

**COPPER NORTH MINING CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014**

The following management discussion and analysis of Copper North Mining Corp. ("Copper North" or the "Company") is dated November 27, 2014, and provides an analysis of the Company's results of operations for the three and nine months ended September 30, 2014.

This discussion is intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as certain forward looking statements relating to its potential future performance. The information should be read in conjunction with the Copper North audited consolidated financial statements for the year ended December 31, 2013, and the notes thereto. Copper North's accounting policies are described in note 4 of the aforementioned audited consolidated financial statements. All of the financial information presented herein is expressed in Canadian dollars, unless otherwise indicated.

The operations of the Company are speculative due to the high-risk nature of the mining industry. Copper North faces risks that are generally applicable to its industry and others that are specific to its operations. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. Such risk factors could materially affect the value of the Company's assets, and future operating results of the Company and could cause actual results to differ materially from those described in the forward looking statements contained in this management discussion and analysis. Reference is made to the discussion of forward-looking statements at the end of this document.

#### **DESCRIPTION OF THE BUSINESS**

Copper North is a Canadian-based publicly-traded mineral exploration company with a primary focus of advancing its Carmacks Project located in the Yukon Territory, Canada. The Company also holds the Thor property in British Columbia, Canada, and the Redstone property located in the Northwest Territories, Canada. Copper North is listed on the TSX Venture Exchange ("TSXV") under the symbol COL.

#### **FINANCING AND FINANCIAL POSITION**

Finding sources of financing continues to prove challenging for mineral exploration companies. Over the past few months, Copper North has undertaken efforts to raise capital, reduce overhead costs, and limit cash obligations. The Company had \$504,000 in cash and a negative working capital balance of \$797,000 at September 30, 2014.

On November 25, 2014, Copper North completed a warrant incentive program whereby 7 million warrants were exercised for gross proceeds of \$490,000. In order to encourage early exercise of the warrants issued as part of the non-brokered private placement completed on April 24, 2014, the Company amended the terms of the original warrants such that each holder who exercised an original warrant on or before the close of business on November 24, 2014 received, in addition to the common share the holder would have received under the original terms of the original warrants, an additional ½ of a share purchase warrant of the Company (each whole such warrant, an "Additional Warrant"). Each Additional Warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.06 until November 25, 2016.

On November 5, 2014, Copper North completed a non-brokered private placement of 2,082,834 flow-through shares at a price of \$0.06 per common share and 3,892,000 units at a price of \$0.06 per unit for aggregate proceeds of \$358,490. Each unit consists of one common share of the Company and one half of one non-transferable warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional share at a price of \$0.09 until November 5, 2016.

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On August 20, 2014 Copper North completed a non-brokered private placement, which included certain insiders of the Company, of 6,700,000 flow-through shares at a price of \$0.06 per common share and 5,672,000 units of the Company at a price of \$0.06 per unit for total gross proceeds of \$742,362. Each unit consists of one common share of the Company and one half of one non-transferable warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one additional share at a price of \$0.08 until August 20, 2015 and \$0.09 from August 21, 2015 to expiry. The Warrants expire on August 20, 2016.

On July 8, 2014 the Company acquired a 100% interest in the Thor property from Electrum Resource Corporation ("Electrum"). Refer to the Property Overview section, below, for more information on the Thor property.

On June 23, 2014, the Company issued 6,860,000 common shares at a deemed price of \$0.05 per share to settle amounts owing under the terms of the loan agreement with an insider of the Company.

On April 24, 2014, the Company closed a private placement closed a non-brokered private placement, which included certain insiders of the Company, of 13,180,000 units of the Company (the "Units") at a price of \$0.05 per Unit for aggregate gross proceeds of \$659,000. Each Unit consists of one common share in the capital of the Company (a "Share") and one non-transferable common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional Share at a price of \$0.07 until April 24, 2016.

## **CORPORATE ACTIVITY**

The Company appointed Dr. Harlan Meade as President, Chief Executive Officer, and Director on March 1, 2014. Dr. Meade brings more than 30 years of exploration and development experience in Northern Canada, including the advanced exploration and development of the high grade polymetallic Wolverine mine and the giant zinc-lead Selwyn Project, both in the Yukon; and a gold-silver mine in northwest BC.

## **PROPERTY OVERVIEW AND DEVELOPMENT**

### **Carmacks (Yukon, Canada)**

#### Preliminary Economic Assessment

On May 30, 2014, Copper North announced the results of a preliminary economic assessment on its Carmacks Project and subsequently filed the technical report titled "Carmacks Project – Preliminary Economic Assessment of Copper, Gold, and Silver Recovery" dated July 10, 2014 on SEDAR on July 14, 2014 (the "PEA"). The PEA was prepared by Alistair Kent, P.Eng. Merit Consultants International Inc.; Dr. Giles Arsenau, P.Geo., mineral resource estimation; Dr. Morris Beattie, P.Eng., metallurgical consultant; Michael Hester, FAusIMM, mining consultant and John Hull, P.Eng., geotechnical consultant, each a Qualified Person for the purposes of Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). The following summary is qualified in its entirety by reference to the full text of the PEA, which is available under the Company's profile on SEDAR.

