NORTH AMERICAN NICKEL INC.

Condensed Interim Financial Statements

Nine Months Ended September 30, 2014

(Expressed in Canadian Dollars)

Notice to Reader of the Unaudited Interim Financial Statements for the nine months ended September 30, 2014

In accordance with National Instrument 51-102, of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements.

The unaudited interim financial statements of North American Nickel Inc. (the "Company") for the nine month period ended September 30, 2014 ("Financial Statements') have been prepared by management. The Financial Statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2013, which are available at the SEDAR website at www.sedar.com. The Financial Statements are stated in Canadian dollars, unless otherwise indicated, and are prepared in accordance with International Financial Reporting Standards ("IFRS").

NORTH AMERICAN NICKEL INC.
Condensed Interim Statement of Financial Position
(Expressed in Canadian Dollars - unaudited)

	Notes	September 30, 2014	December 31, 2013
ASSETS			
Current assets			
Cash		$ 1,643,135	$ 278,919
Short-term investments	**7**	6,000,000	6,000,000
Receivables	**8**	64,391	47,010
Prepaid expenses and deposits		199,135	10,698
Total current assets		7,906,661	6,336,627
Non-current assets			
Equipment	**9**	30,694	37,676
Exploration and evaluation assets	**10**	20,098,250	12,341,616
Total non-current assets		20,128,944	12,379,292
Total assets		$ 28,035,605	$ 18,715,919
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	**11, 13**	$ 982,135	$ 36,040
SHAREHOLDERS' EQUITY			
Share capital - preferred	**12**	590,931	604,724
Share capital - common	**12**	42,665,833	33,026,511
Share-based payments reserve	**12**	4,926,156	3,022,767
Deficit		(21,129,450)	(17,974,123)
Total shareholders' equity		27,053,470	18,679,879
Total liabilities and shareholders' equity		$ 28,035,605	$ 18,715,919

APPROVED BY THE DIRECTORS:

______________________________, Director
Mark Fedikow

______________________________, Director
Edward D. Ford

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

NORTH AMERICAN NICKEL INC.
Condensed Interim Statement of Comprehensive Loss
(Expressed in Canadian Dollars - unaudited)
For the nine months ended September 30, 2014

	Notes	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Expenses					
Amortization	**9**	$ 2,353	$ 2,353	$ 6,982	$ 6,102
Consulting	**13**	4,393	24,735	83,890	79,349
Filing fees		17,094	8,225	64,622	30,449
Investor relations		71,545	96,375	227,714	139,311
General and administrative	**13**	25,468	13,376	63,492	29,096
Management fees	**13**	46,000	36,000	250,000	99,000
Part X11.6 tax		-	73	-	73
Professional fees		21,610	11,525	49,474	57,277
Property investigation		-	-	-	5,989
Salaries	**13**	41,571	37,117	121,145	93,383
Share-based payments	**12, 13**	1,996,792	25,115	1,996,792	101,121
Travel and accommodation		10,229	13,633	44,123	31,962
Loss before other items		(2,237,054)	(268,527)	(2,908,233)	(673,112)
Other items:					
Gain on conversion of preferred shares	**8**	6,284	-	6,284	-
Interest income		26,367		62,951	-
Foreign exchange loss		(182,955)	(42,587)	(316,328)	(56,279)
Total comprehensive loss for the period		$ (2,387,359)	$ (311,114)	$ (3,155,327)	$ (729,391)
Loss per common share - basic and diluted		$ (0.01)	$ (0.00)	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		169,863,969	122,171,189	153,952,324	102,094,708

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

NORTH AMERICAN NICKEL INC.
Condensed Interim Statement of Changes In Shareholder's Equity
(Expressed in Canadian Dollars - unaudited)
For the nine months ended September 30, 2014

	Notes	Number of shares	Share capital	Preferred Stock	Share-based payments reserve	Deficit	Total
Balance at December 31, 2012		80,560,193	$ 22,181,970	$ 604,724	$ 2,873,676	$ (16,713,822)	$ 8,946,548
Net and comprehensive loss		-	-	-	-	(729,391)	(729,391)
Share capital issued private placement		41,494,692	7,054,098	-	-	-	7,054,098
Stock options issued		-	-	-	101,121	-	101,121
Stock options exercised	12	25,000	7,948		(4,198)		3,750
Warrants exercised	12	100,000	10,000	-	-	-	10,000
Share issue costs		-	(93,523)	-	-	-	(93,523)
Balance at September 30, 2013		122,179,885	29,160,492	604,724	2,970,599	(17,443,213)	15,292,602
Loss for the period		-	-	-	-	(530,910)	(530,910)
Stock options issued		-	-	-	77,110	-	77,110
Stock options exercised		120,500	48,017		(24,942)		23,075
Warrants exercised		18,276,199	3,838,002	-	-	-	3,838,002
Share issue costs		-	(20,001)	-	-	-	(20,001)
Balance at December 31, 2013		140,576,584	33,026,511	604,724	3,022,767	(17,974,123)	18,679,878
Net and comprehensive loss		-	-	-	-	(3,155,327)	(3,155,327)
Share capital issued private placement	12	28,424,152	9,379,970	-	-	-	9,379,970
Shares issued for finders fee		50,000	16,500		-	-	16,500
Preferred shares converted	12	15,326	7,510	(13,793)	-	-	(6,284)
Stock options issued		-	-	-	1,996,792		1,996,792
Stock options exercised	12	524,500	190,079	-	(93,404)	-	96,675
Warrants exercised	12	294,117	61,765	-	-	-	61,765
Share issue costs		-	(16,500)	-	-	-	(16,500)
Balance at September 30, 2014		169,884,679	$ 42,665,833	$ 590,931	$ 4,926,156	$ (21,129,450)	$ 27,053,469

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

NORTH AMERICAN NICKEL INC.
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars - unaudited)
For the nine months ended September 30, 2014

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
OPERATING ACTIVITIES				
Loss for the period	$ (2,387,359)	$ (311,114)	$ (3,155,327)	$ (729,391)
Items not affecting cash				
Non-controlling interest	-	-	-	-
Amortization	2,353	2,353	6,982	6,102
Share-based payments	1,996,792	25,115	1,996,792	101,121
Gain on exercise of preferred shares	(6,283)	-	(6,283)	-
Interest Income	(26,367)	-	(62,951)	-
	(420,864)	(283,646)	(1,220,787)	(622,168)
Changes in non-cash working capital items:				
Receivables	28,983	(6,145)	(32,545)	(7,347)
Prepaid expenses	(20,428)	(7,217)	(188,437)	(1,202)
Trade payables and accrued liabilities	113,027	158,794	871,957	582,477
Other:				
Interest received	33,041	-	78,115	-
Due to related parties	(32,012)	(18,769)	74,137	86,438
Cash used in operating activities	(298,253)	(156,983)	(417,560)	38,198
INVESTING ACTIVITIES				
Expenditures on exploration and evaluation assets	(4,478,194)	(3,207,632)	(7,756,634)	(4,650,953)
Short-term investments	(1,000,000)	-	-	(2,294,782)
Purchase of equipment	-	-	-	(40,173)
Cash used in investing activities	(5,478,194)	(3,207,632)	(7,756,634)	(6,985,908)
FINANCING ACTIVITIES				
Proceeds on issuance of common shares	3,675	3,750	96,674	3,750
Costs of issue of shares	-	-	-	(93,523)
Proceeds from exercise of warrants	(0)	-	61,765	10,000
Cash from financing activities	0	-	9,379,970	7,054,098
Cash provided by financing activities	3,675	3,750	9,538,409	6,974,325
Change in cash during the period	(5,772,772)	(3,360,865)	1,364,215	26,615
Cash at beginning of period	7,415,906	4,048,725	278,919	661,245
Cash at end of period	$ 1,643,135	$ 687,860	$ 1,643,135	$ 687,860

Supplemental cash flow information - (Note 14)

The accompanying notes are an integral part of these condensed 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, principal address and records office of the Company are located at Suite 500 – 200 West Esplanade, North Vancouver, British Columbia, Canada, V7M 1A4. The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "NAN".

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

These condensed 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 may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The exploration and evaluation properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and cover administrative costs, the Company will use its existing working capital and raise additional amounts as needed. 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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The condensed financial statements were approved by the board of directors on November 25, 2014.

Statement of compliance with International Financial Reporting Standards
The condensed financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of these financial statements.

Basis of preparation
These condensed financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, unless otherwise noted, which is the Company's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Foreign currency translation

Foreign currency transactions are translated into 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 income 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 income 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

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.

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.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

The Company has classified cash and cash equivalents and short-term investments as financial assets at fair value through profit or loss. Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)

accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

The company has classified amounts receivable, deposits, amounts due from related parties, and exploration advances as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

The Company has classified its accounts payable and accrued liabilities as other financial liabilities. Subsequent to initial recognition, accounts payable and accrued liabilities are measured at amortized cost using the effective interest rate method.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

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.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss 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 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 before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Share-based payments (cont'd)
Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless they are related to the issuance of shares. 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.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to an employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Share capital
Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, preferred shares, share warrants and flow-through 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.

Flow-through shares
The Company will from time to time, issue flow-through common shares to finance a portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is offset from the flow-through proceeds and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

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%

Short-term Investments
Short-term investments are comprised of highly liquid Canadian dollar denominated guaranteed investment certificates ('GIC") and bonds with terms to maturity of greater than three months, but no more than one year.

3. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on its future financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

New standard IFRS 9 "Financial Instruments"
This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment: however, other gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 which mainly carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement,* except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". The effective date of IFRS 9 has not been specified.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The preparation of the financial statements also requires management to exercise judgment in the process of applying the accounting policies.

On an on-going basis, management evaluates its judgements and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the circumstances, as the basis for its judgments and estimates. Revisions to accounting estimates are recognised prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates.

Critical Accounting Estimate

The following is the key estimate and assumption uncertainty that has a significant risk of resulting in a material adjustment within the next financial year.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining an appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 12.

