

North American Nickel Inc.
Form 20-F
April 22, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: **000-14740**

North American Nickel Inc.

(Exact name of Registrant as specified in its charter)

Province of British Columbia, Canada

(Jurisdiction of incorporation or organization)

**#500 200 West Esplanade, North Vancouver, British Columbia, Canada
V7M 1A4**

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
None	None

Securities registered or to be registered pursuant to Section 12(g) of the Act. **Common Shares, no par value**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common shares as of the close of the period covered by the annual report:

169,964,679 inclusive of the conversion of the outstanding Series 1 Convertible Preferred Shares

Indicate by check mark if the registrant is a well-known seasoned issuer.

Yes No X

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)

Indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes No

Unless otherwise indicated, all references herein are expressed in Canadian dollars and United States currency is stated as U.S. \$.

THIS SUBMISSION SHOULD BE CONSIDERED IN CONJUNCTION WITH PREVIOUSLY FILED FORMS 20-F AND 6-K. THE AUDITED FINANCIAL STATEMENTS AND NOTES THERETO ATTACHED ARE AN INTEGRAL PART OF THIS SUBMISSION.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not required

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not required

ITEM 3. KEY INFORMATION

A.

Selected financial data.

The following financial data summarizes selected financial data for our company prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) for the three fiscal years ended December 31, 2014, 2013 and 2012. The information presented below for the three year period ended December 31, 2014, 2013 and 2012 is derived from our financial statements which were examined by our independent auditors. The information set forth below should be read in conjunction with our audited annual financial statements and related notes thereto included in this annual report, and with the information appearing under the heading Item 5 Operating and Financial Review and Prospects .

North American Nickel Inc. (the Company) was incorporated on September 23, 1983. The Company changed its name from Widescope Resources Inc. to North American Nickel Inc. effective April 19, 2010. The Company s principal business activity is the exploration of natural resource properties.

Effective April 19, 2010 the Company s shareholders approved a special resolution to reorganize the Company s capital structure by consolidating in a reverse stock split the existing common shares on the basis of each two (2) old shares being equal to one (1) new share and concurrently increasing the authorized capital of the Company from 100,000,000 common shares without par value to an unlimited number of common shares without par value. All references to common shares, stock options, warrants and weighted average number of shares outstanding in this Form 20-F retroactively reflect the share consolidation unless otherwise noted. The net effect of the above was to reduce the existing outstanding common shares from 10,883,452 to 5,441,730.

North American Nickel Inc.

Selected Financial Data in accordance with IFRS for the years 2014, 2013, 2012, 2011 and 2010 (Expressed in Canadian Dollars)

	Years Ended December 31				
	2014	2013	2012	2011	2010
Net operating revenues	\$ 0	0	0	0	0
Loss from operations	\$ 0	0	0	0	0
Net loss	\$ (3,741,007)	(1,260,301)	(1,453,562)	(1,084,191)	(529,808)
Comprehensive loss	\$ (3,741,007)	(1,260,301)	(1,453,562)	(1,084,191)	(529,808)
Loss per share from operations	\$ (0.02)	(0.01)	(0.02)	(0.02)	(0.03)
Share capital	\$ 43,268,118	33,631,235	22,786,694	18,782,644	15,310,333
Common shares issued	169,964,679	140,576,584	80,560,193	55,058,193	35,231,730
Weighted average shares outstanding	157,986,561	111,753,433	69,179,749	46,464,082	19,941,566
Total assets	\$ 27,050,038	18,715,919	9,009,702	6,109,703	153,074
Net assets (liabilities)	\$ 26,752,694	18,679,879	8,946,548	5,943,608	1,234,383
Cash dividends declared per common share	\$ 0	0	0	0	0
Exchange rates (U.S.\$ to CAD\$) period average	\$ 1.1046	1.0299	1.0004	1.0110	0.8757

Exchange rates (CAD\$ to U.S.\$) for most recent six months	Period High	Period Low
October 2014	\$ 0.9017	0.8783
November 2014	\$ 0.8936	0.8732
December 2014	\$ 0.8839	0.8568
January 2015	\$ 0.8562	0.7813
February 2015	\$ 0.8095	0.7876
March 2015	\$ 0.8060	0.7791
Exchange rate (CAD\$ to U.S.\$) April 17, 2014	\$ 0.8273	0.7888

B.**Not required.****C.****Not required.****D.****Risk factors.**

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 viable commercial business.

Having no viable business it is difficult to determine a price for the common shares. That price must therefore be dependent on the value that each individual buyer and seller place on the future prospects of the company, rather than any objective measurement. This is a very risk position for shareholders, as the majority perception may turn negative and price decline severely.

The Company has limited funds.

Funds are the fuel needed to drive the company. Should current funds be consumed, and the company not be able to attract more capital, prospects for shareholders would become extremely negative, and shareholder losses will inevitably occur.

There is no assurance that the Company can access additional capital.

The company will need to demonstrate performance in order to attract additional capital. As the mineral exploration business has a high element of chance associated with it, it is possible that none of the current properties will have any value. The capital markets could perceive this to be a demonstration of poor performance, and be unwilling to provide additional funds. Should this happen, shareholders will incur significant losses.

There is no assurance that the transactions disclosed herein will be successful in its quest to find a commercially viable quantity of mineral resources.

Unless the Company is able to secure other more viable projects, providing better future prospects, buyer interest for common shares will decline severely, resulting in lower prices and significant shareholder losses.

There is no assurance that other prospective mineral properties or other assets can be acquired, and if acquired that the necessary additional capital can be attracted.

Either of these is possible. Either occurring will have the same inevitable outcome. Demand for the common shares will decline severely, resulting in a drop in trading price, and significant shareholder losses.

The Company has a history of operating losses and may have operating losses and a negative cash flow in the future.

This will mean that additional shares will need to be sold to fund operations. Without a concurrent improvement in future prospects, this will result in supply of stock exceeding demand, and much lower prices. This will cause shareholders to lose money.

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.

Additional capital will need to be raised. This could result in the perception of lowered future prospects, lower demand for the Company's common share, lower stock prices, and shareholder losses.

There can be no assurance that a liquid market will develop for the Company's shares and therefore no assurance that shareholders will be able to sell their shares.

Lack of liquidity that prevents shareholders from selling, or limits their abilities to sell, will all too likely lead to significant losses for shareholders.

Management has little expertise in mining, which may ultimately cause shareholders to lose money.

Management may waste the Company's limited capital on worthless properties, or it may do the wrong things with properties that could have value. Either way, the outcome will be the same. Money will have been wasted without any corresponding creation of value. This will cause shareholders to lose patience and lose interest. This could lead to significantly increased selling of shares, driving down the price, and leading to losses for investors.

The Company's common stock is thinly traded so it is more susceptible to extreme rises or declines in price, and you may not be able to sell your shares at or above the price paid.

You may have difficulty reselling shares of our common stock, either at or above the price paid, or even at fair market value. The stock market often experiences significant price and volume changes that are not related to the operating performance of individual companies, and because our common stock is thinly traded it is particularly susceptible to such changes. These broad market changes may cause the market price of our common shares to decline, regardless of how well the company performs. This may be exaggerated by the fact that the shares trade on the over-the-counter bulletin board (OTCBB), which is owned and operated by the Financial Industry Regulatory Authority (FINRA). Trading on the OTCBB is often extremely sporadic, and subject to manipulation by market-makers, and short sellers. This may cause you to lose money as you may have difficulty selling the shares that you own.

The Company's common stock is subject to the penny stock regulations, which are likely to make it more difficult to sell.

A penny stock is generally a stock trading under \$5.00 per share, and not registered on a national securities exchange or quoted on the NASDAQ national market. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. These rules, intended to protect investors, generally have the result of reducing trading in such stocks, restricting the pool of potential investors, and making it more difficult for investors to sell their shares once acquired. Since our common shares are subject to the penny stock rules, you may find it more difficult to sell your shares.

As a foreign issuer, the Company is exempt from certain informational requirements of the Exchange Act to which domestic issuers are subject.

As a foreign issuer we are not required to comply with all of the informational requirements of the Exchange Act. As a result, there may be less information concerning our company publicly available than if we were a domestic United States issuer. In addition, our officers, directors, and principal shareholders are exempt from the reporting and short profit provisions of Section 16 of the Exchange Act, and the rules promulgated thereunder. Therefore, our shareholders may not know on a timely basis when our officers, directors, and principal shareholders purchase or sell shares of our common stock.

As a Canadian company with most assets and key personnel located outside the United States, you may have difficulty in acquiring United States jurisdiction, or enforcing a United States judgment against us, our key personnel, or assets.

As a Canadian company many of our assets and key personnel, including directors and officers, reside outside the United States. As a result, it may be difficult or impossible for you to effect service of process within the United States upon us or any of our key personnel or to enforce against us or any of our key personnel judgments obtained in United States courts, including judgments relating to United States federal securities laws. Canadian courts may not permit you to bring an original action in Canada, or recognize or enforce judgments of United States courts obtained against us predicated upon the civil liability provisions of federal securities laws of the United States, or of any state thereof. Furthermore, because many of our assets are located in Canada, it would be extremely difficult to access these assets to satisfy any award entered against us in a United States court. Accordingly, you may have more difficulty in protecting your interests in the face of actions taken by our management, members of our board of directors, or our controlling shareholders than you would otherwise as shareholders of a United States public company.

The Company does not intend to pay any common stock dividends in the foreseeable future.

We have never declared or paid a dividend on our common stock, and, because we have very limited resources, we do not anticipate declaring or paying any dividends in the foreseeable future. It is unlikely that the holders of our common shares will have an opportunity to profit from anything other than potential appreciation in the value of our common shares. If you require dividend income, you should not rely in an investment in our common shares to provide it.

Future issuances of common stock may depress stock prices and dilute your interest.

We may issue additional shares of our common stock in future financings, or grant stock options to our employees, officers, directors, and consultants under our stock incentive plan. Any such issuances could have the effect of depressing the market price of our common stock, and, in any case, would dilute the percentage ownership interests in our company of our shareholders. In addition we could issue securities having rights, preferences and privileges senior to those of our common shares. This could depress the value of our common shares.

ITEM 4. INFORMATION ON THE COMPANY

A.

History and development of the Company.

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 accompanying financial statements retroactively reflect the share consolidation unless otherwise noted. The Company is currently in good standing under the laws of British Columbia. The registered and records office of the Company are located at #500-200 West Esplanade, North Vancouver, B.C. Canada V7M 1A4 and the Company's principal executive offices are located at #500 200 West Esplanade, North Vancouver, BC, V7M 1A4, telephone (604) 986-2020.