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The PEA evaluates the recovery of gold and silver alongside the recovery of copper at the Company's Carmacks Project. By adding gold and silver extraction, the PEA supersedes the technical report prepared by M3 Engineering and Technology Corporation ("M3") titled "Carmacks Copper Project, NI 43-101 Technical Report Feasibility Study" dated October 31, 2012 (the "Feasibility Study"). The Feasibility Study was limited to the evaluation of heap leaching of oxide copper to produce cathode copper, and did not include gold and silver recovery.

The PEA combines the previous study of copper heap leaching with the results of the Phase I conceptual study of gold and silver recovery. The first phase of work was undertaken by Alistair Kent, P.Eng. of Merit Consultants International Inc. and Dr. Morris Beattie, P.Eng.; both are Independent Qualified Persons. Their work to assess the potential viability of additional gold and silver recovery, as presented in the PEA, has been combined with the results of the previous studies on geology, mineral resources, potential mining plan, and potential copper heap leaching design.

The PEA will be followed by a second phase of re-engineering and optimization of the mine and processing plan. Upon completion of Phase II study, considering improvement opportunities, the Company plans to prepare a new pre-feasibility or feasibility study.

The results of the preliminary leach test work and modelling of gold and silver recovery are positive and a broader study is warranted. The previous potential open pit mine plan remains unchanged from that proposed in the Feasibility Study and is the basis of the PEA. Capital and operating costs in the PEA were arrived at by adding the capital and operating costs for copper recovery included in the Feasibility Study to the estimated capital and operating costs for the recovery of gold and silver. The addition of capital and operating costs for gold and silver recovery, to those from the Feasibility Study, are conceptual and substantial additional work is required to provide the certainty of a feasibility study.

The inclusion of gold and silver recovery into the previous mine and processing plan, provides an opportunity to reconsider leach alternatives for operational efficiency. The proposed Phase II plan includes a review of various copper, gold and silver leach alternatives.

#### Project Economics

The Base Case metal price in the Feasibility Study was US\$3.20/lb copper which approximates the median of current medium to long term analyst copper price forecasts. For continuity purposes, the PEA Base Case pricing for copper remains US\$3.20 per pound, with gold at US\$1,330 per ounce, and silver at US\$21.50 per ounce. An Exchange Rate of C\$1.00 equals US\$0.90 has been assumed in the PEA.

The impact of the addition of gold and silver recovery, are summarized as follows:

- Net Revenues increase approximately 28% from US\$677 million to US\$870 million;
- Net Cash from Operations increases by 42% from US\$333 million to US\$471 million;
- Life of Mine Operating Cost increases 15% from US\$344 million to US\$398 million;
- Life of Mine Cash Operating Cost, after gold and silver credits, decreases from US\$1.59/lb to US\$1.07/lb for copper;
- Pre-tax NPV (discounted at 8%) is US\$66 million and After-tax NPV (discounted at 8%) is US\$32 million;
- Pre-tax Internal Rate of Return ("IRR") is 15% and After-tax IRR is 12%;
- Copper recovery remains unchanged at 85%. Gold recovery is 78% and silver recovery 75%;
- Capital costs increase from US\$178 million, to US\$225 million (including a contingency of US\$21M) for the PEA;

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- Potential Life of Mine Annual production is 30 million pounds copper, 17,300 ounces gold, and 165,000 ounces silver; and
- Mine life approximately 8 years.

#### Development Plan

The PEA development plan includes the Measured and Indicated mineral resources, conceptual mine plan and crushing of the mineralization as stated in the Feasibility Study. The previous copper-only leach plan has the crushed material being placed permanently on one large lined pad with staged inter-liners, and standard dispensing of weak sulphuric acid over the leach materials and recovery of pregnant fluid for processing in the Solvent Extraction Electrowinning ("SXEW") facility to produce cathode copper. The PEA assumes that several smaller on-off pads will be constructed for leaching of the copper, after which the leach materials are washed to remove residual acid and dissolved copper. The washed materials will then be moved to the gold and silver permanent leach pad and prepared for cyanidation with the addition of lime and agglomeration to improve cyanide leaching. A weak cyanide solution is applied using drip emitters on the leach materials and the pregnant solution would be collected and piped to a sulphidation-acidification-recycle-thickening/adsorption-desorption-recovery ("SART/ADR") plant for the further removal of any copper in the solution before recovering gold and silver.

The PEA entails the addition of on-off pads for copper leaching and additional handling equipment and fluid piping, and the addition of a SART/ADR plant. Conceptual design of the additions provides the basis for estimating the increase in the operating and capital requirements.

