

Edgar Filing: North American Nickel Inc. - Form 20-F

North American Nickel Inc.
Form 20-F
April 20, 2011

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, 2010

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. (formerly Widescope Resources 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:

35,231,730 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

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

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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 selected financial data has been extracted from the consolidated financial statements for the last five years prepared pursuant to Canadian generally accepted accounting principles ("GAAP"). Where material differences exist between Canadian and US GAAP, corresponding comparison data has been provided in US GAAP for clarity.

North American Nickel Inc. (formerly Widescope Resources 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.

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(Expressed in Canadian Dollars)

		2010	2009	2008	20
		Years Ended December 31,			
		-----	-----	-----	-----
Net operating revenues	\$	0	0	0	
Loss from continued operations	\$	0	(35,773)	(59,776)	(5)
Income from discontinued operations	\$	N/a	N/a	N/a	
Net loss	\$	(693,318)	(117,645)	(205,221)	(5)
Comprehensive loss	\$	(717,843)	(93,120)	(205,221)	(5)
Loss per share from continued operations	\$	(0.04)	(0.02)	(0.04)	
Income per share from discontinued operations	\$	N/a	N/a	N/a	
Income per share after discontinued operations	\$	N/a	N/a	N/a	
Share capital	\$	15,310,333	13,649,333	13,649,333	13,64
Common shares issued		35,231,730	5,441,730	5,441,730	5,44
Weighted average shares outstanding		19,941,566	5,441,730	5,441,730	5,44
Total assets	\$	1,186,192	153,074	46,312	7
Net assets (liabilities)	\$	1,036,301	(75,148)	(106,684)	(10)
Convertible debentures (current and long term portions)	\$	N/a	N/a	N/a	
Cash dividends declared per common share	\$	0	0	0	
Exchange rates (Cdn\$ to U.S.\$) period average	\$.9709	0.8757	0.9371	0
Exchange rates (CDN\$ to U.S.\$) for most recent six months		Period High	Period Low		
		-----	-----		
October 2010	\$	0.9970	0.9690		
November 2010	\$	0.9987	0.9743		
December 2010	\$	1.0054	0.9825		
January 2011	\$	1.0138	0.9978		
February 2011	\$	1.0268	1.0045		
March 2011	\$	1.0026	1.0340		
Exchange rate (CDN\$ to U.S.\$) April 19, 2011	\$	1.0319			

B. Not required

C. Not required

D. RISK FACTORS.

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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 COMMERCIALY 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

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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

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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

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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

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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

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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 April 2005 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 a principal shareholder of PFG in common with the Company.

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.

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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

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directors, and add one additional director.

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 four agreements to acquire rights to the Post Creek, Bell Lake, Woods Creek and Halcyon properties in the Sudbury, Ontario nickel belt; and an 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.

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SUDBURY NICKEL PROPERTIES:

POST CREEK: The property is located 35 km east of Sudbury in Norman and Parkin townships and consists of 35 contiguous unpatented mining claims and one isolated claim covering an area of 688 hectares. It is strategically located adjacent to the producing Podolsky copper-nickel-platinum group metal deposit of FNX Mining. The property lies along the extension of the Whistle Offset Dyke Structure which is a major geological control for Ni-Cu-PGM mineralization. This structure hosted the former INCO Whistle Offset copper-nickel-PGM Mine (5.7 million tons grading 0.33% Cu, 0.95% Ni and 3.77 g/t total platinum metals as well as the Podolsky North and Podolsky 2000 copper-precious metal deposits. FNX forecast the production of 372,049 tons of ore at Podolsky yielding 1.8 million pounds of payable nickel, 28.5 million pounds of payable copper and 27,300 ounces of payable platinum, palladium and gold for 2009. Previous operators located the extension of the Whistle Offset Dyke structure on the Post Creek property as a direct result of their geological, geophysical and Mobile Metal Ion geochemical surveys. Drilling on this structure intersected a 0.66 m near solid to solid sulphide zone with 0.48% copper, 0.08% nickel, 53 parts per billion (ppb) palladium, 34 ppb platinum and 20 ppb gold. A rock sample collected along the structure assayed 0.83% Ni, 0.74% Cu, 0.07% Co, 2241 ppb Pt and 1051 ppb Pd. Significant potential for nickel-copper-PGM is demonstrated on the Post Creek property.

A NI 43-101 compliant Technical Report has been commissioned, with Dr. Walter Peredery, formerly of INCO, as the author.

BELL LAKE: The Bell Lake property is a 256 acre property that covers approximately 1 km of the Mystery Offset Dyke or "MOD". The MOD is interpreted to be an extension of the Worthington Offset Dyke which is a 10-11 km long mineralized structure that extends from the southwest margin of the Sudbury Igneous Complex. Offset Dyke environments are significant hosts to nickel-copper-PGM mineralization in the Sudbury Basin. The Worthington Offset Dyke hosts the past producing Worthington Mine and the Victoria Mine (1.5 million tons of 2.2% copper, 1.5% nickel and 2.3 g/t total precious metals). It is also host to Vale Inco's Totten Mine development (10.1 million tons at 1.5% nickel, 2% copper and 4.8 g/t platinum group metals). Crowflight Minerals AER-Kidd property also occurs within the Worthington Offset. The Bell Lake

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property is marked by surface exposures of disseminated to near-solid nickel-copper sulphide mineralization with PGM values. The Mystery Offset Dyke offers excellent exploration potential for the discovery of additional nickel-copper-PGM mineralization. Deep-looking ground geophysical technologies and diamond drilling will test the property after detailed geological mapping has been undertaken on the property.

HALCYON: The property is located 35 Km NNE of Sudbury in the SE corner of Parkin Twp, and consists of 46 unpatented mining claims. It is readily accessible by paved and all-weather gravel road. Halcyon is adjacent to the Post Creek property and contains the extension of the metallogenetically significant Whistle Offset Structure. 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.

WOODS CREEK: The Woods Creek claim block is located in Hyman Township about 50 km west of Sudbury and comprises eight contiguous unpatented mining claims covering 1,264 hectares. The target on the property is disseminated to near-solid nickel-copper-cobalt-PGM mineralization hosted within Nipissing Diabase dykes which cover 50% of the property. This style of mineralization is currently being mined by Ursa Major Minerals at their Shakespeare deposit 15 km southwest of the Woods Creek property. It contains 7,301,000 tons grading 0.37% Ni, 0.39% Cu, 0.024% Co, 0.37 g/t Pt, 0.40 g/t Pd and 0.20 g/t Au.

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Previous operators defined a number of mineralized zones on the Woods Creek property, but little follow-up exploration was undertaken. The Main Zone prospect is a zone of 10-40% pyrrhotite-chalcopyrite mineralization that assayed 1.22% Cu, 0.95% Ni, 354 ppb combined Pt and Pd and 136 ppb Au. Diamond drilling on this zone intersected a 6.5 m section of gabbro with pyrrhotite and chalcopyrite that assayed up to 1.09% Ni, 0.37% Cu, 301 ppb combined Pt and Pd and 1110 ppm Co (0.11%). The Ravenshill prospect was discovered in 2005 as a result of geological mapping and prospecting. It comprises near solid pyrrhotite and chalcopyrite in brecciated gabbro with assays of 0.66% Ni, 0.90% Cu, 0.09% Co, 68 ppb Pt, 227 ppb Pd and 46 ppb Au.

