

North American Nickel Inc.
Form 20-F
April 17, 2013

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

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

For the fiscal year ended December 31, 2012

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)

#301 – 260 West Esplanade, North Vancouver, British Columbia, Canada V7M 3G7
(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:

80,560,193 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

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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

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

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, 2012, 2011 and 2010. The information presented below for the three year period ended December 31, 2012, 2011 and 2010 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 United States GAAP for the years 2009 and 2008

Selected Financial Data in accordance with IFRS for the years 2012, 2011 and 2010

(Expressed in Canadian Dollars)

	Years Ended December 31				
	2012	2011	2010	2009	2008
Net operating revenues	\$0	0	0	0	0
Loss from operations	\$0	0	0	(35,773)	(59,776)
Net loss	\$(1,453,562)	(1,084,191)	(529,808)	(117,645)	(205,221)
Comprehensive loss	\$(1,453,562)	(1,084,191)	(529,808)	(93,120)	(205,221)
Loss per share from operations	\$(0.02)	(0.02)	(0.03)	(0.02)	(0.04)
Share capital	\$22,786,694	18,782,644	15,310,333	13,649,333	13,649,333
Common shares issued	80,560,193	55,058,193	35,231,730	5,441,730	5,441,730
Weighted average shares outstanding	69,179,749	46,464,082	19,941,566	5,441,730	5,441,730
Total assets	\$9,009,702	6,109,703	153,074	153,074	46,312
Net assets (liabilities)	\$8,946,548	5,943,608	(106,684)	(106,684)	(104,642)
Cash dividends declared per common share	\$0	0	0	0	0
Exchange rates (Cdn\$ to U.S.\$) period average	\$1.0004	1.0110	0.8757	0.8757	0.9371

Exchange rates (CDN\$ to U.S.\$) for most recent six months

	Period	
	High	Period Low
October 2012	\$ 0.9970	0.9690
November 2012	\$ 0.9987	0.9743
December 2012	\$ 1.0054	0.9825
January 2013	\$ 1.0138	0.9978
February 2013	\$ 1.0268	1.0045
March 2013	\$ 1.0026	1.0340
Exchange rate (CDN\$ to U.S.\$) April 11, 2013	\$ 1.0319	1.0107

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 #1750 - 1185 West Georgia Street, Vancouver, B.C. Canada V6E 4E6 and the Company's principal executive offices are located at #301 - 260 West Esplanade, North Vancouver, BC, V7M 3G7, 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.

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.

The Company competes with other exploration companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral interests, as well as for the recruitment and retention of qualified employees. Exploration in Manitoba has experienced a dramatic revival in recent years and increased activity is forecast for the future. We compete for qualified employees with other Canadian companies, including Harvest Gold Corp., Grandview Gold Inc., and San Gold Corp. amongst others.

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 has 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 has entered into an arms length agreement to divest its interest in Outback Capital Inc., and through this, its interest in the Pine Falls Manitoba gold properties.

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 has 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 Company completed the first year exploration requirement, of a minimum of DKK 7,213,460 (approximately CDN \$1,281,000), during the year ended December 31, 2011 by incurring \$3,086,625 on the Sulussugut License.

The Company’s minimum required exploration expenditure for the second year was DKK 7,361,890 (approximately CDN \$1,307,000). During the year ended December 31, 2012, the Company incurred \$2,290,291 in exploration costs on the Sulussugut License.

During the year ended December 31, 2011, the Company’s expenditures exceeded the minimum requirement and the Company was granted a credit of DKK 1,275,997 (approximately CDN \$227,000) for surplus exploration expenditures, which may be carried forward up to December 31, 2014 as a reduction of future exploration expenditure requirements.

Effective March 4, 2012, the Company was granted an additional exploration license (the “Ininngui License” – license number 2012/28) 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 Company completed the first year exploration requirement, of a minimum of DKK 360,380 (approximately \$64,000), during the year ended December 31, 2012 by incurring \$551,001 on the Ininngui License.

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

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.

C. 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. During the year, the Company entered into an agreement with an arms length entity that resulted in it divesting of its interest in Outback Capital Inc.

D. Property, plants and equipment.

The Company’s head office and principal facility, which is leased, is located at 260 West Esplanade, North Vancouver.

The Company has entered into two agreements to acquire rights to the Post Creek and Halcyon properties in the Sudbury, Ontario nickel belt; and the large grassroots Thompson North property, which is part of the world-class Thompson Nickel Belt. The company has 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 and one isolated claim covering an area of 688 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 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 Beilhartz 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 claims list and a location map for the property are given below.

POST CREEK OPTION (Ni)

ONTARIO

HOLDER: John Gregory Brady / North American Nickel

Disposition Type	Disposition No	Township	Hectares	Recording Date	Anniversary Date
HOLDER:	John Gregory Brady				
Claim	1094824	NORMAN	16	Apr 24, 1990	Apr 24, 2015
Claim	1094825	NORMAN	16	Apr 24, 1990	Apr 24, 2015
Claim	1094826	NORMAN	16	Apr 24, 1990	Apr 24, 2015
Claim	1094834	NORMAN	16	Apr 24, 1990	Apr 24, 2015
Claim	1094835	NORMAN	16	Apr 24, 1990	Apr 24, 2015
Claim	1117878	NORMAN	16	Jan 25, 1991	Jan 25, 2015
Claim	1117879	NORMAN	16	Jan 25, 1991	Jan 25, 2015
Claim	1117880	NORMAN	16	Jan 25, 1991	Jan 25, 2015
Claim	1117881	NORMAN	16	Jan 25, 1991	Jan 25, 2015
Claim	1117882	NORMAN	16	Jan 25, 1991	Jan 25, 2015
Claim	1198500	NORMAN	16	Jun 27, 1995	Jun 27, 2015
Claim	1222817	NORMAN	64	Mar 13, 1997	Mar 13, 2015
Claim	1222896	NORMAN	16	Mar 13, 1997	Mar 13, 2015
Claim	1222897	NORMAN	16	Mar 13, 1997	Mar 13, 2015
Claim	854182	NORMAN	16	Aug 19, 1985	Aug 19, 2015
Claim	854183	NORMAN	16	Aug 19, 1985	Aug 19, 2015
Claim	854184	NORMAN	16	Aug 19, 1985	Aug 19, 2015
Claim	854185	NORMAN	16	Aug 19, 1985	Aug 19, 2015

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Claim	854186	NORMAN	16	Aug 19, 1985	Aug 19, 2015
Claim	854571	PARKIN	16	Nov 25, 1985	Nov 25, 2015
Claim	854572	PARKIN	16	Nov 25, 1985	Nov 25, 2015
Claim	854573	NORMAN	16	Nov 25, 1985	Nov 25, 2014
Claim	854574	PARKIN	16	Nov 25, 1985	Nov 25, 2015
Claim	864654	NORMAN	16	Nov 25, 1985	Nov 25, 2015
Claim	864655	NORMAN	16	Nov 25, 1985	Nov 25, 2015
Claim	864656	NORMAN	16	Nov 25, 1985	Nov 25, 2015
Claim	894711	NORMAN	16	May 08, 1986	May 08, 2015
Claim	894712	NORMAN	16	May 08, 1986	May 08, 2015
Claim	894713	NORMAN	16	May 08, 1986	May 08, 2015
Claim	894746	NORMAN	16	May 08, 1986	May 08, 2015
Claim	894747	NORMAN	16	May 08, 1986	May 08, 2015
Claim	894748	NORMAN	16	May 08, 1986	May 08, 2015
Total: 32			560		
HOLDER: North American Nickel					
Claim	4267494	PARKIN	64	Aug 07, 2011	Aug 17, 2013
Total: 1			64		
Total ALL: 33			624		

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 46 unpatented mining claims. 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 Beilhartz 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.

The property consists of 53 claims which encompass an area of approximately 864 hectares.

A property claims list and a location map are given below.