Critical Judgments Used in Applying Accounting Policies

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 September 30, 2014.

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 significant doubt upon the Company's ability to continue as a going concern those uncertainties are disclosed. Management has determined that disclosure is not required in these statements.

4. USE OF ESTIMATES AND JUDGEMENTS (cont'd)

Exploration and evaluation expenditures
The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events for exploration and evaluation asset impairment are defined in *IFRS 6 Exploration and Evaluation of Mineral Resources* and are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period the new information becomes available.

Income taxes
The Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are applied.

5. CAPITAL MANAGEMENT

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

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

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2014. The Company is not exposed to externally imposed capital requirements.

6. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

All financial instruments are measured in the statement of financial position at fair value except for loans and receivables and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: financial assets at fair value through profit or loss are measured at fair value and changes in fair value are recognized in profit or loss; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

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 for the asset or liability either directly or indirectly; and

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

The Company has made the following designations of its financial instruments: cash and short-term investments as financial assets at fair value through profit or loss (level 1); receivables as loans and receivables and accounts payable as other financial liabilities. The carrying values of the Company's financial investments, other than its available for sale securities, were a reasonable approximation of fair value. The Company has determined that no adjustments are currently required for transaction costs related to the acquisition of financial assets and financial liabilities that are classified as other than financial assets at fair value through profit or loss.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash, short-term investments and receivables, cash and short-term investments are held with one reputable Canadian chartered bank and are closely monitored by management. Financial instruments included in receivables consist primarily of HST/GST recoverable from the Canadian government and interest earned on investments. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and receivables is minimal.

b) Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, the Company held cash of $1,643,135 (December 31, 2013 - $278,919), and short-term investments of $6,000,000 (December 31, 2013 - $6,000,000) and had current liabilities of $982,135 (December 31, 2013 - $36,040). All of the Company's liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

6. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (cont'd)

c) Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company had cash balances and short-term investments, and no interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit worthiness of its banks. Interest rate risk is minimal.

ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company operates in Canada and Greenland and a portion of exploration and evaluation assets are incurred in US dollars, Euros and Danish Krones.

The Company's Canadian dollar equivalent of financial assets and liabilities that are denominated in Danish Krones consist of accounts payable of $567,347 (December 31, 2013 - $2,767). Based on this net exposure, as at September 30, 2014, a 10% change in the Danish Krone to the Canadian dollar would impact the Company's net loss by $56,735.

iii) 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.

7. 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 investment is carried at the lower of cost or market value. The counter-party is a Canadian financial institution. At September 30, 2014, the instrument was yielding an annual interest rate of 1.20% (2013 – 1.65%). The fair market value of the Company's short-term investment approximates its carrying value at the balance sheet date.

8. RECEIVABLES

	September 30, 2014	December 31, 2013
Harmonized and government taxes receivable	$ 42,495	$ 9,950
Interest receivable	21,896	37,060
	$ 64,391	$ 47,010

Expressed in Canadian Dollars

9. EQUIPMENT

	Exploration Equipment	Computer Software	Total		Exploration Equipment	Computer Software	Total
Cost:				**Cost:**			
At December 31, 2013	$ 46,674	$ 5,360	$ 52,034	At December 31, 2012	$ 6,500	$ 5,360	$ 11,860
Additions	-	-	-	Additions	40,174	-	40,174
At September 30, 2014	$ 46,674	$ 5,360	$ 52,034	At December 31, 2013	$ 46,674	$ 5,360	$ 52,034
Amortization:				**Amortization:**			
At December 31, 2013	$ 8,998	$ 5,360	$ 14,358	At December 31, 2012	$ 2,305	$ 3,598	$ 5,903
Charge for the year	6,982	-	6,982	Charge for the year	6,693	1,762	8,455
At September 30, 2014	$ 15,980	$ 5,360	$ 21,340	At December 31, 2013	8,998	5,360	14,358
Net book value:				**Net book value:**			
At September 30, 2014	$ 30,694	$ -	$ 30,694	**At December 31, 2013**	$ 37,676	$ -	$ 37,676

Expressed in Canadian Dollars

10. EXPLORATION AND EVALUATION ASSETS

	Canada		Greenland	
	Post Creek Property	**Halcyon Property**	**Maniitsoq Property**	**Total**
Mineral Properties Acquisition				
Balance, December 31, 2013	$ 223,000	$ 164,000	$ 11,497	$ 398,497
Acquisition costs - cash	15,000	15,000	-	30,000
Acquisition costs - Shares	-	-	-	-
Impairment	-	-	-	-
Balance, September 30, 2014	238,000	179,000	11,497	428,497
Expenditures (recoveries)				
Balance, December 31, 2013	975,049	95,906	10,872,163	11,943,118
Administration	-	-	107,860	107,860
Assay and sampling (recovery)	-	-	92,705	92,705
Automobile costs	-	-	150	150
Consulting services	960	-	682,471	683,431
Drilling expenses (recovery)	-	-	1,522,613	1,522,613
Equipment and supplies	-	15,324	400,006	415,330
Equipment rental	-	-	28,317	28,317
Camp costs	-	-	2,097,107	2,097,107
Charter aircraft	-	-	2,006,631	2,006,631
Shipping and printing costs	-	-	14,394	14,394
Survey costs	-	-	623,706	623,706
Telephone	-	-	1,958	1,958
Travel and accomodation	-	-	132,433	132,433
Impairments	-	-	-	-
	960	15,324	7,710,351	7,726,635
Balance, September 30, 2014	976,009	111,230	18,582,514	19,669,753
Total, Balance September 30, 2014	$ 1,214,009	$ 290,230	$ 18,594,011	$ 20,098,250

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

Expressed in Canadian Dollars

10. EXPLORATION AND EVALUATION ASSETS (cont'd)

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, and paid a non-refundable deposit of $7,500.

On April 5, 2010 the Company entered into an option agreement to acquire a 100% interest in the Post Creek Property. On March 12, 2013 the Post Creek Property Agreement was amended as indicated in the schedule below. In order to acquire 100% working interests in the property, subject to certain net smelter return royalties ("NSR") and advance royalty payments the Company agreed to the amended consideration in the schedule below. Further, commencing the amended date of August 1, 2015, if the Company exercises its option, the

Company will be obligated to pay advances on the NSR of $10,000 per annum, which will be deducted from any payments to be made under the NSR:

Post Creek (cont'd) Date		Cash	Shares		Exploration requirements
On or before April 5, 2010 (paid and issued)	$	12,500	400,000		
On or before April 5, 2011 (paid and issued)	$	30,000	300,000	$	15,000
On or before April 5, 2012 (paid and issued)	$	50,000	300,000	$	15,000
On or before April 5, 2013 (paid)	$	15,000	-	$	15,000
On or before April 5, 2014 (paid)	$	15,000		$	15,000
On or before April 5, 2015	$	15,000		$	15,000

During the nine months ended September 30, 2014, the Company incurred exploration costs totalling $960 (September 30, 2013 - $7,960) in deferred exploration costs on the Post Creek Property.

Halcyon

On April 5, 2010 the Company entered into an option agreement to acquire rights to Halcyon Property. On March 12, 2013 the Halcyon Property Agreement was amended as indicated in the schedule below. In order to acquire 100% working interests in the property, subject to certain net smelter return royalties ("NSR") and advance royalty payments the Company agreed to the amended consideration in the schedule below. Further, commencing August 1, 2015, if the Company exercises its option, the Company will be obligated to pay advances on the NSR of $8,000 per annum, which will be deducted from any payments to be made under the NSR:

Date		Cash	Shares		Exploration requirements
On or before April 5, 2010 (paid and issued)	$	15,000	300,000		
On or before April 5, 2011 (paid and issued)	$	25,000	200,000	$	22,000
On or before April 5, 2012 (paid and issued)	$	35,000	200,000	$	22,000
On or before April 5, 2013 (paid)	$	15,000	-	$	22,000
On or before April 5, 2014 (paid)	$	15,000	-	$	22,000
On or before April 5, 2015	$	15,000	-	$	22,000

During the nine months ended September 30, 2014, the Company incurred $15,324 (September 30, 2013 - $17,305) in exploration costs on the Halcyon Property.

10. EXPLORATION AND EVALUATION ASSETS (cont'd)

Manitoba Nickel Properties

On April 5, 2010, the Company entered into a purchase and sale agreement, with a company with directors in common, to acquire a 100% interest in the Thompson North, South Bay and Cedar Lake properties located in Manitoba, and agreed to consideration of $1,000 cash (paid) and 6,000,000 common shares (issued).The Company's interest is subject to a 2% NSR, of which 1% can be repurchased by the Company for $1,000,000.

At December 31, 2013, the Company decided not to further pursue the Thompson North property and will allow the claims to lapse.

Maniitsoq

Effective August 15, 2011, the Company was granted an exploration license (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 Company paid a license fee of $5,742 (Danish krones ("DKK") 31,400) upon granting of the Sulussugut License. The Sulussugut License is 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 Company completed the first, second and third year exploration requirements, of a minimum of DKK 40,773,110 (approximately CDN $7,482,000), during the year ended December 31, 2011, 2012, and 2013 by incurring $9,601,284 on the Sulussugut License.

During the years ended December 31, 2013, 2012 and 2011, the Company's expenditures exceeded the minimum requirement and the Company has a surplus of DKK 28,680,741 (approximately CDN $5,621,000), and the Company was granted a credit for the excess, which may be used towards future expense requirements on the Sulussugut License in years 2014 to 2015.

Under the terms of the Sulussugut License the Company is obligated to reduce the area of the license by at least 30%, which was accomplished by the Company reducing the area by 1,505 square kilometres by December 31, 2013. This amended the minimum required eligible exploration expenditure in 2013 to be DKK 26,197,760 and provided that the licence area is unchanged during 2014 the exploration commitment will be DKK 26,434,080.

The required minimum exploration expenditures on the Sulussugut License for year 5, ending December 31, 2015, has not yet been determined but, is based on an annual approximation of DKK 26,197,760. This assumes that the Sulussugut License area was reduced to 3,336 square kilometers before December 31, 2013 and remains at this size. For every square kilometre that the license is reduced the required annual expenditure decreases by approximately DKK 7,760.