In April 2010 the Company initiated a series of actions to realign its focus into the field of nickel exploration in the prolific nickel belts around Sudbury, Ontario and Thompson Manitoba. These actions were reported in a news release dated April 6, 2010. Additionally, in April 2010 the Company's shareholders elected 4 new directors, to replace three retiring directors. The directors of the Company have appointed new senior management to oversee the daily operations of the Company.

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.

B.

Business overview

In conjunction with the April 2010 refocusing of the Company on nickel exploration, as of April 23, 2010 the Company entered into an agreement with an independent third party that resulted in divesting its interest in Outback Capital Inc., and its remaining interest in the Rice Lake properties. The sale was completed as of May 31, 2010, and the proceeds from the sale were \$52,606.

In conducting its business operations, the Company is not dependent on any patented or license processes, technology, industrial, commercial or financial contract or new manufacturing processes.

With the dramatic and possibly unprecedented contraction of global financial markets experienced in 2008, a tidal wave of qualified people became available. Suddenly, capital became unavailable. Exploration companies everywhere reduced overhead.

Access to capital eased marginally toward the latter part of 2009 and beyond. More capital became available, and enthusiasm for mining projects increased at much the same time. The latter, because of expectations of increased inflation, brought increased demand for precious metals and because of the expectation of an increasing demand for base metals from Asia.

To focus on the expected increased demand for base metals, the Company entered into agreements to acquire rights to four properties in the Sudbury Ontario nickel belt, and one agreement to acquire 100% ownership of another property in the area of the Thompson Manitoba nickel belt. As part of this change in focus, the Company entered into an arm's length agreement to divest its interest in Outback Capital Inc., and through this, its interest in the Pine Falls Manitoba gold properties.

Concurrent with the refocusing of the Company in April 2010, the Company arranged two non-brokered private placements to finance working capital and the first exploration work at Post Creek and Bell Lake in the Sudbury nickel belt. It also attracted four new directors, each with significant experience in mineral exploration, to replace three previous directors, and add one additional director.

Effective August 15, 2011, the Company was granted an exploration license (the Sulussugut License license number 2011/54) 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 kroner (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. The license is renewable for an additional five years after the 1st license period.

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 license is renewable for an additional five years after the 1st license period. The Ininngui License is contiguous with the Sulussugut 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 May, 2012 the Company arranged a non-brokered private placement of up to 20,000,000 units at a price of \$0.17 per unit for aggregate proceeds of \$3,400,000, to the Sentient Group GP IV.

In April, 2013 the Company completed a non-brokered private placement of 41,494,692 units at a price of \$0.17 per unit for aggregate proceeds of \$7,054,098.

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.

Organizational structure.

The Company is part of no other group. During the year ended June 30, 2006 Outback Capital Inc. dba Pinefalls Gold (PFG) a private Alberta corporation became a majority-owned subsidiary of the Company. PFG was incorporated under the Alberta *Business Corporations Act* on February 6, 2001. Effective May 31, 2010, the Company completed an agreement with an arm's length entity that resulted in it divesting of its interest in Outback Capital Inc.

B Property, plants and equipment.

The Company's head office and principal facility, which is leased, is located at 500 200 West Esplanade, North Vancouver.

The Company entered into two agreements to acquire rights to the Post Creek and Halcyon properties in the Sudbury, Ontario nickel belt. The Company also acquired a large Ni-Cu-PGE land package in Greenland. A figure showing the location of all of the company's properties are displayed below.

Sudbury nickel properties:

The Sudbury properties currently being explored by North American Nickel are exploration properties without mineral reserves. All properties can be readily accessed by paved and/or all-weather gravel roads and have access to water and diesel-power for exploration purposes. The total ore mined to date in Sudbury is 1.7 billion tons with 40 billion lbs. of nickel, 36 billion lbs. of copper, 70 million ounces of platinum, palladium and gold and 283 million ounces of silver. The Sudbury properties have many of the unique geologic characteristics of the Sudbury Basin. An example is the Post Creek property which has been shown through results of recent exploration to be situated on the same geologic structure as the currently producing Podolsky copper-nickel-PGM mine. However the economic mineralization currently being mined at Podolsky may not necessarily be present on the Post Creek property.

Post Creek

(Bedrock-hosted Mineral Exploration Claims): The property is located 35 km east of Sudbury in Norman and Parkin townships and consists of 35 contiguous unpatented mining claims held by John Brady, covering an area of 624 hectares and 7 contiguous unpatented mining claims held by the Company, covering 416 hectares.. The center of the property occurs at UTM coordinates 510217m E, 5182584m N (NAD83 UTM Zone 17N. It is strategically located adjacent to the past-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 (past production of 5.7 million tons grading 0.33% Cu, 0.95% Ni and 3.77 grams/tonne total platinum metals as well as the Podolsky North and Podolsky 2000 copper-precious metal deposits. 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 soil geochemical surveys. Drilling on this structure intersected a 0.66 m near solid to solid sulphide zone with 0.48% copper, 0.08% nickel, 0.054 grams/tonne palladium, 0.034 grams/tonne platinum and 0.020 grams/tonne gold. A rock sample collected along the structure assayed 0.83% Ni, 0.74% Cu, 0.07% Co, 2.24 grams/tonne Pt and 1.05 grams/tonne Pd. Significant potential for nickel-copper-PGM is demonstrated on the Post Creek property. Recent exploration has documented the presence of a previously unrecognized zone of brecciated rocks with quartz diorite and partial melt fragments and disseminated pyrrhotite, chalcopyrite and lesser pyrite. A ground geophysical survey and diamond drill program has recently been completed. Assay results indicate low base and precious metals have been intersected.

A NI 43-101 compliant Technical Report was commissioned, with Dr. Walter Peredery, formerly of INCO, as the author and subsequently accepted by the Securities Commission.

An option Agreement dated April 5, 2010 and amended on March 12, 2013, was struck between John and Marie Brady and Widescope Resources Inc., now known as North American Nickel Inc. pursuant to a corporate name change dated April 19, 2010. North American Nickel can earn 100% interest in the property by making the option payments, issuing shares and making the required Work Expenditures as set out in the option agreement.

Upon completion of the Option Agreement the property will be transferred to North American Nickel and Brady will retain a 2.5% NSR. 33 claims encompass an area of approximately 624 hectares and are held by John Gregory Brady; one claim is held by North American Nickel. Work commitments on the claims are set out at \$400.00 per unit (16 hectares) per year and are due to the Ontario Ministry of Development and Mines. Field work is completed and compiled, along with a statement of expenditures, and filed with the Ontario Ministry of Development and Mines by North American Nickel employees.

The required work commitments are submitted to the Ontario Ministry of Development and Mines, on a form supplied by the Ministry. Provided John Brady gives authorization to Janelle Toffan of Ens Land Management (contracted by North American Nickel to manage lands) to act as agent on his behalf, Ens Land Management will submit the annual

renewal on or before the claims Annual Anniversary dates. If authorization is not given then John Brady will make the submission. Expenditures, filed in excess of the annual work commitment, are banked and can be used towards future work requirements.

A location map for the property is given below.

Halcyon

(Bedrock-Hosted Mineral Exploration Claims): The property is located 35 Km NNE of Sudbury in the SE corner of Parkin Twp., and consists of 53 unpatented mining claims covering an area of approximately 864 hectares. Halcyon is adjacent to the Post Creek property and contains the extension of the metallogenetically significant Whistle Offset Structure. It is approximately 2 km north of the producing Podolsky Mine of FNX Mining. Previous operators on the property defined numerous conductive zones based on induced polarization (I.P.) surveys with coincident anomalous soil geochemistry. Base and precious metal mineralization have been found in multiple locations on the property but follow-up work was never done. The former producing Jon Smith Mine (nickel-copper-cobalt-platinum) is situated 1 km north of the property.

Option Agreement dated April 5, 2010 and amended on March 12, 2013, between John and Marie Brady and Widescope Resources Inc., now known as North American Nickel Inc. pursuant to a corporate name change dated April 19, 2010. North American Nickel can earn 100% interest in the property by making the option payments, issuing

shares and making the required Work Expenditures as set out in the option agreement.

Upon completion of the Option Agreement the property will be transferred to North American Nickel and Brady will retain a 2.5% NSR. The claims are held by John Gregory Brady. Work commitments on the claims are set out at \$400.00 per unit (16 hectares) per year and are due to the Ontario Ministry of Development and Mines.

Field work is completed and compiled, along with a statement of expenditures, and filed with the Ontario Ministry of Development and Mines by North American Nickel employees. The required work commitments are submitted to the Ontario Ministry of Development and Mines, on a form supplied by the Ministry. Provided John Brady gives authorization to Janelle Toffan of Ens Land Management (contracted by North American Nickel to manage lands) to act as agent on his behalf, Ens Land Management will submit the annual renewal on or before the claims Annual Anniversary dates. If authorization is not given then John Brady will make the submission. Expenditures, filed in excess of the annual work commitment, are banked and can be used towards future work requirements.

A location map is given below.

Maniitsoq (Greenland Mineral Exploration Licenses 2011/54 and 2012/28)

The project is centered 160 km north of Nuuk, the capital of Greenland (a safe, stable, mining-friendly jurisdiction) and covers numerous high-grade nickel-copper sulphide occurrences associated with norite and other mafic-ultramafic intrusions. Ports in this part of Greenland have a year-round shipping season. NAN 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 NAN 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 of an area located near Sulussugut, Greenland. The Company paid a license fee of \$5,742 (Danish kroner (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.

In 2014 the Company reduced license 2011/54 from 3366 square kilometres to 2689 square kilometres with an exploration commitment of DKK 21,368,070. The Company has had approved expenditures from The Mineral Licence and Safety Authority (MLSA) for 2014 of DKK 55,509,353 which is made up of exploration expenditures of DKK 37,006,242 and a general supplement of DKK 18,503,121. With a credit from 2013 of DKK 28,680,741 and commitment of DKK 21,368,070 leaves the Company with excess credits of DKK 62,822,024.

The required minimum exploration expenditures on the Sulussugut License for year 5, ending December 31, 2015 is based on an annual approximation of DKK 21,668,160. This assumes that the Sulussugut License area will not be reduced in 2015.

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 license is renewable for an additional five years after the 1st license period. 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.