HALCYON OPTION (Ni)

ONTARIO

HOLDER: John Gregory Brady

Disposition Type	Disposition No	Township	Hectares	Recording Date	Anniversary Date
Claim	1043484	AYLMER	16.00	Jan 16, 1989	Jan 16, 2012
Claim	1043485	AYLMER	16.00	Jan 16, 1989	Jan 16, 2012
Claim	1043486	AYLMER	16.00	Jan 16, 1989	Jan 16, 2012
Claim	1043487	AYLMER	16.00	Jan 16, 1989	Jan 16, 2012
Claim	1043488	AYLMER	16.00	Jan 16, 1989	Jan 16, 2012
Claim	1043489	AYLMER	16.00	Jan 16, 1989	Jan 16, 2012
Claim	1043490	AYLMER	16.00	Jan 16, 1989	Jan 16, 2012
Claim	1043491	AYLMER	16.00	Jan 16, 1989	Jan 16, 2012
Claim	1117883	PARKIN	16.00	Jan 25, 1991	Jan 25, 2012
Claim	1117884	PARKIN	16.00	Jan 25, 1991	Jan 25, 2012
Claim	1013217	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1013393	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1013395	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1013396	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1043292	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1043293	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1043294	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1043295	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1043296	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1043297	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1043492	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1043493	PARKIN	16.00	Jan 26, 1989	Jan 26, 2012
Claim	1043497	PARKIN	16.00	Jan 30, 1989	Jan 30, 2012
Claim	1043498	PARKIN	16.00	Jan 30, 1989	Jan 30, 2012
Claim	648539	PARKIN	16.00	Mar 04, 1983	Mar 04, 2012
Claim	648540	PARKIN	16.00	Mar 04, 1983	Mar 04, 2012
Claim	648547	PARKIN	16.00	Mar 04, 1983	Mar 04, 2012
Claim	648548	PARKIN	16.00	Mar 04, 1983	Mar 04, 2012
Claim	648699	PARKIN	16.00	Mar 04, 1983	Mar 04, 2012

Claim	648700	PARKIN	16.00	Mar 04, 1983	Mar 04, 2012
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Claim	682108	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682109	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682110	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682111	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682112	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682113	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682278	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682279	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682280	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682281	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682282	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682283	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	682284	PARKIN	16.00	Mar 14, 1983	Mar 14, 2012
Claim	1211386	PARKIN	32.00	May 27, 1996	May 27, 2012
Claim	894924	PARKIN	16.00	Jun 12, 1986	Jun 12, 2012
Claim	894925	PARKIN	16.00	Jun 12, 1986	Jun 12, 2012
Claim	1042958	PARKIN	16.00	Dec 12, 1988	Dec 12, 2012
Claim	1042959	PARKIN	16.00	Dec 12, 1988	Dec 12, 2012
Claim	1042960	PARKIN	16.00	Dec 12, 1988	Dec 12, 2012
Claim	994723	PARKIN	16.00	Dec 23, 1987	Dec 23, 2012
Claim	994724	PARKIN	16.00	Dec 23, 1987	Dec 23, 2012
Claim	994725	PARKIN	16.00	Dec 23, 1987	Dec 23, 2012
Claim	994726	PARKIN	16.00	Dec 23, 1987	Dec 23, 2012
Total: 53			864.00		

Manitoba nickel property:

The Manitoba nickel property is a large mineral exploration licence that can be accessed by a combination of all-weather gravel roads and helicopter or fixed wing aircraft. Water and diesel generated power for the purposes of exploration are readily available. The property is an exploration property without known reserves. The Thompson North mineral exploration licence occurs along the historic and world class nickel-copper-cobalt-PGM belt known as the Thompson Nickel Belt where INCO (Vale) has mined 150 million tons of 2.32% nickel since the 1960's. Despite the similarities in the geology and mineralization the presence of nickel ore bodies cannot be guaranteed to exist on this property. A location map for the Thompson North licence is presented below.

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

North Thompson Mineral Exploration Licences were transferred from VMS Ventures Inc. to North American Nickel Inc. (342B, 364A, 401A transferred in December 2010 and 403A, 405A, 406A, 407A and 419A transferred in March 2011). The mineral rights are retained, during the term of the licence, as long as the required work commitments are met on each Mineral Exploration Licence. If mineral rights are to be retained at the end of the 2nd term then the Mineral Exploration Licence area must either be converted to claims or application made for a new licence.

Annual work requirements for Mineral Exploration Licence are as follows:

Zone A (3 year term to a maximum of 2 terms):

Area designated as Zone A - 3 Year Term:

\$1.25 in the first year of the licence

\$5.00/ha in the second year

\$7.50/ha in the 3rd year

\$10.00/ha in the 4th year of the licence

\$12.50/ha in the 5th year of the licence

\$15.00/ha in the 6th year of the licence

Zone B (5 year term to a maximum of 2 terms):

\$0.50 per hectare in the first year of the licence

\$1.00 per hectare in the second year of the licence

\$1.50 per hectare in the third year of the licence

\$3.00 per hectare in the fourth year of the licence

\$4.00 per hectare in the fifth year of the licence

\$4.00 per hectare in each of the sixth and seventh years of the licence

\$5.00 per hectare in each of the eighth and ninth years of the licence

\$6.00 per hectare in the 10th year of the licence

Field work is completed and an assessment report compiled, along with a statement of expenditures, and submitted to the Manitoba Mining Recorder by North American Nickel employees. If no work has been carried out a refundable cash deficiency payment can be submitted in lieu of work. The required work commitments are submitted to the Manitoba Mines Branch, on a form supplied by the Mines Branch, by Janelle Toffan of Ens Land Management who has been contracted by North American Nickel as Lands Manager. Submission must occur on or before the Mineral Exploration expiry date (Annual Anniversary Date +90 days). If any changes are to occur (reduction in size, conversion to claims or surrender of licence) notice must be submitted to the Recorder on or before the Annual Anniversary date. Expenditures, filed in excess of the annual work commitment, are banked and can be used towards future work requirements.

The original eight North Thompson Licences encompassed an area of approximately 315,842 hectares. Currently the North Thompson mineral exploration licences include 994A, 995A and 996A and encompass 25,643 hectares. These licences are currently in pending status.

A property list and a detailed magnetic survey map are presented below:

Mar 29, 2013

DISPOSITION TYPE	Dispos-ition No	Disposition Name	Hectares	Recording Date	Anniversary Date	Work Require-ment	Excess Credits	NOTE
MEL Pending	994	(YR 1) ROCK ALAKE	11,600	Feb 10, 2012		\$ 14,500.00		Pending - KEEP
MEL Pending	995	(YR 1) ORR ALAKE	6,643	Feb 10, 2012		\$ 8,303.75		Pending - KEEP
MEL Pending	996	(YR 1) STRONG ALAKE	7,400	Feb 10, 2012		\$ 9,250.00		Pending - KEEP
			25,643			\$ 32,053.75		

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

The project is centred 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 licence (the "Sulussugut Licence" – Licence 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 licence fee of \$5,742 (Danish kroner ("DKK") 31,400) upon granting of the Sulussugut Licence. The Sulussugut Licence is valid for 5 years until December 31, 2015, with December 31, 2011 being the first year.

The Company completed the first year exploration requirement, of a minimum of DKK 7,213,460 (approximately CDN \$1,281,000), during the year ended December 31, 2011 by incurring \$3,086,625 on the Sulussugut Licence.

The Company's minimum required exploration expenditure for the second year was DKK 7,361,890 (approximately CDN \$1,307,000). During the year ended December 31, 2012, the Company incurred \$2,290,291 in exploration costs on the Sulussugut Licence.

During the year ended December 31, 2011, the Company's expenditures exceeded the minimum requirement and the Company was granted a credit of DKK 1,275,997 (approximately CDN \$227,000) for surplus exploration expenditures, which may be carried forward up to December 31, 2014 as a reduction of future exploration expenditure requirements.

