

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2021



The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of North American Nickel Inc. ("North American Nickel" or the "Company") is designed to enable the reader to assess material changes in the financial condition of the Company between September 30, 2021 and December 31, 2020, and the results of operations for the three and nine months ended September 30, 2021 ("Q3 2021" and "YTD 2021", respectively) and for the three and nine months ended September 30, 2020 ("Q3 2020" and "YTD 2020", respectively). The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and with the audited consolidated financial statements and notes thereto of the Company for the fiscal year ended December 31, 2020 ("FY 2020"). In this MD&A, references to the Company are also references to North American Nickel and its wholly-owned subsidiary.

The financial statements, and the financial information contained in this MD&A were prepared in accordance with *International Financial Reporting Standards* ("IFRS"), including *International Accounting Standard, Interim Financial Reporting* ("IAS 34").

All amounts in the discussion are expressed in Canadian dollars and in Danish Kroners ("DKK"). All amounts in tables are expressed in thousands of Canadian dollars and in thousands of Danish Kroners where applicable, except per share data and unless otherwise indicated.

This MD&A contains forward-looking information within the meaning of Canadian securities legislation (see "*Forward-looking Information*" below for full discussion on the nature of forward-looking information). Information regarding the adequacy of cash resources to carry out the Company's exploration and development programs or the need for future financing is forward-looking information. All forward-looking information, including information not specifically identified herein, is made subject to cautionary language at the end of this document. Readers are advised to refer to the cautionary language included at the end of this MD&A under the heading "*Forward-looking Information*" when reading any forward-looking information. This MD&A is prepared in accordance with F1-102F1 and has been approved by the Company's board of directors (the "Board") prior to release.

This report is dated November 29, 2021. Readers are encouraged to read the Company's other public filings, which can be viewed on the SEDAR website under the Company's profile at www.sedar.com. Other pertinent information about the Company can be found on the Company's website at www.northamericannickel.com.

Effective October 4, 2019, the Company completed a share consolidation of the Company's issued and outstanding common shares whereby for every ten (10) pre-consolidation common shares issued and outstanding, one (1) post-consolidation common share exists without par value.

All references to share capital, warrants, options and weighted average number of shares outstanding have been adjusted in this discussion, in the consolidated financial statements and retrospectively to reflect the Company's 10-for-1 share consolidation as if it occurred at the beginning of the earliest period presented.

Company Overview and Highlights

North American Nickel is an international mineral exploration and resource development company listed on the TSX Venture Exchange ("TSXV") as at May 3, 2011 trading under the symbol NAN. The Company is focused on the exploration and development of a diversified portfolio of nickel-copper-cobalt-precious metals sulphide projects that should be economically feasible assuming conservative long-term commodity prices. The Company's principal asset is its Maniitsoq Property, in Southwest Greenland, a district scale land position.

North American Nickel was incorporated under the laws of the Province of British Columbia, Canada, by filing of Memorandum and Articles of Association on September 20, 1983, under the name Rainbow Resources Ltd.

Exploration & Development Activities

Since 2011 the Company has continued the advancement of its camp scale Maniitsoq Project in Southwest Greenland and the Post Creek Property in Sudbury, Ontario.

In early 2018, NAN initiated a strategy to assemble a diversified portfolio of highly prospective nickel-copper-cobalt projects that were located in countries with the Rule-of-Law and that demonstrate sustainable economics assuming conservative long-term commodity prices. As a result of this work, NAN has acquired several new projects in Ontario which include: the Lingman Nickel Project, covering a portion of the Archean aged Lingman Lake Greenstone Belt and the Quetico Nickel Project which is

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known to host intrusions with Ni-Cu-Co-PGM mineralization related to a late 2690 Ma Archean magmatic event and the 1110-1090 Ma Proterozoic Mid-continent Rift.

On July 9, 2020, the Company announced its ownership position in a private company, Premium Nickel Resources ("PNR") to have direct exposure to Ni-Cu-Co opportunities in the South African region. PNR submitted an indicative offer to the BCL and TNMC liquidators in June 2020 to acquire the assets of the former producing BCL Mining Complex and separately the TNMC operations located in north-eastern Botswana. On February 10, 2021, PNR was selected as the preferred bidder and on March 22, 2021, PNR entered into a memorandum of understanding providing for a six-month exclusivity period to complete additional work and negotiate the asset purchase agreements (see news release dated March 24, 2021). On September 28, 2021 – North American Nickel Inc. announced that Premium Nickel Resources ("PNR") had executed a definitive asset purchase agreement with the Liquidator of BCL Limited ("BCL") to acquire the Selebi, and Selebi North (together "Selebi Assets") nickel copper cobalt ("Ni Cu Co") assets and related infrastructure formerly operated by BCL. PNR also announced that they are now targeting the closing of this transaction, and transfer of ownership of the assets, to be completed mid-January 2021. PNR is also negotiating a separate asset purchase agreement to finalize terms for any prioritized Tati Nickel Mining Corporation ("TNMC") assets that may be purchased. NAN provides technical and management support to PNR through a Services Agreement and a Consulting Agreement. The CEO, CFO and the Chairman of NAN's Board were appointed to be the CEO, CFO and the Chairman of PNR. NAN currently owns 10% of PNR upon a further investment of \$341,046 on August 26, 2021 and has a 5-year Warrant to purchase an additional 15% of PNR for USD \$10 million.

Financing Activities

During the nine months period ended September 30, 2021, the Company issued 6,725,019 common shares and received \$705,547 in proceeds from the exercise of 6,725,019 warrants.

On April 20, 2021, the Company closed the previously announced and oversubscribed non brokered private placement consisting of an aggregate of 8,290,665 units of the Company (the "Units") at a price of \$0.24 per Unit, for aggregate gross proceeds of \$1,989,760. Each Unit consists of one common share in the capital of the Company and one half transferable common share purchase warrant ("Warrant") of the Company. Each full Warrant entitles the holder to acquire one common share of the Company at any time prior to 5:00 p.m. (Toronto time) on the date that is twenty-four (24) months following its issuance date, at a price of \$0.35.

In connection with the private placement, the Company paid eligible finders (the "Finders"): (i) cash commission equal to 6% of the gross proceeds raised from subscribers introduced to the Company by such Finders, being an aggregate of \$57,190, and (ii) a number of common share purchase warrants (the "Finder Warrants") equal to 6% of the units attributable to the Finders under the private placement, being an aggregate of 238,289 Finder Warrants. Each Finder Warrant entitles the Finder to acquire one common share of the Company for a period of twenty-four (24) months following its issuance date, at an exercise price of \$0.35.

Corporate Activities

On February 26, 2021, the Company announced that it has appointed Mr. John Hick as an independent Director of the Board of the Company. Furthermore, the Company granted incentive stock options to certain directors, officers, employees and consultants of the Company to purchase up to 3,185,000 common shares in the capital of the Company pursuant to the Company's stock option plan. All of the options are exercisable for a period of five years at an exercise price of \$0.32 per share.

On October 25, 2021, the Company granted incentive stock options to NAN Chief Executive Officer, Keith Morrison, to purchase 4,993,972 common shares in the capital of the Company. All of the options are exercisable for a period of five years at an exercise price of \$0.40 per share.