MANITOBA NICKEL PROPERTIES:

SOUTH BAY: Exploration was spurred at the South Bay property by the September, 2003 discovery of a zone of high-grade nickel mineralization. The nickel-copper-cobalt platinum group element ("PGE") zone was found in one wall of a new road cut 60 km east of the town of Leaf Rapids, Manitoba. The average grade of eleven samples of near-solid sulphide collected from boulder-sized blast rubble in the road cut exposure is 2.42 % Ni, 0.78 % Cu, 697 ppm Co and 1.32 g/t PGE. The mineralization is sedimentary-rock-hosted and exhibits similar metal characteristics to ores associated with magma-derived nickel deposits that are mined at Thompson and worldwide. Airborne geophysical surveys (VTEM) have been flown over the property and preliminary soil geochemical surveys have been undertaken.

THOMPSON NORTH: 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

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magnetic and electromagnetic features identified. Follow-up exploration will be based upon ranking and modeling of geophysics and soil geochemical surveys.

CEDAR LAKE: The property occupies the southern portion of the Thompson Nickel Belt where previous exploration based on the drill-testing of geophysical anomalies has identified key stratigraphic components that host producing nickel-copper-cobalt and platinum group elements at the Thompson and Pipe Mines of Vale Inco. Nickel mineralization has been intersected in drilling on adjacent Mineral Exploration Licenses. The prospective rock units are overlain by younger carbonate rocks and conceal the TNB in this area. The Company has undertaken airborne geophysical surveys (VTEM) and delineated numerous conductive and magnetic anomalies. These anomalies will be prioritized and drill tested subsequent to soil geochemical surveys.

All technical information in this Form 20-F has been reviewed by Dr. Mark Fedikow, PGeo, the qualified person for North American Nickel Inc. under National Instrument 43-101.

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 CANADIAN GAAP. REFER TO NOTE 13 TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR A DESCRIPTION OF TRANSACTIONS THAT WERE SUBJECT TO MATERIAL MEASUREMENT DIFFERENCES BETWEEN CANADIAN GAAP AND U.S. GAAP UNDER ITEM 17.

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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

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April 2010 agreements to acquire rights to the Post Creek, Bell Lake, Woods Creek and Halcyon properties in the Sudbury, Ontario nickel belt; and the agreement to acquire 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 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.

BUSINESS OVERVIEW

With the April 2010 entry into base metal exploration the Company is effectively a new company with its first focus on its two key Sudbury properties. The Post Creek property 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 dike structure, which is a major geological control for Ni-Cu-PGM mineralization. The Bell Lake property is a 256-acre property that covers approximately one kilometre of the Mystery Offset dike or MOD. The MOD is interpreted to be an extension of the Worthington Offset dike which is a 10- to 11-kilometre-long mineralized structure that extends from the southwest margin of the Sudbury igneous complex. The Company also has rights to explore the Woods Creek and Halcyon properties in the Sudbury area; and has an agreement to acquire 100% ownership to 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 in Manitoba.

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.

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FLUCTUATIONS IN RESULTS

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

With the April 2010 entry into the arena of base metal exploration the Company expects to report significant additional expenses in the future related to the exploration activities undertaken in the Sudbury area of Ontario and the Thompson Nickel Belt in Manitoba. 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, 2010 consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

As at December 31, 2010, the Company had accumulated losses totaling \$14,311,794 and a working capital of \$556,665. 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.

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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, 2010 the Company had cash of \$659,227 and working capital of \$556,665.

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, 2010.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to the Company.

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E. OFF-BALANCE SHEET ARRANGEMENTS

Not applicable

F. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

Not applicable

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	47	Director since September 10, 1992; General Manager of Dockside Capital, a private merchant banking and venture capital firm, from 1986 to present.

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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	57	President of Mount Morgan Resources Inc. 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 2007 until July 2007; President of International Nickel Ventures Corp. from September 2003, until November 2005.
Edward D. Ford (1) Whistler, B.C. Chief Financial Officer & Director	75	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.

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

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B. COMPENSATION.

Management compensation is determined by the board of directors based on competitive prices for services provided. During the year ended December 31, 2010, directors and officers, including private companies controlled by directors and officers, as a group, paid or accrued a total of \$90,000 in management fees, paid or accrued a total of \$11,772 in professional fees, paid or accrued a total of \$19,000 in consulting fees and paid or accrued a total of \$28,000 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, 2010, 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.

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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, 2010 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 3,300,000 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, 2010 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

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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, 2010 there were 35,231,730 common shares issued and outstanding. Each of the listed persons may be reached at the Company's head offices or #208 - 828 Harbourside Drive, North Vancouver, BC, V7P 3R9, telephone (604) 904-8481.

Name of Beneficial Owner -----	Amount and Nature of Beneficial Ownership -----	Percent of Class -----
PRINCIPAL HOLDERS		
VMS Ventures Inc.	16,800,000	47.7%
OFFICERS AND DIRECTORS		
Edward Ford	342,000	1.00%
Douglas Ford	242,000	n/a
Richard J. Mark	1,075,000	3.05%
John Roozendaal	450,000 (1)	1.28%
Mark Fedikow	1,000,000 (2)	2.84%
James Clucas	100,000	n/a
All Officers and Directors as a Group (6 persons)	3,209,000	9.11%

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- (1) Includes 450,000 shares held through 667961 BC Ltd.
 - (2) Includes 300,000 shares held directly; and 700,000 shares held through Mount Morgan Resources Ltd..

The Company arranged two non-brokered private placements of common shares. The first consisted of 10,000,000 post-consolidation shares at \$0.05. The second consisted of 10,000,000 post-consolidation units at \$0.06. Each unit consists of one post consolidation share and one non-transferrable warrant to purchase an additional post-consolidation common share at \$0.10 for 30 months after closing. The warrants may be subject to earlier expiry. The closings of the private placements when combined with the share issuances required to complete the acquisition of the Ontario and Manitoba nickel properties will result in new share positions being created that could have an influence on the direction of the Company. The Company knows of no other arrangements which may at a subsequent date result in a change in control of the Company.

B. RELATED PARTY TRANSACTIONS.

During the fiscal year ended December 31, 2010, directors, officers and companies controlled by them have been engaged in the following transactions with the Company:

During the year ended December 31, 2010, a director and a company in which a director has an interest charged the Company \$90,000 (2009: \$24,000, 2008: \$24,000) for rent and management fees.

During the year ended December 31, 2010, a company in which a director has an interest charged the Company \$19,000 (2009: \$Nil, 2008: \$Nil) for consulting fees.

During the year ended December 31, 2010, a company in which a director has an interest charged the Company \$11,772 (2009: \$Nil, 2008: \$Nil) for professional fees.

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During the year ended December 31, 2010, directors of the Company and a company in which a director has an interest charged the Company \$90,000 (2009 - \$24,000; 2008; \$24,000).