The required minimum exploration expenditures on the Sulussugut Licence for years 3-5, ending December 31, 2015, have not yet been determined but, are based on an annual approximation of DKK 24,405,000 (approximately CDN \$4,334,000). This assumes that the Sulussugut Licence area remains at its current size of 4,841 square kilometres. For every square kilometre that the licence is reduced the required annual expenditure decreases by approximately DKK 5,000. The Company is obligated to reduce the licence area by at least 30% (1,452 square kilometres) by December 31, 2013.

Effective March 4, 2012, the Company was granted an additional exploration licence (the "Ininngui Licence" – Licence number 2012/28) by the BMP of Greenland for exclusive exploration rights of an area located near Ininngui, Greenland. The Company paid a licence fee of \$5,755 (DKK 32,200) upon granting of the Ininngui Licence. The Ininngui Licence is valid for 5 years until December 31, 2016, with December 31, 2012 being the first year.

The Company completed the first year exploration requirement, of a minimum of DKK 360,380 (approximately \$64,000), during the year ended December 31, 2012 by incurring \$551,001 on the Ininngui Licence.

The required minimum exploration expenditures for year 2 on the Ininngui Licence are based on an approximate DKK 242,000 (approximately CDN \$43,000). The required minimum exploration expenditures for years 3-5, ending December 31, 2016 have not yet been determined but, are based on an annual approximation of DKK 2,730,000 (approximately CDN \$480,000).

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 licence 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 licence.

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

The Company may terminate the licences at any time; however any unfulfilled obligations according to the licence will remain in force, regardless of the termination.

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

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

In March 2012, the Company submitted its 2011 annual work report and statement to the Greenland Bureau of Minerals and Petroleum (BMP). The expenditures were approved on March 30, 2012. On April 3, 2012 the BMP approved the Company's December 27, 2011 application for a second mineral exploration licence, contiguous with the first. The new licence was assigned the number 2012/28 by BMP.

On June 28, 2012, the Geological Survey of Denmark and Greenland announced that the Maniitsoq Structure, which the Company's mineral exploration licences 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 now recognized as being the oldest, and possibly the largest, such meteorite impact event on Earth.

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 1-13, 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 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 analytical results from the 2012 drilling program confirming two significant areas of nickel-copper PGE mineralization.

On March 15, 2013, the Company announced first phase of QEMSCAN results, with visible and fine to coarse grained pentlandite in two of the three samples. Particle mineral analysis (PMA) of larger, coarse crushed core samples to determine mineralogy, grain size distribution and spatial characterization including liberation of sulphide minerals and Electron microprobe analysis (EMPA) for quantitative mineral chemistry to determine any solid solution including nickel in pyrrhotite and silicates are pending.

Polished sections have been prepared from selected rock samples in order to determine their mineralogy and petrology, Vancouver Petrographics have completed a report to the geological team.

A map showing the location of the mineral exploration licenses, nickel sulphide occurrences (yellow dots) and mafic-ultramafic intrusions (red) is presented below.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis should be read in conjunction with the consolidated financial statements and notes thereto included herein (see also "Selected Financial Data"). The consolidated 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 at December 31, 2010 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; and the agreement to acquire 100% ownership of the large grassroots Thompson North which is part of the Thompson Nickel Belt.

As a result of initiatives that were announced on April 6, 2010, activities will shift from the Bissett area and precious metals, to base metals in and around Sudbury Ontario, and Thompson Manitoba. As of August 15, 2011, activities also included work on an exploration program on the Maniitsoq Property 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; and has an agreement to acquire 100% ownership to the large grassroots Thompson North property, which is part of the world-class Thompson Nickel Belt in Manitoba. 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.

The Company entered into an agreement with an independent entity to sell Outback Capital Inc., and its remaining interest in this property. This was done in order to prepare for the shift in focus from precious metals to base metals.

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, the Thompson Nickel Belt in Manitoba and the Maniitsoq Property in Greenland. Following the expected sale of Outback Capital Inc., the Company will have 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, 2012 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS')..

As at December 31, 2012, the Company had accumulated losses totaling \$16,713,822 and a working capital of \$1,334,112. 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, 2012 the Company had cash of \$661,245, short-term investments of \$705,208 and working capital of \$1,334,112.

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, 2012.

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;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses;
- the classification of financial instruments; and
- 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.

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.

Non-derivative financial liabilities are subsequently measured at amortized cost.

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 asset 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 impairment has arisen.

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 balance sheet method of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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

Share-based payments

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

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

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

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

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

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

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

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.

IFRS 9, Financial instruments

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. 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, 2015.

IFRS 13, Fair value measurement

This new standard replaces the fair value measurement guidance currently included in various other IFRS standards with a single definition of fair value and extensive application guidance. IFRS 13 provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements. IFRS 13 is effect for annual periods beginning on or after January 1, 2013.

Amendments to IAS 32, Financial instruments: presentation

These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014.

Financial statement presentation

In June 2011, the IASB and the Financial Accounting Standards Board ("FASB") issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI"). The IASB issued amendments to IAS 1 "Presentation of Financial Statements" to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments are effective for fiscal years beginning on or after July 1, 2012.

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 and Position with the Corporation	Age	Principal Occupation and Position During the Past Five Years
Douglas E. Ford (1) West Vancouver, B.C. Director	49	Director since September 10, 1992; General Manager of Dockside Capital, a private merchant banking and venture capital firm, from 1987 to present.
Richard J. Mark North Vancouver, BC Chairman & Chief Executive Officer	60	CEO & Chairman of VMS Ventures Inc. from 2002 – present, CEO & Chairman of Harvest Gold Corporation from 2005 – present President & CEO of Pancontinental Uranium Corp.(formerly Centram Exploration Ltd.) from 2007 - present.
John Roozendaal Brandon, MB Director	42	President of VMS Ventures Inc. from 1996 – present President of Harvest Gold Corporation from 2005 – present
Mark Fedikow Winnipeg, MB President & Director	60	President of Mount Morgan Resources Ltd. year – present Director and VP of Exploration and Technical Services for VMS Ventures Inc. 2008 – present
James Clucas North Vancouver, BC Director	65	President of Search Minerals Inc. from June 2009 – present; Chairman of International Nickel Ventures Corp. from August 2009 until March 2009; President & CEO of International Nickel Ventures Corp. from February 43007 until July 2007; President of International Nickel Ventures Corp. from September 2003, until November 2005.
Edward D. Ford (1) Whistler, B.C. Director	77	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 Nice, France Director	43	Managing Director since 2003 of European Mining Services, Private Mining Consultancy, Consultant Geologist with The Sentient Group since 2010, Director of North American Nickel since May 25th 2012.

Cheryl Messier North Vancouver, B.C. Chief Financial Officer	47	CFO since September 6, 2012, Director of VMS Ventures Inc. 2009 - present.
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(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, 2012, directors and officers, including private companies controlled by directors and officers, as a group, paid or accrued a total of \$108,000 in management fees, paid or accrued a total of \$82,800 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, 2012, the Company paid no 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 one committee, the Audit Committee, made-up of Messrs. Edward Ford, James Clucas and Douglas Ford. The Audit Committee meets with the auditors annually prior to completion of the audited financial statements and regularly with management during the fiscal year. On May 2, 2006, the Company's board of directors adopted a new charter for the Audit Committee.

D. Employees.

Effective at December 31, 2012 the Company had a few 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 2,415,000 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, 2012 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, 2012 there were 80,560,193 common shares issued and outstanding. Each of the listed persons may be reached at the Company's head offices or #301 – 260 West Esplanade, North Vancouver, BC, V7M 3G7, telephone (604) 986-2020.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Principal Holders		
VMS Ventures Inc.	21,825,000	27.0 %
Sentient Group GP IV	30,000,000	37.2 %
Officers and Directors		
Edward Ford	342,000	n/a
Douglas Ford	242,000	n/a
Richard J. Mark	2,165,000	2.68 %
John Roozendaal	1,537,000 (1)	1.90 %
Mark Fedikow	2,285,000 (2)	2.84 %
James Clucas	475,000	n/a
Cheryl Messier	650,000	1.00 %
Gilbert Clark	381,000	n/a
All Officers and Directors as a Group (8 persons)	8,077,000	10.02 %

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

(2) Includes 1,341,000 shares held through Mount Morgan Resources Ltd.

