NICKEL NORTH EXPLORATION

NICKEL NORTH EXPLORATION CORP.

(formerly Orient Venture Capital Inc.)

CONDENSED INTERIM FINANCIAL STATEMENTS

Three Months Ended June 30, 2012

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report in accordance with securities legislation and the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

NICKEL NORTH EXPLORATION CORP.
(formerly Orient Venture Capital Inc.)
CONDENSED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note		June 30, 2012		March 31, 2012
ASSETS					
Current assets					
Cash		$	117,857	$	249,412
Sales tax recoverable			33,210		2,588
Prepaid expenses and deposits	4		306,448		14,400
Total assets		$	457,515	$	266,400
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	5	$	192,438	$	201,027
Loans payable	6		346,556		23,245
Loans from related parties	7		108,239		108,239
Total liabilities			647,233		332,511
Equity (deficiency)					
Share capital	8		623,392		385,471
Share subscription proceeds	8		-		245,500
Share-based payments reserve	9		30,018		30,018
Deficit			(843,128)		(727,100)
Total deficiency			(189,718)		(66,111)
Total liabilities and equity		$	457,515	$	266,400

Events after the reporting period (Note 14)

The financial statements were authorized for issue by the board of directors on August 28, 2012 and were signed on its behalf by:

"Phillip Mudry" — Chief Executive Officer

"Min Kuang" — Chief Financial Officer

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

NICKEL NORTH EXPLORATION CORP.
(formerly Orient Venture Capital Inc.)
CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
THREE MONTHS ENDED JUNE 30
(Unaudited – Prepared by Management)

	Note		2012		2011
EXPENSES					
Accounting and audit		$	13,500	$	(1,040)
Administration			9,800		-
Consulting fees			2,780		-
Interest			3,311		2,544
Legal			23,824		-
Office and miscellaneous			4,923		1,506
Transfer agent and filing fees			19,204		2,245
Travel and promotion			38,686		-
Net and comprehensive loss for the period		$	(116,028)	$	(5,255)
Basic and diluted loss per common share	8	$	(0.01)	$	(0.00)
Weighted average number of common shares outstanding			9,327,823		4,260,790

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

NICKEL NORTH EXPLORATION CORP.
(formerly Orient Venture Capital Inc.)
CONDENSED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)

	Note	Number of Shares		Share capital		Share subscription proceeds		Share-based payments reserve		Deficit		Total equity
Balance, March 31, 2012		4,260,790	$	385,471	$	245,500	$	30,018	$	(727,100)	$	(66,111)
Comprehensive income for the period		-		-		-		-		(116,028)		(116,028)
Transactions with owners												
Private placements	8	5,300,000		265,000		(245,500)		-		-		19,500
Share issuance costs	8	-		(27,079)		-		-		-		(27,079)
		-		237,921		(245,500)		-		-		(7,579)
Balance, June 30, 2012		9,560,790	$	623,392	$	-	$	30,018	$	(843,128)	$	(189,718)

	Note	Number of Shares		Share capital		Share-based payments reserve		Deficit		Total equity
Balance, March 31, 2011		4,260,790	$	385,471	$	30,018	$	(772,776)	$	(357,287)
Comprehensive loss for the period		-		-		-		(5,255)		(5,255)
Balance, June 30, 2011		4,260,790	$	385,471	$	30,018	$	(778,031)	$	(362,542)

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

NICKEL NORTH EXPLORATION CORP.
(formerly Orient Venture Capital Inc.)
CONDENSED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED JUNE 30
(Unaudited – Prepared by Management)

	Note	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		$ (116,028)	$ (5,255)
Item not affecting cash:			
Accrued interest on loans		3,311	2,544
Changes in non-cash working capital items:			
Sales tax recoverable		(30,622)	-
Prepaid expenses and deposits		(292,048)	(6,250)
Trade and other payables		(8,589)	(7,258)
Net cash used in operating activities		(443,976)	(16,219)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from related party		320,000	-
Proceeds from issuance of share capital		19,500	-
Share issuance costs		(27,079)	-
Net cash provided by financing activities		312,421	-
Change in cash during the period		(131,555)	(16,219)
Cash, beginning of the period		249,412	42,531
Cash, end of the period		$ 117,857	$ 26,312

Supplemental cash flow information (Note 11)

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

1. NATURE OF BUSINESS

Nickel North Exploration Corp. (formerly Orient Venture Capital Inc.) (the "Company") was incorporated under the laws of British Columbia, Canada on February 27, 2007 as Orient Ventures Capital Inc. and changed its name to Nickel North Exploration Corp. on July 30, 2012. The Company maintains its head office at Suite 300, 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9 and its registered office is located at Suite 800, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3H1.

The Company was classified as a Capital Pool Company ("CPC") as defined under TSX Venture Exchange (TSX-V) Policy 2.4 *Capital Pool Companies* ("Policy 2.4"). Subsequent to June 30, 2012, the Company completed its Qualifying Transaction as defined under TSX-V Policy 2.4 on August 8, 2012 (Note 14) and as such, the Company graduated from being a CPC to a Tier 2 mining issuer on the TSX-V. The Company is currently engaged in the acquisition, exploration, and development of mineral property interests in Canada. The Company's common shares are listed on the TSX-V under the symbol "NNX".