On November 24, 2021, the Company held its Annual General and Special Meeting of shareholders of the Company. The shareholders ratified and approved the number of directors at six (6) and re-elected Charles Riopel, Douglas Ford, Christopher Messina, Keith Morrison, Zhen Janet Huang and John Hick as directors of the Company for the ensuing year. In addition, shareholders approved the incentive stock options granted to NAN Chief Executive Officer, Keith Morrison,

Maniitsoq Nickel-Copper-PGM Project, Southwest Greenland

The Greenland properties currently being explored for nickel-copper-cobalt-PGM sulphide by the Company have no mineral resources or reserves. The Maniitsoq project is centered 100 kilometres north of Nuuk, the capital of Greenland which is a safe, stable, mining-friendly jurisdiction. The centre of the project is located at 65 degrees 18 minutes north and 51 degrees

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43 minutes west and has an arctic climate. It is accessible year-round either by helicopter or by boat from Nuuk or Maniitsoq, the latter located on the coast approximately 15 kilometres to the west. The deep-water coastline adjacent to Maniitsoq is typical of Greenland's southwest coast which is free of pack ice with a year-round shipping season. The optimum shipping conditions are due to the warming Gulf Stream flowing continuously past the south west coastline of Greenland. There is no infrastructure on the property; however, the Seqi deep water port and a quantified watershed for hydropower are located peripherally to the project.

The Maniitsoq property is centred on the 75 kilometre by 15 kilometre Greenland Norite Belt which hosts numerous high-grade nickel-copper sulphide occurrences associated with mafic and ultramafic intrusions. Between 1959 and 2011, various companies carried out exploration over portions of the project area. The most extensive work was carried out by Kryolitselskabet Øresund A/S Company ("KØ") who explored the project area from 1959 to 1973. KØ discovered numerous surface and near surface nickel-copper sulphide occurrences and this work was instrumental in demonstrating the nickel prospectivity of the Greenland Norite Belt.

The Company acquired the Maniitsoq project because it has potential for the discovery of significant magmatic sulfide deposits in a camp-scale belt. The Company believed that modern, time-domain, helicopter-borne electromagnetic (EM) systems would be more effective at detecting nickel sulphide deposits in the rugged terrain of Maniitsoq than previous, older airborne fixed wing geophysical surveys available to previous explorers. In addition, modern, time domain surface and borehole EM systems could be used to target mineralization in the sub-surface.

The Maniitsoq property consists of three exploration licences, Sulussagut No. 2011/54 and Ininngui No. 2012/28 comprising 2,689 and 296 square kilometres, respectively and the Carbonatite property No. 2018/21 (63 km²).

During the FY 2020, the Greenland Mineral Licence & Safety Authority (MLSA) granted the Company two distinct one year period license extensions for all three exploration licences, and reduced exploration obligations to zero for both 2020 and 2021.

Sulussugut Licence (No. 2011/54) was granted by the Mineral Resources Authority, formerly Bureau of Minerals and Petroleum ("BMP") of Greenland on August 15, 2011 and valid for 5 years until December 31, 2015 providing the Company meets the terms of the licence, which includes that specified eligible exploration expenditures must be made. The application for the second 5-year term on the Sulussugut Licence was submitted to the MLSA which was effective on April 11, 2016. The granting of two one-year period extensions provides for the renewal period ending December 31, 2022.

Ininngui Licence (No. 2012/28) is contiguous with the Sulussugut Licence and was granted by the BMP of Greenland on March 4, 2012. The Ininngui Licence was valid for 5 years until June 30, 2017. The application for the second 5-year term on the Ininngui Licence was submitted to the MLSA which was effective March 14, 2017. The granting of two one-year period extensions provides for the renewal period ending December 31, 2023.

Carbonatite Licence (No. 2018/21) was granted by the BMP of Greenland on March 4, 2018 for exclusive exploration rights of an area located near Maniitsoq in West Greenland. The Company paid a licence fee of \$6,523 (DKK 31,000) upon granting of the Carbonatite Licence. The Carbonatite Licence is valid for 5 years. The granting of two one-year period extensions provides for the renewal period ending December 31, 2024.

Details of required work expenditures and accrued work credits for the above three licences are tabulated and given below in Table 1.

The Greenland MLSA, in two distinct initiatives, has adjusted the minimum required exploration commitment for the above three licences to DKK 0 for the years 2020 and 2021 and adjusted the licence expiry dates and the banked credits carry forward period by two years.

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

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

The three licences, 2011/54, 2012/28 and 2018/31 have sufficient accrued work credits to keep the property in good standing until December 2023.

Table 1: Exploration commitment and credits at the end of 2020 (All amounts in table are expressed in thousands of DKK)

		Sulussugut Licence 2011/54	Iningui Licence 2012/28	Carbonatite Licence 2018/21
Area		2689 km ²	296 km ²	63 km ²
Valid until		December 31, 2021	December 31, 2022	December 31, 2023
Annual licence fee	DKK	41	41	31
Total credit available				
Credit from previous years		283,080	30,282	10,497
Approved exploration expenditures (2020)		865	143	48
Exploration obligation (2020)		-	-	-
Total Credit	DKK	283,945	30,425	10,545
Carry Forward Period:				
From 2017 until December 31, 2021		201,752	19,534	-
From 2018 until December 31, 2022		79,604	10,465	9,563
From 2019 until December 31, 2023		1,724	283	934
From 2020 until December 31, 2024		865	143	48
Total	DKK	283,945	30,425	10,545
Average Annual Rate DKK to CAD		0.2070	0.2070	0.2070
Accumulated exploration credits in CAD (,000)		\$58,777	\$6,298	\$2,183

West Greenland Prospecting Licence – 2020/05

A new prospecting licence, No. 2020/05, for West Greenland was awarded by the Greenland government on March 18, 2020. The Prospecting Licence is in effect until December 31, 2024.

Exploration and Development Activities

In 2019, the Company had planned to return to Maniitsoq and other regional target areas to continue the systematic exploration program. Unfortunately, the Company was not successful in completing a treasury financing within the lead-time required for the logistical planning in Greenland. The initial 2019 work program for Maniitsoq project had been postponed to the 2020 summer season after a successful financing capable of supporting an integrated exploration program. However, the 2020 and 2021 summer program were further delayed due to the COVID-19 travel restrictions.

In June 2021, fuel and equipment stored on site at the Puiattoq camp site was removed. The wooden tent platforms remain on site for use in future exploration programs.

Hydropower assessment of watershed 06.H was continued with the emplacement of devices to measure the seasonal variability of water levels in Lake Taserssuatsiaq and to provide a framework for further surveys over the next 3-5 years. A new

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hydropower prospecting licence was submitted to the Greenland Government replacing the original licence that expired in July of 2021.

Outlook - Exploration and Development for 2021-2023

Management is recommending a three-year exploration plan for Maniitsoq with the objective of maximizing the potential value of the asset while extending the period that the Company maintains control of the project. The impact of Covid-19 will prevent the planning and execution of field work in Greenland. The Greenland Government eliminated the expenditure requirements for both 2020 and 2021. Management will assess the situation with the expectation of implementing the three-year plan starting in 2021.

2021 – Apply the Company's cumulative knowledge to Maniitsoq and other areas of Western Greenland and identify the geoscience data gaps to effective targeting.

– Continue the assessment of hydropower development within watershed 06.H.

2022 - Acquire the additional required geoscience data and additional properties of merit; conduct test drilling if any priority targets are identified and drill ready.

2023 – Execute a major drill campaign of prioritized targets.

This three-year plan will allow for the generation of priority drill targets while drawing down on the three years of exploration credits (Table 1). The drilling expenditure in 2022 would extend the Company's 100% ownership of the Maniitsoq project until 2025.