The Company issued 20,000,000 units for a private placement at \$0.17 per share, for proceeds of \$3,400,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company at \$0.21 per share until May 22, 2014. The Company does not separately disclose the value attributed to the warrants.

B. Related party transactions.

During the fiscal year ended December 31, 2012, directors, officers and companies controlled by them have been engaged in the following transactions with the Company:

During the year ended December 31, 2012, a director and a company in which a director has an interest charged the Company \$108,000 (2011: \$108,000, 2010: \$90,000) for management fees.

During the year ended December 31, 2012, a company in which a director has an interest charged the Company \$Nil (2011: \$Nil, 2010: \$19,000) for consulting fees.

During the year ended December 31, 2012, a company in which a director has an interest charged the Company \$Nil (2011: \$Nil, 2010: \$11,772) for professional fees.

During the year ended December 31, 2012, a company controlled by directors in common charged the Company \$11,700 (December 31, 2011 - \$4,600) in rent expense

During the year ended December 31, 2012, a director charged the Company \$82,800 (2011: \$36,783, 2010: \$26,833) for consulting services. \$41,600 (2011 - \$26,833, 2010 - \$26,833) has been recorded in consulting services as deferred exploration costs for mineral properties and \$41,200 (2011 - \$22,717, 2010 - \$1,167) has been recorded in consulting fees on the statements of operations.

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 of \$2,765 (2011 - \$27,222) owing to directors of the Company and companies in directors have an interest. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

C. Interests of experts and counsel

Not required.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See Item 17 and our consolidated 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, 2011 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 "WSCRFF". 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.

Period	OTCbb High (USD)	OTCbb Low (USD)	TSXv High (C\$)	TSXv Low (C\$)
Fiscal year ended December 31, 2010	\$1.50	\$0.02	n/a	n/a
Fiscal year ended December 31, 2011	\$1.01	\$0.09	\$0.32	\$0.09
Fiscal year ended December 31, 2012	\$0.30	\$0.09	\$0.30	\$0.12
Quarter ended December 31, 2011	\$0.23	\$0.09	\$0.22	\$0.09
Quarter ended March 31, 2012	\$0.20	\$0.09	\$0.22	\$0.12
Quarter ended June 30, 2012	\$0.18	\$0.15	\$0.19	\$0.125
Quarter ended September 30, 2012	\$0.30	\$0.16	\$0.30	\$0.15
Quarter ended December 31, 2012	\$0.19	\$0.13	\$0.20	\$0.125
Quarter ended March 31, 2013	\$0.20	\$0.13	\$0.22	\$0.135
Month ended October 31, 2012	\$0.19	\$0.16	\$0.20	\$0.15
Month ended November 30, 2012	\$0.19	\$0.15	\$0.18	\$0.145
Month ended December 31, 2012	\$0.17	\$0.13	\$0.165	\$0.125
Month ended January 31, 2013	\$0.19	\$0.13	\$0.18	\$0.135
Month ended February 28, 2013	\$0.17	\$0.14	\$0.17	\$0.14
Month ended March 31, 2013	\$0.20	\$0.14	\$0.22	\$0.145

Month ended April 30, 2013 (1)	\$0.15	\$0.12	\$0.18	\$0.13
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(1) Through April 11, 2013

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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

The Company entered into a subscription agreement to invest \$200,000 into Outback Capital Inc. dba Pinefalls Gold (PFG) a private Alberta Company with certain directors and principal shareholders in common with the Company. PFG is an exploration company with mining claims located in the area of Bissett, Manitoba. The Company will invest \$200,000 in exchange for 4 million units at \$0.05 per unit, each unit comprised of one common share and one warrant to purchase an additional common share at \$0.075 for a period of two years. Prior to exercising the warrants, after making the investment of \$200,000 the Company will own approximately 37% of the common shares of PFG. As at December 31, 2005, the Company had invested \$90,000 for 1.8 million units, approximately 17% of the outstanding common shares of PFG.

In addition the Company entered into an option agreement with one of the principal shareholders of PFG, a director of the Company, which entitles the company to acquire a further 3 million common shares of PFG in exchange for one million common shares of the Company. The option, exercisable at the Company's discretion until March 31, 2007, was exercised.

Pursuant to the terms of the subscription agreement and the option agreement, the latter having been exercised, the company owns 65.42% of the common shares of PFG.

On April 6, 2009 the company entered into an option agreement with respect to its 14 remaining claims in the Rice Lake area of Manitoba. The option provides Cougar Minerals Corporation, a corporation traded on the Canadian National Stock Exchange (CNSX) to acquire 100% of the company's interest in these claims, and is open for exercise until April 6, 2009. The purchase price is \$180,000 with \$35,000 paid as a non-refundable deposit. The deposit was paid as to \$10,000 cash and 500,000 of Cougar's common shares at a deemed price of \$0.05 per share.

The Company has entered into an agreement with an independent entity that will result in it divesting of Outback Capital Inc.

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: \$5,000 per month and \$4,000 per month
- ii) Consulting fees: \$3,500 per month

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.

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 non-resident 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 #301 – 260 West Esplanade, North Vancouver BC V7M 3G7, 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

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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, 2010. Based on this evaluation, our chief executive officer and chief financial officer concluded as of December 31, 2010 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, 2012.

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 \$20,000 (estimated in the year ended December 31, 2012, \$27,400 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 (estimated) 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 consolidated financial statements and notes thereto is included immediately preceding the audited consolidated financial statements.

Independent Auditors' Report.

Statements of financial position as at December 31, 2012 and 2011.

Statements of comprehensive loss for the years ended December 31, 2012 and 2011.

Statement of changes in equity for the years ended December 31, 2012, 2011 and 2010.

Statements of cash flows for the years ended December 31, 2012 and 2011.

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 11, 2013.

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 15, 2013

By: /s/ Douglas E. Ford
Name: Douglas E. Ford
Title: Director
as duly authorized
signatory

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of North American Nickel Inc.:

We have audited the accompanying financial statements of North American Nickel Inc., which comprise the statements of financial position as at December 31, 2012 and 2011 and the statements of comprehensive loss, changes in equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of North American Nickel Inc. as at December 31, 2012 and 2011 and the results of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Explanatory Paragraph

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, there are certain conditions that give rise to significant doubt about the entity's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, B.C.
April 11, 2013

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

	Notes	December 31, 2012	December 31, 2011
ASSETS			
Current assets			
Cash	4	\$661,245	\$421,046
Short-term investments	5	705,218	800,759
Receivables	6	12,033	133,522
Prepaid expenses and deposits		18,770	7,997
Total current assets		1,397,266	1,363,324
Non-current assets			
Equipment	7	5,957	9,949
Exploration and evaluation assets	8	7,606,479	4,736,430
Total non-current assets		7,612,436	4,746,379
Total assets		\$9,009,702	\$6,109,703
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	9, 11	\$63,154	\$151,814
Non-current liabilities			
Deferred income tax liability	10	-	14,281
Total non-current liabilities		-	14,281
Total liabilities		63,154	166,095
SHAREHOLDERS' EQUITY			
Share capital - preferred	10	604,724	604,724
Share capital - common	10	22,181,970	18,177,920
Share-based payments reserve	10	2,873,676	2,503,605
Deficit		(16,713,822)	(15,342,641)
Total shareholders' equity		8,946,548	5,943,608
Total liabilities and equity		\$9,009,702	\$6,109,703

APPROVED BY THE DIRECTORS:

_____,
Director
Rick Mark

_____, Director
Edward D. Ford

The accompanying notes are an integral part of these financial statements

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

		Year Ended	
	Notes	December 31, 2012	December 31, 2011
Expenses			
Amortization		\$3,992	\$1,911
Consulting	11	60,419	45,547
Filing fees		48,842	65,402
Investor relations		201,629	58,690
General and administrative	11	14,649	20,274
Management fees	11	108,000	108,000
Professional fees		76,201	120,719
Property investigation		22,115	4,845
Salaries		66,429	52,002
Share-based payments	10	459,552	383,750
Travel and accommodation		16,086	15,411
Loss before other items		(1,077,914)	(876,551)
Other items:			
Impairment of exploration and evaluation assets	8	(368,303)	(267,462)
Reversal of flow-through share liability	10,17	14,281	76,628
Foreign exchange loss		(21,626)	(16,806)
Comprehensive loss for the year		\$(1,453,562)	\$(1,084,191)
Loss per common share - basic and diluted		\$(0.02)	\$(0.02)
Weighted average number of common shares outstanding			
- basic and diluted		69,179,749	46,464,082

The accompanying notes are an integral part of these financial statements

NORTH AMERICAN NICKEL INC.