In 2014 the Company has had approved expenditures from MLSA of DKK 5,470,428 which is made up of exploration expenditures of DKK 3,646,952 and a general supplement of DKK 1,823,476. The exploration obligation for 2014 was DKK 2,388,150. The Company carried credits from 2012 of DKK 1,945,569 and 2013 of DKK 2,965,890 with a credit balance of DKK 7,993,737 at the end of 2014.

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, 2012, 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.

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.

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.

In conjunction with the granting of the Sulussugut License, 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.

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 Kryolitselskabet 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 Kryolitselskabet 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 kilometers, 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 licenses 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 discovery of high grade nickel copper mineralization at Imiak Hill. Two of the holes (MQ-12-001 and 002), both drilled on the same section, intersected 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-kilometers 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 Conduit Complex (IHCC).

On September 26, 2013 the Company announced a new discovery within the Fossilik norite intrusion situated approximately 9 kilometers from the IHCC. 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.

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 totaling 8,773 meters. 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 meters and hole MQ-14-051 intersected 0.94% Ni, 0.17% Cu and 0.99 g/t Pt+Pd+Au over 4.31 meters.

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.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto included herein (see also "Selected Financial Data"). The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Overview

With the acquisition of PFG effective June 30, 2006, the Company's primary focus shifted to mineral resource exploration operations rather than acquisitions. The Company charged PFG a modest management fee to offset its reciprocal efforts to coordinate PFG's affairs until control of PFG was acquired. In 2006 PFG was charged \$9,000 in management fees. This management function has been largely carried out by the directors and large shareholders, at their own expense. The Company's management team, affiliates and directors have special expertise in the areas of operations, due diligence, financial analysis and corporate finance strategy with respect to emerging growth

enterprises. Additionally, the Company retains Dockside Capital Group to provide certain management functions and in so doing can also access its similar expertise.

A.

Operating Results

Historically, the Company has shown modest losses for the past several years. These losses result largely from having little or no revenue and minimal operating expenses, rather than having significant operating and overhead expenses. In 2004 the Company elected to sell its passive investment, and this resulted in a loss that was somewhat greater than usual. Prior to the completion of the PFG acquisition, the expenses of the Company were almost completely related to satisfying regulatory requirements, including the annual meeting, financial reporting, communications with shareholders; and seeking and evaluating acquisition prospects for suitability and ability to attract financing.

With the June 30, 2006 completion of the PFG acquisition the Company's expenses became more heavily weighted in favor of the exploration work and analysis being carried out on those properties. On May 31, 2010 the Company sold its interest in PFG, and no longer holds an interest in the Pinefalls Gold Property.

The Company will continue in the exploration business via the April 2010 agreements to acquire rights to the Post Creek and Halcyon properties in the Sudbury, Ontario nickel belt. The Company in December 2013 decided not to further pursue the 100% owned Thompson North Property which is part of the Thompson Nickel Belt and will allow the claims to lapse in 2014. The Company will also continue in the exploration on the acquired a large Ni-Cu-PGE land package in Greenland.

As a result of initiatives that were commenced on April 6, 2010, activities shifted from the Bissett area and precious metals, to base metals in and around Sudbury Ontario. As of August 15, 2011, activities also included work on an exploration program on the Sulussugut License in Greenland and as of March 4, 2012, activities also included work on an exploration program on the Ininngui License in Greenland.

Business overview

With the April 2010 entry into base metal exploration the Company is effectively a new company with its first focus on its Sudbury and Greenland properties. The Post Creek property is strategically located adjacent to the producing Podolsky copper-nickel-platinum group metal deposit of FNX Mining. The center of the property occurs at UTM coordinates 510217m E, 5182584m N (NAD83 UTM Zone 17N). The property lies along the extension of the Whistle Offset dike structure, which is a major geological control for Ni-Cu-PGM mineralization. The Company also has rights to explore the Halcyon property in the Sudbury area. The Company also was granted an exploration licence (the Sulussugut Licence) by the Bureau of Minerals and Petroleum (BMP) of Greenland for exclusive exploration rights of an area located near Sulussugut, Greenland and in 2012 the Company applied for and received a mineral exploration licence covering approximately 142 square kilometers contiguous with its original licence (2011/54). The two Greenland licences give the Company the exclusive right to explore for any commodity except for radioactive minerals and hydrocarbons over a 4,983 km² area on the southwest coast of Greenland centered at 65° 52 ' N latitude and 51° 52 ' W longitude. The area contains numerous historical nickel-copper sulphide occurrences associated with mafic-ultramafic intrusions.

Fluctuations in Results

The Company's annual operating results fluctuate, a little and revenues at this point are not generated. Expenses fluctuate on the basis of costs for exploration and related activities, and the ever increasing administrative and other costs of complying with the various regulatory requirements of a public company. We expect that these regulatory related expenses will continue to increase due to the upward pressure on professional fees charged to reporting companies, resulting from changes to securities legislation throughout North America.

With the April 2010 entry into the arena of base metal exploration the Company expects to report significant additional expenses in the future related to the exploration activities undertaken in the Sudbury area of Ontario, and the Maniitsoq Property in Greenland. Following the sale of Outback Capital Inc., the Company has no further expenses related to exploration in the Bissett area.

B.

Liquidity and Capital Resources

Since the Company is organized in Canada, the Company's December 31, 2014 financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

As at December 31, 2014, the Company had accumulated losses totaling \$21,715,130 and a working capital of \$6,106,599. The continuation of the Company is dependent upon the continued financial support of shareholders as well as obtaining additional financing for the current and subsequent resource projects.

As noted, these conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustment that might arise from uncertainty. The auditors' report includes an explanatory paragraph disclosing the Company's ability to continue as a going concern.

As at December 31, 2014 the Company had cash of \$326,117, short-term investments of \$6,000,000 and working capital of \$6,106,599.

C. Research and development, patents and licenses, etc.

Not applicable

D. Trend information

The major trends impacting the company and its industry are lack of access to capital, caused by the severe global financial contraction, and the corresponding contraction of demand for most commodities. Only precious metals seem to have continuing and possibly increasing demand.

Impact of Inflation

The Company believes that inflation had minimal effect on costs related to its exploration activities in the 12 months ending December 31, 2014.

Quantitative and Qualitative Disclosures about Market Risk

Not applicable to the Company.

E. Off-balance sheet arrangements

Not applicable

F. Tabular disclosure of contractual obligations

Not applicable

Critical Accounting Policies and Estimates

Basis of preparation and accounting policies

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

These 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.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and provisions for restoration and environmental obligations.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

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the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;

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the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses;

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the classification of financial instruments; and

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the determination of the functional currency of the Company.

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 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 the 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.

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 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.

These changes are recorded directly to mining 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 net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

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 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 they reverse 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.

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 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 cash, short-term investments and receivables 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 trade payable as other financial liabilities. Subsequent to initial recognition, trade payable and 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.

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

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

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

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

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

Share capital

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.

Future Accounting Changes

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its 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 new standard is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement . IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

It should be noted that the management discussed below is primarily involved with the Company's current activities. As the Company concludes an acquisition or merger, or embarks on any other type of project, additional personnel with differing areas of expertise will be utilized. Directors are elected annually by a majority vote of the shareholders and hold office until the next general meeting of the shareholders. Officers are appointed by, and serve at the discretion of, the board of directors. The names, place of residence, positions within the Company and the principal occupations of the directors and senior officers of the Company are set out below.

A. Directors and senior management.

Name, Municipality of Residence Occupation and Position and Position with the Corporation	Age	During the Past Five Years
Douglas E. Ford (1) West Vancouver, B.C. Director	51	Director since September 10, 1992; General Manager of Dockside Capital, a private merchant banking and venture capital firm, from 1987 to present.
Keith Morrison Oakville, On Director, Chief Executive Officer	55	Director and CEO of Gedex Inc. 2008-2014, Director of Marengo Mining Limited 2011-Present, Non-Executive Chairman of Security Devices International Inc. 2014-Present.
John Roozendaal Brandon, MB Director	47	President of VMS Ventures Inc. from 2000 present, President of Harvest Gold Corporation from 2005 2015.
Mark Fedikow Winnipeg, MB President & Director	62	President of Mount Morgan Resources Ltd. 2001 present Director and VP of Exploration and Technical Services for VMS Ventures Inc. 2008 present, Director The O.T. Mining Corporation 2002-Present, Director Adroit Resources Inc. 2004-Present.
James Clucas North Vancouver, BC Director	72	Director of Search Minerals Inc. from June 2009 present; Chairman of International Nickel Ventures Corp. from 2007-2012
Edward D. Ford (1) Whistler, B.C. Director	79	Director since March 20, 1990; also has devoted a portion of his time to investment activities and as President of Dockside Capital, a private merchant banking and venture capital firm, for more than the last five years; chartered accountant for more than 40 years.
Gilbert Clark Montreal, QC Director	45	Managing Director 2003 - Present of European Mining Services, Private Mining Consultancy, Consultant Geologist with The Sentient Group 2010 - Present, Director of North American Nickel May 2012 - Present, Senior Investment Advisor and Director of Sentient Asset Management Canada

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		September 2013 - Present, Director of Mawson Resources Limited January 2014 - Present.
John Sabine		Counsel to Bennett Jones LLP 2013-Present, Counsel to Dentons LLP 2001-2013, Director of Lipari Energy Inc. 2011-2013, Uranium One Inc. 2013-2015, Algold Resources 2013-Present, and Seabridge Gold Inc. 2014-Present, Chairman, North American Nickel Inc. 2014-Present.
Toronto, On		
Director, Chairman	69	
Neil Richardson		COO with VMS Ventures Inc. October 2010 Present, COO with North American Nickel Inc. September 2012 Present. Exploration Manager with Murgor Resources Ltd. January 2007 September 2010.
Callander, On		
Chief Operating Officer	48	
Cheryl Messier		CFO since September 6, 2012, Director of VMS Ventures Inc. 2009 - present.
North Vancouver, B.C.		
Chief Financial Officer	49	

(1) Edward Ford is the father of Douglas Ford.

B. Compensation.

Management compensation is determined by the board of directors based on competitive prices for services provided. During the year ended December 31, 2013, directors and officers, including private companies controlled by directors and officers, as a group, paid or accrued a total of \$318,683 in management fees, paid or accrued a total of \$119,349 in geological consulting fees. See Item 7. Major Shareholders and Related Party Transactions for more detail on fees paid to members of management or to entities owned by them.

For the year ended December 31, 2014, the Company paid \$73,600 in compensation to Directors for acting as Directors. The Company does not have any pension or retirement plans, nor does the Company compensate its directors and officers by way of any material bonus or profit sharing plans. Directors, officers, employees and other key personnel of the Company may be compensated by way of stock options.

