judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

(a) Recoverability of Exploration and Evaluation Assets

The ultimate recoverability of the exploration and evaluation assets of $64,479 carrying value at December 31, 2018, is dependent upon the Company's ability to obtain the necessary financing and permits to complete the development and commence profitable production at the Manniitsoq Project, or alternatively, upon the Company's ability to dispose of its interest therein on an advantageous basis. A review of the indicators of potential impairment is carried out at least at each period end.

(Expressed in thousands of Canadian dollars, except per share amounts)

Management undertakes a periodic review of these assets to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount of the assets is made. An impairment loss is recognized when the carrying value of the assets is higher than the recoverable amount and when mineral license tenements are relinquished or have lapsed. In undertaking this review, management of the Company is required to make significant estimates of, among other things, discount rates, commodity prices, availability of financing, future operating and capital costs and all aspects of project advancement. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the assets.

(b) Restoration Provisions

Management's best estimates regarding the restoration provisions are based on the current economic environment. Changes in estimates of contamination, restoration standards and restoration activities result in changes to provisions from period to period. Actual restoration provisions will ultimately depend on future market prices for future restoration obligations. Management has determined that the Company does not have any significant restoration obligations as at December 31, 2018.

(c) Valuation of Share-Based Compensation

The Company estimates the fair value of convertible securities such as warrants and options using the Black-Scholes Option Pricing Model which requires significant estimation around assumptions and inputs such as expected term to maturity, expected volatility and expected forfeiture rates. The accounting policies in Note 2(k) and Note 10 of the financial statements contain further details of significant assumptions applied to these areas of estimation.

(d) Going Concern

Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease trading, or has no realistic alternative to do so. Assessment of the Company's ability to continue as a going concern requires the consideration of all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This information includes estimates of future cash flows and other factors, the outcome of which is uncertain. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast substantial doubt upon the Company's ability to continue as a going concern those uncertainties are disclosed.

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 year ended December 31, 2018, the instrument was yielding an annual interest rate range of 1.55% (December 31, 2017 - 1.10%).

5. RECEIVABLES AND OTHER CURRENT ASSETS

A summary of the receivables and other current assets as of December 31, 2018 is detailed in the table below:

	December 31, 2018	**December 31, 2017**
Sales taxes receivable	75	143
Interest receivable	10	16
Other current assets	48	83
	133	242

Other current assets is comprised of prepaid expenses.

(Expressed in thousands of Canadian dollars, except per share amounts)

6. PROPERTY, PLANT AND EQUIPMENT

The table below sets out costs and accumulated depreciation as at December 31, 2018 and 2017:

	Exploration Equipment	Computer Equipment	Computer Software	Total
Cost				
Balance – December 31, 2016	**47**	**10**	**136**	**193**
Additions	20	-	-	20
Balance – December 31, 2017 and 2018	**67**	**10**	**136**	**213**

Accumulated Depreciation				
Balance – December 31, 2016	**32**	**7**	**100**	**139**
Depreciation	6	1	18	25
Balance – December 31, 2017	**38**	**8**	**118**	**164**
Depreciation	5	1	8	14
Balance – December 31, 2018	**43**	**9**	**126**	**178**
Carrying Amount				
As at December 31, 2016	15	3	36	54
As at December 31, 2017	29	2	18	49
As at December 31, 2018	**24**	**1**	**10**	**35**

(Expressed in thousands of Canadian dollars, except per share amounts)

7. EXPLORATION AND EVALUATION ASSETS

	Canada			US	Greenland	
	Post Creek Property	Halcyon Property	Quetico Claims	Section 35 Property	Maniitsoq Property	Total
Acquisition						
Balance,December31, 2017	278	214	-	6	36	534
Acquisition costs – cash	10	8	42	2	6	68
Balance, December 31, 2018	288	222	42	8	42	602
Exploration						
Balance, December 31, 2017	1,138	187	-	-	48,635	49,960
Administration	2	2	1	-	486	491
Camp operations	-	-	-	-	2,943	2,943
Corporate social responsibility	1	1	-	-	58	60
Drilling expenses	219	-	-	-	4,270	4,489
Environment, health and safety	-	-	-	-	135	135
Geology	40	17	20	-	662	739
Geophysics	29	-	1	-	824	854
Infrastructure	-	-	-	-	31	31
Helicopter charter aircraft	-	-	-	-	4,138	4,138
Property maintenance	2	2	-	-	18	22
Technical studies	-	-	-	-	15	15
	293	22	22	-	13,580	13,917
Balance, December 31, 2018	1,431	209	22	-	62,215	63,877
Total, December 31, 2018	**1,719**	**431**	**64**	**8**	**62,257**	**64,479**

	Canada		US	Greenland	
	Post Creek Property	Halcyon Property	Section 35 Property	Maniitsoq Property	Total
Acquisition					
Balance, December 31, 2016	268	206	3	20	497
Acquisition costs – cash	10	8	3	16	37
Balance, December 31, 2017	278	214	6	36	534
Exploration					
Balance, December 31, 2016	1,085	173	-	36,587	37,845
Administration	2	-	-	516	518
Corporate social responsibility	-	-	-	37	37
Drilling expenses	-	-	-	3,337	3,337
Environment, health and safety	-	-	-	99	99
Camp operations	-	-	-	3,004	3,004
Helicopter charter aircraft	-	-	-	3,058	3,058
Geology	48	14	-	691	753
Geophysics	2	-	-	1,014	1,016
Infrastructure	-	-	-	255	255
Property maintenance	-	-	-	7	7
Technical studies	1	-	-	30	31
	53	14	-	12,048	12,115
Balance, December 31,2017	1,138	187	-	48,635	49,960
Total, December 31, 2017	**1,416**	**401**	**6**	**48,671**	**50,494**

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, 2018 (December 31, 2017 - $10), the total of which will be deducted from any payments to be made under the NSR.

During the year ended December 31, 2018, the Company incurred exploration expenditures totalling $293 (December 31, 2017 - $53) 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, 2018, (December 31, 2017 - $8), the total of which will be deducted from any payments to be made under the NSR arrangement.

During the year ended December 31, 2018, the Company incurred $22 (December 31, 2017 - $14) in exploration and license related expenditures on the Halcyon Property.

Quetico

on April 26, 2018, the Company acquired certain claims known as Quetico located within the Sudbury Mining District of Ontario. The Company incurred total acquisition and exploration related costs of $64 (December 31, 2017 - $nil).

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

By the second anniversary of the recording of a claim and by each anniversary thereafter, a minimum of $400 worth of exploration activity per claim unit must be reported to the Provincial Recording Office. The company could maintain mining claims by filing an Application to Distribute Banked Assessment Work Credits form before any due date. Payments in place of reporting assessment work may also be used to meet yearly assessment work requirements, provided the payments are not used for the first unit of assessment work and consecutively thereafter. Payments cannot be banked to be carried forward for future use. The total annual work requirement for Quetico project after April 26, 2020 is $324 should the Company maintain the current size of the claims.

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 comprised of a number of 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 year ended December 31, 2018, the Company spent a total of $2 (December 31, 2017 - $3) in license related expenditures on the Section 35 Property.

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 year ended December 31, 2018, the Company spent an aggregate of $13,586 (December 31, 2017 - $12,064) in exploration and license related expenditures on the Maniitsoq Property, which is comprised of the Sulussugut, Ininngui and Carbonatite Licenses. Further details on the licenses and related expenditures are outlined below.