Statement of Changes In Equity

(Expressed in
Canadian Dollars)

	Notes	Number of shares	Share capital	Preferred Stock	Share-based payments reserve	Deficit	Total
Balance at December 31, 2010		35,231,730	\$ 14,705,609	\$ 604,724	\$ 182,500	\$ (14,258,450)	\$ 1,234,383
Loss for the year		-	-	-	-	(1,084,191)	(1,084,191)
Share capital issued private placement	10	15,545,463	3,200,002	-	-	-	3,200,002
Flow-through premium	10		(90,909)	-	-	-	(90,909)
Shares issued to acquire exploration and evaluation assets	8,10	950,000	95,000	-	-	-	95,000
Shares issued for finders fee	10	200,000	28,000	-	-	-	28,000
Stock options issued	10	-	-	-	471,250	-	471,250
Warrants exercised	10	3,005,000	300,500	-	-	-	300,500
Warrants issued	10	-	-	-	1,813,263	-	1,813,263
Share issue costs	10	126,000	(60,282)	-	36,592	-	(23,690)
Balance at December 31, 2011		55,058,193	18,177,920	604,724	2,503,605	(15,342,641)	5,943,608
Loss for the year		-	-	-	-	(1,453,562)	(1,453,562)
Share capital issued private placement	10	20,000,000	3,400,000	-	-	-	3,400,000
Shares issued to acquire exploration and evaluation assets	8,10	575,000	104,250	-	-	-	104,250
Stock options issued	10	-	-	-	459,552	-	459,552
Forfeited/expired stock options	10	-	-	-	(45,789)	45,789	-
Stock options exercised	10	132,000	20,300	-	(7,100)	-	13,200
Warrants exercised	10	4,795,000	479,500	-	-	-	479,500
Cancelled/expired warrants		-	-	-	(36,592)	36,592	-

Balance at						
December 31, 2012	80,560,193	\$ 22,181,970	\$ 604,724	\$ 2,873,676	\$ (16,713,822)	\$ 8,946,548

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

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NORTH AMERICAN NICKEL INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year Ended	
	December	December
	31,	31,
	2012	2011
OPERATING ACTIVITIES		
Loss for the year	\$(1,453,562)	\$(1,084,191)
Items not affecting cash		
Amortization	3,992	1,911
Share-based payments	459,552	383,750
Reversal of flow-through share liability	(14,281)	(76,628)
Impairment of exploration and evaluation assets	368,303	267,462
	(635,996)	(507,696)
Changes in non-cash working capital items:		
Receivables	121,489	(106,557)
Prepaid expenses	(10,773)	(7,997)
Trade payables and accrued liabilities	(114,729)	(75,329)
Cash used in operating activities	(640,009)	(697,579)
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(3,108,033)	(2,204,795)
Short-term investments	95,541	(800,759)
Purchase of equipment	-	(11,860)
Cash used in investing activities	(3,012,492)	(3,017,414)
FINANCING ACTIVITIES		
Proceeds on issuance of common shares	3,892,700	3,476,812
Cash provided by financing activities	3,892,700	3,476,812
Change in cash during the year	240,199	(238,181)
Cash at beginning of year	421,046	659,227
Cash at end of year	\$661,245	\$421,046
Supplemental cash flow information - (Note 14)		

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

1. NATURE AND CONTINUANCE OF OPERATIONS

North American Nickel Inc. (the “Company”) was incorporated on September 23, 1983, under the laws of the Province of British Columbia, Canada. The head office, principal address and records office of the Company are located at Suite 301 – 260 West Esplanade, North Vancouver, British Columbia, Canada, V7M 3G7.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements were authorized for issue on April 11, 2013 by the Board of Directors of the Company.

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”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

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.

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

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 life of equipment, stock-based awards and payments, 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:

- 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;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses;
- the classification of financial instruments; and
- 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.

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

Exploration and evaluation assets (cont'd)

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 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.

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.

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

Restoration and environmental obligations (cont'd)

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

Impairment of assets

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

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

An impairment loss is charged to the profit or loss, except to the extent 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.

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

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

Financial instruments (cont'd)

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.

Non-derivative financial liabilities are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group omits 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 asset 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 impairment has arisen.

Loss per share

Basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings / loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. If the calculation results in an anti-dilutive effect then only basic income or loss per share is presented.

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 balance sheet method of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

Income taxes (cont'd)

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

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

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

Share-based payments

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

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

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

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

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

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

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for

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

Share-based payments (cont'd)

services received over the remainder of the vesting period. Any payment made to an employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Share capital

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

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

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

Flow-through shares

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

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

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

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:

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

Equipment (cont'd)

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 revised standards and is currently assessing the impact that these standards will have on its future financial statements.

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

IFRS 9, Financial instruments

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. 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, 2015.

IFRS 13, Fair value measurement

This new standard replaces the fair value measurement guidance currently included in various other IFRS standards with a single definition of fair value and extensive application guidance. IFRS 13 provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements. IFRS 13 is effect for annual periods beginning on or after January 1, 2013.

Amendments to IAS 32, Financial instruments: presentation

These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014.

Financial statement presentation

In June 2011, the IASB and the Financial Accounting Standards Board ("FASB") issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI"). The IASB issued amendments to IAS 1 "Presentation of Financial Statements" to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments are effective for fiscal years beginning on or after July 1, 2012.

4. CASH

Cash at banks and on hand earns interest at floating rates based on daily bank deposit rate.

5. SHORT-TERM INVESTMENT

Short-term investment is comprised of a highly liquid Canadian dollar denominated guaranteed investment certificate with an initial term to maturity greater than ninety days, but not more than one year, that is readily convertible to a contracted amount of cash. The investment is carried at the lower of cost or market value. The counter-party is a financial institution. At December 31, 2012, the instrument was yielding an annual interest rate of 1.25% (2011 – 1.05%). The fair market value of the Company's short-term investment approximates its carrying value at the balance sheet dates.

6. RECEIVABLES

	December 31, 2012	December 31, 2011
Harmonized and sales tax receivable	\$12,033	\$133,522

7. EQUIPMENT

	Exploration Equipment	Computer Software	Total		Exploration Equipment	Computer Software	Total
Cost:				Cost:			
At December 31, 2011	\$6,500	\$5,360	\$11,860	At December 31, 2010	\$-	\$-	\$-
Additions	-	-	-	Additions	6,500	5,360	11,860
At December 31, 2012	6,500	5,360	11,860	At December 31, 2011	6,500	5,360	11,860
Amortization:				Amortization:			
At December 31, 2011	1,001	910	1,911	At December 31, 2010	-	-	-
Charge for the year	1,304	2,688	3,992	Charge for the year	1,001	910	1,911
At December 31, 2012	2,305	3,598	5,903	At December 31, 2011	1,001	910	1,911
Net book value:				Net book value:			
At December 31, 2012	\$4,195	\$1,762	\$5,957	At December 31, 2011	\$5,499	\$4,450	\$9,949