During the year ended December 31, 2010, a director charged the Company \$28,000 (2009: \$Nil, 2008: \$Nil) for consulting services. \$26,833 (2009 - \$Nil, 2008 - \$Nil) has been recorded in consulting services as deferred exploration costs for mineral properties and \$1,167 (2009 - \$Nil, 2008 - \$Nil) has been recorded in consulting fees on the statements of operations.

During the year ended December 31, 2010, 2,640,000 common shares at a fair value of \$132,000 were issued to a company in which a director has an interest for settlement of debt.

During the year ended December 31, 2010, the Company entered into a purchase and sale agreement with directors in common for the Manitoba Nickel Properties.

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 \$87,094 (2009 - \$132,333) 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.

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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, 2010 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 "WSCRFB". 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 -----	High (USD) -----	Low (USD) -----
Fiscal year ended December 31, 2008	\$0.16	\$0.06
Fiscal year ended December 31, 2009	\$0.25	\$0.02
Fiscal year ended December 31, 2010	\$1.50	\$0.02
Quarter ended December 31, 2009	\$0.25	\$0.02
Quarter ended March 31, 2010	\$0.05	\$0.03
Quarter ended June 30, 2010	\$0.48	\$0.06
Quarter ended September 30, 2010	\$1.50	\$0.02
Quarter ended December 31, 2010	\$0.11	\$0.02
Quarter ended March 31, 2011	\$1.01	\$0.09
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Month ended October 31, 2010	\$0.10	\$0.10
Month ended November 30, 2010	\$0.11	\$0.11
Month ended December 31, 2010	\$0.11	\$0.02
Month ended January 31, 2011	\$1.01	\$0.11
Month ended February 28, 2011	\$0.10	\$0.10
Month ended March 31, 2011	\$0.12	\$0.09
Month ended April 30, 2011 (1)	\$0.80	\$0.35

(1) Through April 18, 2011

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

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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.

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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.

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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,

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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.

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".

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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

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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.

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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

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- (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.

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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

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Convention) situated in Canada.

G. DIVIDENDS AND PAYING AGENTS

Not required

H. STATEMENT BY EXPERTS

Not required

I. 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.

J. 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

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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, 2010.

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

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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

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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 - \$25,000 (estimated) for audit fees in the year ended December 31, 2010; \$16,000 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 did not provide the Corporation with any professional services rendered for tax compliance, tax advice and tax planning in the years ended December 31, 2010, 2009, 2008, 2007, 2006 and 2005. The former auditor, Charlton & Company, Chartered Accountants billed \$nil in 2004.

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(D) ALL OTHER FEES

DMCL did not bill the Corporation for any other products and services in the years ended December 31, 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

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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.

Consolidated balance sheets as at December 31, 2010 and 2009.

Consolidated statements of operations and comprehensive loss as at December 31, 2010, 2009 and 2008.

Consolidated statements of deficit and accumulated other comprehensive income for the years ended December 31, 2010, 2009 and 2008.

Consolidated statements of cash flows for the years ended December 31, 2010, 2009, and 2008.

Notes to the consolidated financial statements.

ITEM 18. FINANCIAL STATEMENTS

Not applicable. See "Item 17. Financial Statements" above.

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ITEM 19. EXHIBITS

Attached hereto are the following 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 and Analysis for the year ended December 31, 2010

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
(formerly Widescope Resources Inc.)

Date: April, 19 2011

By: /s/ Douglas E. Ford

Name: Douglas E. Ford

Title: Director

as duly authorized signatory

[LETTERHEAD OF DALE MATHESON CARR-HILTON LABONTE LLP CHARTERED ACCOUNTANTS]

INDEPENDENT AUDITORS' REPORT

To the Shareholders of North American Nickel Inc.
(formerly Widescope Resources Inc.)

We have audited the consolidated balance sheets of North American Nickel Inc. (formerly Widescope Resources Inc.) as at December 31, 2010 and 2009 and the consolidated statements of operations and comprehensive loss, deficit and accumulated other comprehensive income and cash flows for the years ended December 31, 2010, 2009 and 2008, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, 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 consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of North American Nickel Inc. (formerly Widescope Resources Inc.) as at December 31, 2010 and 2009, and the results of its operations and its cash flows for the years ended December 31, 2010, 2009 and 2008 in accordance with Canadian generally accepted accounting principles.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 1 in the consolidated

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financial statements which indicates that the Company had incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"DMCL"

DALE MATHESON CARR-HILTON LABONTE LLP
Chartered Accountants

Vancouver, Canada
April 19, 2011

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NORTH AMERICAN NICKEL INC.
(formerly Widescope Resources Inc.)
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2010	2009
ASSETS		
Current		
Cash	\$ 659,227	\$ 16
Marketable securities (Note 3)	--	62
Receivables	26,965	4
	686,192	83
Mineral property and deferred exploration costs (Note 4)	677,718	101
	\$ 1,363,910	\$ 184
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 42,433	\$ 53
Due to related parties (Note 6)	87,094	132
	129,527	185
Non-controlling interest (Note 4)	--	53
SHAREHOLDERS' EQUITY		
Share capital - preferred (Note 7)	604,724	604
Share capital - common (Note 7)	14,705,609	13,044
Contributed surplus (Note 7)	235,844	53
Deficit	(14,311,794)	(13,781)
Accumulated other comprehensive income	--	24
	1,234,383	(54)
	\$ 1,363,910	\$ 184

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Nature and continuance of operations (Note 1)
 Commitments (Note 12)
 Subsequent events (Note 14)

Approved by the Board:

"Rick Mark"

"Edward D. Ford"

 Rick Mark

 Edward D. Ford

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

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NORTH AMERICAN NICKEL INC.
 (formerly Widescope Resources Inc.)
 (An Exploration Stage Company)
 CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	2010	Years Ended December 31, 2009
	-----	-----
EXPENSES		
Consulting (Note 6)	\$ 25,556	\$ --
Filing fees	40,856	7,981
Investor relations	23,101	--
General and administrative	18,294	2,983
Management fees (Note 6)	90,000	24,000
Professional fees (Note 6)	132,730	22,671
Salaries	22,115	--
Stock-based compensation (Note 7)	182,500	--
	-----	-----
LOSS BEFORE OTHER ITEMS	(535,152)	(57,635)
OTHER ITEMS		
Loss on sale of subsidiary (Note 4)	(7,163)	--
Gain on sale of marketable securities (Note 3)	3,854	--
Impairment of mineral property and deferred exploration costs (Note 4)	--	(79,000)
Write-off of equipment (Note 5)	--	(716)
	-----	-----
LOSS BEFORE NON-CONTROLLING INTEREST	(538,461)	(137,351)
NON-CONTROLLING INTEREST IN LOSS	8,653	19,706
	-----	-----
NET LOSS FOR THE YEAR	\$ (529,808)	\$ (117,645)
	=====	=====
Loss per common share - basic and diluted	\$ (0.03)	\$ (0.02)
	=====	=====
Weighted average number of common shares outstanding - basic and diluted		