Sulussugut License (2011/54)

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

Effective August 15, 2011, the Company was granted an exploration license (the "Sulussugut License") by the BMP of Greenland for exclusive exploration rights of an area located near Sulussugut, Greenland. The Company paid a license fee of $6 (DKK 31) upon granting of the Sulussugut License. The application for another 5 year term on the Sulussugut License was submitted to the Greenland Mineral Licence & Safety Authority which was effective on April 11, 2016, with December 31, 2017 being the seventh year. During the year ended December 31, 2016, the Company paid a license fee of $8 (DKK 40) which provides for renewal of the Sulussugut License until 2020.

To December 31, 2015, under the terms of a preliminary license, the Company completed the exploration requirements of an estimated minimum of DKK 83,809 (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 required minimum exploration expenditures for the year ended December 31, 2017 was DKK 44,374 (approximately $8,955). As of December 31, 2018, the Company has spent $55,732 on exploration costs for the Sulussugut License.

To December 31, 2018, the Company has completed all obligations with respect to required reduction of the area of the license.

During the year ended December 31, 2018, the Company had approved exploration expenditures of DKK 79,604 (approximately $16,342) which results in the total cumulative surplus credits of DKK 326,111 (approximately $66,951). The credits may be carried forward until December 31, 2021.

The Company had no minimum required exploration for the year ended December 31, 2018. During the year ended December 31, 2018, the Company spent a total of $10,795 (December 31, 2017 - $11,079) in exploration and license related expenditures on the Sulussugut License.

(Expressed in thousands of Canadian dollars, except per share amounts)

Ininngui License (2012/28)

Effective March 4, 2012, the Company was granted an exploration license (the "Ininngui License") by the BMP of Greenland for exclusive exploration rights of an area located near Ininngui, Greenland. The Company paid a license fee of $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, 2018, the Company's expenditures exceeded the minimum requirement and the Company has a total cumulative surplus credits of DKK 35,509 (approximately $7,290). The credits may be carried forward until December 31, 2021.

The Company had no minimum required exploration for the year ended December 31, 2018. As of December 31, 2018, the Company has spent $5,121 on exploration costs for the Ininngui License.

Should the Company not incur the minimum exploration expenditures on the license in any one year from years 2-5, the Company may pay 50% of the difference in cash to BMP as full compensation for that year. This procedure may not be used for more than 2 consecutive calendar years and as at December 31, 2018, the Company has not used the procedure for the license.

During the year ended December 31, 2018, the Company spent a total of $1,423 (December 31, 2017 - $985) in exploration and license related expenditures on the Ininngui License.

Carbonatite License (2018/21)

Effective May 4, 2018, the Company was granted an exploration license (the "Carbonatite License") by the BMP of Greenland for exclusive exploration rights of an area located near Maniitsoq in West Greenland. The Company paid a license fee of $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. As of December 31, 2018, the Company has spent $1,362 on exploration costs for the Carbonatite License.

During the year ended December 31, 2018, the Company spent a total of $1,369 in exploration and license related expenditures (December 31, 2017 - $Nil) for the Carbonatite License.

The Company had a minimum required exploration obligation of DKK 269 (approximately $55) for the year ended December 31, 2018. To December 31, 2018, the Company's expenditures exceeded the minimum requirement and the Company has a total surplus credit of DKK 9,830 (approximately $2,018). The credit may be carried forward until December 31, 2021.

8. TRADE PAYABLES AND ACCRUED LIABILITIES

	December 31, 2018	December 31, 2017
Trade payables	477	813
Amounts due to related parties (Note 11)	1	42
Accrued liabilities	78	114
	556	969

9. LOAN PAYABLE

On April 22, 2016, the Company issued a term note to Sentient Executive GP IV Limited ("Sentient") and received a loan of $4,500 (the "Loan"). The Loan was due on April 30, 2017 and was made on an interest free basis. Sentient is a significant shareholder of the Company.

The Company discounted the Loan at an interest rate of 15% per annum, being the estimated market rate. Accordingly, upon issuance, the Company recorded an amount of $265 to reserves, which was to be amortized as interest expense over the term of the Loan.

Under the terms of the Loan, Sentient had the right, at its option, to require early pre-payment in the event that, during the term of the Loan, the Company successfully completed an issuance of common shares to third parties for gross proceeds of not less than $2,000. In the event the maximum offering amount is raised, being $12,000, Sentient was required to be repaid the full loan of $4,500. During the year ended December 31, 2016, the Company closed private placements (Note 10), which triggered full repayment of the Loan. The Company repaid the Loan and, accordingly, the full amount of $265 was reallocated to share capital on settlement and recorded on the statement of comprehensive loss as interest expense.

The Company also issued Sentient 952,380 common shares, at a fair value of $95, as a finance fee for advancing the Loan.

10. 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

2018

On April 19, 2018, the Company closed a non-brokered private placement equity financing of 233,333,333 units at a price of $0.075 per unit and raised aggregate 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 of $0.12 for a period of 24 months from its date of issuance. The Company incurred total share issuance costs of $579, of which $250 is recorded in trade payables at December 31, 2018. 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%.

Contemporary Amperex Technology Limited ("CATL") subscribed for 200,000,000 units of the aforementioned private placement for a total purchase price of $15,000. At December 31, 2018, CATL 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 subscribed for 13,333,333 units of the aforementioned private placement for a total purchase price of $1,000. At December 31, 2018, Sentient 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 December 31, 2018, the Company has 787,928,500 common shares issued and outstanding, (December 31, 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 June 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 June 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 overallotment option for a period of 30 days, which expired unexercised. The fair value of overallotment 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%.

2016

On April 28, 2016, the Company issued 952,380 common shares at a fair value of $95 as a finance fee.

On July 21, 2016, the Company closed a private placement of 92,668,907 units at a price of $0.075 per unit for gross proceeds of $6,950. Each unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the purchaser to purchase an additional common share at a price of $0.12 per share until July 21, 2018. Share issuance costs of $571 were incurred in connection with the private placement. The Company also issued 1,203,695 agent's warrants, exercisable at $0.075 per warrant until July 21, 2018. The Company allocated a fair value of $48 to the agent's warrants 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 0.57% and an expected volatility of 91.06%. The Company also granted the agent an overallotment option, which expired unexercised.

On September 12, 2016, the Company closed a private placement and issued 67,331,093 units at a price of $0.075 per unit for gross proceeds of $5,050. Each unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the purchaser to purchase an additional common share at a price of $0.12 per share until September 12, 2018.

b) Preferred shares issued and outstanding

As at December 31, 2018, December 31, 2017 and December 31, 2016, 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

(Expressed in thousands of Canadian dollars, except per share amounts)

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.

c) Warrants

A summary of common share purchase warrants activity during the years ended December 31, 2018, December 31, 2017 and December 31, 2016 is as follows:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Number Outstanding	**Weighted Average Exercise Price ($)**	**Number Outstanding**	**Weighted Average Exercise Price ($)**	**Number Outstanding**	**Weighted Average Exercise Price ($)**
Outstanding, beginning of year	176,175,413	0.12	95,982,036	0.15	27,738,344	0.49
Issued	116,666,664	0.12	94,971,721	0.12	81,203,692	0.12
Cancelled / Expired	(34,869,241)	0.12	(14,778,344)	0.30	(12,960,000)	0.71
Outstanding, end of year	257,972,836	0.12	176,175,413	0.12	95,982,036	0.15

At December 31, 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	0.12
1,965,083	June 8, 2019	0.075	0.00
46,334,451	July 21, 2019[1,2]	0.12	0.10
20,491,224	August 15, 2019	0.12	0.05
116,666,664	April 19, 2020	0.12	0.59
257,972,836			0.86

[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 December 31, 2018, the Company's common shares have not met the criterion for acceleration.*

[2] *On September 1, 2018, the TSXV approved an extension of the term of the warrants from July 21, 2018 to July 21, 2019. All other terms, including the exercise price, remain the same.*

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.