2. BASIS OF PREPARATION

These condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the annual financial statements for the year ended March 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Going concern

The Company is an exploration stage company upon closing of the Qualifying Transaction. At present, the Company's operations do not generate cash flow. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. Subsequent to June 30, 2012, the Company raised gross proceeds of $3,463,012 in concurrent financings upon closing of its Qualifying Transaction. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, adopt the going concern basis in preparing its financial statements.

These financial statements do not include adjustments that would be required if going concern is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

2. BASIS OF PREPARATION (cont'd…)

Use of estimates and judgements

The preparation of the financial statements in accordance with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates include:

(i) The determination of the fair value of stock options or warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate; therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.
(ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.
(iii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's annual financial statements for the year ended March 31, 2012 were consistently applied to all the periods presented unless otherwise noted below.

Future accounting changes

i) Amendments to IFRS 7 *Financial Instruments: Disclosures* have been issued to require additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments are applicable for annual periods beginning on or after July 1, 2011, with early adoption permitted.

ii) Amendments to IAS 12 *Income Taxes* have been issued to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. The amendments are applicable for annual periods beginning on or after January 1, 2012, with early adoption permitted.

iii) New standard IFRS 13 *Fair Value Measurement* (IFRS 13) has been issued to provide a single source of guidance on how to measure fair value where its use is already required or permitted by other IFRS and enhances disclosure requirements for information about fair value measurements. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting pronouncements (cont'd…)

iv) Amendments to IAS 32 *Financial Instruments: Presentation* have been issued to clarify requirements for offsetting of financial assets and financials liabilities. The amendments are applicable for annual periods beginning on or after January 1, 2014, with early adoption permitted.

v) New standard IFRS 9 *Financial Instruments* (IFRS 9) has been issued by IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2015, with early adoption permitted.

The Company has not early adopted these revised standards and is currently assessing the impact of these standards on the Company's financial statements.

4. PREPAID EXPENSES AND DEPOSITS

	June 30, 2012	March 31, 2012
Exploration advances and deposits	$ 274,548	$ -
Prepaid expenses	31,900	14,400
	$ 306,448	$ 14,400

5. TRADE AND OTHER PAYABLES

The Company's trade and other payables are broken down as follows:

	June 30, 2012	March 31, 2012
Trade payables	$ 155,109	$ 161,519
Amounts due to related party (Note 10)	27,829	11,508
Accrued expenses	9,500	26,000
Other payable	-	2,000
	$ 192,438	$ 201,027

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to operating activities. The usual credit period on trade purchases is between 30 to 90 days.

6. LOANS PAYABLE

During the year ended March 31, 2010, the Company received loans totalling $20,000 from three non-related individuals. These loans are unsecured, bear interest at 8% per annum and payable on or before the earlier of (1) March 12, 2012 or (2) when the Company completes an equity financing. As at June 30, 2012, the Company has accrued $3,356 (March 31, 2012 - $3,245) of interest on the loans. Subsequent to June 30, 2012, the Company paid $5,975 and issued 87,167common shares as full repayment of principal of the loans.

On May 8, 2012, the Company entered into a loan agreement with a private lender to advance $320,000 to the Company. The loan is unsecured, bears interest at 8% per annum and is payable on or before July 15, 2012. As at June 30, 2012, the Company has accrued $3,200 of interest on the loan. Subsequent to June 30, 2012, the Company paid $325,541 as full repayment of the loan.

7. LOANS FROM RELATED PARTIES

During the year ended March 31, 2010, the Company received loans of $77,000 and $13,000 from a company controlled by the Chief Financial Officer ("CFO") of the Company and from the President of the Company, respectively. The loans are unsecured, bear interest at 8% per annum and are payable on or before the earlier of (1) October 1, 2012 or (2) when the Company completes an equity financing. As at June 30, 2012, the Company has accrued $18,239 (March 31, 2012 - $18,239) of interest on the loans. Subsequent to June 30, 2012, the Company issued 541,200 common shares as a full repayment of the loans.

8. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value and an unlimited number of non-voting, non-participating, non-cumulative preferred shares without par value issuable in series.
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Issued share capital

As at June 30, 2012, the Company had 9,560,790 common shares issued and outstanding (March 31, 2012 - 4,260,790).

As at June 30 and March 31, 2012, the Company had no preferred shares issued and outstanding.

Share issuance

During the three months ended June 30, 2012, the Company completed a non-brokered private placement of 5,300,000 common shares at a price of $0.05 per share for gross proceeds of $265,000. The Company incurred legal and other expenses of $27,079 in connection with the private placement.

8. SHARE CAPITAL (cont'd…)

Escrow share

As at June 30, 2012, 3,800,000 of the outstanding common shares were held in escrow. Pursuant to TSX-V Policy 2.4, 380,000 escrow shares will be released upon re-activation of the Company's listing on the TSX-V and the remaining shares will be released in six equal tranches every six months thereafter over a period of thirty six months.