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	19,941,566	5,441,730
	=====	=====
COMPREHENSIVE LOSS		
Net loss	\$ (529,808)	\$ (117,645)
Unrealized gain on marketable securities	-----	-----
	\$ (529,808)	\$ (93,120)
	=====	=====

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

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NORTH AMERICAN NICKEL INC.
(formerly Widescope Resources Inc.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF DEFICIT AND ACCUMULATED OTHER COMPREHENSIVE INCOME

	2010	Years ended December 31 2009
	-----	-----
DEFICIT		
Deficit, beginning of year	\$ (13,781,986)	\$ 13,664,341
Net loss	(529,808)	(117,645)
	-----	-----
DEFICIT, END OF YEAR	\$ (14,311,794)	\$ (13,781,986)
	=====	=====
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance, beginning of year	\$ 24,525	\$ --
Unrealized gain/(loss) on available for sale marketable securities	(21,909)	24,525
Reversal of accumulated other comprehensive income upon sale of subsidiary (Note 4)	(2,616)	-----
	-----	-----
BALANCE, END OF YEAR	\$ --	\$ 24,525
	=====	=====

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

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NORTH AMERICAN NICKEL INC.
(formerly Widescope Resources Inc.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

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	2010	Years Ended December 31 2009
	-----	-----
OPERATING ACTIVITIES		
Net loss for the year	\$ (529,808)	\$ (117,645)
Items not affecting cash		
Non-controlling interest	(8,653)	(19,706)
Amortization	--	58
Stock-based compensation	182,500	--
Loss on sale of subsidiary	7,163	--
Gain on sale of marketable securities	(3,854)	--
Write-off of equipment	--	716
Impairment of mineral properties and deferred exploration costs	--	79,000
	-----	-----
	(352,652)	(57,577)
Changes in non-cash working capital items:		
Receivables	(27,362)	680
Accounts payable and accrued liabilities	10,398	7,685
Due to related parties	86,761	25,066
	-----	-----
Cash used in operating activities	(282,855)	(24,146)
	-----	-----
INVESTING ACTIVITIES		
Proceeds from the sale of subsidiary	52,606	--
Proceeds from the sale of marketable securities	8,854	--
Expenditures on mineral properties and deferred exploration costs	(235,893)	--
	-----	-----
Cash used in investing activities	(174,433)	--
	-----	-----
FINANCING ACTIVITIES		
Proceeds on issuance of common shares	1,100,000	--
	-----	-----
Cash from financing activities	1,100,000	--
	-----	-----
CHANGE IN CASH	642,712	(24,146)
CASH - beginning	16,515	40,661
	-----	-----
CASH - ending	\$ 659,227	\$ 16,515
	=====	=====
Cash paid for:		
Interest	\$ --	\$ --
	=====	=====
Income taxes	\$ --	\$ --
	=====	=====

Supplemental cash-flow information (Note 11)

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

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NORTH AMERICAN NICKEL INC.
(formerly Widescope Resources Inc.)

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(An Exploration Stage Company)

CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	Pinefalls Gold	Post Creek	Woods Creek	Halcyon	Bell Lake	Thompson North
	-----	-----	-----	-----	-----	-----
Balance, December 31, 2008	\$205,000	\$ --	\$ --	\$ --	\$ --	\$ --
	-----	-----	-----	-----	-----	-----
Acquisition costs-cash	--	7,500	2,500	--	--	--
Option proceeds received	(35,000)	--	--	--	--	--
	-----	-----	-----	-----	-----	-----
	170,000	7,500	2,500	--	--	--
Impairment provision	(79,000)	--	--	--	--	--
	-----	-----	-----	-----	-----	-----
Balance, December 31, 2009	91,000	7,500	2,500	--	--	--
	-----	-----	-----	-----	-----	-----
Acquisition costs-cash	--	12,500	7,500	15,000	25,000	333
Acquisition cost-shares	--	24,000	9,000	18,000	18,000	120,000
Option proceeds received	(25,000)	--	--	--	--	--
	-----	-----	-----	-----	-----	-----
	(25,000)	36,500	16,500	33,000	43,000	120,333
	-----	-----	-----	-----	-----	-----
Administration	--	12,140	--	--	--	--
Assay and sampling	--	5,140	--	--	--	--
Automobile costs	--	7,597	1,343	--	--	--
Consulting services (Note 6)	--	102,267	9,956	--	150	585
Equipment and supplies	--	165	201	--	--	--
Equipment rental	--	20,020	8,840	--	--	--
Licenses and fees	--	--	--	--	410	--
Shipping and printing costs	--	2,611	--	--	--	--
Travel and accommodation	--	3,370	--	--	--	--
	-----	-----	-----	-----	-----	-----
		--	153,310	20,340	--	560
Sale of subsidiary (Note 4)	(66,000)	--	--	--	--	--
	-----	-----	-----	-----	-----	-----
Balance, December 31, 2010	\$ --	\$197,310	\$ 39,340	\$ 33,000	\$ 43,560	\$120,918
	=====	=====	=====	=====	=====	=====

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

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NORTH AMERICAN NICKEL INC.
(formerly Widescope Resources Inc.)
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2010

1. NATURE AND CONTINUANCE OF OPERATIONS

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North American Nickel Inc. (formerly Widescope Resources Inc.) (the "Company") was incorporated on September 23, 1983.

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

On April 7, 2010, and effective May 31, 2010, the Company entered into a Stock Purchase Agreement (the "Purchase Agreement") whereby it agreed to sell its 65.42% interest in Outback Capital Inc. dba Pinefalls Gold ("PFG") (Note 4), a private Alberta exploration company. On April 19, 2010, the Company changed its name from Widescope Resources Inc. to North American Nickel Inc., consolidated its common share capital on a 2:1 basis, whereby each two old shares were exchanged for one new share, and increased its authorized capital from 100,000,000 common shares without par value to an unlimited number of common shares without par value (Note 7). All references to common shares, stock options, warrants and weighted average number of shares outstanding in these consolidated financial statements retroactively reflect the share consolidation.

These consolidated financial statements have been prepared under the assumption the Company is a going concern. 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. As a result, additional losses are anticipated. The Company has working capital of \$556,665 at December 31, 2010 and has accumulated a deficit of \$14,311,794. 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 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

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Except as indicated in Note 13, they also comply, in all material respects, with United States generally accepted accounting principles ("US GAAP").

Basis of consolidation

These financial statements have been prepared on a consolidated basis and include the accounts of the Company and the total operating activities of its 65.42% owned subsidiary, PFG, up to May 31, 2010, when PFG was sold (Note 4). All intercompany balances and transactions have been eliminated on consolidation.

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Estimates, assumptions and measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported

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NORTH AMERICAN NICKEL INC.

(formerly Widescope Resources Inc.)

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

Estimates, assumptions and measurement uncertainty - cont'd

amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Areas requiring significant use of estimates by management relate to going concern assessments, determining the carrying value and or impairment of mineral properties, determining the fair values of marketable securities and stock-based payments, asset retirement obligations, financial instruments and tax rates used to calculate future income tax balances.