(Expressed in thousands of Canadian dollars, except per share amounts)

A summary of option activity under the Plan during the years ended December 31, 2018, December 31, 2017 and December 31, 2016 is as follows:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of year	20,720,500	0.23	12,823,000	0.30	9,872,500	0.37
Issued	6,425,000	0.12	9,137,500	0.12	6,058,000	0.21
Cancelled / Expired	(1,200,000)	0.18	(1,240,000)	0.24	(3,107,500)	0.34
Outstanding, end of year	25,945,500	0.18	20,720,500	0.23	12,823,000	0.30

During the year ended December 31, 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 amounted to $317 and was recorded as a share-based payments expense.

During the year ended December 31, 2017, the Company granted 9,137,500 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 $504 and was recorded as a share-based payments expense.

During the year ended December 31, 2016, the Company granted 6,058,000 incentive stock options to employees, directors and consultants with a maximum term of 5 years. The granting of these options resulted in a share-based payments expense of $278.

During the year ended December 31, 2016, the Company recorded a further $31 in stock-based compensation for previously issued stock options that vested during the year.

The fair value of stock options granted and vested during the years ended December 31, 2018, December 31, 2017 and December 31, 2016 was calculated using the following assumptions:

	December 31, 2018	December 31, 2017	December 31, 2016
Expected dividend yield	0%	0%	0%
Expected share price volatility	96.9% - 101%	66.6% - 100.6%	111% - 113%
Risk free interest rate	2.04% – 2.17%	1.17% – 1.80%	0.68% - 0.79%
Expected life of options	5 years	5 years	5years

(Expressed in thousands of Canadian dollars, except per share amounts)

Details of options outstanding as at December 31, 2018 are as follows:

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	0.05
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	0.04
900,000	900,000	Feb 3, 2020	0.275	0.04
450,000	450,000	Oct 5, 2020	0.20	0.03
5,443,000	5,443,000	Jan 28, 2021	0.21	0.44
7,637,500	7,637,500	Feb 21, 2022	0.12	0.93
1,000,000	1,000,000	Dec 20, 2022	0.12	0.15
5,725,000	5,725,000	Feb 28, 2023	0.12	0.92
500,000	500,000	May 1, 2023	0.12	0.08
200,000	200,000	May 4, 2023	0.12	0.03
25,945,500	25,945,500			2.73

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, 2018 the Company recorded $317 of share-based payments (December 31, 2017 - $504) (December 31, 2016 - $309) to the reserve. During the year ended December 31, 2018, the Company transferred $229 (December 31, 2017 - $301) (December 31, 2016 - $2,725) to deficit for expired options and warrants.

During the year ended December 31, 2016, the Company initially recorded an amount of $265 to the reserve, which was amortized as interest expense over the term of the Loan and reallocated to share capital upon settlement.

11. RELATED PARTY TRANSACTIONS

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 8):

	December 31, 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

2018

As of December 31, 2018, Sentient beneficially owns 369,809,820 common shares constituting approximately 46.93% of the currently issued and outstanding common shares. Note 10(a).

(Expressed in thousands of Canadian dollars, except per share amounts)

As of December 31, 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. Note 10(a).

During the year ended December 31, 2018, the Company recorded $174 (2017 - $244), (2016 - $347) in fees charged by a legal firm in which the Company's chairman is a consultant.

During the year ended December 31, 2018, the Company recorded $Nil (2017 - $Nil) (2016 - $16) in rent and utilities expense to VMS Ventures Inc. a company that was previously a significant shareholder through common directors, which was included in general and administrative expense.

2017

On August 15, 2017, Sentient subscribed for a total of 38,666,666 units under the private placement equity financing transaction described in Note 10 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 as described in Note 10 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.

2016

During the year ended December 31, 2016, the Company issued 952,380 common shares to Sentient for a fee for advancing the loan of $4,500 at a fair value of $95. The Company discounted the loan with the interest not being charged by Sentient using an interest rate of 15% per annum and an amount of $265 was booked to capital contribution reserve. Note 9.

During the year ended December 31, 2016, Sentient acquired 120,428,939 common shares. The common shares were acquired as to 952,380 common shares at a fair value of $95 as a finance fee and 119,476,559 common shares as part of the private placements at a price of $8,960.

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

Key management compensation was:

	December 31, 2018	**December 31, 2017**	**December 31, 2016**
Geological consulting fees – expensed	104	35	6
Geological consulting fees – capitalized	18	178	44
Management fees – expensed	747	749	756
Salaries - expensed	181	128	103
Share-based payments	192	358	186
Total	**1,242**	**1,448**	**1,095**

(Expressed in thousands of Canadian dollars, except per share amounts)

12. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital for the years ended December 31, 2018, 2017 and 2016 are as follows:

	December 31, 2018	December 31, 2017	December 31, 2016
Decrease (increase) in accounts receivables and current assets	84	(162)	36
Decrease (increase) in prepaid expenses	19	46	(73)
(Decrease) increase in trade payables and accrued liabilities	(82)	21	(15)
Total changes in working capital	**21**	**(95)**	**(52)**

During the year ended December 31, 2018, the Company:

i) transferred $229 from reserve to deficit;
ii) recorded $250 of share issuance costs in trade payables; and
iii) recorded $186 in accrued exploration and evaluation expenditures.

During the year ended December 31, 2017, the Company:

i) transferred $301 from reserve to deficit;
ii) recorded $39 in fair value of options to share issuance costs;
iii) recorded $61 in fair value of agent's warrants to share issuance costs; and
iv) recorded $767 in accrued exploration and evaluation expenditures.

During the year ended December 31, 2016, the Company:

i) recorded $265 to reserves, which was subsequently reallocated to share capital and amortized as interest expense over the term of the Loan;
ii) transferred $2,725 from reserve to deficit;
iii) recorded $48 in fair value of agent's warrants to share issuance costs; and
iv) recorded $34 in accrued exploration and evaluation expenditures.

13. COMMITMENTS AND CONTINGENCIES

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

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

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

ii) 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.

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.

14. RISK MANAGEMENT

The Company's exposure to market risk includes, but is not limited to, the following risks:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The short term investments are held at highly-rated financial institutions and earn guaranteed fixed interest rate and thus are not subject to significant changes in interest payments.

Foreign Currency Exchange Rate Risk

Currency risk is risk that the fair value of future cash flows will fluctuate because of changes in foreign currency exchange rates. In addition, the value of cash and cash equivalents and other financial assets and liabilities denominated in foreign currencies can fluctuate with changes in currency exchange rates.

The Company operates in Canada and Greenland and undertakes transactions denominated in foreign currencies such as United States dollar, Euros and Danish Krones, and consequently is exposed to exchange rate risks. Exchange risks are managed by matching levels of foreign currency balances and related obligations and by maintaining operating cash accounts in non-Canadian dollar currencies. The rate published by the Bank of Canada at the close of business on December 31, 2018 was 1.3630 USD to CAD, 1.5598 EUR to CAD and 0.2089 DKK to CAD.

