NICKEL NORTH EXPLORATION CORP.

(the "Company" or "Nickel North")

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2014

The following Management Discussion and Analysis ("MD&A") has been prepared by management as of May 29, 2014, and should be read in conjunction with the unaudited financial statement of the Company together with the related notes for the three months ended March 31, 2014, and the audited financial statements of the Company together with the related notes thereto for the year ended December 31, 2013. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A and may include statements regarding exploration results and budgets, mineral resource estimates, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. The words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets", "may", "will", "should", "might" and similar expressions identify forward-looking statements. Some of the forward looking information and statements in this MD&A include "[t]he 2013 drilling and surface exploration program provided a significant leap in understanding and appreciation of the potential of the Hawk Ridge Property. The P&E's 43-101 Report indicates that the Hawk Ridge Property has reasonable potential for economic open pit extraction. A potential that few properties ever reach. This new understanding of the economics, the insight to the controlling process of the mineralization and the known resource potential of the property puts the Company in a unique opportunity to expand the economic viability of the property during the 2014 exploration program." Information concerning the interpretation of drill results may also be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. This MD&A contains information on mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The quantity and grade of reported Inferred Resources in the estimation contained in the MD&A are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category. The MD&A also indicated that the Hawk Ridge Property contains an exploration target with a potential range of certain number of tonnes at certain average grade ranges. The exploration target is based on the estimated strike length, depth and width of the known mineralization which is supported by intermittent drill holes, geophysics and observations of mineralized surface exposures. The potential quantities and grades of this exploration target are conceptual in nature. There has been insufficient work done by a Qualified Person to define these estimates as mineral resources. The Company is not treating these estimates as mineral resources, and readers should not place undue reliance on these estimates. Even with additional work, there is no guarantee that these estimates will be classified as mineral resources. In addition, there is no guarantee that these estimates will prove to be economically recoverable.

The forward-looking statements are based on reasonable assumptions that have been made by the Company as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks associated with mineral exploration and development; metal and mineral prices; availability of capital; accuracy of the Company's projections and estimates; realization of mineral resource estimates, interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of current exploration activities; government regulation; political or economic developments; environmental risks; insurance risks; capital expenditures; operating or technical difficulties in connection with development activities; personnel relations; the speculative nature of strategic metal exploration and development including the risks of diminishing quantities of grades of resources; contests over title to properties; and changes in project parameters as plans continue to be refined. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported inferred mineral resources as the estimation is uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading inferred mineral resources to an indicated or measured mineral resource category.

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the price of copper, nickel, platinum, palladium or gold ; the demand for these metals; the ability to carry on exploration and development activities; the timely receipt of any required approvals; the ability to obtain qualified personnel, equipment and services in a timely and cost-efficient manner; the ability to operate in a safe, efficient and effective manner; and the regulatory framework regarding environmental matters, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company does not update or revise forward looking information even if new information becomes available unless legislation requires the Company do so. Accordingly, readers should not place undue reliance on forward-looking information contained herein, except in accordance with applicable securities laws.

OVERVIEW

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 is currently engaged in 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".

<u>Summary of QT</u>
On January 31, 2012, the Company entered into a letter of intent with Anthem Resources Inc. ("Anthem") (formerly Virginia Energy Resources Inc. ("VAE") to acquire certain mineral claims, referred to as the Hawk Ridge Property, in Ungava Bay, Quebec. The acquisition was intended to constitute the Company's Qualifying Transaction as defined under TSX-V Policy 2.4.

On March 29, 2012, the Company entered into an option agreement with Anthem Resources Inc. ("Anthem") and its wholly-owned subsidiary (together the "Optionors"), which was subsequently amended on May 15, 2012 (the "First Amendment"), on February 15, 2013 (the "Second Amendment"), and on April 17, 2013 (the "Third Amendment") whereby the Optionors granted the Company an option to acquire a 100% interest in the Hawk Ridge Ni-Cu-PGE Project in Northern Quebec (the "Hawk Ridge Property") by making staged payments totaling $2,000,000 in cash and $1,000,000 equivalent in common shares of the Company to Anthem by December 31, 2013 as follows:

- Pay $500,000 in cash (paid) and $250,000 in common shares (issued) within five business day of TSX-V final approval of the transaction;
- Pay $500,000 in cash (paid) and $250,000 in common shares (issued) by December 31, 2012; and
- Pay $1,000,000 in cash (reduced by $92,081 for 20% of geophysical survey costs paid by the Company) and issue $500,000 in common shares ($500,000 divided by the greater of (A) the price per consideration share ("Share"), equal to 10% discount to the Share's moving average trading price for the 20 day period immediately preceding the date of issuance, and (B) $0.20) on or before December 31, 2013 (issued).

During the year ended December 31, 2013, under the Third Amendment, in lieu of paying $1,000,000 in cash on or before December 31, 2013, the Company issued to the Optionors 3,631,675 units (the "Conversion Units") equal to $907,919 ($1,000,000 less $92,081 for the geophysical survey costs) divided by $0.25 per Conversion Unit. Each Conversion Unit consists of one common share and one half of one common share purchase warrant with each whole warrant entitling the holder to acquire one additional common share for a period of two years, at an exercise price of $0.35 per share in the first year and $0.60 per share in the second year. In addition, the Company issued 2,500,000 common shares equal to $500,000 divided by the greater of $0.20 or a 10% discount to the 20 day moving average trading price of the Company for the 20 day period immediately preceding the date of issuance.

During the year ended December 31, 2012, the Company issued 2,302,032 units with a fair value of $460,406 as geophysical survey expense. Each unit comprised one common share and one-half of a share purchase warrant; each whole warrant entitles the holder to acquire one common share for a period of two years following the closing date at a price of $0.35 in the first year and at a price of $0.60 in the second year.

The property is subject to a 3% net smelter returns royalty ("NSR") and the Company has the option to purchase one-third of the NSR (1%) for $1,000,000.

On May 1, 2013, the Company has fulfilled all option payments and acquired 100% ownership of the Hawk Ridge Property.

On February 15, 2013, the Company entered into an interim bridge loan agreement with Sino Minerals Corp., a subsidiary of Goldrock Resources Co. Ltd. for the amount of $300,000. Goldrock Resources Co. Ltd. is a related party of the Company with two directors in common. The loan is unsecured, bears interest at 8% per annum, and was fully repaid in May 2013.