Equipment

Equipment is recorded at cost. Amortization is calculated using the following annual rate, which is estimated to match the useful lives of the asset:

Computer hardware	30% declining balance
-------------------	-----------------------

Mineral properties and deferred exploration costs

The cost of mineral properties and related exploration costs are deferred until the properties are placed into production, sold, abandoned or until management has determined that an impairment has occurred. Carrying costs will be amortized over the useful life of the properties following the commencement of commercial production, or written off if the properties are sold abandoned, allowed to lapse, or if management has otherwise determined that the carrying value of a property is not recoverable and should be impaired. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. It is reasonably possible that economically recoverable reserves may not be discovered, and accordingly a material portion of the carrying value of mineral properties and related deferred exploration costs could be written off. Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the common industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected title defects.

The amounts shown for mineral properties and deferred exploration costs represent costs incurred to date, net of impairments, and do not necessarily represent present or future values which are entirely dependent upon economic production or recovery from disposal.

Asset retirement obligations

The Company follows the provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3110, "Asset Retirement Obligations", which requires the estimated fair value of any asset retirement obligations to

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be recognized as a liability in the period in which the related environmental or retirement liability can be reasonably established and measured. The present value of the associated future costs when measureable is recorded as a liability and added to the cost of the related property and amortized over the estimated remaining life. As of December 31, 2010 and 2009 the Company has not incurred and is not aware of any significant asset retirement obligations in respect of its mineral exploration properties.

Impairment of long-lived assets

The Company follows the recommendations of the CICA Handbook Section 3063, "Impairment of Long-Lived Assets". Section 3063 establishes standards for recognizing, measuring and disclosing impairment of long-lived assets held for use. The Company conducts its impairment test on long-lived assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized when the carrying amount of an asset to be held and used exceeds the undiscounted future net cash flows expected from its use and disposal. If there is impairment, the impairment amount is measured as the amount by which the carrying amount of the asset exceeds its fair value, calculated using expected discounted cash flows when independent or quoted market prices are not available.

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NORTH AMERICAN NICKEL INC.
(formerly Widescope Resources Inc.)
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

Financial instruments

The Company adopted the CICA Handbook Section 3855, "Financial Instruments - Recognition and Measurement". Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. Under Section 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost.

The Company's financial instruments consist of cash, receivables, marketable securities, accounts payable and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The Company has made the following classifications for the financial instruments:

- Cash - held-for-trading; measured at fair value;
- Receivables - loans and receivables; measured at amortized cost;
- Marketable securities - available for sale; measured at fair value; and
- Accounts payable and due to related parties - other financial liabilities; recorded at amortized cost.

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about financial instruments, and approximate carrying values unless otherwise noted. The Company does not use any hedging instruments.

The Company considers net smelter return ("NSR") and other production related

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commitments associated with mineral property interests to be derivate instruments. Until such time as economically recoverable resources are identified such derivates are not considered to have reliably measurable value.

The Company adopted CICA Handbook Section 3862 "Financial Instruments - Disclosures" which was amended to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosure. The additional fair value measurement disclosures include classification of financial inputs used in making the measurements, described as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs derived from valuation techniques that include inputs from management or other sources for the asset or liability that are not based on observable market data (unobservable inputs).

Comprehensive income (loss)

Effective January 1, 2007, the Company adopted the CICA Handbook Section 1530, "Comprehensive Income". Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Section 1530 establishes standards for reporting and presenting certain gains and losses not normally included in net income or loss, such as unrealized gains and losses related to available for sale securities and gains and losses resulting from the translation of self-sustaining foreign operations, in a statement of comprehensive income (loss).

At December 31, 2009, the Company recognized in comprehensive income its proportionate share of an unrealized gain on marketable securities. In 2010, the amount was reversed through operations when the securities were sold and the gain was realized.

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NORTH AMERICAN NICKEL INC.

(formerly Widescope Resources Inc.)

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

Loss per share

The loss per share figures are calculated using the weighted average number of shares outstanding during the respective fiscal periods on a post-consolidation basis. The calculation of loss per share figures using the treasury stock method considers the potential exercise of outstanding share purchase options and warrants or other contingent issuances to the extent each option, warrant or contingent issuance was dilutive. For all periods presented, diluted loss per share is equal to basic loss per share as the potential effects of options, warrants and conversions are anti-dilutive.

Income taxes

The Company accounts for income taxes using the asset and liability method, whereby future tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the carrying values of the asset and liabilities and their respective income tax bases. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences

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are expected to be recovered or settled. The effect on future income taxes and liabilities of a change in rates, when a valuation allowance has not been applied, is included in operations in the period that includes the substantive enactment date. Where the probability of a realization of a future income tax asset is more likely than not, a valuation allowance is recorded.

Stock-based compensation

The Company follows the CICA Handbook Section 3870, "Stock-based Compensation and Other Stock-based Payments," which requires the fair value method of valuing all grants of stock options. The estimated fair value of the stock options is recorded as compensation expense over the vesting period or at the date of grant if the options vest immediately, with the offset recorded in contributed surplus. The fair value of options granted is estimated at the date of grant using the Black-Scholes option pricing model incorporating assumptions regarding risk-free interest rates, dividend yield, volatility factor of the expected market price of the Company's stock, and a weighted average expected life of the options. Any consideration paid on the exercise of stock options is credited to share capital, together with a reversal of corresponding amounts originally credited to contributed surplus.

Credit risk and the fair value of financial assets and financial liabilities

In January 2009, the CICA approved EIC 173, "Credit Risk and the Fair Value of Financial Assets and Liabilities". This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments.

Mining exploration costs

In March 2009 the CICA approved EIC 174, "Mining Exploration Costs". The guidance clarified that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Recent accounting pronouncements - Not yet adopted

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS") in place of Canadian GAAP for interim and annual reporting purposes for fiscal years beginning on or after January 1, 2011. Accordingly, the Company will transition from current Canadian GAAP reporting and commence reporting under IFRS for the first quarter of 2011, with restatement of comparative information presented.

The Company developed a conversion plan consisting of four key stages including; project planning and preliminary assessment, detailed assessment, design and

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NORTH AMERICAN NICKEL INC.

(formerly Widescope Resources Inc.)

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

International Financial Reporting Standards ("IFRS") - cont'd

implementation. The project planning and preliminary assessment stage has been completed. The preliminary assessment was completed with the assistance of external advisors and training and outlines the significant differences between

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Canadian GAAP and IFRS and rates the impact of each of the significant differences on the entity's financial statements, thereby allowing the Company to focus the detailed assessment on the highest priority items.

Consolidated Financial Statements, Business Combinations and Non-controlling Interests

In January 2009, the CICA issued Section 1601, "Consolidated Financial Statements", and Section 1602, "Noncontrolling Interests", which together replace the existing Section 1600, "Consolidated Financial Statements", and provide the Canadian equivalent to International Accounting Standard 27, "Consolidated and Separate Financial Statements". The new sections will be applicable to the Company on January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year, in which case an entity would also early adopt Handbook Section 1582, "Business Combinations", and Handbook Section 1602, "Non-controlling Interests". The Company is assessing the impact, if any, of the adoption of these new sections on its consolidated financial statements.