The Company's Canadian dollar equivalent of financial assets and liabilities that are denominated in Danish Krones consist of accounts payable of $9 (2017 - $571) and $79 in USD currency (2017 - $56).

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The credit risk is primarily associated with liquid financial assets. The Company limits exposure to credit risk on liquid financial assets by holding cash and cash equivalents and short term investments at highly-rated financial institutions.

Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages the liquidity risk inherent in these financial obligations by regularly monitoring actual cash flows to annual budget which forecast cash needs and expected cash availability to meet future obligations.

The Company will defer discretionary expenditures, as required, in order to manage and conserve cash required for current liabilities.

(Expressed in thousands of Canadian dollars, except per share amounts)

The following table shows the Company's contractual obligations as at December 31, 2018:

As at December 31, 2018	Less than 1 year	1 - 2 years	2 - 5 years	Total
Trade and accrued liabilities	556	-	-	556
	556	**-**	**-**	**556**

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern, so that adequate funds are available or are scheduled to be raised to carry out the Company's exploration program and to meet its ongoing administrative and operating costs and obligations. This is achieved by the Board of Directors' review and ultimate approval of budgets that are achievable within existing resources, and the timely matching and release of the next stage of expenditures with the resources made available from capital raisings and debt funding from related or other parties. In doing so, the Company may issue new shares, restructure or issue new debt.

The Company is not subject to any externally imposed capital requirements imposed by a regulator or a lending institution.

In the management of capital, the Company includes the components of equity, loans and borrowings, other current liabilities, net of cash and cash equivalents.

	As at December 31, 2018	2017
Equity	66,944	52,728
Current liabilities	556	969
	67,500	53,697
Cash and cash equivalents	(339)	(398)
Short term investments	(2,500)	(2,500)
	64,661	**50,799**

15. FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes six levels to classify the inputs to valuation techniques used to measure the fair value.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable either directly or indirectly

Level 3 – Inputs that are not based on observable market data

(Expressed in thousands of Canadian dollars, except per share amounts)

16. 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 7). The Company's geographic segments are as follows:

	December 31, 2018	December 31, 2017
Equipment		
Canada	11	19
Greenland	24	30
Total	**35**	**49**

	December 31, 2018	December 31, 2017
Exploration and evaluation assets		
Canada	2,214	1,817
Greenland	62,257	48,671
United States	8	6
Total	**64,479**	**50,494**

17. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Net loss	$ (3,022)	$ (2,879)
Statutory tax rate	27%	26.0%
Expected income tax recovery at the statutory tax rate	(816)	(749)
Permanent differences and other	62	(2)
Effect of change in tax rates	(132)	-
Change in valuation allowance	886	751
Net deferred Income tax recovery	$ -	$ -

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	December 31, 2018	December 31, 2017
Exploration and evaluation assets	$ 65	$ 18
Loss carry-forwards	3,823	3,048
Share issuance costs	293	237
Cumulative eligible capital	34	32
Equipment	98	93
	4,313	3,428
Valuation allowance	(4,313)	(3,428)
Net deferred tax asset	$ -	$ -

(Expressed in thousands of Canadian dollars, except per share amounts)

The tax pools relating to these deductible temporary differences expire as follows:

	Canadian non-capital losses	Canadian net-capital losses	Canadian resource pools	Canadian share issue costs
2030	$ 696	$ -	$ -	$ -
2031	517	-	-	-
2032	645	-	-	-
2033	847	-	-	-
2034	1,484	-	-	-
2035	2,141	-	-	-
2036	2,213	-	-	-
2037	2,637			
2038	2,923			
No expiry	-	57	50,575	912
	$ 14,103	$ 57	$ 50,575	$ 912

18. GENERAL AND ADMINISTRATIVE EXPENESS

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

	December 31, 2018	**December 31, 2017**	**December 31, 2016**
Consulting fees	373	343	218
Professional fees	142	129	128
Management fees	733	715	756
Investor relations	187	239	221
Filing fees	79	106	77
Salaries and benefits	474	439	290
General office expenses	352	404	331
Total	**2,340**	**2,375**	**2,021**

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fourth Quarter and Full Year Ended December 31, 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 December 31, 2018 and December 31, 2017, and the results of operations for the three and twelve months ended December 31, 2018 (**"Q4 2018" and "FY 2018"**, respectively) and December 31, 2017 (**"Q4 2017" and "FY 2017"**, respectively). The MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company for the fiscal years ended December 31, 2018 and 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").

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 April 26, 2019. 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 and Highlights

North American Nickel is an international mineral exploration and resource development company listed on the TSX Venture Exchange ("TSXV") as at May 3, 2011 trading under the symbol NAN. The Company'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 active 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.

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

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

During fiscal 2018, Company closed a 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. Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company. Contemporary Amperex Technology Limited ("CATL") subscribed for 200,000,000 units under the placement for a total purchase price of $15,000 and beneficially owns, or exercises control or direction over approximately 25.38% of the currently issued and outstanding shares 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 and 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.

The Company announced the retirement of Ms. Patricia Tirschmann as VP Exploration on January 31 and appointed Sarah-Wenjia Zhu as the Chief Financial Officer on May 22, 2018.

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 km^2) and the Ikertoq property No. 2018/31 (33 km^2). The Maniitsoq property is centred on the 75 kilometre by 15 kilometre Greenland Norite Belt which hosts numerous high-grade nickel-copper sulphide occurrences associated with mafic and ultramafic intrusions.

Between 1995 and 2011, various companies carried out exploration over portions of the project area. The most extensive work was carried out by Kryolitselskabet Øresund A/S Company (KØ) who explored the project area from 1959 to 1973. KØ discovered numerous surface and near surface nickel-copper sulphide occurrences and this work was instrumental in demonstrating the nickel prospectivity of the Greenland Norite Belt.

The Company acquired the Maniitsoq project because it has potential for the discovery of significant magmatic sulfide 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, 2018 being the eighth year.

The Greenland MLSA for the year 2018 has adjusted the minimum required exploration expenditures to zero. There will be an annual license fee on the Sulussugut License for year 8 and forward of approximately DKK 41.

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

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

Exploration Commitment		2013	2014	2015	2016	2017	2018
Fixed amount		310	313	317	-	650	659
4841 km^2 of DKK 1.460 per km^2							
4841 km^2 of DKK 1.490 per km^2							
3336 km^2 of DKK 7.760 per km^2		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	
2689 km^2 of DKK 16.500 per km^2							44,369
Exploration obligation		26,197	21,368	21,668	-	44,374	-
Approved exploration expenditures		37,349	55,509	59,150	61,109	85,094	79,604
Exploration obligation		(26,198)	(21,368)	(21,668)	-	-	-
Credit from previous year		17,530	28,681	62,822	100,304	161,413	246,507
Total Credit	DKK	28,681	62,822	100,304	161,413	246,507	326,111
Average Annual Rate DKK to CAD		0.1834	0.1968	0.1901	0.1969	0.1968	0.2053

The accumulated exploration credits held at the end of 2018, DKK 326,111 (approximately $66,951) can be carried forward as follows:

Carry forward period:

a) **DKK 246,507** from 2017 until December 31, 2021

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

The Company has fulfilled the minimum exploration requirements and the Sulussugut License area was not reduced in 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, 2018 being the seventh year.