On March 28, 2013, the Company closed a $2,000,000 private placement subscription agreement with Sinotech (Hong Kong) Corporation Limited, an affiliate company of Goldrock Resources Corporation Limited. The placement is for 8,000,000 units at $0.25 per unit. Each unit consists of one common share and one half warrant. Each whole warrant is exercisable for a period of 2 years and entitles the holder to purchase one common share at a price of $0.35 in the first year and $0.60 in the second year.

On April 15, 2013, the Company granted 200,000 stock options to Axon Communication with an exercise price of $0.20 per share and an expiry date of 90 days after the date of grant. The 200,000 options vested immediately on the date of grant and expired on July 15, 2013.

On May 30, 2013, the Company completed a non-brokered financing of 16,666,667 flow-through shares at a price of $0.30 per flow-through share for gross proceeds of $5,000,000. The Company incurred share issuance costs of $177,866 and issued 250,000 agent's warrants in connection with the financing. Each agent's warrant is exercisable until May 30, 2015 to acquire one common share at a price of $0.35. The agent's warrants were valued at $9,615. Pursuant to the terms of the flow-through agreements, the Company is required to comply with the contractual obligations and the renouncement requirements of the Canadian Income Tax Act.

On August 23, 2013, the Company acquired all of Sino Minerals Corp.'s 100% interest in 14 mining claims covering a total area of approximately 2,860 hectares located in the Province of Ontario and known as the Nairn Property (the "Nairn Property"), subject to a 2% net smelter returns royalty over six of the claims and third party freehold patent surface rights over eight of the claims. In consideration for the Nairn Property, the Company issued to Sino Minerals Corp. 2,000,000 common shares at a market price of $0.12 per share for the purchase at a fair value of $240,000.

During the three month period ended March 31, 2014, the Company received $389,187 of the sales tax that was included in sales tax recoverable and other receivables as at December 31, 2013. Subsequent to March 31, 2014, the Company received $554,213 of the government tax credit that was included in sales tax recoverable and other receivables as at March 31, 2014.

Hawk Ridge Property

The Hawk Ridge Property is well situated on tidewater in Ungava Bay, Northern Quebec and is located near the northern end of the Labrador Trough (New Quebec Orogen). The property is in Nunavik Territory, situated in the northern third of Québec, and is the traditional homeland of the Inuit in the province where they hold certain ancestral rights and the mineral rights to certain lands. Inuit land claims have previously been settled in the Territory of Nunavik.

The Hawk Ridge Property is located at longitude 69° 38’ 30”W, latitude 59° 00' 00”N in NTS (National Topographic System) 24K/14, 24N/03 and 24N/06.

Today the mineral claims cover 30,657.25 hectares of a highly anomalous widespread magmatic nickel-copper sulphide mineralization over a 50 km belt of mafic to ultramafic intrusive, volcanic and sedimentary rocks. The geology is composed of Early to Middle Proterozoic folded volcanic-sedimentary sequences intruded by gabbro, pyroxenite and peridotite sills. The property lies within the prolific Circum Superior Nickel Copper Belt, which also hosts the world-class (producing) Raglan and Thompson mining districts.

The majority of copper-nickel sulphide occurrences on the Hawk Ridge Property are hosted in gabbroic and plagioclase glomeroporphyritic gabbro of the Hellancourt Formation and the contemporaneous Montagnais Group Intrusions. The deposits are in close proximity to contacts of gabbro with underlying metasediments and peridotite.

The Cu–Ni, ±Co, ±Pt, ±Pd, ±Au mineralization is generally low to intermediate grade, lies at or near surface and is amenable to open pit mining.

The property benefits from access to tide water. A deep-sea port has been proposed by Oceanic Iron Ore Corp., on the north shore of Hopes Advance Bay for a proposed iron mining operation 20-50 km west of Aupaluk. The shipping season at Aupaluk is usually from mid- to late June until late November.

In 2012, the Company undertook the first drilling at the property in 15 years. The 2012 diamond drill program was designed to test extensions of known mineralization, as well as new targets identified by the 2,400 line-km Geotech VTEM airborne survey flown in 2012.

A total of seven NQ-diameter diamond drill holes (HR-2012-01 to HR-2012-07) over 1,055.07 m were completed over a period of five weeks, from August 19, 2012 to September 15, 2012. Holes ranged in depth from 110 m to 210 m.

The Company commenced its 2013 helicopter-supported drill program at the property on June 26, 2013 with a single drill rig and added a second drill at the mid-season sealift. A total of 7,330 m of diamond drilling was completed over 38 drill holes (HR-2013-08 TO HR-2013-43) at the Hopes Advance Main Zone, the Gamma Zone, the newly discovered Falco7 Zone, as well as other regional exploration targets.

The main objective of the 2013 exploration program was to expand upon the known mineralization at the Hawk Ridge Property and completed a NI 43-101 resource estimation in the first quarter of 2014.

The compliant mineral resource estimates were completed by P&E Mining Consultants for the Falco7, Gamma, Hopes Advance Main and Hopes Advance North Zones. Metals included in the estimate are copper, nickel, cobalt, platinum, palladium and gold with reporting done by net smelter return (NSR) cut-off as appropriate for polymetallic deposits.

This resource estimate is based entirely on diamond drilling, core sampling and assaying. The exploration drill hole database for the property contains 394 diamond drill holes totaling 35,947.59 m of which 116 holes for 15,801.17 m have been used to delineate and sample the resources.

2013 Exploration Program

During the 2013 exploration season the Company successfully completed a $5 million integrated drilling, geophysical, and geological program. This year's exploration program was initiated on May 26th with diamond drilling commencing on June 6th with a second drill added at the mid-season sealift. The helicopter supported program completed 7,330 meters of diamond drilling in 38 drill holes, complimentary ground geophysical programs (CRONE Pulse EM and "*Walkmag"* Magnetometer surveys) with requisite field mapping and prospecting.

The 2013 program focused on two of the largest stratiform layered mineralized zones (Hopes Advance Main and Gamma) and regional exploration following up on numerous new targets selected from proprietary geophysical algorithms applied to the 2012 VTEM Airborne Survey that lead to the newly discovered Falco 7 Zone. The drilling included 1,350 meters (4 drill-holes) in the historical Hopes Advance Main Zone and 1,240 meters (5 drill-holes) in the Gamma Zone, 1,300 meters (8 drill-holes) in regional exploration and 3,430 meters (21 drill-holes) in the Falco 7 Zone.