C. Board practices.

Pursuant to the provisions of the *Company Act* (BC), the Company's directors are elected annually at the regularly scheduled annual general meeting of shareholders. Each elected director is elected for a one-year term unless he resigns prior to the expiry of his term.

The Company has no arrangements in place for provision of benefits to its directors or upon their termination.

The Board has five committees in place, four of which have been recently implemented:

Audit Committee is made-up of Edward Ford, James Clucas and Douglas Ford. The Audit Committee is an operating committee of the board of directors responsible for the oversight of financial reporting and disclosure. On May 2, 2006, the Company's board of directors adopted a new charter for the Audit Committee.

Corporate Governance Committee is made up of James Clucas, Douglas Ford, Gilbert Clark, and Secretary Cheryl Messier. The Corporate Governance Committee is responsible for reviewing and specifying the rules and procedures

for making decisions in corporate affairs and establishing a complete Handbook for the company.

Compensation Committee is made up of Edward Ford, James Clucas, Gilbert Clark and Secretary Cheryl Messier. In addition to salary, the compensation committee determines the level of stock option compensation and stock warrants granted within the corporation.

Compliance Committee is made up of Mark Fedikow and Neil Richardson. The purpose of the Compliance Committee is to oversee the Company's implementation of programs, policies and procedures that are designed to respond to the various compliance and regulatory risks facing the Company. The Compliance Committee meet on a regular basis to oversee the dissemination of all corporate material.

Technical Oversight Committee is made up of Mark Fedikow. The Technical Oversight Committee provides general oversight and support to the Geological team and identifies technical issues and tasks necessary to support the activities of the Company.

D. Employees.

Effective at December 31, 2014 the Company had ten salaried employees.

E. Share ownership.

A total of ten percent (10%) of the common shares of the Company, outstanding from time to time, are reserved for the issuance of stock options pursuant to the Company's Incentive Stock Option Plan. During the year 5,120,000 stock options were granted to directors, consultants and employees. Other information on ownership is contained in the table below.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS.**A. Major shareholders.**

The following table sets forth certain information regarding beneficial ownership of the Company's shares at December 31, 2014 by (i) each person who is known to own beneficially more than 5% of the Company's outstanding Common Stock, (ii) each of the Company's directors and executive officers and (iii) all current directors and executive officers as a group. The table does not reflect common shares held of record by depositories, but does include currently exercisable options and warrants which are included in the calculation of percentage of class ownership for each individual holder. As of December 31, 2014 there were 169,964,679 common shares issued and outstanding. Each of the listed persons may be reached at the Company's head offices or #500 200 West Esplanade, North Vancouver, BC, V7M 1A4, telephone (604) 986-2020.

Name of Beneficial Owner	Amount of Shares	Percent
<i>Principal Holders</i>		
VMS Ventures Inc.	43,259,935	25.40%
Sentient Group GP IV	69,866,523	41.10%
<i>Officers and Directors</i>		
Edward Ford	1,317,000	n/a
Douglas Ford	1,489,600	(1) n/a
Keith Morrison	1,000,000	n/a
John Roozendaal	1,717,000	(2) 1.00%
Mark Fedikow	2,627,500	(3) 1.50%
James Clucas	740,000	n/a
Cheryl Messier	930,500	n/a
Gilbert Clark	518,500	n/a
Neil Richardson	1,155,000	n/a
John Sabine	350,000	n/a
All Officers and Directors as a Group (10 persons)	11,845,100	7.00%

(1) Includes 422,000 shares held through B.W.N. Oil Technologies Inc., 135,600 shares held through Dockside Capital Group Inc.

(2) Includes 690,000 shares held through 667961 BC Ltd.

(3) Includes 1,341,000 shares held through Lee River Resources Ltd.

The Company issued 28,424,152 units for a private placement at \$0.33 per share, for proceeds of \$9,379,970. In lieu of cash, 50,000 shares were issued as finder's fees with a fair value of \$16,500. Share issuance costs of \$20,363 were incurred in relation to this private placement.

B. 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 year ended December 31, 2014 and prior years ending December 31, 2013 and 2012, 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
John Sabine	A stipend of \$3,000 per month for a director and executive chairman.
Keith Morrison	Appointed in December 2014 CEO for a monthly retainer of \$27,083.

Included in trade payables and accrued liabilities as at December 31, 2014 is \$216,877 (December 31, 2013- \$5,894) owing to VMS Ventures Inc. for shared administrative costs of \$67,877 and directors \$5,000 and a termination benefit of \$144,000 to the prior CEO.

During the year ended December 31, 2014, the Company recorded \$17,249 (December 31, 2013 - \$10,800) in rent expense to VMS Ventures Inc.

For the year ended December 31, 2014, the Company paid \$318,683 (December 31, 2013 - \$135,000) 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. \$48,000 (December 31, 2013 - \$36,000) regarding services from two directors, to Mount Morgan Resources Ltd. for Mark Fedikow interim CEO \$30,000 was paid and 2 independent directors stipends of \$24,000 were paid and \$5,600 was paid to the executive chairman and the current CEO was paid \$27,083.

Included in exploration and evaluation assets for the year ended December 31, 2014 is \$67,389 (December 31, 2013 \$51,000) which VMS Ventures Inc. was paid regarding geological fees for Neil Richardson, COO

Included in geological consulting fees for the year ended December 31, 2014 is \$51,960 (December 31, 2013 \$75,000) which Mount Morgan Resources Ltd. was paid regarding geological fees for Mark Fedikow, President and VMS Ventures Inc. was paid \$9,960 (December 31, 2013 - \$6,000) regarding geological fees for Neil Richardson, COO.

C. Interests of experts and counsel

Not required.

ITEM 8. FINANCIAL INFORMATION**A. Consolidated Statements and Other Financial Information**

See Item 17 and our financial statements and accompanying notes beginning on page F-1.

B. Significant Changes

The Company is not aware of any significant change since December 31, 2014 that is not otherwise reported in this filing.

ITEM 9. THE OFFER AND LISTING

Effective December 21, 2006 our common shares became quoted on the United States OTC Bulletin Board, under the symbol WSCRF. The table below sets forth certain information regarding the price history of our common shares. Note this trading data does not take into effect the 2-old for 1-new reverse split effected on April 20, 2010.

	OTCbb High (USD)	OTCbb Low (USD)	TSXv High (C\$)	TSXv Low (C\$)
Fiscal year ended December 31, 2010	\$ n/a	\$ n/a	n/a	n/a
Fiscal year ended December 31, 2011	\$ 0.09	\$ 0.09	\$ 0.12	\$ 0.12
Fiscal year ended December 31, 2012	\$ 0.141	\$ 0.141	\$ 0.17	\$ 0.15
Fiscal year ended December 31, 2013	\$ 0.226	\$ 0.22	\$.25	\$ 0.25
Fiscal Year ended December 31, 2014	\$ 0.209	\$ 0.209	\$ 0.23	\$ 0.22
Quarter ended June 30, 2013	\$ 0.1952	\$ 0.1952	\$ 0.22	\$ 0.20
Quarter ended September 30, 2013	\$ 0.383	\$ 0.3664	\$ 0.39	\$ 0.37
Quarter ended December 31, 2013	\$ 0.226	\$ 0.22	\$ 0.25	\$ 0.25
Quarter ended March 31, 2014	\$ 0.3049	\$ 0.3032	\$ 0.36	\$ 0.32
Quarter ended June 30, 2014	\$.5487	\$ 0.5449	\$ 0.58	\$ 0.57
Quarter ended September 30, 2014	\$ 0.215	\$ 0.215	\$ 0.26	\$ 0.23
Quarter ended December 31, 2014	\$ 0.209	\$ 0.209	\$ 0.23	\$ 0.22
Quarter ended March 31, 2015	\$ 0.172	\$ 0.172	\$ 0.25	\$ 0.22
Month ended February 28, 2014	\$ 0.2614	\$ 0.2614	\$ 0.36	\$ 0.32

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Month ended March 31, 2014	\$	0.3049	\$	0.3032	\$	0.36	\$	0.32
Month ended April 30, 2014	\$	0.3266	\$	0.3266	\$	0.35	\$	0.34
Month ended May 31, 2014	\$	0.388	\$	0.388	\$	0.41	\$	0.40
Month ended June 30, 2014	\$	0.5487	\$	0.5449	\$	0.58	\$	0.57
Month ended July 31, 2014	\$	0.437	\$	0.437	\$	0.49	\$	0.47
Month ended August 31, 2014	\$	0.316	\$	0.282	\$	0.34	\$	0.31
Month ended September 30, 2014	\$	0.215	\$	0.215	\$	0.26	\$	0.23
Month ended October 31, 2014	\$	0.19	\$	0.189	\$	0.21	\$	0.21
Month ended November 31, 2014	\$	0.182	\$	0.182	\$	0.22	\$	0.22
Month ended December 31, 2014	\$	0.209	\$	0.209	\$	0.23	\$	0.22
Month ended January 31, 2015	\$	0.203	\$	0.1921	\$	0.27	\$	0.26
Month ended February 28, 2015	\$	0.172	\$	0.172	\$	0.23	\$	0.22
Month ended March 31, 2015	\$	0.172	\$	0.172	\$	0.25	\$	0.22

ITEM 10. ADDITIONAL INFORMATION

A.

Share capital

Not required

B.

Memorandum and articles of association

1.

The Company was incorporated as Rainbow Resources Ltd. September 20 1983 under certificate of incorporation no. 268952 in the Province of British Columbia Canada. The name was changed to Widescope Resources Ltd. May 1 1984, to Gemini Technology Inc. September 13 1985, to International Gemini Technology Inc. September 23 1993, and to Widescope Resources Inc., effective July 12, 2006. The name was subsequently changed to North American Nickel Inc., effective April 19, 2010. No objects and purposes are described.

2.

If a director has a material interest in a matter subject to a vote, he must declare it and abstain from voting, or have his vote not counted, except for certain specific exclusions which include setting director compensation. There are no restrictions on directors issuing debt however shareholder approval may be required in connection with convertible debt or other debt driven requirements to issue shares. There is no retirement age or share ownership requirement for directors.

3.