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

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

Exploration Commitment		2013	2014	2015	2016	2017	2018
Fixed amount		155	313	318	323	-	659
142 km^2 of DKK 1.490 per km^2							
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						-	-
296 km^2 of DKK 16.500 per km^2							4,884
Exploration obligation		566	2,388	2,668	2,715	-	-
Total Credits Available							
Approved exploration expenditures		2,966	5,470	6,276	6,790	9,367	10,465
Exploration obligation		(576)	(2,388)	(2,668)	(2,715)	-	-
Credit from previous year		2,512	4,902	7,984	11,592	15,667	25,044
Total Credit	DKK	4,902	7,984	11,592	15,667	25,044	35,509
Average Annual Rate DKK to CAD		0.1834	0.1968	0.1901	0.1969	0.1968	0.2053

Carry forward period:

a) **DKK 25,044** from 2017 until December 31, 2021
b) **DKK 10,465** from 2018 until December 31, 2021

The Company has fulfilled the minimum exploration requirements and the Ininngui License area was not reduced in 2018.

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

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

Carbonatite License - 2018/21

Effective May 4, 2018, the Company was granted an exploration license (the "Carbonatite License") by the BMP of Greenland for exclusive exploration rights of an area located near Maniitsoq in West Greenland. The Company paid a license fee of $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.

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

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

Exploration Commitment		**2017**	**2018**
Fixed amount		-	165
63 km^2 of DKK 1.650 per km^2			104
Exploration obligation		-	269
Approved exploration expenditures		-	10,099
Exploration obligation			-
Credit from previous year		-	-
Total Credit	DKK	-	9,830
Average Annual Rate DKK to CAD			0.2053

Carry forward period:

a) **DKK 9,830** from 2018 until December 31, 2021

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 and Development Activities

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

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

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

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

2018 Exploration

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

- Surface electromagnetic surveys targeting of the melanorite "keel" structures which may contain larger sulfide accumulations from which the known mineral zones were structurally detached;

- A targeted 12,500 metres of diamond drilling, including borehole electromagnetic (BHEM) surveys, and

- Mapping, prospecting, sampling, structural geological studies and 3D modeling

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

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

The 2018 exploration program commenced in June and was completed in September with 14,288 m of drilling that targeted the roots of large intrusions with thick intervals of melanorite. The total meterage is an increase of 5,520 m from the 2017 program and surpassed the initial planned program of 12,500m.

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

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

Figure 1. Location of 2018 drill targets.

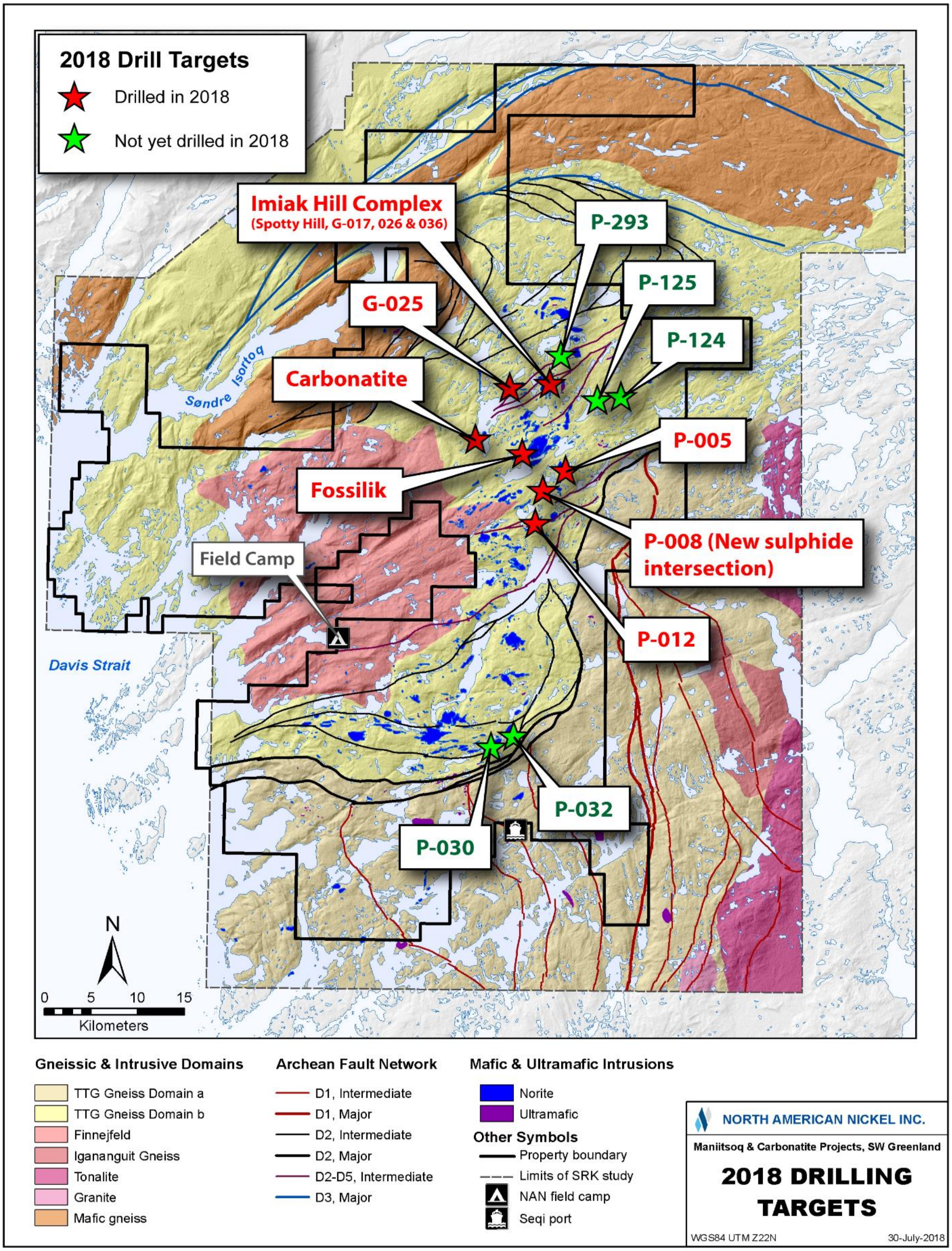


Figure 2. Location of 2018 drilling.