CSR, Environment and Infrastructure

Hydropower Development – A watershed prospecting licence for the assessment and development of hydropower resources at Maniitsoq was awarded by the Ministry of Industry, Labour, Trade and Energy of the Greenland Government in March 2017. The two-year licence provides for the exclusive right to assess and develop potential hydropower resources. The licence was renewed for a three-year period expiring in July of 2021. An application for a new watershed prospecting permit has been prepared and submitted to the Greenland Government. The licence has been accepted as complete by the Government and subsequent to a 6-8 week review process a decision on awarding the licence will be made. A review of liabilities accompanying the new hydropower licence were assessed by NUNA Law (Nuuk) in conversation with NAN and the Greenland Government. EFLA Consulting Engineers completed a feasibility analysis of hydropower development within watershed 0.6H in January 2018. The analysis of hydropower within watershed 0.6H identifies two subordinate watersheds 7038-001 F03 and 7038-001 F04 with the capacity to supply a 12 MW base load and an 18 MW maximum load and generate 96 GWh per annum for the Maniitsoq Project. The two watersheds included in this assessment have the capacity to supply the required hydroelectricity at an installed cost of \$5.621 USD/kW and \$5.049 USD/kW respectively at a CAPEX of between \$101.2 and \$90.9 million USD respectively. Operating expenses are 1-2% of CAPEX. Both watersheds encapsulate or are close to priority nickel sulphide mineralized zones and the Seqi Port.

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

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

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

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Canada Nickel Projects - Sudbury, Ontario

Post Creek Property

The Company entered into an option agreement in April 2010, subsequently amended in March 2013, to acquire rights to Post Creek Property located within the Sudbury Mining District of Ontario. On August 1, 2015, the Company has completed the required consideration and acquired 100% interest in the property. The Company is obligated to pay advances on the NSR of \$10,000 per annum, which will be deducted from any payments to be made under the NSR.

The property is located 35 kilometres east of Sudbury in Norman, Parkin, Alymer and Rathburn townships and consists of 73 unpatented mining claim cells in two separate blocks, covering a total area of 912 hectares held by the Company. The center of the property occurs at UTM coordinates 513000mE, 5184500mN (WGS84, UTM Zone 17N). The Post Creek property lies adjacent to the Whistle Offset Dyke Structure which hosts the past-producing Whistle Offset and Podolsky Cu-Ni-PGM mines. Post Creek lies along an interpreted northeast extension of the corridor containing the Whistle Offset Dyke (figure 4). Offset Dykes and Footwall deposits account for a significant portion of all ore mined in the Sudbury nickel district and, as such, represent favourable exploration targets. Key lithologies are Quartz Diorite and metabreccia related to Offset Dykes and Sudbury Breccia associated with Footwall rocks of the Sudbury Igneous Complex which both represent potential controls on mineralization.

Outlook – Exploration and Development for the next twelve months

Parts of the Post Creek Property have received limited historic exploration. Compilation work has identified targets comprised of radial and concentric offset dykes of the Sudbury Igneous Complex which are known to be associated with high grade Cu-Au-PGE sulfide mineralization.

12-month Exploration Plan: Prospect and search for mineralization and/or quartz diorite on parts of the Post Creek Properties that remain overlooked by previous exploration. Complete geophysical surveys over prospective target areas, and conduct test drilling if any priority targets are identified and drill ready.

This plan will allow for the generation of priority drill targets while drawing down on the available exploration credits. The work expenditure would extend the Company's 100% ownership of the Post Creek Project beyond 2025.

Exploration History

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

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

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

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

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

In 2017, the Company initiated support for a two-year MITAC project whereby an M.Sc. student carried out field and laboratory study aimed at understanding the mineral resource potential of the Post Creek Property. The field mapping gram expanded the area of Sudbury Breccia.

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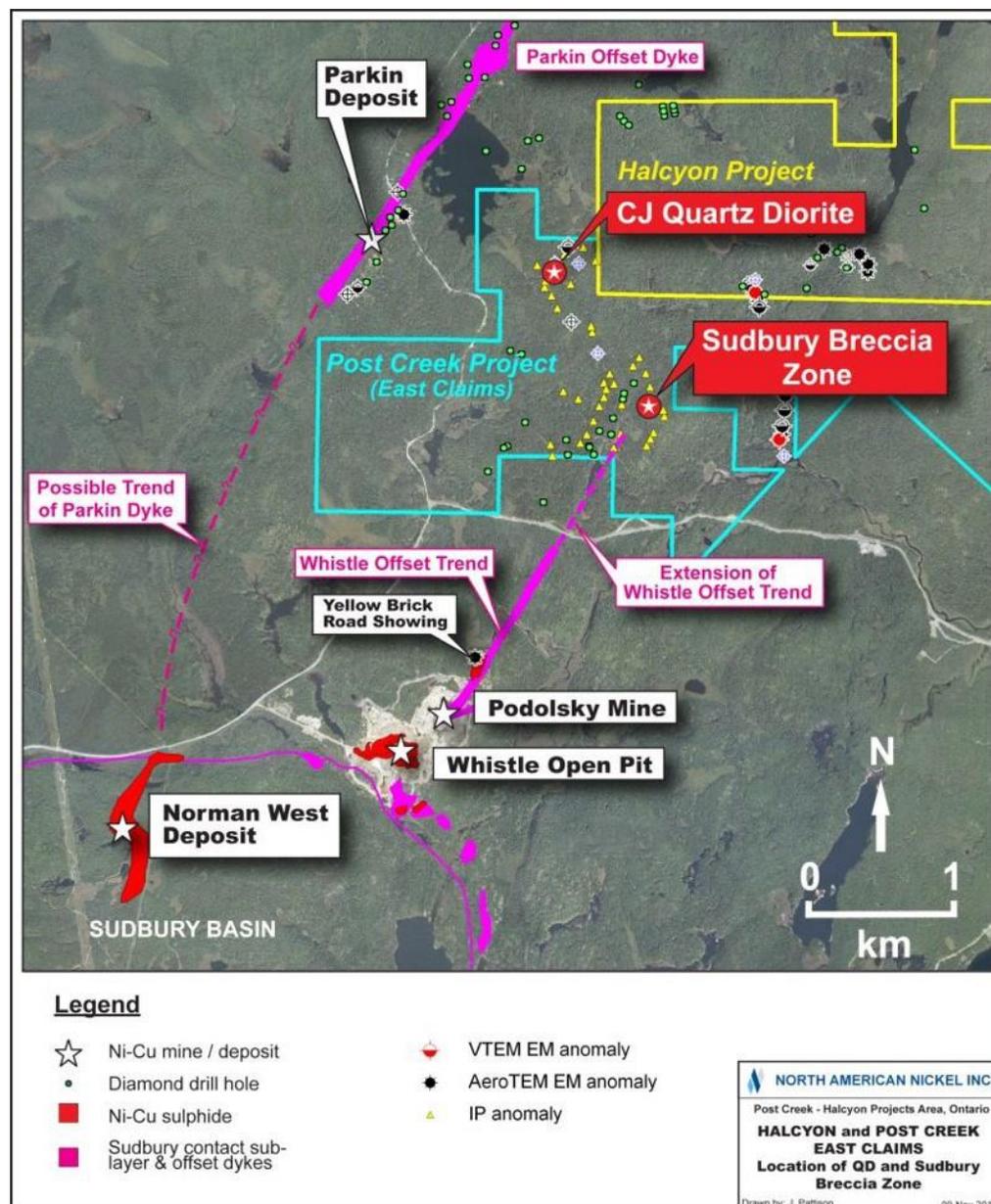
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A two-hole drill program was completed in 2018 and reported in 2019 with the objectives of assessing magnetic and electromagnetic anomalies within a corridor of breccias and quartz diorite extending radially away from the Whistle Offset and to provide a platform for downhole geophysics. Both drill holes encountered a thick sequence of mafic volcanic rocks; quartz diorite, partially melted country rocks or footwall-style mineralization were not encountered. DDH PC-18-21 did intersect a thick interval of volcanogenic massive sulphide-type sphalerite mineralization including 7.50 m @ 3.55% zinc and 0.82 ppm silver. Multiple BHEM anomalies were detected both north and south of the zinc mineralization and are potential drill targets for volcanogenic massive sulfide mineralization.