Other accounting pronouncements issued by the CICA with future effective dates are either not applicable or are not expected to be significant to the financial statements of the Company.

Comparative figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

3. MARKETABLE SECURITIES

At December 31, 2009, PFG held 500,000 common shares of Cougar Minerals Corp. ("Cougar"), a company listed on the TSX Venture Exchange (Note 4). At initial recognition, each common share was recorded at a fair value of \$0.05. As at December 31, 2009 the closing trading price of Cougar's common shares was \$0.125 per common share with a total fair value of \$62,500. During the year ended December 31, 2010, PFG sold 100,000 common shares of Cougar for \$8,854, resulting in a gain of \$3,854. Pursuant to the Purchase Agreement, the Company sold its interest in PFG and therefore does not hold an interest in Cougar at December 31, 2010 (Note 4). The Company previously classified the investment as available-for-sale.

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

Title to mining properties involves certain inherent risks due to the difficulties of determining the title and extraction rights of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mining properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

During the year ending December 31, 2010 the Company had \$677,718 (2009 - \$101,000) in property expenditures as detailed in the consolidated schedule of mineral properties and deferred exploration costs.

At December 31, 2010, the Company held an interest in the following mineral properties:

Pinefalls Gold

Pursuant to the completion of a subscription agreement and a share exchange agreement in April 2005, the Company acquired the net assets of PFG including an interest in the Pinefalls Gold Property, located in the Bissett Area of Manitoba, valued at \$319,306. The Company held a 65.42% interest in PFG, effective June 30, 2006.

On April 6, 2009 PFG entered into an Option and Purchase and Sale Agreement with

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Cougar, whereby Cougar was granted an option to purchase certain claims comprising the Pinefalls Gold Property. During the year ended

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 For the Year Ended December 31, 2010

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS - cont'd

Pinefalls Gold - cont'd

December 31, 2009, the Company received \$10,000 cash and 500,000 common shares with a fair value of \$26,000 (Note 3) on execution of the Agreement. At December 31, 2009, the Company wrote-down the property to \$91,000. The basis of the impairment was to reflect the net estimated recoverable value of the Pinefalls Gold Property, based on anticipated future cash flows.

On April 30, 2010, Outback received an additional \$25,000 from Cougar. Pursuant to the Purchase Agreement, the Company sold its interest in PFG and, accordingly, at December 31, 2010 no longer holds an interest in the Pinefalls Gold Property. During the year ended December 31, 2010, the Company incurred \$Nil (2009 - \$Nil) in deferred exploration costs on the Pinefalls Gold Property.

The Company realized a loss on the sale of PFG, equal to the amount by which the carrying value of the net assets disposed of as of May 31, 2010, exceeded the proceeds of \$52,606, as follows:

Assets		\$ 126,364
Liabilities		(30,974)
Non-controlling interest		(33,005)
Accumulated other non-controlling interest		(2,616)

		59,769
Proceeds		(52,606)

Loss on sale of investment		\$ 7,163
		=====

Post Creek

On December 23, 2009 the Company executed a letter of intent whereby the Company has an option to acquire the mineral claim known as the Post Creek Property located within the Sudbury Mining District of Ontario, 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	Explo requi
----	----	-----	-----
On or before April 5, 2010 (paid and issued)	\$12,500	400,000	
On or before April 5, 2011 (subsequently paid and issued)	\$30,000	300,000	\$1
On or before April 5, 2012	\$50,000	300,000	\$1
On or before April 5, 2013	\$50,000	--	\$1

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During the year ended December 31, 2010, the Company incurred \$153,310 (2009 - \$Nil) in deferred exploration costs on the Post Creek 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, 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

On December 23, 2009 the Company executed a letter of intent whereby the Company has an option to acquire the mineral claim known as the Woods Creek Property located within the Sudbury Mining District of Ontario and paid a non-refundable deposit of \$2,500.

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NORTH AMERICAN NICKEL INC.

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4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS - cont'd

Woods Creek - cont'd

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

Date ----	Cash ----	Shares -----	Explo requi -----
On or before April 5, 2010 (paid and issued)	\$ 7,500	150,000	
On or before April 5, 2011 (subsequently paid and issued)	\$15,000	150,000	\$2
On or before April 5, 2012	\$20,000	--	\$2
On or before April 5, 2013	\$45,000	--	\$2

During the year ended December 31, 2010, the Company incurred \$20,340 (2009 - \$Nil) in deferred exploration costs on the Woods Creek 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, if the Company exercises its option, the Company will be obligated to pay advances on the NSR of \$5,000 per annum, which will be deducted from any payments to be made under the NSR.

Halcyon

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

Date ----	Cash ----	Shares -----	Explo requi -----
--------------	--------------	-----------------	-------------------------

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On or before April 5, 2010 (paid and issued)	\$15,000	300,000	
On or before April 5, 2011 (subsequently paid and issued)	\$25,000	200,000	\$2
On or before April 5, 2012	\$35,000	--	\$2
On or before April 5, 2013	\$35,000	--	\$2

During the year ended December 31, 2010, the Company incurred \$Nil (2009 - \$Nil) in deferred 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, 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.

Bell Lake

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

Date ----	Cash ----	Shares -----	Explo requi -----
On or before April 5, 2010 (paid and issued)	\$25,000	300,000	
On or before April 5, 2011 (subsequently paid and issued)	\$25,000	300,000	\$
On or before April 5, 2012	\$40,000	400,000	\$
On or before April 5, 2013	\$40,000	--	\$
On or before April 5, 2013	\$80,000	--	\$

During the year ended December 31, 2010, the Company incurred \$560 (2009 - \$Nil) in deferred exploration costs on the Bell Lake Property.

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NORTH AMERICAN NICKEL INC.

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For the Year Ended December 31, 2010

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS - cont'd

Bell Lake - cont'd

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, 2014, once the Company exercises its option, the Company will be obligated to pay advances on the NSR of \$5,000 per annum, which will be deducted from any payments to be made under the NSR.

Manitoba Nickel

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.

(a) Thompson North Property

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During the year ended December 31, 2010, the Company incurred \$585 (2009 - \$Nil) in deferred exploration costs on the Thompson North Property.

(b) South Bay Property

During the year ended December 31, 2010, the Company incurred \$2,523 (2009 - \$Nil) in deferred exploration costs on the South Bay Property.

(c) Cedar Property

During the year ended December 31, 2010, the Company incurred \$400 (2009 - \$Nil) in deferred exploration costs on the Cedar Property.