Effective March 4, 2012, the Company was granted an additional exploration license (the "Ininngui License") by the BMP of Greenland for exclusive exploration rights of an area located near Ininngui, Greenland. The Company paid a license fee of $5,755 (DKK 32,200) upon granting of the Ininngui License. The Ininngui License is 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.

During the years ended December 31, 2013 and 2012, the Company's expenditures exceeded the minimum requirement and the Company has a surplus of DKK 4,911,459 (approximately CDN $962,663), and the Company was granted a credit for the excess, which may be used towards future expense requirements on the Ininngui License in years 2015 DKK 1,945,569 and 2016 DKK 2,965,890.

Expressed in Canadian Dollars

10. EXPLORATION AND EVALUATION ASSETS (cont'd)

Maniitsoq (cont'd)

On September 18, 2013 the Ininngui license was enlarged to 265 square kilometers at the Company's request. The required minimum eligible exploration expenses for year 2 on the Ininngui License are DKK 565,950 (approximately CDN $104,000). Providing that the licence area is unchanged during 2014 the exploration commitment will be DKK 2,388,150.

The required minimum exploration expenditures on the Ininngui License for years 4-5, ending December 31, 2016 have not yet been determined but, are based on an annual approximation of DKK2,366,800 (approximately CDN $433,757).

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

Should the Company not incur the minimum exploration expenditures on either 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 to December 31, 2013, the Company has not used the procedure for either license.

After year 5, the Company may apply for an additional 5 years for either license. Thereafter, the Company may apply for a license for up to 6 additional years, in 2 year license increments. The Company will be required to pay additional license fees and will be obligated to incur minimum exploration costs for such years, which are yet to be determined.

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.

As of September 30, 2014, the Company has spent $17,072,186 on exploration costs for the Sulussugut License (December 31, 2013 $9,601,284) and the Company has spent $1,510,326 on exploration costs for the Ininngui License (December 31, 2013 $1,270,880).

The property is subject to a 2.5% NSR. The Company can reduce the NSR to 1% by paying $2,000,000 on or before 60 days from the decision to commence commercial production.

11. TRADE PAYABLES AND ACCRUED LIABILITIES

	September 30, 2014	December 31, 2013
Trade payables	$ 757,855	$ 9,897
Amounts due to related parties (Note 13)	80,031	5,894
Accrued liabilities (Note 13)	144,249	20,249
	$ 982,135	$ 36,040

12. SHARE CAPITAL

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

b) Common shares issued and outstanding

Nine month period ended September 30, 2014:

The Company issued 300,000 common shares for a stock option exercise at $0.15 per share for proceeds of $45,000. The Company upon the stock option exercise reversed $49,402 in stock-base compensation amounts.

The Company issued 200,000 common shares for a stock option exercise at $0.24 per share for proceeds of $48,000. The Company upon the stock option exercise reversed $39,887 in stock-base compensation amounts.

On April 17, 2014, the Company issued 294,117 common shares for a warrant exercise at $0.21 per share for proceeds of $61,765.

On May 29, 2014, the Company closed a private placement of 28,424,152 shares at a price of $0.33 per share for proceeds of $9,379,970. In lieu of cash, 50,000 shares were issued as finder's fees at a price of $0.33 per share for a value of $16,500.

The Company issued 15,326 common shares for 13,794 preferred shares converted at a fair value of $0.49 per share for an amount of $7,510.

The Company issued 24,500 common shares for a stock option exercise at $0.15 per share for proceeds of $3,675.

c) Preferred shares issued and outstanding

At September 30, 2014, there are 590,930 (December 31, 2013 – 604,724) series 1 preferred shares outstanding. In July 2014 13,794 preferred shares were converted for 15,326 common shares.

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

i) dividends shall be paid at the discretion of the directors;
ii) the holders of the preferred shares are not entitled to vote except at meetings of the holders of the preferred shares, where they are entitled to one vote for each preferred share held;
iii) the shares are convertible at any time after 6 months from the date of issuance, upon the holder serving the Company with 10 days written notice; and
iv) the number of the common shares to be received on conversion of the preferred shares is to be determined by dividing the conversion value of the share, $1 per share, by $0.90.

d) Warrants

A continuity schedule of outstanding common share purchase warrants at September 30, 2014 is as follows:

Expressed in Canadian Dollars

12. SHARE CAPITAL (cont'd)

d) Warrants (cont'd)

	September 30, 2014		December 31, 2013	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of year	25,431,146	$ 0.46	23,060,000	$ 0.49
Granted	-	-	20,747,345	0.21
Cancelled/ Expired	-	-	-	-
Exercised	(294,117)	0.21	(18,376,199)	0.21
Outstanding, end of period	25,137,029	$ 0.46	25,431,146	$ 0.46

At September 30, 2014, 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 (in years)
3,460,000	August 30, 2016	$ 1.00	1.92
4,750,000	August 30, 2016	$ 0.50	1.92
4,750,000	August 30, 2016	$ 0.70	1.92
6,294,677	April 19, 2015	$ 0.21	0.55
1,376,780	April 22, 2015	$ 0.21	0.56
4,505,572	June 18, 2015	$ 0.21	0.72
25,137,029			1.29

e) 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.

The changes in stock options during the nine months ended September 30, 2014 are as follows:

	September 30, 2014		December 31, 2013	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of year	8,087,500	$ 0.17	7,383,000	$ 0.15
Granted	3,770,000	0.59	850,000	0.21
Cancelled/ Expired	-	-	-	-
Exercised	(524,500)	0.18	(145,500)	0.18
Outstanding, end of period	11,333,000	$ 0.31	8,087,500	$ 0.17

Expressed in Canadian Dollars

12. SHARE CAPITAL (cont'd)

e) Stock options (cont'd)

There were 3,770,000 options granted during the period ended September 30, 2014 with a weighted-average fair value of $0.31 per option and the weighted average fair value of options granted during the period ended December 31, 2013 was $0.21 per option. Details of options outstanding as at September 30, 2014 are as follows:

Options Outstanding	Options Exercisable	Expiry Date	Exercise Price	Weighted Average remaining contractual life
2,828,000	2,828,000	August 27, 2015	$ 0.10	0.91
140,000	140,000	November 25, 2015	$ 0.10	1.15
200,000	200,000	December 8, 2015	$ 0.10	1.19
150,000	150,000	May 24, 2016	$ 0.20	1.65
250,000	250,000	June 29, 2016	$ 0.20	1.75
1,300,000	1,300,000	September 6, 2016	$ 0.25	1.94
100,000	100,000	November 24, 2016	$ 0.15	2.15
1,815,000	1,815,000	August 13, 2017	$ 0.24	2.87
230,000	230,000	January 15, 2018	$ 0.15	3.30
200,000	200,000	April 22, 2018	$ 0.15	3.56
150,000	150,000	July 29, 2018	$ 0.20	3.83
200,000	200,000	September 30, 2018	$ 0.37	4.00
3,270,000	3,270,000	July 9, 2019	$ 0.62	4.78
200,000	-	July 9, 2019	$ 0.62	4.78
200,000	200,000	August 27, 2019	$ 0.32	4.91
100,000	100,000	September 26, 2019	$ 0.26	4.99
11,333,000	11,133,000			1.15

During the nine months ended September 30, 2014, the Company granted 3,770,000 stock options to directors, employees and consultants with a maximum term of 5 years. Of the stock options granted during the period, 3,550,000 stock options vested on the grant date and 100,000 will vest in December 2014 and 100,000 will vest in June 2015. (December 31, 2013 850,000). The Company calculates the fair value of all stock options using the Black-Scholes option pricing model which at the period ending September 30, 2014 was $1,996,796 (December 31, 2013 $178,231). The Company reversed a stock-based compensation amount of $53,516 for the exercise of 324,500 stock options @ $0.15 per unit and $39,887 for the exercise of 200,000 stock options @ $0.24 per unit (December 31, 2013 $29,140).

The fair value of stock options granted during the period ending September 30, 2014 was calculated using the Black-Scholes options pricing model with the following weighted –average assumptions:

	September 30, 2014	**December 31, 2013**
Expected dividend yield	0%	0%
Expected share price volatility	168.57% - 170.23%	218.47% - 223.96%
Risk-free interest rate	1.563% - 1.674%	1.221% - 1.887%
Expected life of options	5 years	5 years

Expressed in Canadian Dollars

12. SHARE CAPITAL (cont'd)

f) Share-based payment reserve

The share-based payment 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 nine months ended September 30, 2014, the Company transferred $Nil (December 31, 2013 - $Nil) for forfeited options and $Nil (December 31, 2013 - $Nil) for expired unexercised warrants to deficit.

13. RELATED PARTY TRANSACTIONS

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

	September 30, 2014	December 31, 2013
VMS Ventures Inc. (shared administrative costs)	$ 80,031	$ 5,894

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

Related party transactions –

During the nine months ended September 30, 2014, the Company recorded $8,100 (September 30, 2013 - $8,100) in rent expense to VMS Ventures Inc. a company related through common directors, which is included in general and administrative expense.

Related party transactions - Key management personnel compensation:

	Period ended	
	September 30, 2014	September 30, 2013
Geological consulting fees - expensed	$ 45,960	$ 39,000
Geological consulting fees - capitalized	49,389	51,000
Management fees - expensed	250,000	99,000
Salaries - expensed	51,750	-
Stock-based compensation	1,371,571	-
	$ 1,768,670	$ 189,000

14. NON-CASH TRANSACTIONS

The Company during the nine months ended September 30, 2014 issued 50,000 common shares at $0.33 per share for a value of $16,500 for a finders fee on the private placement.

Expressed in Canadian Dollars

15. COMMITMENTS

Effective May 1, 2010, the Company entered into the following agreements for services with directors of the Company and a company in which a director has an interest:

i) management fees: $4,000 per month; and $8,000 per month, as amended April 1, 2013. Effective June 2014 the Company had changes to management and the fees are currently $4,000 and $6,000 per month and

ii) COO fees: $6,000 per month, as amended effective April 1, 2013

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.

iii) Effective July 2014, two independent directors will collected a monthly stipend of $2,000 each.