The main objective of the 2013 exploration program was to expand upon the known mineralization at the Hawk Ridge Property and complete a NI 43-101 resource calculation.

Drilling Highlights of the 2013 Exploration Program Include:

Discovery of the New Falco 7 Zone:
Falco 7 Zone is located approximately 3-4 kilometres from tidewater and 6.5 to 8.0 kilometers from the town of Aupaluk. The zone comprises two stacked intervals; a porphyritic gabbroic interval and an underlying massive sulphide interval at the basal contact of the gabbro. The zone is sub-horizontal, near-surface (0 to150 meters from surface) and returns low to moderate grades of Cu-Ni-PGE.

The Company completed 21 drill holes over a distance of 3,430 m in the newly discovered Falco 7 Zone, located in the northern portion of the Hawk Ridge Ni-Cu-PGE Belt less than 3 km from tide water. The drilling delineated a North-South-striking zone of mineralization with a strike-length of at least 1.2 km and a width of over 600 m that dips gently towards the east at 18° and is near-surface from between 0 m to 150 m below surface. Mineralization is open along-strike and to depth down-dip.

The host rocks and mineralization are similar to the historic Hopes Advance Main and Gamma Zones.

The Falco 7 Zone was identified early in the season through the interpretation of the 2012 airborne VTEM survey, which was later confirmed with follow up ground work and the discovery of mineralized boulders and outcrop at surface (Nickel North news release, dated September 10, 2013)

Table Falco 7 Zone details the highlights of the mineralization intersected during the 2013 drill program at the Falco 7 Zone.

TABLE: FALCO 7 ZONE
SIGNIFICANT 2013 MINERALIZED INTERCEPTS FOR FALCO 7 ZONE

Hole #	From (m)	To (m)	Width (m)	Cu %	Ni %	Pd+Pt+Au (g/t)	Sulphide %
HR-2013-17	6.00	12.65	6.65	0.26	0.06	0.06	10.2
And	29.35	38.30	8.95	0.38	0.08	0.04	45
HR-2013-18	8.20	27.70	19.50	0.45	0.16	0.24	3.9
incl.	22.75	27.70	4.95	0.69	0.19	0.32	5.7
HR-2013-18	37.75	41.40	3.65	0.37	0.09	0.05	53.6
incl.	39.20	41.40	2.20	0.52	0.13	0.06	76.8
HR-2013-19	25.80	38.25	12.45	0.33	0.12	0.13	3.6
incl.	34.30	38.25	3.95	0.62	0.21	0.16	6.6
HR-2013-19	45.65	48.15	2.50	0.50	0.15	0.06	76.2
HR-2013-20	116.80	130.15	13.35	0.47	0.14	0.27	3.5
incl.	127.15	130.15	3.00	0.91	0.19	0.41	6
HR-2013-20	138.85	146.80	7.95	0.34	0.10	0.05	43.2
incl.	142.15	145.55	3.40	0.56	0.17	0.05	87.3
HR-2013-21	42.00	47.50	5.50	0.41	0.10	0.17	7.6
HR-2013-22	75.85	78.90	3.05	0.30	0.13	0.22	4.1
HR-2013-23	89.15	92.70	3.55	0.53	0.11	0.32	4
incl.	91.10	92.50	1.40	0.87	0.09	0.39	4.8
HR-2013-25	25.60	42.30	16.70	0.33	0.14	0.18	3.7
incl.	36.45	40.40	3.95	0.55	0.20	0.19	6.6
HR-2013-25	53.91	54.53	0.62	0.58	0.19	0.05	26.7
HR-2013-26	130.00	151.00	21.00	0.35	0.17	0.24	3.5
incl.	141.00	149.00	8.00	0.52	0.23	0.33	5.4
HR-2013-27	80.00	100.00	20.00	0.33	0.13	0.19	3.5
incl.	92.00	98.00	6.00	0.55	0.18	0.26	5.3
HR-2013-27	115.58	117.85	2.27	0.32	0.10	0.03	17.2
HR-2013-28	130.75	144.00	13.25	0.30	0.13	0.19	3.3
incl.	137.00	143.00	6.00	0.39	0.17	0.23	4.6
HR-2013-29	43.00	68.50	25.50	0.37	0.16	0.22	5.3
incl.	57.50	63.50	6.00	0.60	0.29	0.32	8.1
HR-2013-29	80.00	81.95	1.95	0.46	0.02	0.03	5.9
HR-2013-31	91.10	95.25	4.15	0.43	0.14	0.08	8
HR-2013-33	12.00	22.00	10.00	0.23	0.08	0.10	8.1
HR-2013-33	40.80	41.00	0.20	0.30	0.08	0.05	24.5
HR-2013-34	95.20	113.50	18.30	0.34	0.11	0.10	10.3
incl.	107.20	108.77	1.57	0.85	0.07	0.04	12.5
HR-2013-35	108.50	112.00	3.50	0.31	0.09	0.07	14.8
HR-2013-36	120.00	122.50	2.50	0.24	0.10	0.15	6.9
HR-2013-36	128.42	129.00	0.58	1.01	0.07	0.03	17.2
HR-2013-37	125.50	140.50	15.00	0.42	0.12	0.17	6.6
incl.	132.00	135.00	3.00	1.06	0.21	0.28	8.1
HR-2013-38	146.00	162.00	16.00	0.38	0.11	0.20	3.9
HR-2013-38	166.00	168.00	2.00	0.39	0.15	0.06	8.8
HR-2013-38	189.65	191.30	1.65	0.81	0.18	0.06	94.7

Hopes Advance Main Zone:
The Company completed a total of four drill holes at the Hopes Advance Main Zone (HR-2013-14 TO HR-2013-16) for a total of 1353.9 m. Drilling confirmed the continuity of mineralization (HR-2013-16) for an additional 430 m down dip from HR-2012-07 and at least 495 m from surface, (see Nickel North News Release dated November 12, 2013).

Table Hopes Advance Main Zone details the highlights of the mineralization intersected during the 2013 drill program at the Hopes Advance Main Zone.