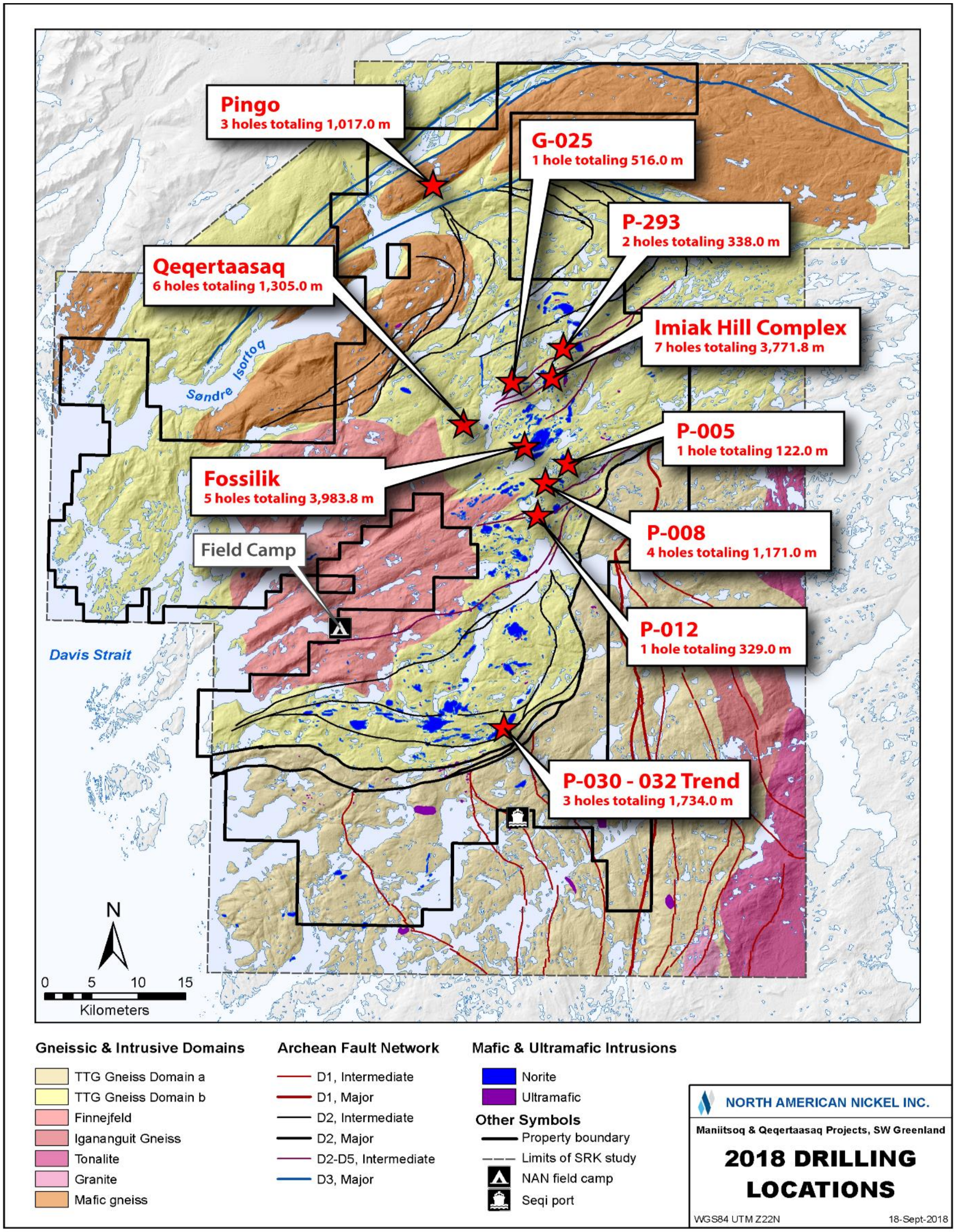


Table 4. Summary of drill and assay results, MQ-18-167.

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

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

New Mineral Licenses – Carbonatite and Ikertoq

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

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

A second new exploration license (2018/31; "Ikertoq") was awarded to the Company on May 4, 2018 in an area approximately 110 km north of the Maniitsoq project. This area was intermittently explored by Kryolitselskabet Øresund ("KO"), Greenland Gold Resources and Northern Shield Resources. As of December 31, 2018, the license was relinquished due to no further plans to carry exploration work.

CSR, Environment and Infrastructure

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

Corporate Social Responsibility - The 2018 program for Corporate Social Responsibility was completed on August 24 with community presentations in Sisimiut, Maniitsoq, Atammik and Napasoq and presentations to the Mineral Licencing and Safety Authority and the Ministry of Industry and Energy of the Greenland government in Nuuk. The National Association for Hunters and Fishers (KNAPF) also located in Nuuk was updated on 2018 exploration activities. The Company has renewed its support for the annual Greenland mineral hunt with a donation of $2.

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

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

Outlook – Exploration and Development for 2019

Management is developing a three-year exploration plan for Maniitsoq with the objective of maximizing the potential value of the asset while extending the period that the Company maintains control of the project.

2019 – Apply NAN's cumulative knowledge to Maniitsoq and other areas of western Greenland and identify the geoscience data gaps to effective targeting.

2020 - Acquire the additional required geoscience data and additional properties of merit; conduct test drilling if any priority targets are identified and drill ready.

2021 – Execute a major drill campaign of prioritized targets.

This three-year plan will allow for the generation of priority drill targets while drawing down on the three years of exploration credits (Table 1 & 2). The drilling expenditure in 2021 would extend control of the Maniitsoq project until 2024.

Canada Nickel Projects - Sudbury, Ontario

Post Creek Property

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

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

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

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

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

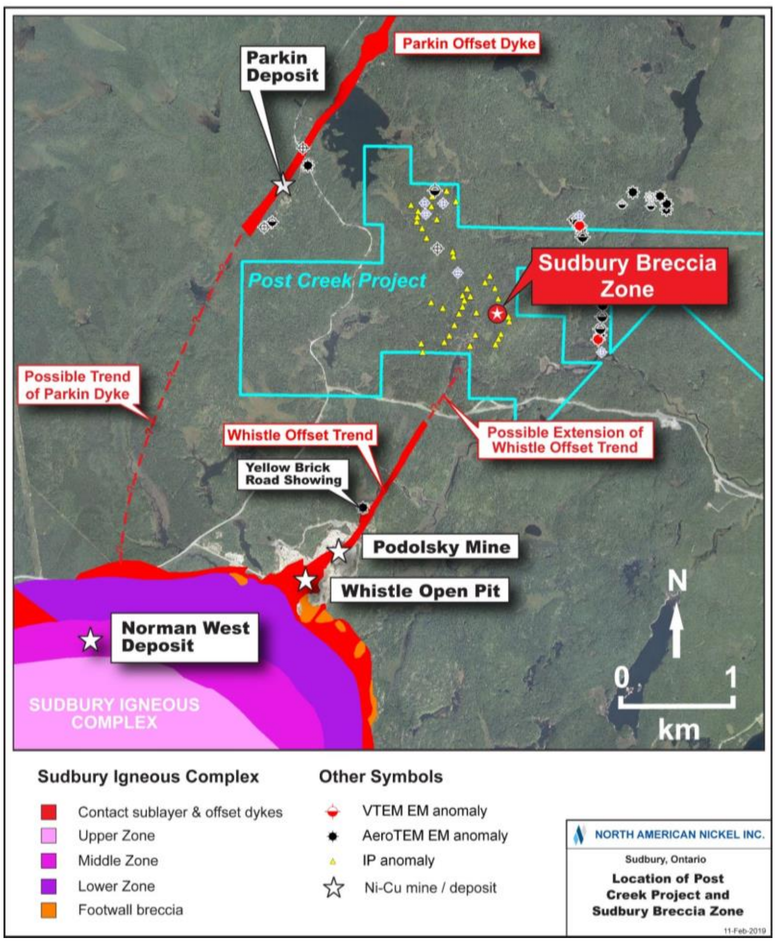
A NI 43-101 compliant Technical Report was completed by Dr. Walter Peredery, formerly of INCO, in 2011 and subsequently accepted by the Securities Commission.

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

In 2017, the Company initiated support for a two-year MITAC project whereby an 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.