Basic and diluted earnings/loss per share

The calculation of basic and diluted loss per share for the three month period ended June 30, 2012 was based on the loss of $116,028 (2011 - $5,255), attributable to common shareholders and a weighted average number of common shares outstanding of 9,327,823 (2011 - 4,260,790).

At June 30, 2012, 420,000 stock options (2011 - 420,000) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

9. SHARE-BASED PAYMENTS

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors.

The Company has no stock option transactions during the three month ended June 30, 2012 and the years ended March 31, 2012.

The following options to acquire common shares were outstanding at June 30 and March 31, 2012.

Number of Shares	Exercise Price	Expiry Date
420,000	$ 0.10	September 4, 2012

10. RELATED PARTY TRANSACTIONS

Included in trade and other payables was $27,829 (March 31, 2012 - $11,508) owing to two companies controlled by the CFO of the Company for office administration services rendered to the Company and for travel expenses paid on behalf of the Company and is unsecured, non-interest bearing, and has no specific terms of repayment.

Key management includes directors (executive and non-executive) of the Company. There are no short-term employee benefits and share-based payments paid or payable to key management personnel during the three month periods ended June 30, 2012 and 2011.

The Company entered into the following related party transactions during the three month period ended June 30, 2012:

a) Incurred administration fees of $5,800 (2011 - $1,200) to a company controlled by the CFO of the Company for administration services provided.

b) Accrued interest expense of $nil (2011 - $1,820) on loans from the former President of the Company and a company controlled by the CFO of the Company.

11. SUPPLEMENTAL CASH FLOW INFORMATION

	2012	2011
Cash paid for income taxes during the period	$ -	$ -
Cash paid for interest during the period	$ -	$ -

There were no significant non-cash investing or financing transactions during the three month periods ended June 30, 2012 and 2011.

12. CAPITAL MANAGEMENT

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders’ equity in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, and acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management.

There were no changes in the Company's approach to capital management from the prior year. The Company is not subject to externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS

The Company classified cash as loans and receivables, and trade and other payables, loans payable and loans from related parties as other financial liabilities. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments are measured at amortized cost on the statement of financial position.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with a high-credit quality financial institution. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at June 30, 2012, the Company had a working capital deficiency of $189,718. All of the Company's financial liabilities are classified as current. Subsequent to June 30, 2012, the Company raised gross proceeds of $3,463,012 in concurrent financings upon closing of its Qualifying Transaction.

The sources of funds provided to the Company in the past two years are through issuance of capital stock and related party advances. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions. The interest rate risks on cash are not considered significant due to their short-term nature. Loans payable and loans from related parties bear a fix interest rate at 8% per annum and thus are not subject to interest rate risk.

14. EVENTS AFTER THE REPORTING PERIOD

Subsequent to June 30, 2012, the Company

i) Completed its Qualifying Transaction through the closing of an option agreement with Virginia Energy Resources Inc. ("VAE") and its wholly-owned subsidiary (collectively the "Optionors") whereby Optionors granted the Company an option to acquire a 100% interest in the Hawk Ridge property by making staged payments totaling $2,000,000 in cash and $1,000,000 in common shares of the Company to VAE by December 31, 2013. In addition, the Company may be required to issue such number of non-flow-through units (as defined below) equal to the expenses of a geophysical survey up to $600,000 at a price of $0.20 per non-flow-through unit. The cash payment will then be reduced by 20% of the geophysical survey costs paid by the Company. The property is subject to a 3% net smelter returns royalty ("NSR"). The Company issued 100,000 common shares as a finder's fee in connection with the Qualifying Transaction.

ii) Completed a brokered financing of 2,504,600 flow-through units at a price of $0.22 per flow-through unit and a non-brokered financing of 14,560,000 non-flow-through units at a price of $0.20 per non-flow-through unit for gross proceeds of $3,463,012. Each flow-through unit is comprised of one flow-through common share and one-half of a share purchase warrant; each whole warrant entitles the holder to acquire one additional non-flow-through common share at a price of $0.35 until August 2, 2013 and at a price of $0.60 until August 2, 2014. The non-flow-through units have the same terms as the flow-through units except that the shares forming the units were non-flow-through shares. The Company paid a cash commission of $33,398 and a corporate finance fee of $25,000 and issued 151,810 agent's warrants in connection with the brokered financing. Each agent's warrant is exercisable until August 2, 2014 to acquire one common share at a price of $0.22.

iii) Paid $500,000 and issued 1,250,000 common shares with a fair value of $250,000 to VAE pursuant to the Hawk Ridge option agreement. In addition, the Company issued 2,303,032 non-flow-through units with a fair value of $460,406 to VAE for the expenses of a geophysical survey pursuant to the Hawk Ridge option agreement.

iv) Issued 1,072,983 common shares at $0.20 per share to settle $88,923 of accounts payable, $17,434 of loans payable and $108,239 of loans from related parties.