TABLE: HOPES ADVANCE MAIN ZONE SIGNIFICANT 2013 MINERALIZED INTERCEPTS FOR HOPES ADVANCE MAIN ZONE							
Hole #	**From (m)**	**To (m)**	**Width (m)**	**Cu %**	**Ni %**	**Pd+Pt+Au (g/t)**	**Sulphide %**
HR-2013-16	417.50	453.35	35.85	0.55	0.22	0.29	5.0
incl.	433.40	452.35	18.95	0.77	0.28	0.34	7.7

Hopes Advance North Zone
The Company also drilled one hole over 192.0 m at the Hopes Advance North Zone, which lies approximately 800 m north of the Hopes Advance Main Zone. Both areas have a similar mineralization style, however the northern zone is structurally more complex and is separated from the Main Zone by a northeast-trending dextral fault. The step-out drill hole HR-2013-13 expanded the Hopes Advance North Zone by intersecting 11.65 m of disseminated mineralization, similar to the mineralized gabbro overlying semi-massive sulphides in hole 97-112, 55 m to the south (Figure 10.2). Follow up geophysical surveying and drilling is planned in 2014 to trace the thicker higher-grade mineralized interval seen in 97-112 (see Nickel North News Release dated November 12, 2013).

Table Hopes Advance North Zone details the highlights of the mineralization intersected during the 2013 drill program at the Hopes Advance North Zone.

TABLE: HOPES ADVANCE NORTH ZONE SIGNIFICANT 2013 MINERALIZED INTERCEPTS FOR HOPES ADVANCE NORTH ZONE							
Hole #	**From (m)**	**To (m)**	**Width (m)**	**Cu %**	**Ni %**	**Pd+Pt+Au (g/t)**	**Sulphide %**
HR-2013-13	29.35	41.00	11.65	0.61	0.25	0.31	3.8
incl.	30.00	40.00	10.00	0.68	0.28	0.34	4.2

Gamma Zone:
The Company drilled a total of five drill holes over 1,240 m at the Gamma Zone. Three of the five holes intersected significant mineralization and extended the mineralized zone from surface to 325 m down-dip.

Table Gamma Zone details the highlights of the mineralization intersected during the 2013 drill program at the Gamma Zone.

TABLE: GAMMA ZONE SIGNIFICANT 2013 MINERALIZED INTERCEPTS FOR GAMMA ZONE							
Hole #	**From (m)**	**To (m)**	**Width (m)**	**Cu %**	**Ni %**	**Pd+Pt+Au (g/t)**	**Sulphide %**
HR-2013-30A	330.50	359.00	28.50	0.53	0.22	0.23	3.2
incl.	335.00	349.25	14.25	0.62	0.26	0.28	3.7
incl.	353.25	358.00	4.75	0.69	0.31	0.23	4.5
HR-2013-30A	400.08	401.63	1.55	1.10	0.35	0.45	22.5
incl.	401.02	401.20	0.18	0.18	1.02	1.56	89.1
incl.	401.20	401.50	0.30	0.26	0.58	0.81	24.8
incl.	401.50	401.63	0.13	0.26	0.52	0.68	22.7
HR-2013-39	258.50	302.25	43.75	0.58	0.24	0.33	3.6
incl.	282.25	286.75	4.50	0.82	0.32	0.39	5.6
incl.	289.25	291.75	2.50	0.86	0.34	0.36	5.8
incl.	298.25	302.25	4.00	1.11	0.38	0.35	6.4
incl.	300.25	300.75	0.50	1.12	0.61	0.55	11.7
incl.	301.25	301.75	0.50	1.26	0.70	0.44	7.7
HR-2013-40	298.50	320.50	22.00	0.39	0.15	0.18	2.2
incl.	304.50	312.50	8.00	0.51	0.19	0.19	3
HR-2013-41	96.50	109.30	12.80	0.46	0.17	0.23	2.6
incl.	99.30	100.80	1.50	0.62	0.21	0.23	3.8
incl.	101.80	103.80	2.00	0.76	0.28	0.32	4.5

43-101 Technical and Resource Report on the Hawk Ridge Property

The following section has been modified from the 43-101 “Technical Report and Resource Estimate on the Hawk Ridge Property, Northern Quebec” (the “Report”). The full Report can be reviewed on SEDAR at www.sedar.com.

The report was prepared by P&E Mining Consultants Inc. (“P&E”). The purpose of this Report is to provide an independent, National Instrument (“NI”) 43-101 Technical Report and Mineral Resource Estimate on the Falco7, Gamma, Hopes Advance Main and Hopes Advance North Zones on the Hawk Ridge Project in the Nunavik Region of Québec, Canada (the “Project” or the “Property”).

P&E evaluated drilling procedures, sample preparation, analyses and security and is of the opinion that the core logging procedures employed, and the sampling methods used were thorough and have provided sufficient geological and analytical information. The authors consider the data to be of good quality and satisfactory for use in a resource estimate. P&E compared independent sample verification results versus the original assay results for Cu and Ni and the P&E results demonstrate that the results obtained and reported by Nickel North were reproducible.

Mineral Resources have been estimated for the Falco7, Gamma, Hopes Advance Main and Hopes Advance North zones. Minerals included in the estimate are copper, nickel, cobalt, platinum, palladium and gold with reporting done by net smelter return (NSR) cut-off as appropriate for polymetallic deposits.

This resource estimate is based entirely on diamond drilling, core sampling and assaying. The exploration drill hole database for the property contains 394 diamond drill holes totaling 35,947.59 m of which 116 holes for 15,801.17 m have been used to delineate and sample the resources.

The Cu–Ni, ±Co, ±Pt, ±Pd, ±Au mineralization is generally low to intermediate grade, lies at or near surface and is amenable to open pit mining.

In P&E's opinion, the drilling, assaying and exploration work completed on the four zones at the Hawk Ridge Project supporting this resource estimate are sufficient to indicate reasonable potential for economic extraction and thus qualify it as a Mineral Resource under CIM definition standards. The grade and NSR block models were exported to Datamine Limited's NPV Scheduler™ for open pit design and the resulting optimized pit surfaces were used to report Mineral Resources from the GEMS block models. The total in-pit Inferred Mineral Resources for a $25/tonne NSR discard cut-off are estimated at 19,636,000 million tonnes averaging 0.577% Cu, 0.215% Ni, 0.011% Co, 0.051 g/t Pt, 0.207 g/t Pd, and 0.105 g/t Au, (which equates to a 1.029% Cu Equivalent grade basis).

The mineral resource estimate is presented in Table 1.1.