Dividends are declared by directors and subject to any special rights, paid to all holders of shares in a class according to the number of shares held. Voting rights are one vote per share. Directors stand for election every year at the annual meeting. Shareholders have no rights to share directly in the company's profits. Subject to prior claims of creditors and preferred shareholders, common shareholders participate in any surplus in the event of liquidation according to the number of shares held. The Company may redeem shares by directors' resolution in compliance with applicable law unless the company is insolvent or may become insolvent by doing so. It must make its offer pro rata to every member who holds a class, subject to applicable stock exchange rules or company act provisions. The directors have wide

discretion. Shareholders have no liability for further capital calls. No discriminatory provisions, against an existing or prospective shareholder of a substantial number of shares, are imposed by the articles.

4.

Rights of holders of any class of shares can only be changed with their consent, and in accordance with the company act. Consent must be in writing by the holders or by a three fourths majority of a vote of the holders, and by the consent of the British Columbia Securities Commission.

5.

A notice convening an annual general or special meeting must specify the place, date, hour, and in the case of a special meeting, the general nature of the special business, and must be given in accordance with the company act. There are no special conditions outlining rights of admission.

6.

There are no limitations on rights to own securities.

7.

There are no provisions to delay, defer, or prevent a change in control.

8.

Nothing in the articles requires ownership disclosure.

9.

Not applicable.

10.

Not applicable.

C. Material contracts

On April 6, 2010, the Company announced that it had entered into four agreements to acquire rights to the Post Creek, Bell Lake, Woods Creek and Halcyon properties in the Sudbury, Ontario nickel belt; and one agreement to acquire up to a 100% ownership of the high-grade Ni-Cu-PGE South Bay property near Thompson and the large grassroots Thompson North and Cedar Lake properties, which are part of the world-class Thompson Nickel Belt.

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: previously \$5,000 per month to \$8,000 per month effective April 1, 2013 and \$4,000 per month ii) Consulting fees: previously \$3,500 per month to \$6,000 per month effective June 1, 2011. Each of the agreements has the same terms and conditions which 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 employee 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 employee the amount of money due and owing to the employee hereunder to the extent accrued due to the employee to the effective date of termination.

The Company entered into an arm's length IP and Data 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 certain IP and Data 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 (issued), 6,480,000 to each of Hunter and Spar exercisable for a period of 5 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 Property 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 pricing model, with the following inputs: Expected dividend yield: 0%; expected share price volatility: 324%; risk-free interest rate: 1.43% and expected life: 5 years.

The Company also granted each of Hunter and Spar or their designates a 1.25% NSR, subject to rights of the Company to reduce both royalties to a 0.5% NSR 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 Maniitsoq Property.

Effective November 5, 2014, the Company appointed an additional director and chairman John Sabine with a monthly stipend of \$3,000.

Effective June 17, 2014 the Company announced the resignation of Rick Mark, CEO and Chairman and Mark Fedikow acted as interim CEO until December 1, 2014 when Keith Morrison was appointed CEO and entered into an agreement for service with the directors of the Company for a monthly management fee of \$27,083 until a restricted share units plan is approved and in place then the monthly management fee will be \$20,833.

D. Exchange Controls

This summary is of a general nature only and is not intended to be, and should not be interpreted as, legal advice to any prospective purchaser. Accordingly, prospective purchasers of the Company's shares should consult with their own advisors with respect to their individual circumstances.

There are no laws or governmental decrees or regulations in Canada that restrict the export or import of capital, or which affect the remittance of dividends, interest or other payments to holders of the Company's securities who are not residents of Canada, other than withholding tax requirements. Reference is made to Item 7. Taxation .

There are no limitations imposed by the laws of Canada, the laws of Alberta or by the charter or other governing documents of the Company on the right of a non-resident to hold or vote common shares of the Company, other than as provided in the Investment Canada Act (the Investment Act) and the potential requirement for a Competition Act Review.

The following summarizes the principal features of the Investment Act and the Competition Act Review for a non-resident who proposes to acquire common shares. This summary is of a general nature only and is not intended to be, nor is it, a substitute for independent advice from an investor's own advisor. This summary does not anticipate statutory or regulatory amendments.

The Canadian Investment Act

The Canadian Investment Act generally prohibits implementation of a reviewable investment by an individual, government or agency thereof, corporation, partnership, trust or joint venture that is not a Canadian as defined in the Investment Act (a non-Canadian), unless, after review, the minister responsible for the Investment Act (the Minister) is satisfied that the investment is likely to be of a net benefit to Canada. Under the Investment Act, a United States citizen qualifies as a World Trade Organization Investor. Subject to the restrictions noted below, an investment in a Canadian business by a World Trade Organization Investor would be reviewable under the Investment Act only if it is an investment to acquire control of such Canadian business and the value of the assets of the Canadian business as shown on its financial statements is not less than a specified amount, which for 1999 was \$184 million. An investment in the shares of a Canadian business by a non-Canadian other than a World Trade Organization Investor when the Company is not controlled by a World Trade Organization Investor, would be reviewable under the Investment Act if it is an investment to acquire control of the Canadian business and the value of the assets of the Canadian business as shown on its financial statements is \$5 million or more, or if an order for review is made by the federal cabinet on the grounds that the investment relates to Canada's cultural heritage or national identity.

The acquisition by a World Trade Organization Investor of control of a Canadian business in any of the following sectors is also subject to review if the value of the assets of the Canadian business exceeds \$5 million (as shown on its financial statements): uranium, financial services (except insurance), transportation services and cultural businesses, which include broadcast media (publication, distribution or sale of books, magazines, periodicals, newspapers, music, film and video products and the exhibition of film and video products), television and radio services. As the Company's business does not fall under any of the aforementioned categories, the acquisition of control of the Company, in excess of the \$5 million threshold, by a World Trade Organization Investor would not be subject to such review.

A non-Canadian would acquire control of the Company for purposes of the Investment Act if the non-Canadian acquired a majority of the common shares.

The acquisition of less than a majority but one-third or more of the common shares would be presumed to be an acquisition of control of the Company unless it could be established that, on acquisition, the Company was not controlled in fact by the acquirer through the ownership of common shares. Notwithstanding the review provisions, any transaction involving the acquisition of control of a Canadian business or the establishment of a new business in Canada by a non-Canadian is a notifiable transaction and must be reported to Industry Canada by the non-Canadian making the investment either before or within thirty days after the investment.

Certain transactions relating to common shares are exempt from the Investment Act, including:

.

an acquisition of common shares by a person in the ordinary course of that person's business as a trader or dealer in securities;

.

an acquisition of control of the Company in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions of the Investment Act; and

.

an acquisition of control of the Company by reason of an amalgamation, merger, consolidation or corporate reorganization, following which the ultimate direct or indirect control in fact of the Company, through the ownership of common shares, remained unchanged.

Canadian Competition Act Review

Investments giving rise to the acquisition or establishment, directly or indirectly, by one or more persons of control over, or a significant interest in the whole or part of a business of a competitor, supplier, customer or other person are subject to substantive review by Canada's Competition Law Authority, the Director of Investigation and Research (the Director). If or when the Director concludes that a merger, whether by purchase or lease of shares or assets, by amalgamation or by combination, or otherwise, prevents or lessens, or is likely to prevent or lessen competition substantially, he may apply as may be necessary to eliminate the substantial lessening or prevention of competition. Such substantive merger review power applies to all mergers, whether or not they meet limits for pre-notification under the Competition Act.

In addition to substantive merger review, the Competition Act provides for a pre-notification regime respecting mergers of a certain size. The regime applies in respect of share acquisitions, asset acquisitions, amalgamations and combinations. For ease of reference, this filing refers specifically to share acquisition, although the pre-notification regime applies, with the appropriate modification, to other types of acquisition of control as well.

In order for a share acquisition transaction to be pre-notifiable, the parties to the transaction (being the person or persons who proposed to acquire shares, and the corporation the shares of which are to be acquired), together with their affiliates (being all firms with a 50% or more voting shares linkage up and down the chain) must have:

i.

aggregate gross assets in Canada that exceed \$400,000,000 in value, as shown on their audited financial statements for the most recently completed fiscal year (which must be within the last fifteen (15) months); or

ii.

aggregate gross revenue from sales in, from or into Canada that exceed \$400,000,000 for the most recently completed fiscal year shown on the said financial statements; and

iii.

the party being acquired or corporations controlled by that party must have gross assets in Canada, or gross revenues from sales in or from Canada, exceeding \$35,000,000 as shown on the said financial statements. Acquisition of shares carrying up to 20% of the votes of a publicly-traded corporation, or 35% of the votes in a private corporation, will not be subject to pre-notification, regardless of the above thresholds. However, exceeding the 20% or the 35% threshold, and again exceeding the 50% threshold, gives rise to an obligation of notification if the size threshold is met.

If a transaction is pre-notifiable, a filing must be made with the Director containing the prescribed information with respect to the parties, and a waiting period (either seven or twenty-one days, depending on whether a long or short form filing is chosen) must expire prior to closing.

As an alternative to pre-notification, the Director may grant an Advance Ruling Certificate, which exempts the transaction from pre-notification. Advance Ruling Certificates are granted where the Director concludes, based on the information provided to him, that he would not have sufficient grounds on which to apply to the Competition Tribunal to challenge the Merger.

E. Taxation

This summary is of a general nature only and is not intended to be, and should not be interpreted as, legal or tax advice to any prospective purchaser or holder of the Company's shares and no representation with respect to the Canadian federal income tax consequences to any such prospective purchaser is made. Accordingly, prospective purchasers of the Company's shares should consult with their own tax advisors with respect to their individual circumstances.

The following summary describes the principal Canadian federal income tax considerations generally applicable to a holder of the Company's shares who, for purposes of the Income Tax Act (Canada) (the "Canadian Tax Act") and the Canada-United States Income Tax Convention, 1980 (the "Convention") and at all relevant times is resident in the United States and not resident in Canada, deals at arm's length with the Company, holds the Company's shares as capital property, and does not use or hold and is not deemed to use or hold the Company's shares in or in the course of carrying on business in Canada (a "United States Holder").

This following summary is based upon the current provisions of the Canadian Income Tax Act, the regulations thereunder, all specific proposals to amend the Canadian Tax Act and the regulations announced by the Minister of Finance (Canada) prior to the date hereof and the Company's understanding of the published administrative practices of the Canada Customs and Revenue Agency (formerly Revenue Canada, Customs, Excise and Taxation). This summary does not take into account or anticipate any other changes in the governing law, whether by judicial, governmental or legislative decision or action, nor does it take into account the tax legislation or considerations of any province, territory or non-Canadian jurisdiction (including the United States), which legislation or considerations may differ significantly from those described herein.