In 2020, prospecting work to the immediate north and west of the drilling completed on the CJ Offset identified quartz diorite boulders and an outcrop of grey gabbro with 0.17% Ni, 0.55% Cu, and 0.26g/t Au+Pt+Pd. Sampling completed on Cu-Au mineralization within the area of Sudbury breccia returned up to 1.975% Cu and 0.873 ppm Au in two different samples, but no significant Ni, Pt, or Pd.

Figure 4. Location of the Post Creek Project and the Sudbury Breccia Zone.



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Corporate Social Responsibility

The Company has established a good working relationship with the Wahnapiet First Nation ("WFN") at Capreol (Ontario) commencing with community presentations and followed up with ongoing contact with the Resource and Environmental officer. North American Nickel financially supported the 2019 Pow-Wow celebration held at Capreol. Exploration work on the property typically includes assistance of casual labour hired from the WFN community.

Halcyon Property

As at the date of this MD&A, the Company holds 100% interest in Halcyon Property and is obligated to pay advances on the NSR of \$8,000 per annum, which will be deducted from any payments to be made under the NSR.

The property is located 35 km northeast of Sudbury in the Parkin and Aylmer townships, and consists of 63 unpatented mining cells for a total of 864 hectares. It is readily accessible by paved and all-weather gravel road. Halcyon is adjacent to the Post Creek property and is approximately 2 km north of the producing Podolsky Mine of FNX Mining. Previous operators on the property defined numerous conductive zones based on induced polarization (I.P.) surveys with coincident anomalous Mobile Metal Ions soil geochemistry. Base and precious metal mineralization have been found in multiple locations on the property but follow-up work was never done. The former producing Jon Smith Mine (nickel-copper-cobalt-platinum) is situated 1 km North of the property.

Outlook – Exploration and Development for the next twelve months

The objective of further compilation work on the Halcyon Project was to provide a basis for prospecting and sampling of parts of the property that have received incomplete historic exploration. The targets comprised radial and concentric offset dykes of the Sudbury Igneous Complex which are known to be associated with high grade Cu-Au-PGE sulfide mineralization.

The Halcyon portion of the property has 2 priority areas flagged for follow-up in 2021, viz: 1. Possible Sudbury type quartz diorite in historic drill core associated with IP chargeability and B horizon soil Cu-Ni anomalies; 2. Two areas with minimal historic work that rest on the corridor projection of the Milnet Fault Offset of the Parkin QD with no EM or IP coverage. In these target areas, NAN will be prospecting for mineralization and/or radial/concentric offsets dykes located along stratigraphic horizons similar to those controlling the inflexion in the Parkin Offset at the historic Milnet Deposit.

12-month Exploration Plan: Prospect and search for mineralization and/or quartz diorite on parts of the Halcyon Property that remain overlooked by previous exploration. Complete geophysical surveys over prospective target areas, and conduct test drilling if any priority targets are identified and drill ready.

This plan will allow for the generation of priority drill targets. The work expenditure in 2021 would extend the Company's 100% ownership of the Halcyon Project through 2025 and beyond.

Exploration History

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

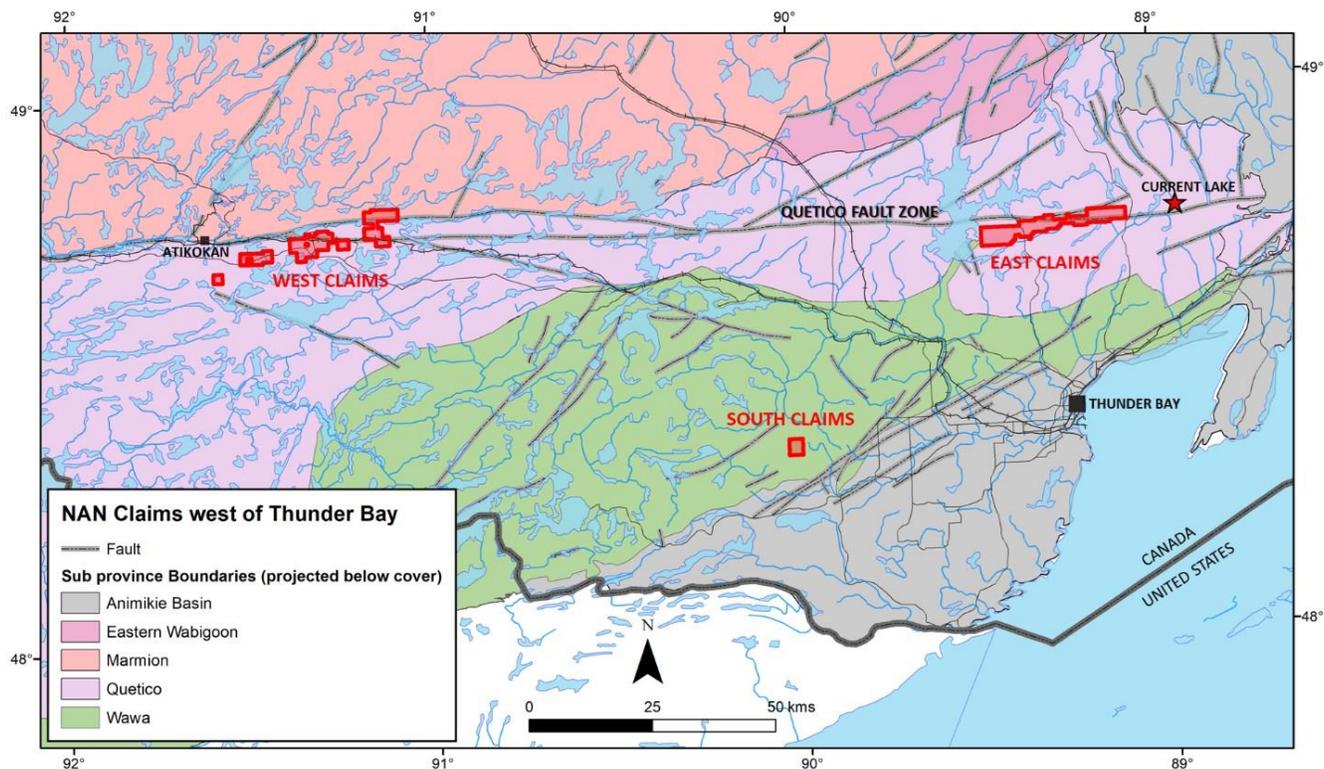
Work in 2019 and 2020 consisted of compilation and target generation.

Quetico Property

During the year ended December 31, 2018, the Company acquired 809 claims within the Thunder Bay Mining District of Ontario (Figure 5). Cells were acquired to assess (i) the Quetico Sub-province corridor, which hosts intrusions with Ni-Cu-Co-PGM mineralization related to a late 2690 Ma Archean magmatic event, and (ii) the Neoproterozoic (1100 Ma MCR) magmatic event and related intrusions. Three clusters of claims cells, labeled Quetico South, East and West cover magnetic features interpreted

to represent small differentiated intrusions. The review of government geological and geophysical data, and historic assessment file data was completed in 2019 and recommendations for additional exploration work were prepared. An application was lodged with the Mining Lands Administration of the Ontario Government in April 2020 to extend the tenure of the claim blocks due to impact from COVID-19 on implementation of exploration work. A one-year exclusion was granted on September 1, 2020.