TABLE 1.1
IN-PIT INFERRED RESOURCES BY ZONE AT VARIOUS NSR CUT-OFFS AS OF JANUARY 2014

Cut-Off	Tonnes	Cu Eq	Cu	Ni	Co	Pt	Pd	Au	Bulk Density
NSR $/t	(000)	%	%	%	%	g/t	g/t	g/t	t/m^3
Falco 7									
$50	838	1.074	0.588	0.226	0.015	0.053	0.231	0.102	3.25
$40	2,241	0.926	0.522	0.198	0.014	0.052	0.210	0.101	3.23
$30	3,464	0.833	0.470	0.187	0.013	0.048	0.195	0.101	3.21
$25	3,786	0.806	0.459	0.182	0.013	0.047	0.189	0.101	3.20
$20	3,827	0.802	0.458	0.181	0.013	0.047	0.188	0.101	3.20
$15	3,840	0.800	0.457	0.181	0.013	0.047	0.188	0.101	3.20
Hopes Advance									
$50	6,204	1.252	0.683	0.256	0.012	0.057	0.228	0.108	3.28
$40	9,866	1.101	0.620	0.224	0.011	0.053	0.213	0.107	3.26
$30	11,319	1.045	0.591	0.215	0.011	0.051	0.207	0.107	3.25
$25	11,484	1.038	0.587	0.214	0.011	0.051	0.206	0.106	3.25
$20	11,565	1.033	0.585	0.213	0.011	0.051	0.205	0.106	3.24
$15	11,571	1.033	0.585	0.213	0.011	0.051	0.205	0.106	3.24
Gamma									
$50	2,774	1.414	0.755	0.288	0.013	0.058	0.237	0.107	3.31
$40	4,192	1.219	0.662	0.252	0.012	0.056	0.228	0.107	3.27
$30	4,364	1.198	0.653	0.248	0.012	0.055	0.226	0.106	3.27
$25	4,366	1.198	0.653	0.248	0.012	0.055	0.226	0.106	3.27
$20	4,366	1.198	0.653	0.248	0.012	0.055	0.226	0.106	3.27
$15	4,366	1.198	0.653	0.248	0.012	0.055	0.226	0.106	3.27

Notes:

(1) CIM definitions were followed for Mineral Resources.
(2) Mineral Resources are estimated by conventional 3D block modelling based on wireframing at a $25/tonne NSR cut-off and inverse distance squared grade interpolation.
(3) Metal prices for the estimate are: US$3.67/lb Cu, US$8.51/lb Ni, US$1,596/oz Pt, US$702/oz Pd, US$1,554/oz Au and US$15.00/lb Co based on a three-year trailing average as of November 30, 2013.
(4) A variable bulk density of 3.01 tonnes/m3 or higher based on density weighting has been applied for volume to tonnes conversion.
(5) Open pit Mineral Resources are estimated from surface to pit floor depths of 90 m to 160 m.
(6) Mineral Resources are classified Inferred based on drill hole spacing, geologic continuity and quality of data.
(7) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There is no certainty that all or any part of the Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.
(8) P&E recommends reporting open pit resources at the $25/tonne NSR cut-off.

TABLE 1.2
TOTAL IN-PIT INFERRED RESOURCES AT VARIOUS NSR CUT-OFFS AS OF JANUARY 2014

Cut-Off	Tonnes	Cu Eq	Cu	Ni	Co	Pt	Pd	Au	Bulk Density
NSR $/t	(000)	%	%	%	%	g/t	g/t	g/t	t/m^3
$50	9,816	1.283	0.695	0.262	0.012	0.057	0.231	0.107	3.29
$40	16,299	1.108	0.617	0.228	0.012	0.053	0.216	0.106	3.26
$30	19,147	1.042	0.583	0.218	0.012	0.052	0.209	0.105	3.25
$25	19,636	1.029	0.577	0.215	0.011	0.051	0.207	0.105	3.24
$20	19,758	1.025	0.575	0.215	0.011	0.051	0.207	0.105	3.24
$15	19,777	1.024	0.575	0.215	0.011	0.051	0.206	0.105	3.24

Notes:

(1) *CIM definitions were followed for Mineral Resources.*

(2) *Mineral Resources are estimated by conventional 3D block modelling based on wireframing at a $25/tonne NSR cut-off and inverse distance squared grade interpolation.*

(3) *Metal prices for the estimate are: US$3.67/lb Cu, US$8.51/lb Ni, US$1,596/oz Pt, US$702/oz Pd, US$1,554/oz Au and US$15.00/lb Co based on a three-year trailing average as of November 30, 2013.*

(4) *A variable bulk density of 3.01 tonnes/m3 or higher based on density weighting has been applied for volume to tonnes conversion.*

(5) *Open pit Mineral Resources are estimated from surface to pit floor depths of 90 m to 160 m.*

(6) *Mineral Resources are classified Inferred based on drill hole spacing, geologic continuity and quality of data.*

(7) *Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There is no certainty that all or any part of the Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.*

(8) *P&E recommends reporting open pit resources at the $25/tonne NSR cut-off.*

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

The Hawk Ridge Property contains an exploration target with a potential range of 80 million tonnes to 120 million tonnes at average grade ranges of 0.54%-0.56% Cu, 0.19%-0.20% Ni, 0.01%-0.02% Co, 0.04-0.05 g/t Pt, 0.18-0.20 g/t Pd and 0.10-0.11 g/t Au (which equates to a 0.94% to 1.0% Cu Equivalent grade basis). The exploration target is based on the estimated strike length, depth and width of the known mineralization which is supported by intermittent drill holes, geophysics and observations of mineralized surface exposures. The potential quantities and grades of this exploration target are conceptual in nature. There has been insufficient work done by a Qualified Person to define these estimates as mineral resources. The Company is not treating these estimates as mineral resources, and readers should not place undue reliance on these estimates. Even with additional work, there is no guarantee that these estimates will be classified as mineral resources. In addition, there is no guarantee that these estimates will prove to be economically recoverable.

The 2013 drilling and surface exploration program provided a significant leap in understanding and appreciation of the potential of the Hawk Ridge Property. P&E's 43-101 Peport indicates that the Hawk Ridge Property has reasonable potential for economic open pit extraction. A potential that few properties ever reach. This new understanding of the economics, the insight to the controlling process of the mineralization and the known resource potential of the property puts the Company in a unique opportunity to expand the economic viability of the property during the 2014 exploration program.

The Company initiated a metallurgical study, which will be included in the next quarterly report. The Metallurgical Study is to be completed by "XPS Consulting and Testwork Services" of Falconbridge, Ontario.