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

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



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

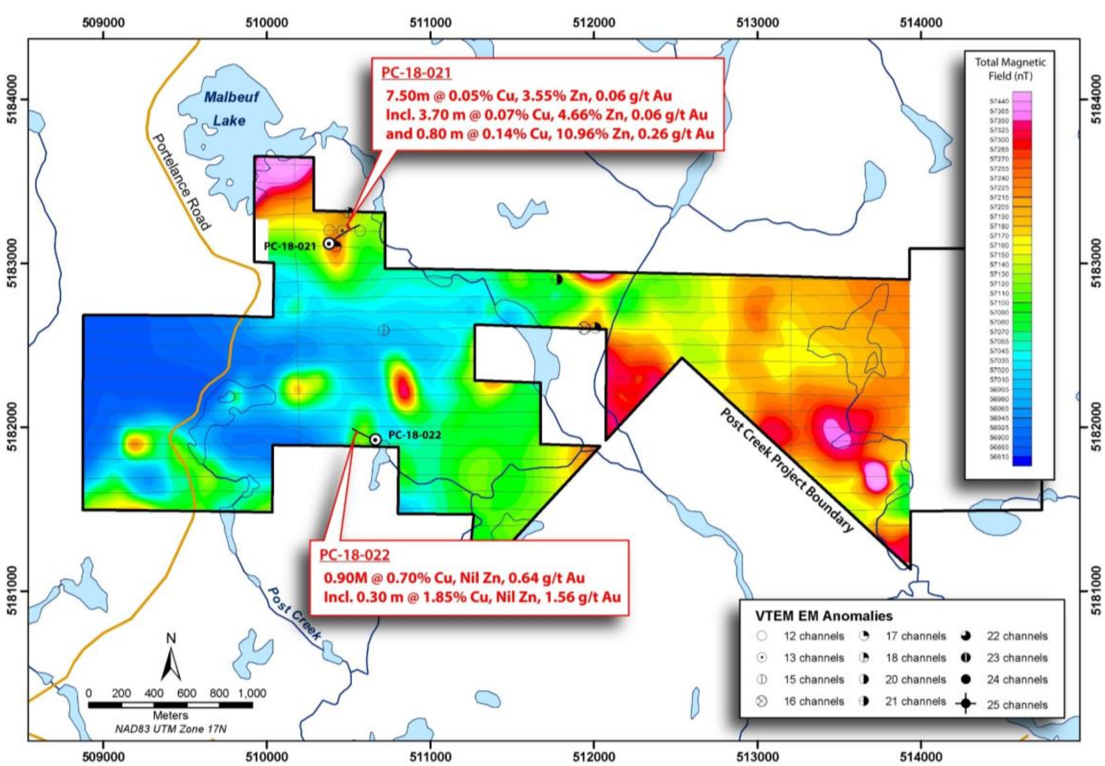
7.50m @ 3.55% zinc and 0.82ppm silver including

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

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

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

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



Corporate Social Responsibility

The Company has established excellent working relationships with the Wahnapitae First Nation (WFN) at Capreol (Ontario) commencing with a community presentation in May and followed up with ongoing contact with the Resource and Environmental officer. Prior to the initiation of drilling all drill sites and access routes to drill sites were reviewed by the WFN and no issues were identified. A post-drilling review of the drill sites indicated no problems related to drilling. A donation of $2 was made to the WFN in support of their 2018 Pow Wow celebrations.

Prospecting on the property is ongoing with the assistance of casual labour hired from the WFN community.

Outlook – Exploration and Development for 2019

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).

Halcyon Property

As at the date of this MD&A, the company holds 100% interest in Halcyon Property and is obligated to pay advances on the NSR of $8 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 Activities

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

Work completed on the property during the year ending December 31, 2016 consisted of geological traverses, prospecting and sampling and was carried out on the southern portion of the Halcyon Property. This program was carried out concurrently with similar work on the Post Creek Property. Assay, whole rock and thin section samples were collected for analysis and study. Results have been received and 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 2019

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

Quetico Property

During FY 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 $64.

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, 2018.

Project Pipeline

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

In the context of rising nickel prices and positive developments in the electric vehicle market, the Company will look to enhance shareholder value by aggressively expanding its nickel sulphide project pipeline. The Company's staff are proceeding with compilation work on prospective geological environments related to North American Archean craton margins where structural space controls the development of mafic-ultramafic intrusions. The objective of this work is to identify underexplored or unexplored open system intrusions where large zones of high-grade sulphide mineralization are controlled within the footprints of very small intrusions. The development of a Moroccan-based subsidiary company is proceeding and will provide an opportunity to assess nickel sulphide potential throughout the country.

Financial Capability

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

At the end of FY 2018, the Company had working capital of $2,416 (FY 2017 - $2,171) and reported accumulated deficit of $29,343 (FY 2017 - $26,550). The Company will require additional funds to continue its planned operations and meet its obligations.

As at December 31, 2018, the Company had $2,839 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 FY 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.

Annual Summary

The annual summary is set out in the following table. The amounts are derived from the consolidated financial statements prepared under IFRS.

In thousands of CDN dollars, except per share amounts	**2018**	**2017**	**2016**
Net loss	3,022	2,879	2,877
Basic and diluted loss per share	0.00	0.01	0.01
Share capital	87,947	73,598	62,315
Common shares issued	787,928,500	554,595,167	368,581,886
Weighted average shares outstanding	718,248,135	465,929,638	269,778,932
Total assets	67,500	53,697	41,882
Investment in exploration and evaluation assets	14,708	11,385	8,604

Results of Operations

Net loss of $3,022 in FY 2018 was higher by $143 compared to a loss of $2,879 in FY 2017. The higher loss in FY 2018 was mainly driven by property investigation costs of $216 in FY 2018 compared to $nil in FY 2017 and higher foreign exchange loss in FY 2018 of $209 compared to $7 in FY 2017. The higher costs in FY 2018 were offset by lower administrative costs and higher interest income in FY 2018.

Total Assets

Total assets during FY 2018 increased by a net of $13,803 from the end of FY 2017. The increase is mainly attributed to an increase to exploration and evaluation assets of $13,985, offset by a decrease in cash and cash equivalents and short-term investments of $59, a decrease in receivables and other current assets of $109 and decrease to property, plant and equipment of $14.

Investment in Exploration and Evaluation Assets

Investment in exploration and evaluation assets relates primarily to the Greenland property. During FY 2018, the Company spent a total of $13,985 in additions to exploration and evaluation assets, of which $13,586 related to Greenland and $399 to other properties located in Canada and in USA.

Quarterly Results of Operations

In thousands of CDN dollars, except per share amounts	**2018 4th quarter**	**2018 3rd quarter**	**2018 2nd quarter**	**2018 1st quarter**
Statement of Loss				
Interest income	22	31	21	-
Net loss	814	645	725	838
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	2,839	5,372	14,773	859
Total assets	67,500	69,391	71,078	52,444
Net assets	66,944	67,763	68,658	52,177
Share capital	87,947	88,543	88,793	73,598
Common shares issued	787,928,500	787,928,500	787,928,500	554,595,167
Weighted average shares outstanding	787,928,500	787,928,500	739,210,551	554,595,167

In thousands of CDN dollars, except per share amounts	**2017 4th quarter**	**2017 3rd quarter**	**2017 2nd quarter**	**2017 1st quarter**
Statement of Loss				
Interest income	12	11	4	5
Net loss	653	600	672	954
Net loss per share - basic and diluted	0.00	0.00	0.00	0.01
Statement of Financial Position				
Cash, cash equivalents and short-term investments	2,898	5,850	10,511	2,388
Total assets	53,697	55,057	52,593	41,358
Net assets	52,728	53,366	50,997	41,198
Share capital	73,598	74,266	71,727	62,906
Common shares issued	554,595,167	554,595,167	513,612,719	368,581,886
Weighted average shares outstanding	554,595,167	436,049,679	403,644,285	269,778,932

Three Months Ended December 31, 2018, and December 31, 2017

A net loss of $814 in Q4 2018 compared to a net loss of $653 in Q4 2017 resulted in an increased loss of $161 quarter-over-quarter and was due to the following events with write off of mineral property cost being the most significant:

- New properties investigation costs were $154 in Q4 2018 compared to a $nil amount in Q4 2017.
- Foreign exchange loss totaled $40 in Q4 2018 and was higher by $22 compared to a loss of $18 in Q4 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's quarter.
- Other administrative and corporate costs in aggregate of $31 further contributed to an increase in the loss in Q4 2018 when compared to Q4 2017.
- Amortization expense was $3 in Q4 2018 compared to a recovery amount of $16 in Q4 2017.