Figure 5: Quetico Property Location Map

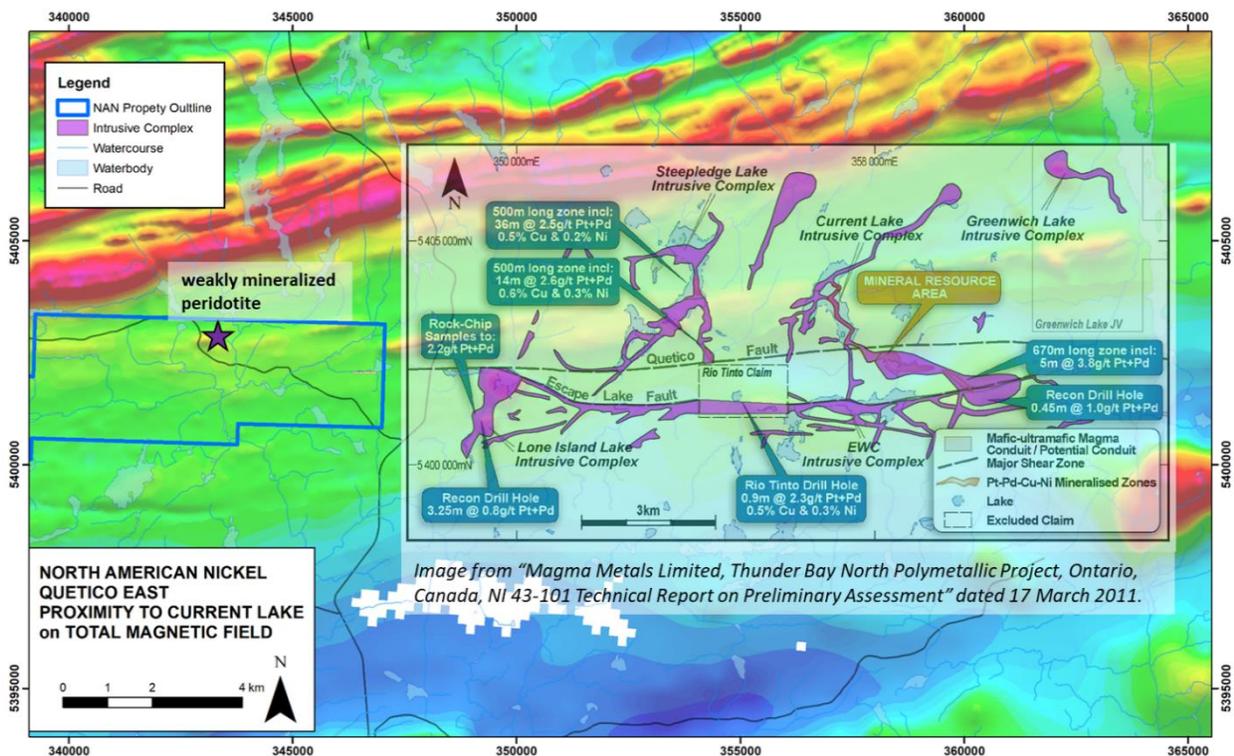


A short program of prospecting and outcrop sampling was completed in June 2020 to search for mineralization related to early mid-continent rift peridotite intrusions and Archean pyroxenites. Targets comprising, magnetic responses, prospective geology and geochemical anomalies, were examined on all three clusters of claim cells.

Exploration was focussed on the East block where previous work identified mafic rocks with geochemical signatures similar to those that host the Current Lake deposit, located 10 km to the east (Figure 6). The Current Lake and Escape Lake deposits a total indicated resource of 16.285 million tonnes at 3.5 g/t PdEq and an inferred resource of 9.852 million tonnes at 2.1 g/t PdEq (2021 update to NI 43-101 Technical Report, Clean Air Metals Inc.).

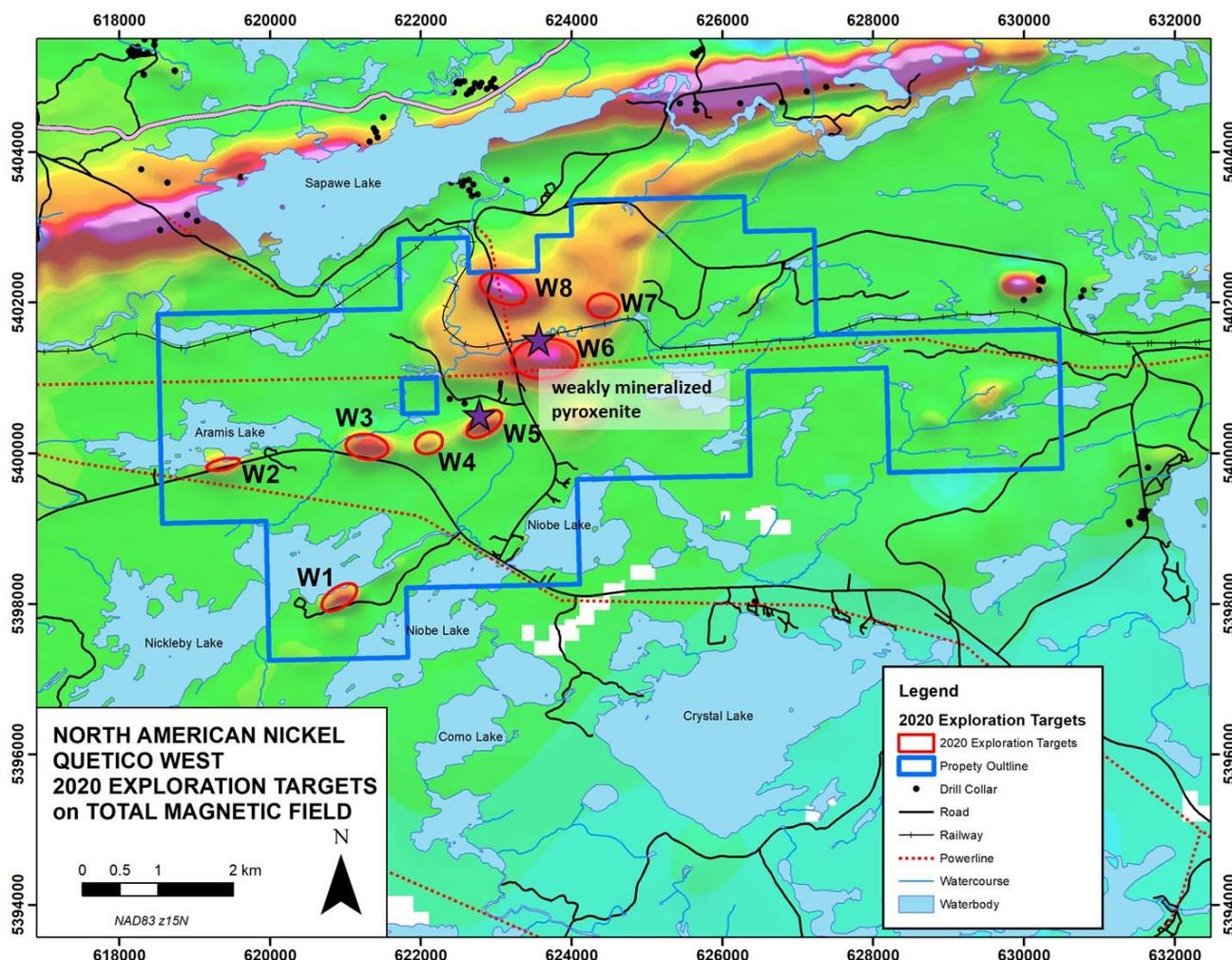
Sampling in the East block adjacent to Clean Air Metals' Current Lake Property identified outcropping peridotite and gabbroic rocks with trace sulphide. The geochemical signature of the peridotite is similar to the differentiated Disraeli, Hele and Seagull intrusions based on a comparison with historic assessment report and government data. There is no known electromagnetic (EM) survey coverage in the area and accordingly the next phase of exploration will include airborne or surface EM survey work. These surveys will be designed to detect conductive responses of potential nickel sulphide mineralization associated with the ultramafic intrusions.