8. EXPLORATION AND EVALUATION ASSETS

	Canada Post Creek Property	Halcyon Property	WIC Project	Thompson North	South Bay Property	Cedar Property	Greenland Maniitsoq Property	Total
Mineral Properties Acquisition Balance, December 31, 2011	\$ 104,000	\$ 78,000	\$-	\$ 120,333	\$ 120,333	\$ 120,333	\$ 5,742	\$ 548,742
Acquisition costs - cash	50,000	35,000	20,000	-	-	-	5,755	110,755
Acquisition costs - Shares	54,000	36,000	14,250	-	-	-	-	104,250
Impairment	-	-	(34,250)	-	(120,333)	(120,333)	-	(274,916)
Balance, December 31, 2012	\$ 208,000	\$ 149,000	\$-	\$ 120,333	\$-	\$-	\$ 11,497	\$ 488,831
Expenditures (recoveries) Balance, December 31, 2011	\$ 917,621	\$ 53,988	\$-	\$ 115,844	\$ 11,210	\$ 2,400	3,086,625	\$ 4,187,688
Administration	-	-	195	-	-	-	6,937	7,132
Assay and sampling (recovery)	2,108	-	11,051	-	-	-	33,763	46,923
Automobile costs	70	-	820	-	-	-	592	1,482
Claim fees/ Assessment fees	-	-	-	32,096	-	-	-	32,096
Consulting services	36,246	10,655	19,163	1,200	2,800	-	233,919	303,983
Drilling expenses (recovery)	-	-	-	-	-	-	816,631	816,631
Equipment and supplies	10,558	8,728	318	-	200	-	27,729	47,534
Equipment rental	-	-	680	-	-	-	1,928	2,608
Licenses and fees	-	-	-	-	-	-	13,664	13,664
Camp costs	108	133	-	-	-	-	633,996	634,238
Shipping and printing costs	358	-	-	-	-	-	28,428	28,786
Survey costs	-	-	41,654	-	-	-	966,496	1,008,150
Telephone	-	-	98	-	-	-	6,329	6,427

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Travel and accomodation	18	-	2,798	-	-	-	70,878	73,694
	49,467	19,516	76,777	33,296	3,000	-	2,841,290	3,023,347
Impairments	-	-	(76,777)	-	(14,210)	(2,400)	-	(93,387)
	49,467	19,516	0	33,296	(11,210)	(2,400)	2,841,290	2,929,960
Balance, December 31, 2012	967,089	73,504	0	149,140	-	-	5,927,915	7,117,648
Total, Balance December 31, 2012	\$1,175,089	\$222,504	\$0	\$269,473	\$-	\$-	\$5,939,412	\$7,606,479

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8. EXPLORATION AND EVALUATION ASSETS (cont'd)

	Canada							Greenland	
	Post Creek	Woods	Halcyon	Bell	Thompson	South	Cedar	Maniitsoq	Total
	Property	Creek	Property	Lake	North	Bay	Property	Property	
Mineral Properties Acquisition Balance, December 31, 2010	\$44,000	\$19,000	\$33,000	\$43,000	\$120,333	\$120,333	\$120,333	\$-	\$499,999
Acquisition costs - cash	30,000	15,000	25,000	25,000	-	-	-	5,742	100,742
Acquisition costs - Shares	30,000	15,000	20,000	30,000	-	-	-	-	95,000
Impairment	-	(49,000)	-	(98,000)	-	-	-	-	(147,000)
Balance, December 31, 2011	\$104,000	\$-	\$78,000	\$-	\$120,333	\$120,333	\$120,333	\$5,742	\$548,741
Expenditures (recoveries) Balance, December 31, 2010	\$153,309	\$20,341	\$-	\$560	\$585	\$2,523	\$400	\$-	\$177,718
Administration	-	-	-	-	-	-	-	2,192	2,192
Assay and sampling (recovery)	45,066	90	-	-	-	-	-	9,948	55,103
Automobile costs	19,901	346	1,894	305	-	-	-	442	22,888
Claim fees/Assessment fees	-	-	-	-	77,989	7,226	-	-	85,215
Consulting services	234,529	14,671	21,511	14,293	37,270	1,461	2,000	84,084	409,818
Drilling expenses (recovery)	146,338	24,043	-	-	-	-	-	-	170,381
Equipment and supplies	18,564	2,965	3,135	2,910	-	-	-	59,646	87,221
Equipment rental	30,512	824	1,220	825	-	-	-	10,538	43,919
Geological data (Note 10)	-	-	-	434	-	-	-	2,141,263	2,141,263
	-	-	-	434	-	-	-	13,738	14,172

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Licenses and fees									
Line cutting costs	25,500	-	4,500	9,788	-	-	-	-	39,788
Camp costs	-	-	236	-	-	-	-	-	236
Shipping and printing costs	1,177	-	-	312	-	-	-	22,589	24,078
Survey costs	144,537	-	21,492	27,755	-	-	-	716,857	910,641
Stock-based compensation (note 11)	87,500	-	-	-	-	-	-	-	87,500
Telephone	-	-	-	-	-	-	-	736	736
Travel and accomodation	10,693	-	-	-	-	-	-	24,592	35,285
Recoveries	-	-	-	-	-	-	-	-	-
	764,312	42,940	53,988	56,622	115,259	8,687	2,000	3,086,625	4,130,432
Impairments	-	(63,281)	-	(57,182)	-	-	-	-	(120,461)
	764,312	-	53,988	-	115,259	8,687	2,000	3,086,625	4,009,971
Balance, December 31, 2011	917,621	-	53,988	-	115,844	11,210	2,400	3,086,625	4,187,689
Total, Balance December 31, 2011	\$1,021,621	\$-	\$131,988	\$-	\$236,177	\$131,543	\$122,733	\$3,092,367	\$4,736,430

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

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.

On April 5, 2010 the Company entered into an option agreement to acquire a 100% interest in the Post Creek Property and agreed to the following consideration:

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 (subsequently amended)	\$50,000	-	\$ 15,000

During the year ended December 31, 2012, the Company incurred exploration costs totalling \$49,466 (December 31, 2011 - \$764,310) in deferred exploration costs on the Post Creek Property.

The Company's interest is subject to a 2.5% Net Smelter Royalty ("NSR"), of which 1.5% can be repurchased by the Company for \$1,500,000. Commencing August 1, 2013 (subsequently amended), 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.

Woods Creek

At December 31, 2011, the Company decided not to further pursue the Woods Creek Property and, accordingly, the property was written-off.

Halcyon

On April 5, 2010, the Company entered into an option agreement to acquire up to a 100% interest in the Halcyon Property located in Ontario and agreed to the following consideration:

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 (subsequently amended)	\$35,000	-	\$ 22,000

During the year ended December 31, 2012, the Company incurred \$19,516 (December 31, 2011 - \$53,988) in exploration costs on the Halcyon Property.

The Company's interest is subject to a 2.5% NSR, of which 1.5% can be repurchased by the Company for \$1,500,000. Commencing August 1, 2013 (subsequently amended), 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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8. EXPLORATION AND EVALUATION ASSETS (cont'd)

Bell Lake

At December 31, 2011, the Company decided not to further pursue the Bell Lake Property and, accordingly, the property was written-off.

Wahnapitae Intrusive Complex (“WIC”)

On April 17, 2012, the Company entered into a property option agreement to acquire a 100% interest in the WIC Project located in Ontario for consideration which included a cash payment of \$20,000 (paid) and the issuance of 75,000 common shares (issued) on April 30, 2012.

During the year ended December 31, 2012, the Company incurred \$76,777 (December 31, 2011 - \$Nil) in exploration costs on the WIC Project.

Subsequent to December 31, 2012, the Company decided not to further pursue the WIC Project and, accordingly, the property was written-off at December 31, 2012.

Manitoba Nickel Properties

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

During the year ended December 31, 2012, the Company incurred \$33,296 (December 31, 2011 - \$115,259) in exploration costs on the Thompson North Property. At December 31, 2012, the Company decided not to further pursue the South Bay and Cedar Lake properties and, accordingly, these properties were written-off.

Maniitsoq

Effective August 15, 2011, the Company was granted an exploration license (the “Sulussugut Licence”) by the Bureau of Minerals and Petroleum (“BMP”) of Greenland for exclusive exploration rights to 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 Licence. The Sulussugut Licence is valid for 5 years until December 31, 2015, with December 31, 2011 being the first year.