The higher loss in Q4 2018 was offset by the following lower key expenditures in Q4 2018 compared to Q4 2017:

- Interest income was $22 in Q4 2018 and was higher by $11 compared to $11 interest income in Q4 2017.
- Share-based payments was $nil in Q4 2018 compared to $54 in Q4 2017.

Fiscal Ended December 31, 2018, and December 31, 2017

The Company incurred a net loss of $3,022 during FY 2018 compared to a net loss of $2,879 during FY 2017 resulting in an increased loss of $143 (year-over-year). The higher loss in FY 2018 was due to the following events:

- Foreign exchange loss totaled $209 in FY 2018 and was higher by $202 compared to a loss of $7 in FY 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.
- New properties investigation costs were $216 in FY 2018 compared to a $nil amount in FY 2017.

The increased loss in FY 2018 was decreased by the following lower expenditures in FY 2018 compared to FY 2017:

- Interest income totaled $74 in FY 2018 and was higher by $42 compared to $32 interest income in FY 2017.

- Share-based payments was $317 in FY 2018 and was lower by $187 compared to $504 share-based payments in FY 2017.
- Other administrative and corporate costs were $2,340 and were $35 lower compared to $2,375 costs incurred in FY 2017.
- Amortization expense was $14 in FY 2018 and was $11 lower compared to amortization of $25 in FY 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.

Working Capital
As at December 31, 2018, The Company had working capital of $2,416 (December 31, 2017 - $2,171), calculated as total current assets less total current liabilities. The increase in working capital is mainly due to lower trade payable and accrued liabilities expenses at the end of FY 2018.

Going Concern
As at December 31, 2018 the Company had accumulated losses totaling $29,343. 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 FY 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 FY 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 December 31, 2018.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at December 31, 2018.

Critical Accounting Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that can affect reported amounts of assets, liabilities revenues and expenses and the accompanying disclosures. Estimates and assumptions are continuously evaluated and are based on management's historical experience and on other assumptions believed to be reasonable under the circumstances. However, different judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

(a) Recoverability of Exploration and Evaluation Assets
The ultimate recoverability of the exploration and evaluation assets of $64,479 carrying value at December 31, 2018, is dependent upon the Company's ability to obtain the necessary financing and permits to complete the development and commence profitable production at the Manniitsoq Project, or alternatively, upon the Company's ability to dispose of its interest therein on an advantageous basis. A review of the indicators of potential impairment is carried out at least at each period end. Management undertakes a periodic review of these assets to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount of the assets is made. An impairment loss is recognized when the carrying value of the assets is higher than the recoverable amount and when mineral license tenements are relinquished or have lapsed. In undertaking this review, management of the Company is required to make significant estimates of, among other things, discount rates, commodity prices, availability of financing, future operating and capital costs and all aspects of project advancement. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the assets.

(b) Restoration Provisions
Management's best estimates regarding the restoration provisions are based on the current economic environment. Changes in estimates of contamination, restoration standards and restoration activities result in changes to provisions from period to period. Actual restoration provisions will ultimately depend on future market prices for future restoration obligations. Management has determined that the Company does not have any significant restoration obligations as at December 31, 2018.

(c) Valuation of Share-Based Compensation
The Company estimates the fair value of convertible securities such as warrants and options using the Black-Scholes Option Pricing Model which requires significant estimation around assumptions and inputs such as expected term to maturity, expected volatility and expected forfeiture rates. The accounting policies in Note 2(k) and Note 10 of the financial statements contain further details of significant assumptions applied to these areas of estimation.

(d) Going Concern
Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease trading, or has no realistic alternative to do so. Assessment of the Company's ability to continue as a going concern requires the consideration of all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This information includes estimates of future cash flows and other factors, the outcome of which is uncertain. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast substantial doubt upon the Company's ability to continue as a going concern those uncertainties are disclosed.

Financial Instruments

In thousands of CDN dollars	Fair Value at December 31, 2018	Basis of Measurement	Associated Risks
Cash and cash equivalents	339	Loans and receivables	Credit and foreign exchange
Short term investments	2,500	Loans and receivables	Credit
Receivable and other current assets	133	Loans and receivables	Credit, foreign exchange
Trade, payables and accrued liabilities	556	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.

Risk Management

The Company's exposure to market risk includes, but is not limited to, the following risks:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The short term investments are held at highly-rated financial institutions and earn guaranteed fixed interest rate and thus are not subject to significant changes in interest payments.

Foreign Currency Exchange Rate Risk

Currency risk is risk that the fair value of future cash flows will fluctuate because of changes in foreign currency exchange rates. In addition, the value of cash and cash equivalents and other financial assets and liabilities denominated in foreign currencies can fluctuate with changes in currency exchange rates.

The Company operates in Canada and Greenland and undertakes transactions denominated in foreign currencies such as United States dollar, Euros and Danish Krones, and consequently is exposed to exchange rate risks. Exchange risks are managed by matching levels of foreign currency balances and related obligations and by maintaining operating cash accounts in non-Canadian dollar currencies. The rate published by the Bank of Canada at the close of business on December 31, 2018 was 1.3630 USD to CAD, 1.5598 EUR to CAD and 0.2089 DKK to CAD.

The Company's Canadian dollar equivalent of financial assets and liabilities that are denominated in Danish Krones consist of accounts payable of $9 (2017 - $571) and $79 in USD currency (2017 - $56).

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The credit risk is primarily associated with liquid financial assets. The Company limits exposure to credit risk on liquid financial assets by holding cash and cash equivalents and short term investments at highly-rated financial institutions.

Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages the liquidity risk inherent in these financial obligations by regularly monitoring actual cash flows to annual budget which forecast cash needs and expected cash availability to meet future obligations. The financing transaction completed during the year ended December 31, 2018 improved the liquidity position of the Company.

The Company will defer discretionary expenditures, as required, in order to manage and conserve cash required for current liabilities.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern, so that adequate funds are available or are scheduled to be raised to carry out the Company's exploration program and to meet its ongoing administrative and operating costs and obligations. This is achieved by the Board of Directors' review and ultimate approval of budgets that are achievable within existing resources, and the timely matching and release of the next stage of expenditures with the resources made available from capital raisings and debt funding from related or other parties. In doing so, the Company may issue new shares, restructure or issue new debt.

The Company is not subject to any externally imposed capital requirements imposed by a regulator or a lending institution.

In the management of capital, the Company includes the components of equity, loans and borrowings, other current liabilities, net of cash and cash equivalents.

	As at December 31,	
	2018	**2017**
Equity	66,944	52,728
Current liabilities	556	969
	67,500	53,697
Cash and cash equivalents	(339)	(398)
Short term investments	(2,500)	(2,500)
	64,661	**50,799**

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 adoption of this standard will not result in any impact to the Company's 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;
- 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
ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting policies.

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

Caution Regarding Forward Looking Statements

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

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

Additional Information

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

Qualified Person and Technical Information

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

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