5. EQUIPMENT

	2010			2009		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Dispos
	-----	-----	-----	-----	-----	-----
Computer hardware	\$ --	\$ --	\$ --	\$1,579	\$ (863)	\$ (716)
	=====	=====	=====	=====	=====	=====

6. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2010, the Company entered into the following transactions with related parties:

- (a) recorded \$19,000 (2009 - \$Nil; 2008 - \$Nil) for consulting fees to a company in which a director has an interest;
- (b) recorded \$90,000 (2009- \$24,000; 2008 - \$24,000) for management fees a director of the Company and to a company in which a director has an interest;
- (c) recorded \$28,000 (2009 - \$Nil; 2008 - \$Nil) for geological consulting fees to a director of the Company, of which \$26,833 (2009 - \$Nil; 2008 - \$Nil) has been recorded in consulting services as deferred exploration costs for mineral properties and \$1,167 (2009 - \$Nil; 2008 - \$Nil) has been recorded in consulting fees on the statements of operations;
- (d) recorded \$11,772 (2009 - \$Nil; 2008 - \$Nil) for professional fees to a company in which a director has an interest;
- (e) entered into a purchase and sale agreement, with a company with directors in common for the acquisition mineral properties (Note 4); and
- (f) issued 2,640,000 common shares at a fair value of \$132,000, to a company in which a director has an interest for settlement of debt.

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NORTH AMERICAN NICKEL INC.

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Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2010

6. RELATED PARTY TRANSACTIONS - cont'd

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.

At December 31, 2010, recorded in due to related parties is \$87,094 (2009 -

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\$132,333) 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.

7. 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

	Number of shares	Amount	Contributed surplus
	-----	-----	-----
Balance, December 31, 2008 and 2009	5,441,730	\$13,044,609	\$ 53,344
Shares issued for debt	2,640,000	132,000	--
Shares issued for mineral properties	7,150,000	429,000	--
Shares issued for private placement	20,000,000	1,100,000	--
Stock-based compensation	--	--	182,500
	-----	-----	-----
Balance, December 31, 2010	35,231,730	\$14,705,609	\$ 235,844
	=====	=====	=====

Effective April 19, 2010, the Company consolidated its common share capital on a 2:1 basis, whereby each two old shares are equal to one new share and increased its authorized capital 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 these consolidated financial statements reflect the share consolidation.

Year ended December 31, 2010:

The Company issued 2,640,000 common shares at a fair value of \$132,000 for settlement of debt (Note 6).

The Company completed a non-brokered private placement of 10,000,000 common shares for proceeds of \$500,000 and 10,000,000 units for proceeds of \$600,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company at \$0.10 per share until December 28, 2012. The Company does not separately disclose the value attributed to the warrants.

The Company issued 7,150,000 common shares at a fair value of \$429,000 for the acquisition of mineral properties (Note 4).

c) Preferred shares issued and outstanding

At December 31, 2010 and 2009, there are 604,724 (2009 - 604,724) preferred common 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

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Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2010

7. SHARE CAPITAL - cont'd

c) Preferred shares issued and outstanding - cont'd

ii) - cont'd

preferred shares, where they are entitled to one vote for each preferred share held;

iii) the shares are convertible at any time; and

iv) the number of the common shares to be received on conversion of the preferred shares is to be determined by dividing the conversion value of the share, \$1 per share, by \$0.90.

d) Warrants

A continuity schedule of outstanding common share purchase warrants at December 31, 2010 is as follows:

	Number of warrants -----	Weighted average exercise price -----
Balance, December 31, 2008 and 2009	--	\$ --
Granted	10,000,000	0.10
	-----	-----
Balance, December 31, 2010	10,000,000	\$0.10
	=====	=====

At December 31, 2010, the Company had outstanding common share purchase warrants exercisable to acquire common shares of the Company as follows:

Number of warrants -----	Expiry date -----	Exercise price -----	Weighted average remaining life (years) -----
10,000,000	December 28, 2012	\$0.10	1.99 years
=====	=====	=====	=====

e) Stock options

The Company has entered into 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 Company calculates the fair value of all stock-based compensation awards using the Black-Scholes option pricing model.

During the year ended December 31, 2010, the Company granted 3,300,000 incentive stock options to directors, officers and employees. The granting of these options resulted in stock-based compensation expense of \$182,500 which was recorded as stock-based compensation expense on the statements of operations. The options granted vested upon issuance.

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 For the Year Ended December 31, 2010

7. SHARE CAPITAL - cont'd

e) Stock options - cont'd

The weighted average fair value of stock options granted during the year ended December 31, 2010 was \$0.055. The following assumptions were used for the Black-Scholes valuation of stock options during the year:

	2010	2009
	----	----
Risk-free interest rate	2.16%	--
Expected life	5 years	--
Annualized volatility	214.74%	--
Dividend yield	0%	--
	=====	=====

A continuity schedule of outstanding stock options at December 31, 2010 is as follows:

	Number of options	Weighted average exercise price
	-----	-----
Balance, December 31, 2008 and 2009	--	\$ --
Granted	3,300,000	0.10
	-----	-----
Balance, December 31, 2010	3,300,000	\$0.10
	=====	=====

At December 31, 2010, the Company had stock options outstanding exercisable to acquire common shares of the Company as follows:

Number of options outstanding	Number of options exercisable	Expiry date	Exercise price	Weighted average remaining life (years)
-----	-----	-----	-----	-----
2,950,000	2,950,000	August 27, 2015	\$ 0.10	4.66
150,000	150,000	November 25, 2015	0.10	4.90
200,000	200,000	December 8, 2015	0.10	4.94
-----	-----			-----
3,300,000	3,300,000			4.69
=====	=====			=====

8. INCOME TAXES

The Company has approximately \$572,000 in non-capital losses that can be offset against taxable income in future years which began expiring at various dates commencing in 2009, and approximately \$157,000 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-future tax asset valuation allowance has been provided due to the uncertainty regarding the realization of these losses.

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The related potential income tax benefits with respect to these items have not been recorded in the accounts.

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NORTH AMERICAN NICKEL INC.
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8. INCOME TAXES - cont'd

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2010	2009	2008
	-----	-----	-----
Loss before income taxes:	\$ 529,808	\$ 117,645	\$ 200,977
Statutory rates	28.50%	31.00%	31.00%
	-----	-----	-----
Expected income tax recovery	150,995	36,470	62,303
Non-controlling interest	--	3,389	2,668
Effect of reduction in tax rates	(4,632)	(4,227)	(25,427)
Permanent differences and other	(71,983)	(4,100)	14,307
Expiring losses	--	(10,932)	(7,194)
Non-allowable portion of capital loss	(42,380)	--	--
Increase in valuation allowance	(32,000)	(20,600)	(46,657)
	-----	-----	-----
Net future income tax recovery	\$ --	\$ --	\$ --
	=====	=====	=====

The significant components of the Company's future income tax assets are as follows:

	2010	2009
	-----	-----
Non-capital loss carry forward benefit	\$ 143,000	\$ 92,000
Capital losses carried forward	39,000	2,000
Mining properties	--	56,000
Valuation allowance	(182,000)	(150,000)
	-----	-----
Net future income tax asset	\$ --	\$ --
	=====	=====

9. CAPITAL MANAGEMENT

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

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 cash and raise

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additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties.

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 years ended December 31, 2010 and 2009. The Company is not exposed to externally imposed capital requirements.

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NORTH AMERICAN NICKEL INC.
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10. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's financial instruments consist of cash, receivables, marketable securities, accounts payable and due to related parties. The carrying value of these financial instruments approximates their fair value. Cash is measured based on Level 1 inputs of the fair value hierarchy.