Figure 6: Quetico East Block Proximity to Current Lake Deposit



On the West block, a total of eight magnetic anomalies were investigated. Six anomalies remain unexplained and weakly mineralized magnetic pyroxenite was identified at two locations (Figure 7). A weakly mineralized pyroxenite sample associated with a strong magnetic anomaly has an elevated Au+Pt+Pd content. The configuration of the magnetic anomaly suggests the potential for a 3 km² ultramafic intrusion and a related feeder-dyke to the west. These intrusions may be separated from a larger intrusion to the east by a keel structure which is a classic target for magmatic sulphide exploration. Future exploration will focus on this intrusion and others that were not prospected in 2020.

Figure 7: Quetico West Block Location of 2020 Exploration Targets



On the South block, a strong magnetic target was explained by massive magnetite.

Outlook – Exploration and Development for the next twelve months

Revisit plans to complete either a ground electromagnetic survey or an airborne VTEM survey designed to identify coincident EM responses in association with the magnetic response expected from differentiated mafic-ultramafic intrusions in the Quetico structural zone. Complete geophysical surveys over prospective target areas, and drilling if any priority targets are identified. The geophysical program would be carried out in early 2022 to generate targets for a summer exploration program.

The work commitment to hold all 809 claim cells is \$323,600, with claims due in April and May of 2021. Applications were lodged with the Ontario Ministry of Energy, Northern Development and Mine (ENDM) on March 29, 2021 and April 21, 2021 to extend the tenure of the claim blocks due to impact from COVID-19 on the implementation of exploration work. The one-year exclusions were granted on May 14 and May 20, 2021.

Lingman Lake Property

The Company digitally staked 188 claim cells known as Lingman Lake on April 15, 2019. The property occurs about 65 km South East of Red Sucker Lake First Nation and about 35 km southwest of Sachigo Lake First Nation, approximately 650 km northwest of Thunder Bay. The Lingman Nickel Project, covers a portion of the Archean age Lingman Lake Greenstone Belt that includes

MANAGEMENT'S DISCUSSION AND ANALYSIS

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tholeiitic-komatiitic rocks and sulphide facies iron formation. Historic field work has identified ultramafic rocks with elevated nickel and copper in grab samples and untested VTEM anomalies.

Work commitments of \$75,200 are due prior to April 15, 2021. An application was lodged with the Ontario Ministry of Energy, Northern Development and Mine (ENDM) on March 17, 2021 to extend the tenure of the claim blocks due to impact from COVID-19 on the implementation of exploration work. The one-year exclusion was granted on May 6, 2021.

Project Pipeline

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

In the context of rising nickel prices and positive developments in the electric vehicle market, the Company will look to enhance shareholder value by aggressively expanding its nickel sulphide project pipeline. The Company's staff are proceeding with compilation work on prospective geological environments related to North American Archean craton margins where structural space controls the development of mafic-ultramafic intrusions. The objective of this work is to identify underexplored or unexplored open system intrusions where large zones of high-grade sulphide mineralization are controlled within the footprints of very small intrusions. For the past year, the Company has been evaluating opportunities in Africa, including a direct investment in Premium Nickel Resources (PNR), a private Canadian company who has recently signed a binding purchase agreement to acquire the prioritized assets, currently in liquidation, formerly operated by BCL in Botswana. In addition, priority property acquisitions in Morocco have been identified and the application process to acquire these properties has commenced.

Financial Capability

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

At the end of Q3 2021, the Company had a working capital of \$1,075,899 (Q3 2020 - \$352,370) and reported accumulated deficit of \$54,982,435 (Q3 2020 - \$53,943,024). The Company will require additional funds to continue its planned operations and meet its obligations.

As at September 30, 2021, the Company had \$1,322,060 in available cash (December 31, 2020— \$308,151). There are no sources of operating cash flows. Given the Company's current financial position and the ongoing exploration and evaluation expenditures, the Company will need to raise additional capital through the issuance of equity or other available financing alternatives to continue funding its operating, exploration and evaluation activities, and eventual development of the mineral properties. Although the Company has been successful in its past fund-raising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future.

During YTD 2021 year, the Company received additional cash inflow of \$705,547 from exercised warrants. On April 20, 2021, the Company closed a private placement consisting of an aggregate of 8,290,665 units of the Company ("Units") at a price of \$0.24 per Unit, for aggregate gross proceeds of \$1,989,760.

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*For the Three and Nine Months Ended September 30,
 2021*



Selected Financial Information

The amounts are derived from the condensed interim consolidated financial statements prepared under IFRS.

<i>In thousands of CDN dollars, except per share amounts</i>	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net loss	236	409	1,782	2,415
Basic and diluted loss per share	0.00	0.00	0.01	0.03
Share capital	91,880	90,221	91,880	90,221
Common shares issued	124,849,332	109,833,648	124,849,332	109,833,648
Weighted average shares outstanding	124,571,071	98,614,107	124,490,358	92,022,707
Total assets	41,298	39,893	41,298	39,893
Investment in exploration and evaluation assets	40	40	124	603

Results of Operations

Net loss of \$236,181 in Q3 2021 was lower by \$172,603 compared to a loss of \$408,784 in Q3 2020. The higher loss in Q3 2020 was mainly driven by higher salaries and benefits and share-based payments costs during Q3 2020.

Total Assets

Total assets during Q3 2021 increased by a net of \$1,653,532 from the end of FY 2020. The change is mainly attributed to increase in cash of \$1,013,909, further net investment in PNR of \$379,556, a net increase to exploration and evaluation assets of \$57,838, an increase in receivables and other current assets of \$262,650, offset by a decrease in advance of \$50,000, and decrease in equipment of \$10,421.

Investment in Exploration and Evaluation Assets

Investment in exploration and evaluation assets relates to the Greenland property and properties in Ontario. During YTD 2021, the Company incurred a total of \$152,444 in exploration costs and recorded a reduction to accrued liabilities of \$94,606 resulting in net increase of \$57,838 to exploration and evaluation assets. During Q3 2021, the Company incurred a total of \$50,834 (Q3 2020 - \$88,660) in additions to exploration and evaluation assets, of which \$35,296 related to Greenland (Q3 2020 - \$42,883) and \$15,538 to other properties located in Canada (Q3 2020 - \$45,777).