Key supplies for 2014 including fuel, drill supplies and camp supplies are currently on site at the Company's storage facility at Aupaluk, Quebec. This allows the ongoing strategy of the Company's long term plan for the property and can create an opportunity of a cost effective early start on exploration for the 2014 season.

Nairn Property

In July 2013 A.C.A. Howe International was retained by the Company to update Howe's 2012 National Instrument 43-101 technical report on the Nairn Property. The following description of the Nairn Property and the history of exploration activity on the Nairn Property is primarily from Howe's updated technical report.

The Nairn Property is located in Nairn Township in northeastern Ontario, situated approximately 50 km west-southwest of the city of Sudbury; the center part of the Nairn Property is located approximately 2.5 km south of the Trans-Canada Highway and 2.5 km west of Wabagishik Lake at approximate latitude 4617'58"N longitude 81o37'24"W (UTM 452000E, 5127500N). Access to the Property is by ATV trails south from the town of Nairn and Highway 17E.

The Company holds a 100% interest in Nairn Property, an early stage nickel-copper exploration property that consists of 14 unpatented mining claims covering approximately 2,860.4 hectares. Mr. Denis Leduc retains a 2% NSR royalty on 6 of the 14 claims.

The Nairn Property is centered on two major 2220 Ma Nipissing gabbro intrusions which intrude 2450 to 2210 Ma metasedimentary rocks of the Huronian Supergroup. The Huronian metasediments and Nipissing gabbros trend approximately east-northeast to northeast and dip moderately southeast. The gabbro intrusions are interpreted to be sills. The northern gabbro intrusion trends northeast across the property with a strike length of approximately 9.8 kilometres and a thickness of 300 to 600 metres. The southern intrusion trends northeast across the property approximately 300 to 500 metres south of and parallel to the northern intrusion for a strike length of approximately 5.5 km then jogs to the southeast for an additional strike length of approximately 3.5 kilometres. The thickness of the southern gabbro varies from 200 to 500 metres.

Ginn (1965) identified several areas of breccia within the Huronian metasedimentary rocks particularly within the vicinity of Hammond Lake. Wood (2003) identified at least some of these breccias as Sudbury Breccias occurring within greywacke and conglomerate. Sudbury breccias are reported to be well developed in a 25m wide zone that trends ~2300 to 2400 over the 150 metre length of the outcrop. No SIC (Sudbury Intrusive Complex) related offset dykes have been discovered to date within the Nairn Property area however the Mystery Offset dyke, an interpreted extension of the Worthington Offset dyke, is located approximately 3 km northeast of the property on the north side of the Bell Lake Fault structure. The Nairn Property is located on the south side of the Bell Lake Fault and if this fault has displaced the Mystery Offset dyke, potential may exist on the Nairn Property for a further southwest strike extension of the Mystery offset.

Nipissing gabbro sills are recognized as hosts to Cu-Ni-PGE metal concentrations in Sudbury region. In particular, Prophecy Platinum's Shakespeare Cu-Ni-PGE deposit in Shakespeare Township approximately 10 km west of the Nairn Property is hosted in a Nipissing gabbro sill geologically similar to gabbro sills on the Nairn Property.

Mineralization at the Nairn Property is primarily associated with the Nipissing gabbroic rocks as primary magmatic disseminated grains and blebby segregations, small pod-like, semi-massive to massive sulphide bodies and late remobilized sulphides within fractures, joints and shear zones. Sulphide minerals consist of predominantly pyrrhotite, pentlandite, chalcopyrite and pyrite.

Wood (2003) reported disseminated to semi-massive chalcopyrite-pyrrhotite-pyrite mineralization that appears to be related to Sudbury breccia developed in greywacke in the vicinity of several historic trenches on the Nairn Property. The historic trenches centre on an approximately 3 to 5 metre wide and 40 metre long gossan.

From 2008 to present the following exploration programs were completed on the Nairn Property:

- 2008 - Preliminary prospecting and geochemical survey (423 rock chip samples).
- 2009 - Ground magnetic survey.
- 2009 - Geochemical rock surveys (304 geochemical grab samples) over the areas of 4 mineral occurrences (K1, K3, K4 and K7).
- 2009 - Manual stripping of Quaternary overburden and channel sampling of the underlying bedrock at 4 mineral occurrences (K1, K3, K4 and K7 - 10 locations total – 68 channel samples).
- 2010 - Aeroquest helicopter-borne geophysical survey (14 claims).
- 2010 - Manual stripping of Quaternary overburden and channel sampling of the underlying bedrock at Sino mineral occurrence K11 (55 channel samples).
- 2010 - Five (5) diamond drill holes totaling 1,221 metres; 742 core samples analyzed.
- 2011 - A Titan-24 DC-IP survey (pole-dipole configuration with 100m dipoles; ten lines totaling 24 line km - 100 to 400 metre line separation with station intervals of 50 metres).
- 2011 - Borehole transient electromagnetic (BHTEM) surveys of three (3) diamond drill holes (ZK1, ZK3 and ZK5) totaling 989 metres.
- 2011 - Total Field Magnetic ground survey (ten lines totaling 26 line km - 100 to 400 metre line separation with station intervals of 50 metres; readings at 12.5 metre intervals).
- 2012 - A Titan-24 DC-IP survey (pole-dipole configuration with 100m dipoles; eight lines totaling 23.7 line km - 200 metre line separation with station intervals of 50 metres).

Previous exploration concentrated on the eastern part of the property area in the vicinity of several historic mineral occurrences. During 2008 and 2009 the geochemical sampling and prospecting programs located 16 isolated relatively weakly mineralized Ni-Cu occurrences. The majority of the occurrences (13) are hosted in the Nipissing gabbro; the rest (3) are hosted by metasediments. Five occurrences were followed up with channel sampling in 2009 and 2010 (K1, K3, K4, K7 and K11 channel samples).

Of the five diamond drill holes completed in 2010, drill hole ZK1 and drill holes ZK2 and ZK3, at mineral occurrences K11 and K1 respectively, intersected only minor weak sulphide mineralization and were unable to repeat higher grade base metal grades obtained from the corresponding surface occurrences. Drill holes ZK4 and ZK5 which tested mineral occurrence K4 returned the most anomalous assay results albeit relatively low grade. The highest nickel grade of an individual sample was 4970 ppm over a core length of 1 metre, and that of copper was 1650 ppm over a core length of 0.32 metres.