16. SEGMENTED INFORMATION

The Company operates in one reportable operating segment being that of the acquisition, exploration and development of mineral properties in two geographic segments being Canada and Greenland (Note 10). The Company's geographic segments are as follows:

	September 30, 2014	December 31, 2013
Total Assets		
Canada	$ 9,441,594	$ 7,832,258
Greenland	18,594,011	10,883,661
	$ 28,035,605	$ 18,715,919

	September 30, 2014	December 31, 2013
Exploration and evaluation assets		
Canada	$ 1,504,239	$ 1,457,955
Greenland	18,594,011	10,883,661
	$ 20,098,250	$ 12,341,616

	September 30, 2014	December 31, 2013
Total Liabilities		
Canada	$ 414,788	$ 33,273
Greenland	567,347	2,767
	$ 982,135	$ 36,040

	September 30, 2014	December 31, 2013
Total Loss		
Canada	$ (3,155,327)	$ (1,260,301)
Greenland	-	-
	$ (3,155,327)	$ (1,260,301)

17. SUBSEQUENT EVENTS

On October 8, 2014, the Company issued 80,000 common shares for a stock option exercise at $0.15 per share for proceeds of $12,000 and stock base compensation adjustment of $13,432.

On November 5, 2014, the Company granted 350,000 stock options at $0.21 /unit to a director.

NORTH AMERICAN NICKEL INC.

Management Discussion and Analysis
For the Nine Months Ended September 30, 2014

Preliminary Information

This Management's Discussion and Analysis ("MD&A") contains information up to and including November 25, 2014.

The following MD&A of North American Nickel Inc. (the "Company") should be read in conjunction with the condensed interim financial statements for the nine months ended September 30, 2014 and the related notes contained therein. It should be noted that the audited financial statements for the year ended December 31, 2013 were prepared in accordance with International Financial Reporting Standards ("IFRS").

All financial information in this MD&A related to the period ending September 30, 2014 have been prepared in accordance with International financial reporting standards ("IFRS"), and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

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.

Description of Business

The Company is a mineral exploration and resource development company engaged in the business of acquiring, exploring and evaluating mineral properties, and either joint venturing, developing or disposing of the properties, when the evaluation is complete. The Company is currently focusing its resources in conducting exploration programs on its Maniitsoq Property, in Greenland and Sudbury, Ontario nickel properties being Post Creek and Halcyon.

Company History

North American Nickel Inc. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada, by filing of Memorandum and Articles of Association on September 20, 1983, under the name Rainbow Resources Ltd. The company's name was changed to Widescope Resources Ltd. on May 1, 1984, and to Gemini Technology Inc. on September 17, 1985. In conjunction with a reverse split of its common shares on a five-old for one-new basis, the Company adopted the name International Gemini Technology Inc effective September 23, 1993. The Company's name was changed to Widescope Resources Inc., effective July 12, 2006. Effective April 19, 2010 the Company's shareholders approved a special resolution to reorganize the Company's capital structure by consolidating in a reverse stock split the existing common shares on the basis of each two (2) old shares being equal to one (1) new share and concurrently increasing the authorized capital of the Company from 100,000,000 common shares without par value to an unlimited number of common shares without par value. Also effective this date the Company's name was changed to North American Nickel Inc. to reflect its new focus. All references to common shares, stock options, warrants and weighted average number of shares outstanding in this discussion and the accompanying consolidated financial statements retroactively reflect the share consolidation unless otherwise noted.

In April 2010 the Company initiated a series of actions to realign its focus into the field of nickel exploration in the prolific nickel belts around Sudbury, Ontario and Thompson, Manitoba. Concurrently the directors of the Company appointed new senior management to oversee the daily operations of the Company.

On May 3, 2011 the Company's listing application was conditionally accepted by the TSX-V Venture Exchange. On May 30, 2011 the common shares of the Company began trading under the symbol "NAN".

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

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

Trend Analysis

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

The recoverability of amounts shown for mineral property costs is dependent upon a number of factors including environmental risk, legal and political risk, the existence of economically recoverable mineral reserves, confirmation of the Company's interests in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete exploration and development, and to attain sufficient net cash flow from future profitable production or disposition proceeds. As of September 30, 2014 the Company had working capital of $6,924,526 (December 31, 2013 $6,300,587) and a deficit of $21,129,450 (December 31, 2013 $16,974,123). The Company has sufficient capital to continue its planed operations and to meet its obligations.

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to manage its capital.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if there is sufficient geologic or economic potential and if it has adequate financial resources are available to do so. The Company has not yet determined whether these properties contain ore reserves that are economically recoverable.

Resource Properties

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

Maniitsoq, Greenland:

The project is located adjacent to the coastline 160 km north of Nuuk, the capital of Greenland (a safe, stable, mining-friendly jurisdiction) and covers numerous high-grade nickel-copper & PGM sulphide occurrences associated with norite and other mafic-ultramafic intrusions. The deep water coastline adjacent to Maniitsoq is typical to that of Greenland's south west coast being pack ice free and having an all year-round shipping season. The year-round shipping conditions are due to the Irmenger current, a tributary of the warming Gulf Stream flowing continuously past the south west coastline of Greenland. The Company acquired the project because it believes that modern, time-domain, helicopter EM systems will be more effective at detecting nickel sulphide deposits in the rugged terrain of Maniitsoq than previous geophysical surveys performed in the 1990's that failed to produce any drill targets. Helicopter TEM systems were not available in 1990's and their availability now gives the Company a significant advantage over previous explorers.

Effective August 15, 2011, the Company was granted an exploration license (the "Sulussugut License") by the Bureau of Minerals and Petroleum ("BMP") of Greenland for exclusive exploration rights over an area totalling 4,841 square kilometres located near Sulussugut, Greenland. The Company paid a license fee of Danish krones ("DKK") 31,400 upon granting of the Sulussugut License. The Sulussugut License is 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.

During the year ended December 31, 2011 (the first year of the Sulussugut License), the Company reported and was granted eligible exploration expenses of DKK 8,489,457. This amount exceeded the required expenses (DKK 7,213,460) by DKK 1,275,997 and the Company was granted a credit for the excess which may be used towards future expense requirements on the Sulussugut License in years 2012 to 2014.

During the year ended December 31, 2012 (the second year of the Sulussugut License), the Company reported and was granted eligible exploration expenses of DKK 23,615,611 by the Greenland BMP. This amount exceeded the required expenses (DKK 7,361,890) by DKK 16,253,721 and the Company was granted a credit for the excess, which may be used towards future expense requirements on the Sulussugut License in years 2013 to 2015.

Under the terms of the Sulussugut License the Company is obligated to reduce the area of the license by at least 30% (1,452 square kilometres) by December 31, 2013. The Company completed this prior to year-end. The minimum required eligible exploration expenditure in 2014 will be DKK 26,434,080 provided no further changes are made to licence area.

During the year ended December 31, 2013 (the third year of the Sulussugut License), the Company reported and was granted eligible exploration expenses of DKK 37,348,783 by the Greenland BMP. This amount exceeded the required expenses (DKK 26,197,760) by DKK 28,680,741 and the Company was granted a credit for the excess, which may be used towards future expense requirements on the Sulussugut License in years 2014 and 2015.

The required minimum exploration expenditures on the Sulussugut License for year 5, ending December 31, 2015, has not yet been determined but, is based on an annual approximation of DKK 26,609,040.

Effective March 4, 2012, the Company was granted an additional exploration license (the "Ininngui License") by the BMP of Greenland for exclusive exploration rights over an area covering a total of 142 square kilometres license and located near Ininngui, Greenland. The Company paid a license fee of DKK 32,200 upon granting of the Ininngui License. The Ininngui License is 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.

During the year ended December 31, 2012 (the first year of the Ininngui License), the Company reported and was granted eligible exploration expenses of DKK 2,871,899. This amount exceeded the required expenses (DKK 360,380) by DKK 2,511,519 and the Company was granted a credit for the excess which may be used towards future expense requirements on the Ininngui License in years 2013 to 2015.

On September 28, 2013 the Ininngui license was enlarged to 265 square kilometres at the Company's request. The required minimum eligible exploration expenses for year 3 on the Ininngui License are DKK 565,950. The required minimum exploration expenditures for years 4-5, ending December 31, 2016 have not yet been determined but, are based on an annual approximation of DKK 565,950.
During the year ended December 31, 2013, the Company reported and was granted eligible exploration expenses of DKK 2,965,890. This amount exceeded the required expenses (DKK 565,950) by DKK 4,911,459 and the Company was granted a credit

for the excess which may be used towards future expense requirements on the Ininngui License DKK 1,945,569 from 2012 until December 31, 2015 and DKK 2,965,890 from 2013 until December 31, 2016.

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.

Should the Company not incur the minimum eligible exploration expenses on either 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 to December 31, 2013; the Company has not used the procedure for either license.

After year 5, the Company may apply for an additional 5 years for either license. Thereafter, the Company may apply for a license for up to 6 additional years, in 2 year license increments. 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 license will remain in force, regardless of the termination.

In conjunction with the granting of the Sulussugut Licence, the Company has entered into an arm's length Intellectual Property and Data Acquisition Agreement (the "IP Acquisition Agreement") with Hunter Minerals Pty Limited ("Hunter") and Spar Resources Pty Limited ("Spar"). Pursuant to the IP Acquisition Agreement, Hunter and Spar agreed to sell the IP Rights to the Company in consideration for the Company paying $300,000 in cash ($150,000 to each of Hunter and Spar which is paid) and the issuing of 12,960,000 share purchase warrants, 6,480,000 to each of Hunter and Spar exercisable for a period of five years. The warrants are exercisable at the following prices, 4,750,000 of the warrants are at a price of $0.50 per share, 4,750,000 of the warrants are at a price of $0.70 per share and 3,460,000 of the warrants are at a price of $1.00 per share. The warrants are subject to an accelerated exercise provision in the event the Company relinquishes its interests in the Maniitsoq Licenses or any other mineral titles held within a defined area of interest without receiving consideration for such relinquishment. The granted warrants have been recorded at a fair value of $1,813,263 using the Black-Scholes option-pricing model. Granting to each of Hunter and Spar or their designates a 1.25% net smelter returns royalty, subject to rights of NAN to reduce both royalties to a 0.5% net smelter returns royalty upon payment to each of Hunter and Spar (or their designates) of $1,000,000 on or before the 60th day following a decision to commence commercial production on the mineral properties. On August 30, 2011 the Company issued 200,000 common shares at $0.14 per share for a value of $28,000 as a finder's fee on the Greenland project.