Disposition of the Company's Shares

In general, a United States shareholder will not be subject to Canadian income tax on capital gains arising on the disposition of the Company's shares, unless such shares are taxable Canadian property within the meaning of the Canadian Income Tax Act and no relief is afforded under any applicable tax treaty. The shares of the Company would be taxable Canadian property of a non-resident if at any time during the five-year period immediately preceding a disposition by the non-resident of such shares, not less than 25% of the issued shares of any class or series of all classes of shares of the Company belonged to the non-resident, to persons with whom the non-resident did not deal at arm's length, or to the nonresident and persons with whom the non-resident did not deal at arm's length for purposes of the Canadian Income Tax Act. For this purpose, issued shares include options to acquire such shares (including conversion rights) held by such persons. Under the Convention, a capital gain realized by a resident of the United States will not be subject to Canadian tax unless the value of the shares of the Company is derived principally from real estate (as defined in the Convention) situated in Canada.

F. Dividends and Paying Agents

Not required

G. Statement by Experts

Not required

H. Documents on display

All documents referenced in this Form 20-F may be viewed at the offices of the Company during business hours #500 200 West Esplanade, North Vancouver BC V7M 1A4, Canada, Telephone 604-986-2020.

I. Subsidiary Information

As of June 30, 2006 Outback Capital Inc. dba Pinefalls Gold (PFG) a private Alberta corporation become a majority-owned subsidiary of the Company. PFG was incorporated under the Alberta *Business Corporations Act* on

February 6, 2001. During the year ended December 31, 2010, the Company entered into an agreement with an independent third party whereby this party acquired Outback Capital Inc.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not required

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of management, including our chief executive officer and the chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of December 31, 2014. Based on this evaluation, our chief executive officer and chief financial officer concluded as of December 31, 2014 that our disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with generally accepted accounting principles and includes those policies and procedures that:

1.

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of a company's assets,

2.

provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that a company's receipts and expenditures are being made only in accordance with authorizations of a company's management and directors, and

3.

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of a company's assets that could have a material effect on the consolidated financial statements.

Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the company.

Management has used the framework set forth in the report entitled Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, known as COSO, to evaluate the effectiveness of the Company’s internal control over financial reporting. Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2013.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting.

Our management’s report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only our management’s report in this annual report on Form 20-F.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report on Form 20-F that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting.

ITEM 16.

A. Audit Committee Financial Expert

The Company has as its audit committee financial expert Mr. Edward D. Ford who is a Canadian Chartered Accountant. He has held this professional qualification since 1961. During his career Mr. Ford has been an associate, manager and partner of several Canadian professional accounting firms that specialized in audit/assurance, taxation, insolvency and independent business consulting. Additionally he has served as a Chief Financial Officer of several public companies.

B. Code of Ethics

The Company has adopted a code of ethics applicable to its directors, principal executive officer, principal financial officer, principal accounting procedures, and persons performing similar functions. A copy of the Company's Code of Ethics will be made available to anyone who requests it in writing from the Company's head office.

C. Principal Accounting Fees and Services

a)

Audit Fees

Dale Matheson Carr-Hilton LaBonte, Chartered Accountants ("DMCL") billed the Corporation \$23,460 as of December 31, 2014 (\$24,440 in the year ended December 31, 2013 \$19,420 in the year ended December 31, 2012, \$32,400 in the year ended December 31, 2011, \$28,815 in the year ended December 31, 2010; \$20,000 in 2009, \$12,000 in 2008, \$14,500 in 2007; \$13,000 in 2006; \$9,000 in 2005; and \$6,200 in 2004. The former auditor, Charlton & Company, Chartered Accountants billed \$2,675 in 2004.

b)

Audit Related Fees

DMCL billed the Company \$2,000 - \$3,000 for audit related services in the year ended December 31, 2010; \$3,000 in 2009; \$nil in 2008; \$1,000 in 2007; \$nil in 2006, \$nil in 2005 and \$nil in 2004. The former auditor, Charlton & Company, Chartered Accountants billed \$nil in 2004.

c)

Tax Fees

DMCL billed the Company \$1,500 for the tax year 2013, \$1,500 for the tax year 2012, \$1,600 for the tax year 2011, and did not provide the Corporation with any professional services rendered for tax compliance, tax advice and tax planning in the years ended December 31, 2011, 2010, 2009, 2008, 2007, 2006 and 2005. The former auditor, Charlton & Company, Chartered Accountants billed \$nil in 2004.

d)

All Other Fees

DMCL did not bill the Corporation for any other products and services in the years ended December 31, 2011, 2010, 2009, 2008, 2007, 2006, 2005 and 2004. The former auditor, Charlton & Company, Chartered Accountants billed \$nil in 2004.

e)

Audit Committee Pre-Approval Policies and Procedures

To ensure continuing auditor objectivity and to safeguard the independence of our auditors, our audit committee has determined a framework for the type and authorization of non-audit services which our auditors may provide. The audit committee has adopted policies for the pre-approval of specific services that may be provided by our auditors. The dual objectives of these policies are to ensure that we benefit in a cost effective manner from the cumulative knowledge and experience of our auditors, while also ensuring that the auditors maintain the necessary degree of independence and objectivity.

Our audit committee approved the engagement of Dale Matheson Carr-Hilton LaBonte to render audit and non-audit services before they were engaged by us.

D. Exemption From the Listing Standards for Audit Committees

Not Applicable

E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not Applicable

ITEM 17. FINANCIAL STATEMENTS

The financial statements and notes thereto as required by Item 17 are attached hereto and found immediately after the text of this Registration Statement. The auditors' report of Dale Matheson Carr-Hilton LaBonte LLP, independent registered public accountants, on the audited financial statements and notes thereto is included immediately preceding the audited consolidated financial statements.

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Independent Auditors' Report.

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Statements of financial position as at December 31, 2014 and 2013.

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Statements of comprehensive loss for the years ended December 31, 2014 and 2013.

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Statement of changes in equity for the years ended December 31, 2014, 2013 and 2012.

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Statements of cash flows for the years ended December 31, 2014 and 2013.

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Notes to the financial statements.

ITEM 18. FINANCIAL STATEMENTS

Not applicable. See Item 17. Financial Statements above.

ITEM 19. EXHIBITS

12.1 Certification of Chief Executive Officer pursuant to s.302 of the Sarbanes-Oxley Act of 2002

12.2 Certification of Chief Financial Officer pursuant to s.302 of the Sarbanes-Oxley Act of 2002

13.1 Certification of Chief Executive Officer pursuant to s.906 of the Sarbanes-Oxley Act of 2002

13.2 Certification of Chief Financial Officer pursuant to s.906 of the Sarbanes-Oxley Act of 2002

19.1 Management Discussion & Analysis as of April 20, 2015.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

NORTH AMERICAN NICKEL INC

Date: April 20, 2015

By:

/s/ Douglas E. Ford

Name: Douglas E. Ford

Title: Director

as duly authorized signatory

NORTH AMERICAN NICKEL INC.

Financial Statements

For the Year Ended December 31, 2014

(Expressed in Canadian Dollars)

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NORTH AMERICAN NICKEL INC.
Statement of Financial Position
(Expressed in Canadian Dollars)

		December	December
	Notes	31,2014	31,2013
ASSETS			
Current assets			
Cash		\$ 326,117	\$ 278,919
Short-term investments	7	6,000,000	6,000,000
Receivables	8	56,427	47,010
Prepaid expenses and deposits		21,399	10,698
Total current assets		6,403,943	6,336,627
Non-current assets			
Equipment	9	28,341	37,676
Exploration and evaluation assets	10	20,617,754	12,341,616
Total non-current assets		20,646,095	12,379,292
Total assets		\$ 27,050,038	\$ 18,715,919
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	11, 13	\$ 297,344	\$ 36,040
SHAREHOLDERS' EQUITY			
Share capital - preferred	12	590,931	604,724
Share capital - common	12	42,677,187	33,026,511
Share-based payments reserve	12	5,199,706	3,022,767
Deficit		(21,715,130)	(17,974,123)
Total shareholders' equity		26,752,694	18,679,879
Total liabilities and shareholders' equity		\$ 27,050,038	\$ 18,715,919

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

APPROVED BY THE DIRECTORS:

/s/ Keith Morrison

/s/ Edward Ford

Keith Morrison, Director

Edward Ford, Director

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

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NORTH AMERICAN NICKEL INC.
Statement of Comprehensive Loss
(Expressed in Canadian Dollars)

		Year Ended	
		December 31,	December 31,
	Notes	2014	2013
Expenses			
Amortization	9	\$ 9,335	\$ 8,455
Consulting	13	103,192	106,533
Filing fees		68,214	35,471
Investor relations		325,332	241,702
General and administrative	13	92,194	43,790
Management fees	13	318,683	135,073
Part X11.6 tax		-	-
Professional fees		59,394	60,428
Property investigation		3,333	5,989
Salaries	13	165,227	128,965
Share-based payments	12, 13	2,283,775	178,231
Travel and accommodation		78,554	39,075
Loss before other items		(3,507,234)	(983,712)
Other items:			
Impairment of exploration and evaluation assets	10	-	(253,090)
Interest income		81,099	40,537
Foreign exchange loss		(314,872)	(64,036)
Total comprehensive loss for the year		\$ (3,741,007)	\$ (1,260,301)
Loss per common share - basic and diluted		\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding			
- basic and diluted		157,986,561	111,753,433

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

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NORTH AMERICAN NICKEL INC.
Statement of Changes In Shareholder's Equity
(Expressed in Canadian Dollars)

	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		-	-	-	-	(1,260,301)	(1,260,301)
Share capital issued private placement		41,494,692	7,054,098	-	-	-	7,054,098
Stock options issued		-	-	-	178,231	-	178,231
Stock options exercised	12	145,500	55,965	-	(29,140)	-	26,825
Warrants exercised	12	18,376,199	3,848,002	-	-	-	3,848,002
Share issue costs		-	(113,524)	-	-	-	(113,524)
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		-	-	-	-	(3,741,007)	(3,741,007)
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	13,793	(13,793)	-	-	-
Stock options issued		-	-	-	2,283,775	-	2,283,775
Stock options exercised	12	604,500	215,511	-	(106,836)	-	108,675
Warrants exercised	12	294,117	61,765	-	-	-	61,765
Share issue costs		-	(36,863)	-	-	-	(36,863)
Balance at December 31, 2014		169,964,679	\$42,677,187	\$590,931	\$5,199,706	\$(21,715,130)	\$ 6,752,694