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Quarterly Results of Operations

All amounts in table are expressed in thousands of CDN dollars, except per share amounts

	2021 3rd quarter	2021 2nd quarter	2021 1st quarter	2020 4th quarter
Statement of Loss				
Net loss/(gain)	236	421	1,125	326
Net loss per share - basic and diluted	0.00	0.00	0.01	0.00

Statement of Financial Position

Cash, cash equivalents and short-term investments	1,322	1,936	716	308
Total assets	41,298	41,486	40,185	39,644
Net assets	40,676	40,876	39,391	39,015
Share capital	91,880	91,827	90,534	89,627
Common shares issued	124,849,332	124,449,332	116,111,867	109,833,648
Weighted average shares outstanding	124,571,071	119,726,930	113,245,018	109,833,648

All amounts in table are expressed in thousands of CDN dollars, except per share amounts

	2020 3rd quarter	2020 2nd quarter	2020 1st quarter	2019 4th quarter
Statement of Loss				
Net loss	409	808	1,198	27,007
Net loss per share - basic and diluted	0.00	0.01	0.01	0.34

Statement of Financial Position

Cash, cash equivalents and short-term investments	837	86	197	1,098
Total assets	39,893	39,150	39,753	40,039
Net assets	38,344	38,309	39,117	39,431
Share capital	89,630	89,006	89,006	89,006
Common shares issued	109,833,648	88,690,791	88,690,791	88,690,791
Weighted average shares outstanding	98,614,107	88,690,791	88,690,791	80,220,829

Three Months Ended September 30, 2021, and September 30, 2020

A net loss of \$236,181 in Q3 2021 compared to a net loss of \$408,784 in Q3 2020 resulted in a decreased loss of \$172,603 quarter-over-quarter and was due to the following events:

- General and administrative costs of \$200,709 in Q3 2021 were lower by \$114,336 compared to \$315,045 expenses in Q3 2020. Higher general and administrative expenses in Q3 2020 mainly related to higher management fees, professional fees, salaries and benefits and general office expenses.
- Share-based payments costs were \$Nil in Q3 2021 compared to \$85,144 costs in Q3 2020.
- Amortization expense was \$1,764 in Q3 2020 and was higher by \$871 compared to \$893 in Q3 2021.
- Interest income was minimal, \$4 in Q3 2021 compared to a \$2 amount in Q3 2020.

The lower loss in Q3 2021 was offset by the following higher expenditures in Q3 2021 compared to Q3 2020:

MANAGEMENT'S DISCUSSION AND ANALYSIS

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- Unrealized loss in the valuation of investment in PNR of \$25,327 in Q3 2021 compared to \$Nil amount in Q3 2020.
- Foreign exchange loss totaled \$2,421 in Q3 2021 and was higher by \$1,768 compared to a foreign exchange loss of \$653 in Q3 2020.
- Property investigation costs were \$6,835 in Q3 2021 and were higher by \$655 compared to \$6,180 in Q3 2020.

Nine Months Ended September 30, 2021, and September 30, 2020

The Company incurred a net loss of \$1,781,970 during YTD 2021 compared to a net loss of \$2,415,044 during YTD 2020 resulting in a decreased loss of \$633,074 (period-over-period) and was due to the following events:

- Exploration and evaluation were written off by \$436,897 during YTD 2020 compared to \$nil amount during YTD 2021.
- Share-based payments of \$837,444 during YTD 2021 were lower by \$131,947 compared to \$969,391 amount during YTD 2020.
- General and administrative costs of \$856,602 during YTD 2021 were lower by \$122,960 compared to \$979,562 expenses during YTD 2020. Higher general and administrative expenses during YTD 2020 mainly related to higher professional fees, management fees and higher salaries and benefits.
- Property investigation costs were \$11,030 during YTD 2021 and were lower by \$12,213 compared to \$23,243 costs during YTD 2020.

The lower loss during YTD 2021 was offset by the following higher expenditures during YTD 2021 compared to YTD 2020:

- Unrealized loss in the valuation of investment in PNR of \$61,890 during YTD 2021 compared to \$Nil amount during YTD 2020.
- Foreign exchange loss totaled \$5,590 during YTD 2021 and was higher by \$5,437 compared to a foreign exchange loss of \$153 during YTD 2020.
- Amortization expense was \$10,422 during YTD 2021 and was higher by \$4,582 compared to \$5,840 during YTD 2020.
- Interest income was minimal, \$9 during YTD 2021 compared to slightly higher amount of \$43 during YTD 2020.

Liquidity, Capital Resources and Going Concern

Liquidity

The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt and the securing of joint venture partners where appropriate.

The Company's principal requirements for cash over the next twelve months will be to fund the ongoing exploration costs at its mineral properties, general corporate and administrative costs and to service the Company's current trade and other payables.

On April 20, 2021, the Company completed a non-brokered private placement consisting of an aggregate of 8,290,665 units of the Company ("Units") at a price of \$0.24 per Unit, for aggregate gross proceeds of \$1,989,760. This financing improved the liquidity and increased the capital resources of the Company. The net proceeds from the sale of the units have been used for continued investment in PNR, advancing exploration activity in Morocco and Greenland and for general corporate and working capital purposes.

Further, during YTD 2021 and as of the date of this report, the Company has received \$1,137,132 in cash inflow from exercised warrants and options which will improve the liquidity and increase the capital of the Company.

As at September 30, 2021, the Company had \$1,322,060 in available cash.

Working Capital

As at September 30, 2021, The Company had a working capital of \$1,075,899 (September 30, 2020 – \$352,370), calculated as total current assets less total current liabilities. The increase in working capital is mainly due to an increase in cash and receivable.

Going Concern

As at September 30, 2021, the Company had accumulated losses totaling \$54,982,435. The continuation of the Company is dependent upon the continued financial support of shareholders, its ability to raise capital through the issuance of its securities, and/or obtaining long-term financing.

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and exploration of mineral properties.

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

Contractual Obligations and Contingencies

Post Creek

Commencing August 1, 2015, the Company is obligated to pay advances on the NSR of \$10,000 per annum. During YTD 2021, the Company paid \$10,000 which will be deducted from any payments to be made under the NSR.

Halcyon

Commencing August 1, 2015, the Company is obligated to pay advances on the NSR of \$8,000 per annum. During YTD 2021, the Company paid \$8,000 which will be deducted from any payments to be made under the NSR.

Flow-through shares

Flow-through common shares require the Company to spend 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, 2019, the Company received \$400,440 from the issue of flow-through shares and has incurred \$1,238 of eligible expenditures during the year ended December 31, 2019. During FY 2020, the Company incurred \$439,999 of eligible expenditures.

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 deferred income. As at December 31, 2020, the Company has renounced and expended \$400,440 of the proceeds from flow-through shares.

The Company had no contingent liabilities as at September 30, 2021.

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Related Party Transactions

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

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

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Geological consulting fees – expensed	-	5
Management fees – expensed	539	360
Salaries - expensed	-	128
Share-based payments	621	671
Total	<u>1,160</u>	<u>1,164</u>

During YTD 2021, the Company entered into the following transactions with key management personnel and/or related entities:

<u>Related party</u>	<u>Nature of transaction</u>
Premium Nickel Resources ("PNR")	Investment in PNR
PNR	Management and Technical Service Agreement was entered on January 1, 2020 whereby the Company provide certain technical, corporate, administrative and clerical, office and other services to PNR.
Bennett Jones LLP ("BJ")	A legal firm in which the Company's former chairman was a consultant
Lacnikdon Limited ("Morrison") (Keith Morrison)	Consulting fees for the services of CEO. Agreement effective Jun 1, 2018.
Sarah-Wenjia Zhu ("Zhu") Consultation WJZHU Inc.	CFO, employment contract terminated on September 31, 2020 and replaced by a consulting agreement.
Mark Fedikow ("Fedikow")	President, employment contract terminated on July 31, 2020 and replaced by a consulting agreement.
Charles Riopel ("Riopel")	Director
Doug Ford ("Ford")	Director
Christopher Messina ("Messina")	Director
Janet Huang ("Huang")	Director
Gilbert Clark ("Clark")	Director, resigned on January 7, 2021
John Hick (Hick")	Director

- (a) Initial investment of \$24,000 in PNR in 2019 and subsequently further investment of \$154,164 during 2020 and \$441,446 during YTD 2021. To September 30, 2021, the Company's total investment constitutes a 10% holding (September 30, 2020 – 10.96%) in PNR.
- (b) Charged PNR \$1,649,507 (YTD 2020 - \$537,742) for services including charged \$29,325 in administrative fees (YTD 2020 - \$9,012), received \$1,416,485 (YTD 2020 – \$498,710) and recorded \$287,312 in due from PNR (YTD 2020 - \$Nil). Subsequent to September 30, 2021, the Company received the \$287,312 in full from PNR.
- (c) Legal fee of \$36,957 (TYD 2020: \$155,810) charged by BJ.