Performance Summary:

In August 2011, known showings and targets, identified from a compilation of historical data, were examined by a team of two to three geologists plus a field assistant. A total of 54 representative rock samples were collected and submitted to Activation Laboratories for analysis. Drill cores from several Kyrolitselskabet Oresund A/S drill holes were examined at a government core facility in Kangerlussuaq, Greenland. Rock samples from previously known occurrences assayed up to 3.35% Ni and confirmed previous sampling results by Kyrolitselskabet Øresund A/S (1965-71, Cominco Ltd. (1995-96) and Falconbridge Greenland A/S (1993-2000).

Based on historical data and observations made during the field program, two areas, covering a total of 375 square kilometres, were selected for helicopter geophysical (electromagnetic and magnetic) surveying. SkyTEM ApS of Beder, Denmark was contracted to do the surveying, which commenced on September 17, 2011 and was completed on October 5, 2011. A total of 2,217 line-kilometers were flown. The quality of the data was monitored on a daily basis during the course of the survey by Condor Consulting of Lakewood, Colorado. A levelled, digital database was received from SkyTEM on November 17, 2011 and a complete logistical and processing report was received on December 6, 2011. Condor Consulting picked electromagnetic anomalies from the dataset. A total of 25 conductive zones, some corresponding to known nickel sulphide mineralization, were identified.

On December 27, 2011 the Company applied for a mineral exploration license covering approximately 142 square kilometers contiguous with its original license (2011/54).

In January and February 2012, Condor Consulting modeled 18 of the 25 conductive zones identified by the 2011 SkyTEM survey in three dimensions using Electromagnetic Imaging Technology's Maxwell software package. Three of the eighteen modelled targets were selected for priority follow-up during the 2012 field season ahead of the first drill program on the property by the Company.

From June 7, 2012 to July 18, 2012 a helicopter electromagnetic survey, totaling 3,532 line-kilometers, was flown over portions of mineral exploration licences 2011/54 and 2012/28. The survey was performed by Geotech Ltd. of Aurora, Ontario. The quality of the data was monitored on a daily basis during the course of the survey by Condor Consulting. A levelled, digital database was received from Geotech on July 31, 2012 and a complete logistical and processing report was received on August 29, 2012. A preliminary interpretation of the data was done between August 1 and 13, 2012.

A field camp was mobilized from Nuuk to the project area on August 13, 2012. Ground checking of geophysical anomalies identified from the SkyTEM and VTEM surveys commenced on August 15, 2012 and a total of 40 rock samples (including standards and blanks) were submitted for geochemical/assay analysis. A diamond drill was mobilized to the project on August 25, 2012 and nine holes totaling 1,551 meters were drilled to test selected electromagnetic anomalies identified from the SkyTEM and VTEM surveys. The drilling was performed by Cartwright Drilling Inc. of Goose Bay, Labrador and was done in four target areas: Imiak Hill, Spotty Hill, Fossilik and P-59. The core was logged at the field camp and a total of 636 sawn core samples (including standards and blanks) were submitted for geochemical/assay analysis. Seven of the holes were surveyed with a three-component, down-hole electromagnetic probe operated by Crone Geophysics and Exploration Ltd. of Mississauga, Ontario. Geochemical/assay samples were submitted to Activation Laboratories Ltd. for analysis. Drilling was completed on September 16, 2012 and the drill and camp were demobilized from the project site by September 23, 2012. Analytical results from drill core and surface samples are pending.

On June 28, 2012, the Geological Survey of Denmark and Greenland announced that the Maniitsoq Structure, which the Company's mineral exploration licenses cover a large portion of, is "The remains of a gigantic, 3 billion year old meteorite impact..." The paper concluded that the nickel-bearing Greenland Norite Belt, the focus of exploration for the Company, is directly related to this major geological event which is believed to be the oldest, and possibly the largest, such meteorite impact event so far recognized on Earth. The Company is working on the hypothesis that the impact created the extensive magma conduit system that now hosts the norite intrusions and Ni-Cu-Co-PGM mineralization.

On November 14, 2012, the Company announced the intersection of high grade nickel – copper mineralization at Imiak Hill. Two of the holes (MQ-12-001 and 002), both drilled on the same section, carried significant sulphide mineralization. The mineralization in MQ-12-001 averaged 1.36% Ni, 0.52% Cu and 0.07% Co over 16.41 meters including 5.12 meters at 2.20% Ni, 0.55% Cu and 0.07% Co. The mineralization in MQ-12-002 averaged 0.55% Ni, 0.20% Cu and 0.02% Co over 66.08 meters and included 14.18 meters at 1.33% Ni, 0.38% Cu and 0.04% Co. Holes MQ-12-003 and 004 did not intersect any significant mineralization and down-hole electromagnetic surveys in the holes indicated that both passed beneath the plunge of the mineralization.

On December 3, 2012, the Company announced a new discovery at Spotty Hill consisting of nickel-copper and PGE mineralization. The mineralization starts 50 metres below surface and also below previous shallow drilling that was completed in 1960-70's. MQ-12-005 intersected 123.94 meters (m) grading: 0.81% Nickel (Ni), 0.21% Copper (Cu), 0.03% Cobalt (Co) & 0.26 g/t Platinum (Pt) + Palladium (Pd) + Gold (Au).

On January 15, 2013, the Company announced the completion of all assay and geochemical analyses on samples from the 2012 drilling program. The results confirmed the existence of significant nickel + copper ± cobalt ±PGE mineralization at Imiak Hill and Spotty Hill.

Polished thin sections were prepared from selected rock samples in order to determine their mineralogy and petrology. Vancouver Petrographics analyzed the sections and submitted a report on their observations to the geological team.

On May 28, 2013 the Company announced that it had finalized the 2013 exploration plan for the Maniitsoq project. The plan called for a minimum of 3,000 meters of diamond drilling to follow-up on 2012 discoveries and to test new geological, geophysical and geochemical targets identified from a review of exploration datasets. Surface pulse time domain electromagnetic (PEM) surveys and 550 line-km of helicopter time domain, electromagnetic and magnetic surveying was also planned.

On June 11, 2013 the Company released results of a QEMSCAN (Quantitative Evaluation of Materials by Scanning Electron Microscopy) study performed on three samples of mineralized drill core: two from the Imiak Hill occurrence and one from the Spotty Hill occurrence. The study was done by SGS Canada Inc. at their Lakefield, Ontario facility. The objectives of the study were to identify and quantify the nickel, copper and cobalt-bearing minerals within the samples and to determine the liberation and association characteristics of the nickel and copper sulphides. The study indicated that all three samples show high potential nickel recovery and variable potential copper recovery. SGS's complete report is posted on the Company's website.

Field work at Maniitsoq commenced on June 15 and was completed on September 16. Twenty five diamond drill holes totaling 4,266 metres were drilled, 917.3 line-kilometres were surveyed with Geotech Ltd.'s helicopter borne VTEM time domain electromagnetic and magnetic system, and first pass field checking of all targets identified from the 2012 field work was completed. All but one of the diamond drill holes were surveyed with a three-component bore hole electromagnetic (BHEM) probe. The borehole surveying was done by Crone Geophysics and Exploration Ltd.

In an update released on August 23, 2013, the Company announced that near solid to solid sulphide mineralization was intersected by hole MQ-13-026 at Imiak Hill. The intersection occurred between approximately 142 and 159 metres vertically below surface and was correlated with Zone 30, one of three mineralized zones recognized to date at Imiak Hill (the other two being zones 10 and 20). On September 5, 2013 the Company announced that hole MQ-13-028 had intersected near solid to solid sulphide mineralization at a vertical depth of approximately 185 metres vertically below surface. This mineralization also correlated with Zone 30. The mineralization in MQ-13-028 is the deepest intersected to date at Imiak Hill and Zone 30 remains open at depth.

On September 12, 2013 the Company announced the discovery of significant mineralization at Imiak North, which is situated 950 metres north northeast of Imiak Hill and 1200 metres northwest of the Spotty Hill occurrence. Collectively, these three closely spaced occurrences are referred to as the Imiak Hill Complex (IHC).

On September 26, 2013 the Company announced a new discovery within the Fossilik norite intrusion situated approximately 9 kilometres from the IHC. The discovery was made by hole MQ-13-018, which intersected 4.53m @1.06% Ni, 0.23% Cu, 0.04% Co, 0.33 g/t Pt+Pd+Au starting at 51.8 metres down the hole. This zone remains open at depth and additional drilling is warranted.

On October 10, 2013, the Company reported that the mineralization intersected by hole MQ-13-026 at Imiak Hill averaged 3.25% nickel, 0.48% copper and 0.11% cobalt over a core length of 25.51 metres including 18.62 metres at 4.31% nickel, 0.62% copper and 0.14% cobalt. Assay results for holes MQ-13-024 and 019 were also announced. These holes intersected mineralization above hole MQ-13-026 and both holes returned significant assays including 14.90 metres grading 2.67% nickel, 0.39% copper and 0.09% cobalt in hole 024 and 8.68 metres grading 1.53% nickel, 0.43% copper and 0.06% cobalt in hole 019. Eight regional exploration holes were also announced for a total of 1,163 metres testing VTEM anomalies.