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

NORTH AMERICAN NICKEL INC.
Statement of Cash Flows
(Expressed in Canadian Dollars)

	December 31, 2014	Year Ended December 31, 2013
OPERATING ACTIVITIES		
Loss for the period	\$ (3,741,007)	\$ (1,260,301)
Items not affecting cash		
Amortization	9,335	8,455
Share-based payments	2,283,775	178,231
Impairment of exploration and evaluation assets	-	253,090
Interest Income	(81,099)	(37,060)
	(1,528,996)	(857,585)
Changes in non-cash working capital items:		
Receivables	(6,433)	2,083
Prepaid expenses	(10,701)	8,072
Trade payables and accrued liabilities	241,271	(30,594)
Other:		
Interest received	78,115	5,218
Due to related parties	-	-
Cash used in operating activities	(1,226,744)	(872,806)
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(8,256,105)	(4,984,747)
Short-term investments	-	(5,300,000)
Purchase of equipment	-	(40,174)
Cash used in investing activities	(8,256,105)	(10,324,921)
FINANCING ACTIVITIES		
Proceeds on issuance of common shares	9,550,410	10,928,925
Costs of issue of shares	(20,363)	(113,524)
Cash provided by financing activities	9,530,047	10,815,401
Change in cash during the year	47,198	(382,326)
Cash at beginning of year	278,919	661,245
Cash at end of year	\$ 326,117	\$ 278,919

Supplemental cash flow information-(Note 14)

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

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

The exploration and evaluation properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and cover administrative costs, the Company will use its existing working capital and raise additional amounts as needed. 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 financial statements were approved by the board of directors on April 20, 2015.

Statement of compliance with International Financial Reporting Standards

The 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 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.

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 loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

2.

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

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

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.

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.

2.

SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont d)

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.

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 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 cash, short-term investments and receivables 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 trade payable and accrued liabilities as other financial liabilities. Subsequent to initial recognition, trade 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.

2.

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

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.

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

2.

SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont d)

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

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

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

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

Share capital

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.

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%

3.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

The Company has not early adopted the following new standard and is currently assessing the impact that it 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 new standard is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement . IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple

impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

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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 December 31, 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.

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; and

.

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 that it is probable that future taxable profits will be available against which they can be utilized.

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 year ended December 31, 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 amortized cost. The carrying amount of the Company's financial instruments approximate their fair value due to the short term maturity of these instruments.

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 a 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 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 December 31, 2014, the Company held cash of \$326,117 (December 31, 2013 - \$278,919), and short-term investments of \$6,000,000 (December 31, 2013 - \$6,000,000) and had current liabilities of \$297,344 (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.

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 Kroner. Consequently, the Company is exposed to foreign currency risk.

The Company's Canadian dollar equivalent of financial assets and liabilities that are denominated in Danish Kroner consist of accounts payable of \$Nil (December 31, 2013 - \$2,767).

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 counter-party is a Canadian financial institution. At December 31, 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 dates.

8.

RECEIVABLES

	December 31, 2014	December 31, 2013
Sales taxes receivable	\$ 16,383	\$ 9,950
Interest receivable	40,044	37,060
	\$ 56,427	\$ 47,010

9.

EQUIPMENT

	Exploration Computer				Exploration Computer		
	Equipment	Software	Total		Equipment	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 December 31, 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	9,335	-	9,335	Charge for the year	6,693	1,762	8,455

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At December 31, 2014	\$ 18,333	\$ 5,360	\$ 23,693	At December 31, 2013	8,998	5,360	14,358
Net book value:				Net book value:			
At December 31, 2014	\$ 28,341	\$ -	\$28,341	At December 31, 2013	\$ 37,676	\$ -	\$37,676

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10.

EXPLORATION AND EVALUATION ASSETS

	Post Creek Property	Canada Halcyon Property	Greenland Maniitsoq Property	Total
Acquisition cost				
Balance, December 31, 2013	\$ 223,000	\$ 164,000	\$ 11,497	\$ 398,497
Acquisition costs - cash	15,000	15,000	-	30,000
Balance, December 31, 2014	238,000	179,000	11,497	428,497
Exploration expenditures				
Balance, December 31, 2013	975,049	95,906	10,872,163	11,943,118
Administration	-	-	131,650	131,650
Assay and sampling	-	-	174,395	174,395
Automobile costs	-	-	150	150
Consulting services	960	-	835,982	836,942
Drilling expenses	-	-	1,522,613	1,522,613
Equipment and supplies	-	22,327	400,006	422,333
Equipment rental	-	-	33,448	33,448
Camp costs	-	-	2,129,670	2,129,670
Charter aircraft	-	-	2,006,158	2,006,158
Shipping and printing costs	-	-	18,634	18,634
Survey costs	-	-	832,728	832,728
Telephone	-	-	2,315	2,315
Travel and accommodation	-	-	135,102	135,102
	960	22,327	8,222,851	8,246,138
Balance, December 31, 2014	976,009	118,233	19,095,014	20,189,257
Total, Balance December 31, 2014	\$ 1,214,009	\$ 297,233	\$ 19,106,511	\$ 20,617,754

10.

EXPLORATION AND EVALUATION ASSETS (cont d)

	Canada			Greenland		
	Post Creek Property	Halcyon Property	Thompson North	Maniitsoq Property		Total
Mineral Properties Acquisition						
Balance, December 31, 2012	\$ 208,000	\$ 149,000	\$ 120,333	\$ 11,497	\$	488,830
Acquisition costs - cash	15,000	15,000	-	-		30,000
Acquisition costs - Shares	-	-	-	-		-
Impairment	-	-	(120,333)	-		(120,333)
Balance, December 31, 2013	223,000	164,000	-	11,497		398,497
Expenditures (recoveries)						
Balance, December 31, 2012	967,089	73,504	149,140	5,927,916		7,117,649
Administration	-	-	-	36,460		36,460
Assay and sampling	-	-	-	149,389		149,389
Claim fees/ Assessment fees	-	-	(65)	-		(65)
Consulting services	4,760	4,609	-	638,805		648,174
Drilling expenses	-	-	-	1,529,778		1,529,778
Equipment and supplies	3,132	17,668	-	65,984		86,784
Equipment rental	-	-	-	66,728		66,728
Licenses and fees	-	-	-	7,152		7,152
Camp costs	-	-	-	958,801		958,801
Charter aircraft	-	-	-	666,579		666,579
Shipping and printing costs	68	125	85	146,537		146,815
Survey costs	-	-	-	552,759		552,759
Telephone	-	-	-	6,669		6,669
Travel and accommodation	-	-	-	118,607		118,607
Recoveries	-	-	(16,403)	-		(16,403)
	7,960	22,402	(16,383)	4,944,248		4,958,227
Impairments	-	-	(132,757)	-		(132,757)

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	7,960	22,402	(149,140)	4,944,248	4,825,470
Balance, December 31, 2013	975,049	95,906	-	10,872,164	11,943,119
Total, Balance December 31, 2013	\$1,198,049	\$ 259,906	\$ -	\$ 10,883,661	\$ 12,341,616

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

Post Creek

On December 23, 2009 the Company executed a letter of intent whereby the Company has an option to acquire a mineral claim known as the Post Creek Property located within the Sudbury Mining District of Ontario, and paid a non-refundable deposit of \$7,500.

10.**EXPLORATION AND EVALUATION ASSETS (cont d)**

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% interest 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:

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 (paid subsequent to December 31, 2014)	\$ 15,000	\$	\$ 15,000

During the year ended December 31, 2014, the Company incurred exploration expenditures totalling \$960 (December 31, 2013-\$7,960) 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:

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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 (paid subsequent to December 31, 2014)	\$ 15,000	-	\$ 22,000

During the year ended December 31, 2014, the Company incurred \$22,327 (December 31, 2013 - \$22,402) in exploration expenditures on the Halcyon Property.

Thomson North

During the year ended December 31, 2013, the Company decided not to further explore the Thomson North property and wrote off all capitalized costs.

10.

EXPLORATION AND EVALUATION ASSETS (cont. d)

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 kroner (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, third and fourth year exploration requirements, of a minimum of DKK 67,207,190 (approximately CDN \$12,962,900), during the year ended December 31, 2011, 2012, 2013 and 2014 by incurring \$17,575,843 on the Sulussugut License.

During the years ended December 31, 2011, 2012 and 2013, 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 and 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 (approximately CDN \$4,807,000).

In 2014 the Company reduced the Sulussugut License from 3366 square kilometres to 2689 square kilometres with an exploration commitment of DKK 21,368,070 (approximately CDN \$4,205,000). The Company completed approved expenditures for 2014 of DKK 55,509,353 (approximately CDN \$7,715,000). With a credit from 2013 of DKK 28,680,741 (approximately CDN \$5,406,000) and commitment of DKK 21,368,070 leaves the Company with excess credits of DKK 62,822,024 (approximately CDN \$8,916,000).

The required minimum exploration expenditures on the Sulussugut License for year 5, ending December 31, 2015 is based on an annual approximation of DKK 21,668,160 (approximately CDN \$4,084,000). This assumes that the Sulussugut License area will not be reduced in 2015.

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, 2012 and 2013, 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.

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 was DKK 565,950 (approximately CDN \$104,000). The license area was unchanged during 2014 and the exploration commitment was DKK 2,388,150 (approximately CDN \$470,000).

In 2014 the Company had approved expenditures of DKK 5,470,428 which is made up of exploration expenditures of DKK 3,646,952 (approximately CDN \$507,000) and a general supplement of DKK 1,823,476. The exploration obligation for 2014 was DKK 2,388,150 (approximately CDN \$470,000). The Company carried credits from 2012 of DKK 1,945,569 and 2013 of DKK 2,965,890 with a credit balance of DKK 7,993,737 (approximately CDN \$1,507,000) at the end of 2014.

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 DKK 2,388,150 (approximately CDN \$470,000).

10.

EXPLORATION AND EVALUATION ASSETS (cont d)

Maniitsoq (cont d)

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, 2014, 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 December 31, 2014, the Company has spent \$17,575,845 on exploration costs for the Sulussugut License (December 31, 2013 \$9,601,284) and the Company has spent \$1,519,170 on exploration costs for the Iningui 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

	December 31, 2014	December 31, 2013
Trade payables	\$ 60,217	\$ 9,897
Amounts due to related parties (Note 13)	216,877	5,894
Accrued liabilities (Note 13)	20,249	20,249
	\$ 297,344	\$ 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

Year ended December 31, 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 reallocated \$49,402 from share-based payment reserve to share capital upon exercise.