The exploration to date has yet to identify a major Ni-Cu-PGE mineral occurrence of significant grade and volume, the presence of small isolated Ni-Cu sulphide occurrences within the Nairn Property's Nipissing gabbro sills indicates that the Nairn Property has the potential to host a Nipissing gabbro-hosted Ni-Cu sulphide deposit similar to the Shakespeare deposit. In addition, the presence of isolated Cu-rich sulphide mineralization in several small occurrences hosted by Huronian metasediments and associated Sudbury breccias and the observation that Sudbury breccias may provide structural preparation for the emplacement of SIC (Sudbury Intrusive Complex) related offset dykes and associated sulphide mineralization suggests the Nairn Property has the potential to host the latter style of mineralization. This potential is supported by the fact that the Nairn Property lays along strike, immediately southwest of the Mystery offset dyke, itself the interpreted southwest extension of the Worthington offset dyke.

During the following year the Company's technical group will be reviewing the properties historical data and A.C.A. Howe's recommendation for additional work to be conducted on the Nairn Property.

No exploration is currently planned for 2014.

Qualified Person

The technical contents in this document have been reviewed and approved by Phillip Mudry, P. Geol., a qualified person as defined by National Instrument (NI) 43-101.

Tracy J. Armstrong P. Geo. and Antoine R. Yassa P.Geo. of P&E Mining Consultants were the primary qualified persons as defined by National Instrument (NI) 43-101 for the 43-101 Technical Report and Resource Estimate on the Hawk Ridge Property, Northern Quebec.

DISCUSSION OF OPERATIONS

The Company is an exploration stage company and has no operating revenue. Expenditures related to mineral exploration are capitalized.

During the three months ended March 31, 2014, the Company had incurred $2,182 (March 31, 2013 - $6,028) in acquisition and other property costs, $331,663 (March 31, 2013, 2012 - $75,272) in exploration expenditures and $17,500 (March 31, 2013 – $5,000) in exploration prepayment. The increase in exploration expenditures was primarily due to the final payments related 7, 320 meters to the drilling program on Hawk Ridge Property in 2013.

The Company is eligible to claim $624,294 Quebec mining exploration tax credit for the exploration expenditures incurred for the period from the completion of QT to March 31, 2013. Subsequent to March 31, 2014, $554,213 was received from Revenue Quebec out of the $624,294 Quebec mining exploration tax credit for the period from the completion of QT to March 31, 2013.

	January 1, 2013	Additions	December 31, 2013	Additions	March 31, 2014
Hawk Ridge Property, Quebec					
Acquisition costs					
Option payment	$ 1,897,906	$ 919,751	$ 2,817,657	$ -	$ 2,817,657
Other property costs	30,050	65,645	95,695	-	95,695
	1,927,956	985,396	2,913,352	-	2,913,352
Exploration costs					
Accommodation/camp	93,439	315,865	409,304	-	409,304
Assays	84,076	419,203	503,279	11,305	514,584
Drilling	302,585	1,203,210	1,505,795	-	1,505,795
Field supplies	121,147	616,130	737,277	500	737,777
Geological consulting	349,497	1,012,861	1,362,358	300,875	1,663,233
Miscellaneous	40,224	61,824	102,048	513	102,561
Transportation	361,524	987,180	1,348,704	-	1,348,704
Travel	56,464	167,178	223,642	-	223,642
	1,408,956	4,783,451	6,192,407	313,193	6,505,600
Exploration prepayment	204,309	(134,299)	70,010	17,500	87,510
Mining exploration tax credits	-	(624,294)	(624,294)	-	(624,294)
Balance, end of period	3,541,221	5,010,254	8,551,475	330,693	8,882,168
Nairn Property, Ontario					
Acquisition costs	-	240,000	240,000	2,182	242,182
Exploration costs					
Geological consulting	-	-	-	650	650
Miscellaneous	-	-	-	320	320
	-	-	-	970	970
Balance, end of period	-	240,000	240,000	3,152	243,152
Total balance, end of period	$ 3,541,221	$ 5,250,254	$ 8,791,475	$ 333,845	$ 9,125,320

Other details of the mineral expenditures are included in the note 7 to the unaudited financial statements.

Three month period ended March 31, 2014

The Company had incurred a net loss of $1,185 during the three months ended March 31, 2014 compared to a net loss of $254,797 incurred during the three months ended March 31, 2013. The significant decrease on net loss is due to the recognition of $142,583 (March 31, 2013 - $50,092) as other income for the settlement of flow-through premium liability and the decreased consulting fees of $38,246 (March 31, 2013 - $139,579) related to financing and investor relations services.

The net loss for the three months ended March 31, 2014 is inclusive of general operating expenses of $145,512 (March 31, 2013 - $306,059), interest and other income of $1,789 (March 31, 2013 - $1,170) , and settlement of flow-through premium liability of $142,538 (March 31, 2013 - $50,092).

Some of the significant general operating expense items are summarized as follows:

- Office administration and miscellaneous of $20,728 (March 31, 2013 - $21,235) include fees to office administrative personnel, rent and office expenses etc.

- Consulting fees of $21,382 (March 31, 2013 - $48,500) to the Chief Executive Officer of the Company, $2,192 (March 31, 2013, 2013 - $13,984) to the former Chief Financial Officer and former director of the Company, $7,500 (March 31, 2013 - $7,500) to directors, $7,500 (March 31, 2013 - $7,500) to a company with two directors in common for consulting service on investor relations and corporate communication; and $nil (March 31, 2013 - $34,875) for services in connection with the financing, marketing and investor relations.

- Legal expenses of $200 (March 31, 2013 - $23,559) relate mainly to corporate matters. For the three month period ended March 31, 2013, the company engaged lawyer's support to deal with various corporate matters.

- Travel and promotion of $47,334 (March 31, 2013 - $72,433) relate mainly to trips made by the Company's management and consultants for promotion and financing activities. The decrease of travel and promotion expenses during the period was due to a significant decrease in travel and promotion versus an active and focused travel and promotion program carried out during the same period in 2013.

- Wages and benefits of $30,008 (March 31, 2013 - $30,282) relate to the compensations to employees of the Company.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ended March 31, 2014.