On October 23, 2013, the Company announced that high grade nickel mineralization intersected by hole MQ-13-029 at Imiak North averaged 4.65% nickel over a core length of 9.99 metres. Hole MQ-13-027, also drilled at Imiak North intersected 64.11 metres grading 0.45% nickel and 0.20% copper. Hole MQ-13-022 drilled at Spotty Hill returned 20.07 metres grading 0.68% nickel, 0.28% copper and 0.32g/t Pt+Pd+Au.

On November 7, 2013, the Company announced results from hole MQ-13-028, the deepest hole at Imiak Hill (180 metres vertically below surface) grading 3.19% nickel, 1.14% copper and 0.11% cobalt over 24.75 metres core length. The mineralization remains open at depth.

On November 21, 2013, the Company announced a new discovery at target P-13 from hole MQ-13-032 grading 0.44% nickel, 0.20% copper over 6.51 metres core length. Follow-up work is planned for 2014.

On December 2, 2013, the Company announced 100 new electromagnetic exploration targets had been identified at Maniitsoq as a result of the latest helicopter-borne survey.

During the nine months ended September 30, 2014:

On March 3, 2014 the Company announced that Air Greenland was awarded the helicopter contract to provide field support for our exploration program in 2014. Planning is on-going for deep penetrating electromagnetic and gravity surveys as well as camp logistic contracts.

On March 19, 2014 the Company announced Crone Geophysics was awarded the surface electromagnetic and gravity surveys over the Imiak Hill Complex and Fossilik areas. The surveys will be completed on 200 metre line spacing as is designed to search for deep anomalies.

On April 3, 2014 the Company awarded the drilling contract to Cartwright Drilling Inc. and logistics and camp services to Xploration Services ApS for the upcoming field season.

On April 17, 2014 the Company announced the starting of surface geophysical programs consisting of time-domain electromagnetics and gravity.

On May 15, 2014 the Company announced hiring Patricia Tirschmann as Principal Nickel Geologist for the company with a focus on reviewing all technical data while focusing on the zone drilling at Imiak Hill Complex.

The Company mobilized drill equipment and an enlarged geological team to Nuuk. Crone Geophysics completed gravity surveys taking measurements at 655 stations and also completed 67 km of surface Time Domain Electromagnetic surveys at the Imiak Hill Complex (IHC).

On June 19, 2014, drilling was commenced with one drill focusing on the Imiak Hill Complex (IHC). A second drill will be mobilized to the site in three weeks to be used testing regional mineralized targets.

On July 22, 2014, the Company announced new TDEM anomalies had been identified at the IHC and that the gravity surveys were able to outline noritic intrusions in the subsurface.

On August 5, 2014, the Company announced geological mapping and second drill rig added to the Maniitsoq project. Geological mapping will focus at IHC and Fossilik areas.

On August 20, 2014, the Company announced an exploration update and 11.03 metres of 3.07% nickel intersected at Imiak Hill. Spotty Hill and regional target P-13 intersected semi-massive sulphides at these two locations.

On September 16, 2014, the Company announced an exploration update on the 2014 field season. Thirty – nine drill holes and one deepened hole were completed totalling 8,773 metres. Detailed structural mapping by Dr. John Fedorowich contributed significantly to the geological understanding of the structurally complex area at IHC. Mylonite zones were mapped and some of these zones truncate the Imiak Hill mineralization around the 200-210 metre level, with the sense of off-set not fully understood.

On September 29, 2014, the Company announced new regional discoveries at targets P-058, P-149, P-004, P-013, P-030 and P-053. Highlights include MQ-14-054 intersected 1.72% Ni and 0.26% Cu over 5.58 metres, MQ-14-041 intersected 0.36% Ni and 0.17% Cu and 0.15 g/t Pt+Pd+Au over 23.2 metres and hole MQ-14-051 intersected 0.94% Ni, 0.17% Cu and 0.99 g/t Pt+Pd+Au over 4.31 metres.

Subsequent Events

On October 20, 2014, the Company announced 2.98% Ni, 0.59% Cu and 0.86 g/t PGM over 8.55 metres and 1.69% Ni, 0.34% Cu and 0.50 g/t TPM over 10.60 metres at Spotty Hill.

On November 3, 2014, the Company reported new multiple nickel sulphide intersections at target P-013. MQ-14-066 returned 5.85 metres of 2.07% Ni and 0.12%Cu and MQ-14-068 returned 3.40 metres of 2.07% Ni and 0.34% Cu in net textured to semi-massive sulphides.

On November 11, 2014 the Company announced new nickel sulphide discoveries from the southern portion of the Maniitsoq project. Highlights included 20.10 metres of 0.63% Ni and 0.20% Cu in hole MQ-14-070 at target P-030 and 0.24 metres of 0.85% Ni and 1.80% Cu in hole MQ-14-071 at target P-053.

On November 17, 2014 the Company reports high grade nickel sulphides at Imiak Hill Complex (IHC). At Imiak Hill drill hole MQ-14-072 intersected 16.35 metres of 2.51% Ni and 0.77% Cu. This hole confirmed the mineralization in zone 10 between holes historical hole IM-9 and MQ-14-037. At Mikissoq drill hole MQ-14-073 intersected 61.35 metres of 0.63% Ni and 0.18% Cu confirming the steep northeasterly plunge.

Activities contemplated in the future

The Company will continue to review all geological, geophysical results and plan for 2015 work program.

Sudbury, Ontario nickel properties:

Post Creek Property

On December 23, 2009, the Company executed a letter of intent whereby the Company has an option to acquire the mineral claim known as the Post Creek Property located within the Sudbury Mining District of Ontario. The Company paid a non-refundable deposit of $7,500. On April 5, 2010 the Company entered into an option agreement to acquire rights to Post Creek Property. On March 12, 2013 the Post Creek Property Option Agreement was amended, as indicated in the schedule below. In order to acquire 100% working interests in the property, subject to certain net smelter return royalties ("NSR") and advance royalty payments the Company agreed to the following amended consideration. Further, commencing the amended date of August 1, 2015, if the Company exercises its option, the Company will be obligated to pay advances on the NSR of $10,000 per annum, which will be deducted from any payments to be made under the NSR:

Date	Cash	Issuance of shares		Exploration Requirements	
On or before April 5, 2010	$ 12,500	400,000	paid & issued		
On or before April 5, 2011	$ 30,000	300,000	paid & issued	$ 15,000	Exploration requirements to April 5, 2011 $624,715
On or before April 5, 2012	$ 50,000	300,000	paid & issued	$ 15,000	Exploration requirements to April 5, 2012 $830,127
On or before April 5, 2013	$ 15,000	-	Paid	$ 15,000	Exploration requirements to April 5, 2012 $830,127
On or before April 5, 2014	$ 15,000	-	Paid	$ 15,000	
On or before April 5, 2015	$ 15,000	-		$ 15,000	

The property is located 35 km east of Sudbury in Norman and Parkin townships and consists of 35 contiguous unpatented mining claims and one isolated claim covering an area of 688 hectares. It is strategically located adjacent to the producing Podolsky copper-nickel-platinum group metal deposit of FNX Mining. The property lies along the extension of the Whistle Offset Dyke Structure which is a major geological control for Ni-Cu-PGM mineralization. This structure hosted the former INCO Whistle Offset copper-nickel-PGM Mine as well as the Podolsky North and Podolsky 2000 copper-precious metal deposits. FNX forecast the production of 372,049 tons of ore at Podolsky yielding 1.8 million pounds of payable nickel, 28.5 million pounds of payable copper and 27,300 ounces of payable platinum, palladium and gold for 2009. Previous operators located the extension of the Whistle Offset Dyke structure on the Post Creek property as a direct result of their geological, geophysical and Mobile Metal Ion geochemical surveys. A reconnaissance rock sample collected along the structure assayed 0.83% Ni, 0.74% Cu, 0.07% Co, 2.24 g/t Pt and 1.05 g/t Pd. Significant potential for nickel-copper-PGM is demonstrated on the Post Creek property.

Performance Summary:

The exploration program to evaluate the mineral potential of the Whistle Offset Dyke Structure was initiated September 24, 2010. This project included outcrop stripping, washing and detailed mapping. There were also a number of reconnaissance programs initiated concurrently to evaluate the Post Creek property for shallowly-buried mineralization. The geophysical approach was based on the use of a beep mat and selected traverses across the property were undertaken. A number of elevated EM responses were obtained and a number of these areas were stripped of overburden using an excavator and washed using a Wajax pump. Exposed mineralization was chip sampled and sent to SGS Mineral Services for a multi-element analysis including assay for nickel, copper, cobalt, gold, platinum and palladium. Selected soil geochemical surveys were undertaken over historic IP chargeability anomalies. Samples were submitted June 9, 2011 to SGS Mineral Services for analysis using the Mobile Metal Ion Technology.

Extensive outcrop stripping with a mechanical excavator aided by power washing of outcrops was completed. Outcrop sampling, where warranted, was continued and assistance from experienced Sudbury geological consultants was retained for short periods to demonstrate the subtleties of mapping offset dyke structures. Ground VLF-EM and magnetic surveys were initiated.

Airborne VTEM geophysical survey results and ground IP and magnetic surveys undertaken by previous operators were obtained from the geophysical contractors in digital formats and integrated with geological and geochemical databases.

October 18, 2011 new geophysical data was acquired from Abitibi Geophysics from a newly cut grid on the Post Creek property. Electromagnetic and magnetic anomalies were detected and a seven hole diamond drill program consisting of 1532.5 metres. The exploration included down-hole pulsing to detect potential anomalies for future drill-testing.

On December 14, 2011 a seven hole diamond drill program was planned and implemented with Chenier drilling of Capreol, Ontario contracted to carry out a 1532.5 metre program.

On December 14, 2011 the Company announced the offset dyke or CJ Zone was expanded subsequent to previous ground geophysical surveys and prospecting by Cecil Johnson. Geophysical anomalies detected by the Abitibi Infinitem geophysical survey were drill tested and indicated the geophysical responses were attributable to heavily disseminated to near-solid pyrrhotite, pyrite and minor chalcopyrite. These mineralized zones were hosted within large blocks of mafic volcanic rocks present within the offset dyke and with oxide and lean iron formation. Drill core was sampled and submitted for assay to AGAT Laboratories. Results indicate generally low base and precious metal values in this mineralization. The mineralization is interpreted to be of Archean age occurring as veins/layers and disseminations within Archean rocks.