The Company issued 200,000 common shares for a stock option exercise at \$0.24 per share for proceeds of \$48,000. The Company reallocated \$39,887 from share-based payment reserve to share capital upon exercise.

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 with a fair value of \$16,500. Share issuance costs of \$20,363 were incurred in relation to this private placement.

The Company issued 15,326 common shares upon the conversion of 13,794 preferred shares. The par value of \$13,794 was transferred to share capital.

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The Company issued 104,500 common shares for stock option exercises at \$0.15 per share for proceeds of \$15,675. The Company upon the stock option exercise reversed \$17,547 in stock-base compensation amounts.

Year ended December 31, 2013

The Company issued 100,000 common shares for warrant exercises at \$0.10 per share for proceeds of \$10,000.

The Company issued 25,000 common shares for a stock option exercise at \$0.15 per share for proceeds of \$3,750 and reallocated the fair value of these stock options of \$4,198 from share-based payment reserve to share capital.

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12.

SHARE CAPITAL (cont. d)

The Company completed a non-brokered private placement of 41,494,692 units at a price of \$0.17 per unit for proceeds of \$7,054,098. Each unit consists of one common share of the Company and one half of one common share purchase warrant, each full warrant entitles the purchaser to purchase an additional common share at a price of \$0.21 per share for a period of twenty-four months following the closing of the offering. There was a finder's fee of \$62,010 paid and other share issuance costs of \$51,514 incurred in connection with the private placement.

The Company issued 18,276,199 common shares for warrant exercise at \$0.21 per share for proceeds of \$3,838,002.

The Company issued 100,000 common shares for a stock option exercise at \$0.20 per share for proceeds of \$20,000 and issued 20,500 common shares for a stock option exercise at \$0.15 per share for proceeds of \$3,075. The fair value of these stock options of \$24,942 was reallocated from share-based payment reserve to share capital.

c)

Preferred shares issued and outstanding

At December 31, 2014, there are 590,931 (December 31, 2013 - 604,724) series 1 preferred shares outstanding. In July 2014, 13,794 preferred shares were converted for 15,326 common shares and the par value of \$13,794 was transferred to share capital.

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 December 31, 2014 is as follows:

	December 31, 2014		December 31, 2013	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of year	25,431,147	\$ 0.46	23,060,000	\$ 0.49
Granted	-	-	20,747,346	0.21
Cancelled/ Expired	-	-	-	-
Exercised	(294,117)	0.21	(18,376,199)	0.21
Outstanding, end of year	25,137,030	\$ 0.46	25,431,147	\$ 0.46

At December 31, 2014, the Company had outstanding common share purchase warrants exercisable to acquire common shares of the Company as follows:

12.

SHARE CAPITAL (Cont. d)

Warrants Outstanding	Expiry Date	Exercise Price	Weighted Average remaining contractual life (in years)
3,460,000	August 30, 2016	\$ 1.00	1.67
4,750,000	August 30, 2016	\$ 0.50	1.67
4,750,000	August 30, 2016	\$ 0.70	1.67
6,294,678	April 19, 2015	\$ 0.21	0.30
1,376,780	April 22, 2015	\$ 0.21	0.31
4,505,572	June 18, 2015	\$ 0.21	0.46
25,137,030			1.03

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 year ended December 31, 2014 are as follows:

	December 31, 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	5,120,000	0.49	850,000	0.21
Cancelled/ Expired	(55,000)	0.62	-	-
Exercised	(604,500)	0.18	(145,500)	0.18
Outstanding, end of year	12,548,000	\$ 0.30	8,087,500	\$ 0.17

Details of options outstanding as at December 31, 2014 are as follows:

Options Outstanding	Options Exercisable	Expiry Date	Exercise Price	Weighted Average remaining contractual life (in years)
2,828,000	2,828,000	August 27, 2015	\$ 0.10	0.65
140,000	140,000	November 25, 2015	\$ 0.10	0.90
200,000	200,000	December 8, 2015	\$ 0.10	0.94
150,000	150,000	May 24, 2016	\$ 0.20	1.40
250,000	250,000	June 29, 2016	\$ 0.20	1.50
1,300,000	1,300,000	September 6, 2016	\$ 0.25	1.68
100,000	100,000	November 24, 2016	\$ 0.15	1.90
1,815,000	1,815,000	August 13, 2017	\$ 0.24	2.62
150,000	150,000	January 15, 2018	\$ 0.15	3.04
200,000	200,000	April 22, 2018	\$ 0.15	3.31
150,000	150,000	July 29, 2018	\$ 0.20	3.58
200,000	200,000	September 30, 2018	\$ 0.37	3.75
3,270,000	3,270,000	July 9, 2019	\$ 0.62	4.52
145,000	45,000	July 9, 2019	\$ 0.62	4.52
200,000	50,000	August 27, 2019	\$ 0.32	4.66
100,000	100,000	September 26, 2019	\$ 0.26	4.74
350,000	350,000	November 5, 2019	\$ 0.21	4.85
1,000,000	1,000,000	December 19, 2019	\$ 0.21	4.97
12,548,000	12,298,000			2.85

12.

SHARE CAPITAL (cont. d)

During the year ended December 31, 2014, the Company granted 5,120,000 incentive stock options to employees and consultants with a maximum term of 5 years. Of the total, 200,000 options granted to a consultant vest 25% every 3 months and 50,000 had vested by December 31, 2014. An additional 200,000 options granted to employees vest according to specific performance conditions and 45,000 had vested by December 31, 2014. All other options vested immediately. The Company calculates the fair value of all stock options using the Black-Scholes Option Pricing Model. The granting of these options resulted in stock-based compensation expense of \$2,283,775.

During the year ended December 31, 2013, the Company granted 850,000 incentive stock options to employees and consultants with a maximum term of 5 years. All stock options vested immediately. The Company calculates the fair value of all stock options using the Black-Scholes Option Pricing Model. The granting of these options resulted in stock-based compensation expense of \$178,231.

The fair value of stock options granted during the year ending December 31, 2014 was calculated using the Black-Scholes options pricing model with the following weighted average assumptions:

	December 31, 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	1.54% - 1.67%	1.22% - 1.89%
Expected life of options	5 years	5 years

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.

13.

RELATED PARTY TRANSACTIONS

Related party balances - The following amounts due to related parties are included in trade payables and accrued liabilities (Note 1):

	December 31, 2014	December 31, 2013
Directors and officers of the Company	\$ 149,000	\$ -
Companies controlled by directors of the Company	67,877	5,894
	\$ 216,877	\$ 5,894

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

Related party transactions

During the year ended December 31, 2014, the Company recorded \$17,249 (December 31, 2013 - \$10,800) in rent expense to VMS Ventures Inc. a company that is a significant shareholder and related through common directors, which is included in general and administrative expense.

During the year ended December 31, 2014, two significant shareholders acquired 15,527,304 common shares as part of the private placement at \$0.33 per share for total price of \$5,124,010 (Note 12).

13.

RELATED PARTY TRANSACTIONS (cont. d)

Related party transactions - Key management personnel compensation:

	Year ended	
	December 31, 2014	December 31, 2013
Geological consulting fees - expensed	\$ 51,960	\$ 75,000
Geological consulting fees - capitalized	67,389	51,000
Management fees - expensed	174,683	135,000
Termination benefits included in management fees	144,000	-
Salaries - expensed	69,000	58,500
Stock-based compensation	1,681,356	-
	\$ 2,188,388	\$ 319,500

14.

NON-CASH TRANSACTIONS

	For the year ended	
	December 31, 2014	December 31, 2013
Common shares issued for finders fee on private placement (Note 12)	\$ 16,500	-
Accrued exploration and evaluation expenditures	-	\$ 3,480

15.

COMMITMENTS

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

i)

Management fees: Effective June 2014 the Company had changes to management and the fees for interim CEO were \$6,000 per month and effective December 2014 a permanent CEO was in place for a fee of \$27,083 per month until settlement of restricted share units are issued at which time the monthly fee will be \$20,833.

ii)

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

iii)

Effective July 2014, four independent directors will collect a monthly stipend of \$2,000 each and effective November 2014 a chairman of the board will collect a monthly stipend of \$3,000.

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.

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:

	December 31, 2014	December 31, 2013
Equipment		
Greenland	\$ 28,341	\$ 37,676
Exploration and evaluation assets		
Canada	\$ 1,511,242	\$ 1,457,955
Greenland	19,106,512	10,883,661
	\$ 20,617,754	\$ 12,341,616

17.

INCOME TAXES

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

	Year ended December 31, 2014	Year ended December 31, 2013
Net loss	\$ (3,741,007)	\$ (1,260,301)
Statutory tax rate	26.0%	25.0%
Expected income tax recovery at the statutory tax rate	(972,662)	(315,075)
Permanent differences and other	579,007	(9,832)
Effect of changes in tax rates	(32,358)	-
Change in valuation allowance	426,013	324,907
Net deferred Income tax recovery	\$ -	\$ -

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

	December 31,2014	December 31,2013
Exploration and evaluation assets	\$ 9,681	\$ 6,988
Loss carry-forwards	1,104,055	690,984
Share issuance costs	27,920	23,594
Cumulative eligible capital	32,372	31,127
Equipment	60,965	56,287
	1,234,993	808,980
Valuation allowance	(1,234,993)	(808,980)
Net deferred tax asset	\$ -	\$ -

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

	Canadian non-capital losses	Canadian net-capital losses	Canadian resource pools	Canadian share issue costs
2030	\$ 695,500	\$ -	\$ -	\$ -
2031	517,383	-	-	-
2032	645,332	-	-	-
2033	847,020	-	-	-
2034	1,484,420	-	-	-
No expiry	-	56,712	20,654,987	107,383
	\$ 4,189,655	\$ 56,712	\$ 20,654,987	\$ 107,383

18.

SUBSEQUENT EVENTS

a)

On January 15, 2015, the Company issued 50,000 common shares upon exercise of 50,000 stock options at a price of \$0.10 for proceeds of \$5,000.

b)

On February 20, 2015, the Company issued 2,941,176 common shares upon exercise of 2,941,176 warrants at a price of \$0.21 for proceeds of \$617,646.

c)

On February 3, 2015, the Company granted 900,000 stock options to employees, which are exercisable at \$0.275 per share for a period of 5 years.

d)

On March 31, 2015, the Company entered into an agreement with Minelco A/S to acquire the Seqi Port, located on the southwest coast of Greenland. The final consideration is yet to be determined.