The Company completed the first year exploration requirement, of a minimum of DKK 7,213,460 (approximately CDN \$1,281,000), during the year ended December 31, 2011 by incurring \$3,086,625 on the Sulussugut Licence.

The Company's minimum required exploration expenditure for the second year was DKK 7,361,890 (approximately CDN \$1,307,000). During the year ended December 31, 2012, the Company incurred \$2,290,291 in exploration costs on the Sulussugut Licence.

During the year ended December 31, 2011, the Company's expenditures exceeded the minimum requirement and the Company was granted a credit of DKK 1,275,997 (approximately CDN \$227,000) for surplus exploration expenditures, which may be carried forward up to December 31, 2014 as a reduction of future exploration expenditure requirements.

The required minimum exploration expenditures on the Sulussugut Licence for years 3-5, ending December 31, 2015, have not yet been determined but, are based on an annual approximation of DKK

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

Maniitsoq (cont'd)

24,405,000 (approximately CDN \$4,334,000). This assumes that the Sulussugut Licence area remains at its current size of 4,841 square kilometres. For every square kilometre that the licence is reduced the required annual expenditure decreases by approximately DKK 5,000. The Company is obligated to reduce the licence area by at least 30% (1,452 square kilometres) by December 31, 2013.

Effective March 4, 2012, the Company was granted an additional exploration license (the "Ininngui Licence") 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 Licence. The Ininngui Licence is valid for 5 years until December 31, 2016, with December 31, 2012 being the first year.

The Company completed the first year exploration requirement, of a minimum of DKK 360,380 (approximately \$64,000), during the year ended December 31, 2012 by incurring \$551,001 on the Ininngui Licence.

The required minimum exploration expenditures for year 2 on the Ininngui Licence are based on an approximate DKK 242,000 (approximately CDN \$43,000). The required minimum exploration expenditures for years 3-5, ending December 31, 2016 have not yet been determined but, are based on an annual approximation of DKK 2,730,000 (approximately CDN \$480,000).

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, 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 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 license will remain in force, regardless of the termination.

9. TRADE PAYABLES AND ACCRUED LIABILITIES

	December 31, 2012	December 31, 2011
Trade payables	\$16,779	\$99,343
Amounts due to related parties (Note 11)	2,765	27,222
Accrued liabilities	43,610	25,249
	\$63,154	\$151,814

10. 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, 2012:

The Company completed a non-brokered private placement of 20,000,000 units at a price of \$0.17 per unit for proceeds of \$3,400,000. Each unit consists of one common share and one-half share purchase warrant. Each full warrant is exercisable into one common share of the Company at \$0.21 per share until May 22, 2014.

The Company issued 500,000 common shares at a fair value of \$90,000 and 75,000 common shares at a fair value of \$14,250 for the acquisition of exploration and evaluation assets (Note 8).

The Company issued 4,795,000 common shares for warrant exercises at \$0.10 per share for proceeds of \$479,500.

The Company issued 132,000 common shares for stock option exercises at \$0.10 per share for proceeds of \$13,200. Accordingly, the Company reallocated the fair value of the stock options, upon exercise, of \$7,100 from share-based payments reserve to share capital.

Year ended December 31, 2011:

The Company issued 950,000 common shares at a fair value of \$95,000 for the acquisition of exploration and evaluation assets (Note 8).

The Company issued 4,545,463 common shares for a private placement of flow-through shares at \$0.22 per share, for proceeds of \$1,000,002. On issuance, the Company bifurcated the flow-through share into i) a flow-through share premium of \$90,909, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital \$909,093. At December 31, 2011, the Company expended \$842,907 in eligible exploration expenditures and, accordingly, the deferred income tax liability was reduced to \$14,281. During the year ended December 31, 2012, the Company expended the remaining \$157,095 and, accordingly, the deferred income tax liability of \$14,281 was reduced to \$Nil.

The Company issued 11,000,000 units for a private placement at \$0.20 per share, for proceeds of \$2,200,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company at \$0.35 per share until November 24, 2012. The Company does not separately disclose the value attributed to the warrants. The Company paid finder's fees of \$23,690 and issued 126,000 finder's shares at a fair value of \$25,200 in relation to the private placement. The Company also issued 243,950 finder's warrants, which are exercisable at \$0.35 until November 24, 2012. The Company valued the warrants at \$36,592 using the Black-Scholes pricing model the following inputs: Expected dividend yield: 0%; expected share price volatility: 538%; risk-free interest rate: 1.51% and expected life: 1.5 years.

The Company issued 200,000 common shares for a finder's fee pursuant to an Intellectual Property and Data Acquisition Agreement (the "IP and Data Acquisition Agreement") acquired for use on the Maniitsoq Property (Note 8). The Company recorded the common shares at a fair value of \$28,000.

10. SHARE CAPITAL (cont'd)

The Company issued 3,005,000 common shares for warrant exercises at \$0.10 per share for proceeds of \$300,500.

c) Preferred shares issued and outstanding

At December 31, 2012, there are 604,724 (December 31, 2011 – 604,724) preferred shares outstanding.

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

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

d) Warrants

During the year ended December 31, 2011, 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 issuance 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 were 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.

The changes in share purchase warrants during the year ended December 31, 2012 and 2011 are as follows:

10. SHARE CAPITAL (cont'd)

d) Warrants (cont'd)

	December 31, 2012		December 31, 2011	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of year	31,198,950	\$0.44	10,000,000	\$0.10
Granted	10,000,000	0.21	24,203,950	0.54
Cancelled/ Expired	(13,343,950)	0.31	-	-
Exercised	(4,795,000)	0.10	(3,005,000)	0.10
Outstanding, end of year	23,060,000	\$0.49	31,198,950	\$0.44

At December 31, 2012, the Company had outstanding common share purchase warrants exercisable to acquire common shares of the Company as follows:

Warrants Outstanding	Expiry Date		Exercise Price	Weighted Average remaining contractual life (in years)
100,000	Jan-23-2013	subsequently exercised	\$ 0.10	0.06
3,460,000	Aug-30-2016		\$ 1.00	3.67
4,750,000	Aug-30-2016		\$ 0.50	3.67
4,750,000	Aug-30-2016		\$ 0.70	3.67
10,000,000	May-22-2014		\$ 0.21	1.39
23,060,000				0.49

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, 2012 and 2011 are as follows:

	December 31, 2012		December 31, 2011	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Outstanding, beginning of year	5,350,000	\$0.15	3,300,000	\$0.10

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Granted	2,415,000	0.23	2,050,000	0.23
Cancelled/ Expired	(250,000)	(0.22)	-	-
Exercised	(132,000)	(0.10)	-	-
Outstanding, end of year	7,383,000	\$0.19	5,350,000	\$0.15

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10. SHARE CAPITAL (cont'd)

The weighted average fair value of options granted during the year ended December 31, 2012 was \$0.19 per option (December 31, 2011 - \$0.23). Details of options outstanding as at December 31, 2012 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	2.65
140,000	140,000	November 25, 2015	\$ 0.10	2.90
200,000	200,000	December 8, 2015	\$ 0.10	2.94
150,000	150,000	May 24, 2016	\$ 0.20	3.40
350,000	350,000	June 29, 2016	\$ 0.20	3.50
1,300,000	1,300,000	September 6, 2016	\$ 0.25	3.68
100,000	100,000	November 24, 2016	\$ 0.15	3.90
300,000	285,326	January 18, 2017	\$ 0.15	4.05
2,015,000	2,015,000	August 13, 2017	\$ 0.24	4.62
7,383,000	7,368,326			3.51

During the year ended December 31, 2012, the Company granted 2,415,000 incentive stock options to directors, employees and consultants with a maximum term of 5 years. Of the stock options granted during the year, 2,115,000 stock options vested on grant date and 300,000 vest at a rate of 25% every three months, with 14,674 unvested at December 31, 2012. 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 \$459,552 and capitalization of \$Nil to exploration and evaluation assets.