The Company is engaged primarily 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

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 receivables. Receivables include primarily 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

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 \$556,665 at December 31, 2010. 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.

Market risk

(a) Interest rate risk

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

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(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars: therefore, foreign currency risk is minimal.

11. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred non-cash financing and investing activities during the year ended December 31, 2010 as follows:

	2010	2009
	----	----
Common shares issued for debt (Note 6)	\$132,000	\$ --
Accrued mineral property and deferred exploration costs	\$ 2,825	\$ --
Common shares issued for mineral properties (Note 4)	\$429,000	\$ --
	=====	=====

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NORTH AMERICAN NICKEL INC.

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Notes to the Consolidated Financial Statements

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12. 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: \$3,500 per month

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 employee to the effective date of termination.

13. RECONCILIATION BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

These consolidated financial statements have been prepared in accordance with Canadian GAAP, which differs in certain respects from US GAAP. A description of US GAAP and practices prescribed by the US Securities and Exchange Commission ("SEC") that result in material measurement and disclosure differences from Canadian GAAP are summarized as follows:

Consolidated Balance Sheets

	2010

Total assets under Canadian GAAP	\$ 1,363,910
(a) Mineral property exploration costs expensed under USGAAP	(177,718)

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Total assets under US GAAP	\$ 1,186,192	\$
Total liabilities under Canadian and US GAAP	\$ 129,527	\$
Non-controlling interest under Canadian GAAP	\$ --	\$
(a) Non-controlling interest in mineral property exploration costs expensed under US GAAP	--	
Non-controlling interest under US GAAP	\$ --	\$
Total shareholders' equity (deficit) under Canadian GAAP	\$ 1,234,383	\$
(a) Mineral property exploration costs expensed under US GAAP	(208,856)	
(a) Non-controlling interest in mineral property exploration costs expensed under US GAAP	10,774	
Total shareholders' equity (deficit) under US GAAP	\$ 1,036,301	\$

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13. RECONCILIATION BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED
ACCOUNTING PRINCIPLELS - cont'd

Consolidated Statements of Operations and Deficit

	2010	Years ended December 2009
	-----	-----
Net loss under Canadian GAAP	\$ (529,808)	\$ (117,645)
(a) Mineral property exploration costs expensed under US GAAP	(177,718)	--
(a) Non-controlling interest in mineral property exploration costs expensed under US GAAP	--	--
(c) Loss on sale of subsidiary	14,208	--
Net loss under US GAAP	(693,318)	(117,645)
Accumulated other comprehensive income (loss)	(24,525)	24,525

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Comprehensive loss - US GAAP	\$ (717,843)	\$ (93,120)
	=====	=====
Basic and diluted loss per share under US GAAP	\$ (0.04)	\$ (0.02)
	=====	=====
Consolidated Statements of Cash Flows		
Net cash used in operating activities under Canadian GAAP	\$ (282,855)	\$ (24,146)
(b) Mineral property exploration costs incurred	(177,843)	--
	-----	-----
Net cash used in operating activities under US GAAP	\$ (460,573)	\$ (24,146)
	=====	=====
Net cash provided by (used in) investing activities under Canadian GAAP	\$ (174,433)	\$ --
(b) Mineral property exploration costs incurred	177,718	--
	-----	-----
Net cash provided by (used in) investing activities under US GAAP	\$ 3,285	\$ --
	=====	=====
Net cash provided by financing activities under Canadian and US GAAP	\$ 1,100,000	\$ --
	=====	=====

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NORTH AMERICAN NICKEL INC.
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13. RECONCILIATION BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED
ACCOUNTING PRINCIPLES - cont'd

(a) Interest in unproven mineral properties

In accordance with Canadian GAAP, the cost of mineral properties and related exploration and development costs are deferred until the properties are placed into production, sold, abandoned or management has determined there to be impairment.

In accordance with US GAAP, mineral property acquisition costs are initially capitalized when incurred and the carrying value of intangible assets and other long-lived assets is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Mineral property exploration costs are generally expensed as incurred until commercially minable deposits are determined to exist within a particular property as cash flows cannot be reasonably estimated prior to such determination.

Accordingly, for all periods presented, the Company has expensed all mineral property exploration costs for US GAAP. During 2009, the Company optioned some of its mineral property interest. Under Canadian GAAP, the Company will record

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the option proceeds against the carrying value of the mineral property while for US GAAP, the Company will record the option proceeds as a recovery of mineral property costs on the statement of operations.

(b) Mineral property costs incurred

Under Canadian GAAP, cash flows relating to mineral property acquisition and exploration costs and option proceeds received are reported as investing activities. Under US GAAP, exploration costs are classified as operating activities. The net cash provided by (used in) operating and investing activities has been adjusted accordingly for all periods presented.

(c) Loss on sale of subsidiary

As described in (a) above, there is a difference between the basis for capitalization, expensing and mineral property exploration and development costs between Canadian GAAP and US GAAP. To the extent that mineral properties are owned by the Company's subsidiary, this difference gives rise to different carrying values in the subsidiary mineral properties and the non-controlling interests in the Company's subsidiary under US GAAP as compared to Canadian GAAP. Accordingly, upon sale of the underlying subsidiary, the resulting gain or loss is different between Canadian GAAP and US GAAP.

(d) Income taxes

Under US GAAP, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Under Canadian GAAP, the effect of a change in tax rates is recognized in the period of substantive enactment. The application of this difference under US GAAP does not result in a material difference between future income taxes as recorded under Canadian GAAP.

(e) Recent accounting pronouncements

In January 2010, the FASB issued ASU 2010-06, Improving Disclosures about Fair Value Measurements, which is included in the ASC Topic 820 (Fair Value Measurements and Disclosures). ASU 2010-06 requires new disclosures on the amount and reason for transfers in and out of Level 1 and 2 fair value measurements. ASU 2010-06 also requires disclosures of activities, including

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13. RECONCILIATION BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES - cont'd

(e) Recent accounting pronouncements - cont'd

purchases, sales, issuances, and a settlement within Level 3 fair value measurements and clarifies existing disclosure requirements on levels of disaggregation and disclosures about inputs and valuation techniques. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009 except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The implementation of the adoption of ASU 2010-06 has not had a material impact on

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the Company's consolidated financial statements.

In February 2010, the FASB issued ASU 2010-09, "Subsequent Events (Topic 855) Amendments to Certain Recognition and Disclosure Requirements". The amendment eliminates the requirement for SEC filers to disclose the date through which subsequent events have been evaluated. This standard had no impact on the Company's consolidated financial statements.

There are several new accounting pronouncements issued by FASB which are not yet effective. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe any of these accounting pronouncements has had or will have a material impact on the Company's financial position or operating results.

14. SUBSEQUENT EVENTS

Subsequent to December 31, 2010, the Company paid \$30,000 and issued 300,000 common shares pursuant to the Post Creek Property option agreement, paid \$15,000 and issued 150,000 common shares pursuant to the Woods Creek Property option agreement, paid \$25,000 and issued 200,000 common shares pursuant to the Halcyon Property option agreement and paid \$25,000 and issued 300,000 common shares pursuant to the Bell Lake Property option agreement (Note 4).

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