Analytical data, geological maps and historic geophysical information were compiled by Dr. Walter Peredery to form the basis for a 43-101 technical report which was submitted to the TSX Exchange on May 18, 2011 as part of listing requirements for North American Nickel. The report was accepted by the Exchange on May 27, 2011.

August 16, 2011, detailed prospecting by Mr. Cecil Johnson on behalf of the Company on the Post Creek property has resulted in the discovery of a previously unrecognized mineralized Offset dyke. The Offset dykes are recognized in the Sudbury mining camp as hosts to significant ore deposits and as such this discovery is considered extremely important. Follow-up outcrop stripping using a mechanical excavator accompanied by power washing to prepare the outcrop area for mapping and sampling has been initiated. The offset dyke has been named “the Cecil Johnson Offset Dyke” or “CJ#1” after Mr. Johnson, the discoverer.

A review of all characteristics of the CJ target zone and the results of diamond drilling indicate the CJ Zone is more accurately described as a breccia belt rather than a sharp-walled offset dyke. The breccia belt is along strike from the Podolsky nickel-copper-platinum group metal mine and as such the CJ Zone is still considered as a high-priority exploration target. The mineral potential of this re-interpreted offset dyke has been elevated owing to observations made by North American Nickel geologists aided by Andy Bite, a well-known and highly respected Sudbury geologist. The breccia belt is now interpreted as an embayment structure and will be explored accordingly.

A petrographic report on drill core samples from 2011 program was completed. The thin sections cut from the drill core confirm that the bottom of this new embayment has not been intersected by drilling, and consequently, the most prospective section of the observed embayment has not been reached. The petrographic work confirmed the size and extent of the mapped embayment, which is still open to the east and south, and possibly to the north as well.

On March 12, 2013, the Company amended the Property Option Agreements on the Post Creek Property. The option agreement was amended by modifying the property expenditure and property payment requirements in order for the Optionee to earn a 100% interest in the claims.

During the nine months ended September 30, 2014:

The Company on March 27, 2014 made the $15,000 payment as per the Property Option Agreements.

Subsequent Events

There were no subsequent events following the end of the reporting period.

Activities contemplated in the future

A joint venture partner continues to be sought out to follow-up the CJ Embayment structure.

Halcyon Property

On April 5, 2010, the Company entered into an option agreement to acquire rights to Halcyon Property. On March 12, 2013 the Halcyon Property Option Agreement was amended, as indicated in the schedule below. In order to acquire up to a 100% working interests in the property, subject to certain net smelter return royalties (“NSR”) and advance royalty payments the Company agreed to the following amended consideration. Further, commencing the amended date of August 1, 2015, if the Company exercises its option, the Company will be obligated to pay advances on the NSR of $8,000 per annum, which will be deducted from any payments to be made under the NSR:

Date	Cash	Issuance of shares		Exploration Requirements	
On or before April 5, 2010	$ 15,000	300,000	paid & issued		
On or before April 5, 2011	$ 25,000	200,000	paid & issued	$ 22,000	Exploration requirements to April 5, 2011 $40,299
On or before April 5, 2012	$ 35,000	200,000	paid & issued	$ 22,000	Exploration requirements to April 5, 2012 $53,985
On or before April 5, 2013	$ 15,000	-	Paid	$ 22,000	Exploration requirements to April 5, 2012 $53,985
On or before April 5, 2014	$ 15,000	-	Paid	$ 22,000	
On or before April 5, 2015	$ 15,000	-		$ 22,000	

The property is located 35 Km NNE of Sudbury in the SE corner of Parkin Twp, and consists of 46 unpatented mining claims. It is readily accessible by paved and all-weather gravel road. Halcyon is adjacent to the Post Creek property and contains the extension of the metallogenetically significant Whistle Offset Structure now interpreted to represent an embayment. It is approximately 2 km north of the producing Podolsky Mine of FNX Mining. Previous operators on the property defined numerous conductive zones based on induced polarization (I.P.) surveys with coincident anomalous soil geochemistry. Base and precious metal mineralization have been found in multiple locations on the property but follow-up work was never done. The former producing Jon Smith Mine (nickel-copper-cobalt-platinum) is situated 1 Km North of the property.

Performance Summary:

Data compilation was initiated with the aim of delineating potential areas for follow-up exploration. Based on newly acquired information from the Post Creek property the adjacent Halcyon property will be the target of geological prospecting and geophysical activities.

On September 14, 2011 a partial cut grid was established on the western edge of the Halcyon property to accommodate the Abitibi Geophysics EM survey covering the adjacent Post Creek property.

On December 14, 2011, prospecting and a small amount of outcrop stripping were completed in preparation for a drill program. A single drill hole was put down on the southeast corner of the property with the purpose of providing geological information and to provide a platform for bore hole pulse EM ("BHPEM"). No anomalies were detected with the BHPEM although quartz diorite breccia and partial melt material with 2-3% disseminated pyrrhotite and chalcopyrite was intersected over short core lengths.

On March 12, 2013, the Company amended the Property Option Agreements on the Halcyon Property. The option agreement was amended by modifying the property expenditure and property payment requirements in order for the Optionee to earn a 100% interest in the claims.

During the nine months ended September 30, 2014:

The Company on March 27, 2014 made the $15,000 payment as per the Property Option Agreements.

Subsequent Events

There were no subsequent events following the end of the reporting period.

Activities contemplated in the future

The Company is planning a prospecting and rock sampling program to assist in the ongoing exploration of the property.

Selected Financial Information

The Company's condensed interim financial statements for the nine months ended September 30, 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and practices. Currency amounts are in Canadian dollars, except where stated otherwise. The following selected financial information is taken from the Condensed Financial Statements and should be read in conjunction with those statements.

	For the nine months ended		
	September 30, 2014	**September 30, 2013**	**September 30, 2012**
Financial Results			
Net loss	$ 3,155,327	$ 729,391	$ 1,059,253
Basic loss per share	0.02	0.01	0.02
As at:	**September 30, 2014**	**December 31, 2013**	**December 31, 2012**
Balance Sheet Data			
Share capital	$ 43,256,764	$ 33,631,235	$ 22,786,694
Common shares issued	169,884,679	140,576,584	80,560,193
Weighted average shares outstanding	153,952,324	111,753,433	69,179,749
Total assets	$ 28,035,605	$ 18,715,919	$ 9,009,702
Net assets (liabilities)	27,053,470	18,679,879	8,946,548
Exchange rates (Cdn$ to U.S.$) period average	1.0944	1.0299	1.0004

Results of Operations

Nine Months Ended September 30, 2014 compared with Nine Months Ended September 30, 2013

For the nine months ended September 30, 2014, the Company incurred a net loss of $3,155,327 compared to a net loss of $729,391 for the nine months ended September 30, 2013. The increase of $2,425,936 in net loss is a result of a share-based payment of $1,996,792 an increase of $1,895,671 compared to the period ending September 30, 2013 and general operating costs increased by $339,450 which is mainly the result of an increase of $88,403 in investor relations due to travel costs for conferences, an increase of $4,541 in consulting fees as a result of more fees expensed than capitalized in this period, an increase in management fees of $151,000 due to the compensation accrued to Rick Mark upon resigning and the increase in directors stipends, an increase in salaries, and general and administrative costs of $95,506 as a result of adjusting the split on shared costs. There has been an increase of $62,951 for interest earned and there was an increase in foreign exchange loss of $260,049 as a result of the drill program in Greenland and the costs in the DKK currency.

As at September 30, 2014, the Company had total assets of $28,035,605, an increase of $9,319,686 since December 31, 2013 which reported total assets of $18,715,919. The increase is a result of the Company raising funds through a private placement of $9,379,970 and using the funds on the drill program in Greenland. As at the yearend December 31, 2013, the Company had total assets of $18,715,919, an increase of $9,706,217 since December 31, 2012 which reported total assets of $9,009,702. This increase was a result of raising funds through a private placement of $7,054,098 and using the funds on the exploration program in Greenland. Exploration and evaluation assets increased by $3,278,441 as a result of the drilling program in Greenland and the property impairment of $253,090 on the Thompson North property and the scheduled payments on the Sudbury properties. The Company in the year 2012 raised $3,400,000 through a private placement and spent $3,023,347 on property exploration during the year ending 2012.

Selected Financial Data Quarterly

	Three months ended			
	September 30, 2014	**June 30, 2014**	**March 31, 2014**	**December 31, 2013**
Net loss	$ (2,387,359)	$ (552,345)	$ (215,624)	$ (530,911)
Basic loss per share	0.01	0.00	0.00	0.00

	Three months ended			
	September 30, 2013	**June 30, 2013**	**March 31, 2013**	**December 31, 2012**
Net loss	$ (311,114)	$ (230,034)	$ (188,242)	$ (394,308)
Basic loss per share	0.00	0.00	0.00	0.01

Balance Sheet Data

As at:	**September 30, 2014**	**June 30, 2014**	**March 31, 2014**	**December 31, 2013**
Share capital	$ 43,256,764	$ 43,255,258	$ 33,673,914	$ 33,631,235
Common shares issued	169,884,679	169,844,853	140,676,584	140,576,584
Weighted average shares outstanding	153,952,324	145,835,740	140,599,917	111,753,433
Total assets	$ 28,035,605	$ 28,347,763	$ 18,716,439	$ 18,715,919
Net assets (liabilities)	$ 27,053,470	$ 27,446,644	$ 18,479,255	$ 18,679,879

As at:	**September 30, 2013**	**June 30, 2013**	**March 31, 2013**	**December 31, 2012**
Share capital	$ 29,765,216	$ 29,757,268	$ 22,796,694	$ 22,786,694
Common shares issued	122,179,885	122,154,885	80,660,193	80,560,193
Weighted average shares outstanding	102,094,708	91,922,551	80,636,860	69,179,749
Total assets	$ 16,024,672	$ 16,166,896	$ 8,962,423	$ 9,009,702
Net assets (liabilities)	$ 15,292,602	$ 15,574,851	$ 8,818,679	$ 8,946,548

During the three months ended September 30, 2014 the Company reported a share-based payment of $1,996,792 as a result of granting stock options and had an increase in foreign exchange loss of $140,368 as a result of the drill program in Greenland. During the three months ended June 30, 2014 the Company reported a foreign exchange loss of $129,489 as a result of the drill program in Greenland with most costs converted from DKK. During the three months ended June 30, 2014 the Company had an increase in management fees of $141,000 due to the resignation of the CEO. The quarters ended December 31, 2013, September 30, 2013, June 30, 2013 and September 30, 2012, recorded an increased net loss as a result of share-based compensation charges reported of $77,110, $25,115, $25,634 and $404,340 respectively as a result of stock option grants in those quarters. The quarters ended December 31, 2013 and December 31, 2012, recorded property impairment amounts of $253,090, $233,760, respectively as a result of writing down Thompson North and WIC Property. In the quarter ended June 30, 2013 there was an increase in management fees and salaries.