	Fiscal Ended December 31, 2014	Fiscal Ended December 31, 2013				Fiscal Ended December 31, 2012		
	For the Three Months Ending							
	Mar. 31, 2014	Dec. 31, 2013	Sept. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Sept. 30, 2012	Jun. 30, 2012
		($)	($)	($)	($)	($)	($)	($)
Total revenues	-	-	-	-	-	-	-	-
Income (loss) from continuing operations	(1,185)	1,403,772	(94,790)	(238,135)	(254,797)	(313,306)	(299,199)	(116,028)
Net income (loss)	(1,185)	1,403,772	(94,790)	(238,135)	(254,797)	(313,306)	(299,199)	(116,028)
Income (loss) from continuing operations per share - basic and diluted	(0.00)	0.02	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)
Net income (loss) per share - basic and diluted	(0.00)	0.02	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

During the three months ended March 31, 2014, the cash balance decreased by $179,448. The Company received $244,244 in operating activities and spent $423,692 on the Hawk Ridge property.

As at March 31, 2014, the Company had a cash balance of $944,736 compared to a cash balance of $1,124,184 as at December 31, 2013. The Company had a working capital of $1,562,847 as at March 31, 2014 compared to the working capital of $1,898,965 as at December 31, 2013.

Management estimates that the general operating costs, excluding share-based payments expense, for the next 12 months will be approximately $800,000. At present, management believes that the Company has sufficient capital resources to meet its anticipated operating and capital requirements for the next 12 months. In order to accomplish the planned expansion of the exploration and development of its mineral property, the Company anticipates completing new financing in 2014. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Going Concern

At present, the Company's operations do not generate cash flow. For the three months ended March 31, 2014, the Company had incurred a net loss of $1,185 and at March 31, 2014, an accumulated deficit of $640,768. 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 the near future, which raise significant doubts about the Company's ability to continue as a going concern. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short-term, believe that the going concern basis is appropriate in preparing its financial statements.

The Company's financial statements do not include adjustments that would be required if going concern was not deemed an appropriate basis for preparation of the financial statements. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company entered into the following related party transactions for the three months ended March 31, 2014:

a) Incurred corporate consulting fees of $21,383 (March 31, 2013 - $48,500) from a company owned by the CEO of the Company.

b) Incurred consulting fees of $nil (March 31, 2013 - $13,984) from a company controlled by the former CFO of the Company for corporate consulting services provided.

c) Incurred consulting fees of $7,500 (March 31, 2013 - $7,500) from a company controlled by a director of the Company for corporate consulting services provided.

d) Incurred consulting fees of $nil (March 31, 2013 - $34,875) from a company controlled by the former CFO of the Company for services provided in connection with the financing, marketing and investor relations.

e) Incurred corporate consulting fees of $nil (March 31, 2013 - $6,200) from a company owned by a director of the Company.

f) Incurred corporate consulting fees of $7,500 (March 31, 2013 - $7,500) from a company with two directors in common.

g) Incurred interest expense of $nil (March 31, 2013 - $2,433) on a loan from a company controlled by directors of the Company. The principal of the loan was $300,000 pursuant to a loan agreement entered on February 8, 2013. The loan was unsecured, accrued interest at 8% per annum and was fully repaid in May 2013.

h) Incurred director fees of $2,192 (March 31, 2013 - $nil) from the directors of the Company.

i) Incurred $53,617 (March 31, 2013 - $15,000) geological consulting fees for exploration expenditures to companies controlled by directors and by the CEO of the Company.

j) As at March 31, 2014, included in accounts and other payables is $52,950 (December 31, 2013 - $146,582) due to directors, officers and companies controlled by directors and officers for services rendered. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management includes directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the three month periods ended March 31, 2014 and 2013 is as follows:

	Three Months Ended March 31, 2014	Three Months Ended March 31,2013
Short-term benefits	$ 86,692	$ 130,814

SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

(1) Authorized: Unlimited number of common shares without par value and unlimited number of non-voting, non-participating, non-cumulative preferred shares without par value issuable in series
(2) As at May 29, 2014, the Company has 65,718,747 common shares, 2,214,125 options and 15,900,964 warrants issued and outstanding.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements in accordance with IFRS 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 and judgments include:

(i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these assets. The assessment of indications of impairment and the measuring of the recoverable amount when impairment tests have been prepared involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.
(ii) The determination of the fair value of stock options or warrants using stock option 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.
(iii) 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.
(iv) 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.
(v) The recognition of provisions for restoration, rehabilitation and environmental obligation.

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.

FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments include cash and cash equivalents, account and other receivables, account and other payables, loans payable and loan from related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. The fair value of these financial instruments approximates their carrying value due to their short terms of maturity.

The following table summarizes the carrying values of the Company's financial instruments:

		March 31, 2014	December 31, 2013
FVTPL	(i)	$ 973,486	$ 1,152,934
Other financial liabilities	(ii)	$ 112,184	$ 204,451

(i) Cash and cash equivalents, restricted cash
(ii) Accounts and other payables

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices 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 that are not based on observable market data

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total March 31, 2014
Cash and cash equivalents	$ 944,736	$ -	$ -	$ 944,736
Restricted cash	$ 28,750	$ -	$ -	$ 28,750

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 and cash equivalents. The credit risk with respect to its cash and cash equivalents is minimal as they are held with high-credit quality financial institutions. 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 March 31, 2014, the Company had a working capital of $1,562,847. All of the Company's financial liabilities are classified as current.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Significant commitments in years subsequent to March 31, 2014 are as follows:

	< 1 year	1 – 3 years	Total
Accounts and other payables	$ 112,184	$ -	$ 112,184

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions. The interest rate risks on cash and cash equivalents are not considered significant due to their short-term nature.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Recent accounting pronouncements

The mandatory adoption of the following new and revised accounting standards and interpretations on January 1, 2014 had no significant impact on the Company's financial statements for the periods presented.

IAS 36 *Impairment of Assets* - In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets or a CGU for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when and asset's or a CGU's recoverable amount is based on fair value less costs of disposal.

IFRIC 21 *Levies* - In May 2013, the IASB issued IFRIC 21, Levies ("IFRIC 21"), an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after January 1, 2015, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective January 1, 2015

IFRS 9 *Financial Instruments* - IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted by amendments to IAS 32, January 1, 2014.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

Comparative Figures

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

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com and on the Company web site at www.nickelnorthexploration.com.

APPROVAL

The Board of Directors of Nickel North Exploration Corp. has approved the contents of this management discussion and analysis on May 29, 2014. A copy of this MD&A together with the Company's unaudited financial statements for the three months ended March 31, 2014 will be provided upon request**.**