During the year ended December 31, 2011, the Company granted 2,050,000 incentive stock options to directors and employees with a maximum term of 5 years. All of the stock options granted during the year vested on grant date. The granting of these options resulted in stock-based compensation expense of \$383,750 and capitalization of \$87,500 to exploration and evaluation assets. The options granted vested upon issuance.

The fair value of stock options granted during the year ending December 31, 2012 and 2011 was calculated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	December 31, 2012	December 31, 2011
Expected dividend yield	0 %	0 %
Expected share price volatility	152.46% - 286.69 %	618.59% - 767.95 %
Risk-free interest rate	1.05% - 1.40 %	1.56% - 2.57 %
Expected life of options	2 and 5 years	1.5 and 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. During the year ended December 31, 2012, the Company transferred \$45,789 (2011 - \$Nil) for forfeited options and \$36,592 (2011 - \$Nil) for expired unexercised warrants to deficit.

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11. RELATED PARTY TRANSACTIONS

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

	December 31, 2012	December 31, 2011
Directors and companies controlled by directors of the Company	\$2,765	\$27,222

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

Related party transactions –

During the year ended December 31, 2012, the Company recorded \$11,700 (December 31, 2011 - \$4,600) in rent expense to a company controlled by directors in common.

Related party transactions - Key management personnel compensation:

	Year ended December 31, 2012	December 31, 2011
Geological consulting fees - expensed	\$41,200	\$21,517
Geological consulting fees - capitalized	41,600	19,983
Management fees - expensed	108,000	81,000
Stock-based compensation	264,252	150,000
	\$455,052	\$272,500

12. 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 exploration and evaluation assets. 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, 2012. The Company is not exposed to externally imposed capital requirements.

13. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, short-term investments, trade payables and due to related parties. The carrying value of these financial instruments approximates their fair value.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

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13. FINANCIAL RISK MANAGEMENT (cont'd)

–Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

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

Cash and short-term investments is measured based on Level 1 inputs of the fair value hierarchy.

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

The Company's primary risk exposures are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash accounts. This risk is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to credit risk is on its receivable. Receivable consists primarily of goods and services tax due from the Federal Government of Canada. Management believes that the Company has no significant concentration of credit risk arising from operations.

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 third party liabilities when due. The Company has working capital of \$1,334,112 at December 31, 2012. All of the Company's liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company is dependent on management's ability to raise additional funds so that it can manage its financial obligations. The ability to raise funds in capital markets is impacted by general market and economic conditions and the commodity markets in which the Company conducts business.

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

Foreign currency risk

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 is exposed to the financial risk related to fluctuations of foreign exchange rates. The Company operates in Canada and Greenland and a portion of exploration and evaluation assets are incurred in US dollars, Euros and DKK. The Company has not hedged its exposure to currency fluctuations.

14. NON-CASH TRANSACTIONS

The Company incurred non-cash financing and investing activities during the year ended December 31, 2012 as follows:

	December 31, 2012	December 31, 2011
Common shares issued for exploration and evaluation assets (Note 10)	\$104,250	\$95,000
Accrued exploration and evaluation expenditures	\$26,069	\$97,616
Share purchase warrants issued for exploration and evaluation assets (Note 8)	\$-	\$1,813,263
Stock-based compensation expense recorded as share issuance costs for finders warrants (Note 10)	\$-	\$36,592
Stock-based compensation capitalized to exploration and evaluation assets (Note 10)	\$-	\$87,500
Transfer of forfeited/expired stock options to deficit (Note 10)	\$45,789	\$-
Transfer of cancelled/expired warrants to deficit (Note 10)	\$36,592	\$-

15. COMMITMENTS

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

- i) management fees: \$5,000 per month and \$4,000 per month
- ii) consulting fees: previously \$3,500 per month and \$6,000 per month effective June 1, 2011

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

	December 31, 2012	December 31, 2011
Total Assets		
Canada	\$3,070,288	\$3,017,336
Greenland	5,939,414	3,092,367
	\$9,009,702	\$6,109,703

	December 31, 2012	December 31, 2011
Exploration and evaluation assets		
Canada	\$1,667,065	\$1,644,063
Greenland	5,939,414	3,092,367
	\$7,606,479	\$4,736,430

	December 31, 2012	December 31, 2011
Total Liabilities		
Canada	\$46,990	\$70,026
Greenland	16,164	96,069
	\$63,154	\$166,095

	December 31, 2012	December 31, 2011
Total Loss		
Canada	\$(1,453,562)	\$(1,084,191)
Greenland	-	-
	\$(1,453,562)	\$(1,084,191)

17. INCOME TAXES

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

	December 31, 2012	December 31, 2011
Net Loss	\$(1,453,562)	\$(1,160,819)
Statutory rate	25.33 %	26.50 %
Expected income tax recovery	(368,237)	(307,617)
Permanent differences and other	61,571	88,764
Effect of changes in tax rates	4,083	(390)
Renunciation of exploration costs	-	223,370
Amortization of flow-through liability	(3,618)	(76,628)
Change in valuation allowance	306,201	(4,127)
Net future income tax recovery	\$-	\$(76,628)

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

	December 31, 2012	December 31, 2011
Exploration and evaluation assets	\$(56,285)	\$(143,861)
Loss carry-forwards	478,850	311,478
Share issuance costs	7,334	9,778
Equipment	54,173	478
	\$484,072	\$177,873

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 issuance costs
2013	\$-	\$-	\$-	\$9,778
2014	-	-	-	9,778
2015	-	-	-	9,778
2030	695,500	-	-	-
2031	517,383	-	-	-
2032	645,804	-	-	-
No expiry	-	56,712	7,381,341	-
	\$1,858,687	\$56,712	\$7,381,341	\$29,334

17. INCOME TAXES (cont'd)

Provision for current tax

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended December 31, 2011, the Company received \$1,000,002 from the issuance of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. Effective December 31, 2011, the Company renounced \$842,907 to the subscribers. To December 31, 2012, the Company had completed its flow-through commitments and renounced the remainder of the qualifying amounts.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as a deferred charge. Upon issuance of the flow-through shares, the Company recorded a premium of \$90,909. When expenditures are renounced, a deferred tax liability is recognized and the deferred charge is reversed. The net amount is recognized as deferred tax expense. At December 31, 2012, the Company has recorded a deferred income tax liability of \$Nil (2011 - \$14,281).

Provision for deferred tax

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at December 31, 2012, the Company has approximately \$1,859,000 in non-capital losses that can be offset against taxable income in future years expiring at various dates commencing in 2030. In addition, the Company has approximately \$57,000 in capital losses which may be available to offset future taxable capital gains which can be carried forward indefinitely. The potential future tax benefit of these losses has not been recorded as a full valuation allowance has been provided due to the uncertainty of realization.

18. SUBSEQUENT EVENTS

Subsequent to December 31, 2012:

- i) 100,000 warrants were exercised for proceeds of \$10,000; and
- ii) The Company granted 300,000 incentive stock options to an employee and a consultant. The stock options are exercisable at \$0.15 per share for a maximum term of 5 years.
- iii) The Post Creek Property option agreement (Note 8) was amended as follows:

Date	Cash	Exploration requirements
On or before April 5, 2013 (paid)	\$ 15,000	\$ 15,000
On or before April 5, 2014	\$ 15,000	\$ 15,000
On or before April 5, 2015	\$ 15,000	\$ 15,000

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.

18. SUBSEQUENT EVENTS (cont'd)

iv) The Halcyon Property option agreement (Note 8) was amended as follows:

Date	Cash	Exploration requirements
On or before April 5, 2013 (Paid)	\$ 15,000	\$ 22,000
On or before April 5, 2014	\$ 15,000	\$ 22,000
On or before April 5, 2015	\$ 15,000	\$ 22,000

Further, commencing the amended date of August 1, 2015, if the Company exercises its option, the Company will be obligated to pay advances on the NSR of \$8,000 per annum, which will be deducted from any payments to be made under the NSR.

v) On April 17, 2013, the Company decided not to further pursue the WIC Project (Note 8) and, accordingly, the property was written-off at December 31, 2012.