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- (d) Paid \$152,170 (YTD 2020: \$134,163) to Morrison for management services provided. In addition, granted 600,000 options with a fair value of \$157,740 (YTD 2020: 600,000 with a fair value of \$79,782) as disclosed in key management personnel compensation within fees and share-based payment.
- (e) Paid \$162,000 (YTD 2020: \$128,250) to Zhu for management services provided. In addition, granted 300,000 options with a fair value of \$78,870 (YTD 2020: 600,000 with a fair value of \$79,782) as disclosed in key management personnel compensation within fees and share-based payment.
- (f) Paid \$49,500 (YTD 2020: \$156,333) to Fedikow for management services provided. In addition, granted 50,000 options in 2020 with a fair value of \$6,648 as disclosed in key management personnel compensation within fees and share-based payment.
- (g) Paid \$22,500 (YTD 2020: \$20,250) to Riopel for management services provided. In addition, granted 300,000 options with a fair value of \$78,870 (YTD 2020: 800,000 with a fair value of \$106,376) as disclosed in key management personnel compensation within fees and share-based payment.
- (h) Paid \$52,500 (YTD 2020: \$20,250) to Ford for management services provided. In addition, granted 350,000 options with a fair value of \$92,015 (YTD 2020: 600,000 with a fair value of \$79,782) as disclosed in key management personnel compensation within fees and share-based payment.
- (i) Paid \$52,500 (YTD 2020: \$20,250) to Messina for management services provided. In addition, granted 350,000 options with a fair value of \$92,015 (YTD 2020: 600,000 with a fair value of \$79,782) as disclosed in key management personnel compensation within fees and share-based payment.
- (j) Granted 160,000 options with a fair value of \$42,064 (YTD 2020: 600,000 with a fair value of \$79,782) to Huang as disclosed in key management personnel compensation within fees and share-based payment.
- (k) Paid \$47,500 (YTD 2020: \$Nil) to Hick for management services provided. In addition, granted 300,000 options (YTD 2020: nil) with a fair value of \$78,870 as disclosed in key management personnel compensation within fees and share-based payment.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at September 30, 2021.

Financial Instruments

<i>All amounts in table are expressed in thousands of CDN dollars</i>	Fair Value at September 30, 2021	Basis of Measurement	Associated Risks
Cash	1,322	FVTPL	Credit
Other receivables	89	Amortized cost	Credit
Trade payables	555	Amortized cost	Liquidity

Future Accounting Standards and Amendments

Certain 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.

IAS 16 - "Property, Plant and Equipment"

The IASB issued an amendment to IAS 16, Property, Plant and Equipment to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds

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and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The amendment is not currently applicable.

IAS 1 – “Presentation of Financial Statements”

The IASB issued an amendment to IAS 1, Presentation of Financial Statements to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment includes: (i) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (ii) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (iii) clarifying how lending conditions affect classification; and (iv) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. An assessment will be performed prior to the effective date of January 1, 2023 to determine the impact to the Company's financial statements.

Risk and Uncertainties

The business of the Company entails significant risks that may have a material and adverse impact on the future operations and financial performance of the Company and the value of the common shares of the Company. These risks that are widespread risks associated with any form of business and specific risks associated with involvement in the exploration and mining industry. Hence, investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks.

The following is a general description of all material risks and uncertainties:

- The Company has negative operating cash flows and might not be able to continue as a going concern;
- The Company will require additional funding in the future and no assurances can be given that such funding will be available on the terms acceptable to the Company or at all;
- The speculative nature of resource exploration and development projects;
- The uncertainty of mineral resource estimates and the Company's lack of mineral reserves;
- The Company's ability to successfully establish mining operations and profitable production;
- Operations of the Company are carried out in geographical areas that are subject to various other risk factors;
- The economic uncertainty of operating in a developing country, such as the availability of local labour, local and outside contractors and equipment when required to carry out the Company's exploration and development activities;
- Other foreign operations risks; potential changes in applicable laws and government or investment policies;
- The Company is not insured against all possible risks;
- Environmental risks and hazards;
- The title of the Company's mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers and other defects, and the risk of obtaining a mining permit and the successful renewal of currently pending renewal applications;
- The commodity prices may affect the Company's value, changes in and volatility of commodity prices and its hedging policies;
- Increased competition in the mineral resource sector;
- The Company may have difficulty recruiting and retaining key personnel;
- Currency fluctuations risk;
- Repatriation of earnings, no assurances that Greenland or any other foreign country that the Company may operate in the future will not impose restrictions on repatriation of earnings to foreign entities;
- No production revenues;
- Stock exchange prices' volatilities;

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- Potential Conflicts of interest;
- Ability to exercise statutory rights and remedies under Canadian securities law;
- Enforceability of foreign judgements;
- Unforeseen litigation;
- The Company's future sales or issuance of common shares;
- Risk of suspension of public listing due to failure to comply with local securities regulations;
- The Company's auditors have indicated that U.S. reporting standards would require them to raise a concern about the company's ability to continue as a going concern;
- Risk of fines and penalties; and
- Risk of improper use of funds in local entity.
- Potential impact of COVID-19 on exploration program and activities.

Share Capital Information

As of the date of this MD&A the following number of common shares of the Company and other securities of the Company exercisable for common shares of the Company are outstanding:

Securities	Common shares
Common shares	129,520,788
Preferred shares	65,659
Stock options	15,404,597
Warrants	18,888,886
Fully diluted share capital	163,879,930

Events subsequent to the Quarter Ended September 30, 2021

- (a) On November 24, 2021, the Company held its Annual General and Special Meeting of shareholders of the Company. The shareholders ratified and approved the number of directors at six (6) and re-elected Charles Riopel, Douglas Ford, Christopher Messina, Keith Morrison, Zhen Janet Huang and John Hick as directors of the Company for the ensuing year. In addition, shareholders approved the incentive stock options granted to NAN Chief Executive Officer, Keith Morrison, to purchase 4,993,972 common shares in the capital of the Company. All of the options are exercisable for a period of five years at an exercise price of \$0.40 per share.
- (b) The Company has issued 1,025,921 common shares pursuant to the exercise of warrants at \$0.25 per share.
- (c) The Company has issued 3,495,535 common shares pursuant to the exercise of warrants at \$0.09 per share.
- (d) The Company has issued 150,000 common shares pursuant to the exercise of stock options at \$0.16 per share.

Disclosure Controls and Procedures

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

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- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting policies.

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

Caution Regarding Forward Looking Statements

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

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

Additional Information

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2021



Qualified Person and Technical Information

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

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