During the three months ended June 30, 2014 the Company raised funds of $9,379,970 through a private placement accounting for the increase in total assets and share capital. In the quarter ended December 31, 2013 the Company issued 18,276,199 common shares for warrant exercise at $0.21 per share for proceeds of $3,838,002 which was the reason for the increase in share capital and total assets. In the quarters ended June 30, 2013 and June 30, 2012 the Company raised funds of $7,054,098 and $3,400,000 respectively through private placements accounting for the increase in total assets and share capital with the granting of 41,494,692 units and 20,000,000 units.

Liquidity

As at September 30, 2014 the Company had accumulated losses totaling $21,129,450. The Company had working capital of $6,924,526 at September 30, 2014. The continuation of the Company is dependent upon the continued financial support of shareholders, its ability to raise capital through the issuance of its securities, as well as obtaining long-term financing when the company concludes an appropriate merger or acquisition agreement. On May 8, 2014, the Company closed a private placement of 28,424,152 shares at a price of $0.33 per share for proceeds of $9,379,970. On October 1, 2013 the Sentient Group exercised 18,276,199 warrants at $0.21 per unit for gross funds of $3,838,001.

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.

Capital Management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to manage its capital.

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

Management considers its approach to capital management to be appropriate given the relative size of the Company. There were no changes in the Company's approach to capital management during the period.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables and trade payables and accrued liabilities. Cash and cash equivalents are designated as held for trading and therefore carried at fair value, with the unrealized gain or loss recorded in income. Receivables are designated as loan receivables and trade payables, are designated as other financial liabilities and recorded at amortized cost. Marketable securities are available for sale with the unrealized gain or loss recorded in other comprehensive income.

The fair value hierarchy establishes three levels to classify inputs to the valuation techniques used to measure fair value. Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable (supported by little or no market activity).

Cash and cash equivalents are stated at fair value and are classified as Level 1 of the fair value hierarchy. The fair values of accounts receivables and trade payables approximate carrying value because of the short term nature of these instruments.

The fair value of available for sale investments are determined based on a market approach reflecting the closing price of each particular security at the closing balance sheet date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore available for sale securities are classified within Level 1 of the fair value hierarchy.

Financial Instrument Risk Factors

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

Credit Risk
The Company's credit risk is primarily attributable to cash, short-term investments and amounts receivable. Cash and cash equivalents, and short-term investments are held with one reputable Canadian chartered bank which is closely monitored by

management. Financial instruments included in amounts receivable consist primarily of HST/GST recoverable from the Canadian government. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents, short-term investments and amounts receivable is minimal.

Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, the Company held cash and a short-term investment totaling $7,643,135 (December 31, 2013 - $6,278,919) and had current liabilities of $982,135 (December 31, 2013 - $36,040). All of the Company's liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

i) Interest Rate Risk
The Company had cash balances and no interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. As of June 30, 2014, the Company had non-interest bearing accounts with one Canadian chartered bank.

ii) Foreign Currency Risk
The Company is exposed to the financial risk related to fluctuations of foreign exchange rates. The Company operates in Canada and Greenland and a portion of exploration and evaluation assets are incurred in US dollars, Euros and Danish Krones ("DKK"). The Company has hedged DKK 6,961,027 at a rate of 4.66 and a deposit of $150,000 to work with the currency fluctuations, however foreign currency risk is considered low as the majority of transactions are settled and reported in Canadian dollars.

iii) 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.

Accounting Standards Not Yet Effective

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

New standard IFRS 9 "Financial Instruments"
This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment: however, other gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 which mainly carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement,* except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". The effective date of IFRS 9 has not been specified.

Additional Disclosure for Venture Issuers Without Significant Revenue
The business of the Company entails significant risks, and an investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks. The following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

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

The Company's auditors have indicated that U.S. reporting standards would require them to raise a concern about the company's ability to continue as a going concern.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Table of Property Contractual Obligations

Post Creek

Date	Cash	Issuance of shares		Exploration Requirements	
On or before April 5, 2010	$ 12,500	400,000	paid & issued		
On or before April 5, 2011	$ 30,000	300,000	paid & issued	$ 15,000	Exploration requirements to April 5, 2011 $624,715
On or before April 5, 2012	$ 50,000	300,000	paid & issued	$ 15,000	Exploration requirements to April 5, 2012 $830,127
On or before April 5, 2013	$ 15,000	-	paid	$ 15,000	Exploration requirements to April 5, 2013 $975,049
On or before April 5, 2014	$ 15,000	-	paid	$ 15,000	
On or before April 5, 2015	$ 15,000	-		$ 15,000	

Halcyon

Date	Cash	Issuance of shares		Exploration Requirements	
On or before April 5, 2010	$ 15,000	300,000	paid & issued		
On or before April 5, 2011	$ 25,000	200,000	paid & issued	$ 22,000	Exploration requirements to April 5, 2011 $40,299
On or before April 5, 2012	$ 35,000	200,000	paid & issued	$ 22,000	Exploration requirements to April 5, 2012 $53,985
On or before April 5, 2013	$ 15,000	-	paid	$ 22,000	Exploration requirements to April 5, 2013 $80,675
On or before April 5, 2014	$ 15,000	-	paid	$ 22,000	
On or before April 5, 2015	$ 15,000	-		$ 22,000	

Related Party Transactions

Related party transactions were in the normal course of business and have been recorded at the exchange amount which is the fair value agreed to between the parties. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

During the current period ended September 30, 2014 and prior periods ending December 31, 2012 and 2011, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

Related party	Nature of transaction
Mount Morgan Resources Ltd.	Geological consulting fees provided by Mark Fedikow, President for a monthly retainer of $6,000. Effective June 16, 2014 Mark Fedikow was assigned interim CEO.
Dockside Capital Group Inc.	Management fees for services provided by 2 directors for a monthly retainer of $4,000.
VMS Ventures Inc.	Management fees for services provided by Rick Mark for a monthly retainer of $8,000, as amended April 1, 2013, CEO, effective June 15, 2014 Rick Mark resigned, Cheryl Messier for a monthly retainer of $5,750, effective January 1, 2014, CFO, Neil Richardson adjusted monthly retainer of $6,000, COO and shared administrative costs.
Jim Clucas	A stipend of $2,000 per month for an independent director.
667981 BC Ltd.	A stipend to John Roozendaal of $2,000 per month for an independent director.

Included in trade payables and accrued liabilities as at September 30, 2014 is $80,031 (December 31, 2013- $5,894) owing to VMS Ventures Inc. for shared administrative costs.

During the nine months ended September 30, 2014, the Company recorded $8,100 (September 30, 2013 - $8,100) in rent expense to VMS Ventures Inc.

For the nine months ended September 30, 2014, the Company paid $250,000 (September 30, 2013 - $99,000) for management fees. Paid to VMS Ventures Inc. regarding Rick Mark, CEO, which effective June 16, 2014 Rick Mark resigned, was $40,000 and the

Company has accrued $144,000 and to Dockside Capital Group Inc. $36,000 (September 30, 2013 - $24,000) regarding services from two directors, to Mount Morgan Resources Ltd. for Mark Fedikow interim CEO $18,000 was paid and 2 independent directors stipends of $12,000 were paid.

Included in exploration and evaluation assets for the nine months ended September 30, 2014 is $49,389 (September 30, 2013 – $30,000) which VMS Ventures Inc. was paid regarding geological fees for Neil Richardson, COO

Included in geological consulting fees for the nine months ended September 30, 2014 is $36,000 (September 30, 2013 – $48,000) which Mount Morgan Resources Ltd. was paid regarding geological fees for Mark Fedikow, President and VMS Ventures Inc. was paid $9,960 (September 30, 2013 - $6,000) regarding geological fees for Neil Richardson, COO.

The Company has identified certain directors and certain senior officers as its key management personnel. The compensation costs for key management personnel for the nine months ended September 30, 2014 and 2013 are as follows:

	Period ended	
	September 30, 2014	September 30, 2013
Geological consulting fees - expensed	$ 45,960	$ 39,000
Geological consulting fees - capitalized	49,389	51,000
Management fees - expensed	250,000	99,000
Salaries - expensed	51,750	-
Stock-based compensation	1,371,571	-
	$ 1,768,670	$ 189,000

Subsequent Events

On October 8, 2014, the Company issued 80,000 common shares for a stock option exercise at $0.15 per share for proceeds of $12,000 and stock base compensation adjustment of $13,432.

On November 5, 2014, the Company granted 350,000 stock options at $0.21 /unit to a director.

Share Capital Data

The following table sets forth the Company's share capital data as at November 25, 2014

Common Shares	
-issued & outstanding	169,964,679
Preferred Shares	
-issued & outstanding	590,930
Options	
-issued & outstanding	11,603,000
Warrants	
-issued & outstanding	25,137,027

Further Information

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