#### Mineral Resource and Mining

The following table summarizes the mineral resource for zones 1, 4 and 7 for the Measured and Indicated mineral resources that total 11,980,000 tonnes grading 1.07% total copper of which 0.86% is soluble copper. The mineral resource also contains substantial gold and silver. The resources in the oxide classification form the basis for the potentially mineable mineralization by open pit methods.

Mineral Resources at a 0.25% Total Copper Cut-Off

Zone	Class	Tonnage t (000)	TCu (%)	CuX (%)	CuS (%)	Au (g/t)	Ag (g/t)
Oxide	Measured (ME)	4,031	1.10	0.90	0.20	0.588	5.666
	Indicated (IN)	7,949	1.04	0.83	0.20	0.391	4.039
	ME+IN	11,980	1.07	0.86	0.21	0.456	4.578
	Inferred	90	0.73	0.53	0.20	0.128	1.809
Sulphide	Measured (ME)	695	0.80	0.02	0.77	0.261	2.542
	Indicated (IN)	3,645	0.74	0.03	0.71	0.205	2.296
	ME+IN	4,340	0.75	0.03	0.73	0.221	2.369
	Inferred	4,031	0.71	0.01	0.70	0.179	1.900

Measured and Indicated mineral resources within the proposed open pit total 11,551,000 tonnes grading 0.805% soluble copper, 0.456g/t gold and 4.578 g/t silver. The PEA is preliminary in nature, and includes only Measured and Indicated mineral resources. The Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them to be categorized as mineral reserves; furthermore, there is no certainty that the mineral resources will be economic and become a mining reserve, and the Company is not relying upon the mineral reserves in the prior feasibility study.

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#### In-Pit Mineral Resource

The conceptual mining plan entails mining 1,750,000 tonnes per annum using open pit method. The mineralization will be transported to the crushing circuit and after 3-stage crushing the mineralization will be loaded by conveyors to the leach pads for copper extraction. Life of Mine waste to potentially mineable material ratio is 5.1:1 with a maximum mining rate of 37,500 tonnes per day.

In-Pit Mineral Resource Category	K tonnes	Tot Cu (%)	Sol Cu (%)	Nonsol Cu (%)	Gold (g/t)	Silver (g/t)
Measured Mineral Resource	4,127	1.039	0.851	0.188	0.559	5.39
Indicated Mineral Resource	7,424	0.943	0.780	0.163	0.365	3.76
Measured & Indicated Resource	11,551	0.977	0.805	0.172	0.435	4.34
1) Total material in potential Open Pit of 69,957,000 tonnes and Waste to Mineral Resource ratio of 5.1:1.						
2) Resources are fully diluted and based on a cut-off grade of 0.18% soluble copper						

#### Metallurgy and Process Plan

Extensive test work on the oxide copper mineralization, consisting largely of malachite, azurite and tenorite, has demonstrated rapid leaching of the copper with the addition of weak sulphuric acid. Processing of the copper mineralization is planned for leaching on three lined pads utilizing the same parameters as previously established for the copper leach.

The copper leach metallurgical work undertaken in 2009 by PRA Metallurgical Division, of Inspectorate, also included an evaluation of gold and silver recovery by cyaniding of the copper leach residues by means of column testing. On the basis of these column tests results, overall copper recovery is predicted at 85%, gold recovery at 78% and silver recovery at 75%.

The review by Dr. Morris Beattie also indicated the recovery of additional copper remaining after the acid leach, and removal of this dissolved copper in a SART circuit in the gold and silver recovery ADR plant.

#### Project Opportunities

The PEA has indicated that the recovery of gold and silver should be positive to project economics. The PEA evaluation has also indicated an opportunity to reduce capital and operating cost utilizing vat leach technology. The evaluation of vat leaching of copper, compared to the heap leach method, is in progress. Benchmarking with other projects indicates that there may also be an opportunity to reduce capital by taking a different approach to engineering and procurement. This opportunity is also under review.

The commencement of Phase II work to undertake the detailed engineering required for a feasibility level report is expected to take approximately nine months to complete and is contingent on raising additional capital.

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#### Recent Exploration

On August 21, 2014, Copper North announced the resumption of exploration, and early success, on the Carmacks Project. The exploration is focused on extending the known mineral resources in an effort to expand the current measured and indicated mineral resources, as a first step in increasing potential mine life.

Previous exploration on the Carmacks property defined 16 mineral zones. A review of these zones and other anomalies identified two prime targets for the initial focus of resource expansion. Trenching commenced August 11, 2014 in the Zone 2 target area and has expanded the area of known copper oxide resources. Oxide copper mineralization is readily visible as the copper carbonate minerals malachite and azurite are distinctively green and blue in colour.

The Zone 2 area is located approximately 2,500 metres to the north of the north end of Zone 1: the proposed open pit area. The northerly trending mineralization of Zone 1 appears to be offset on a cross fault. If the sense of movement on the cross-fault is right lateral, the Zone 2 area may represent the continuation of the Zone 1 structural trend; if this interpretation is correct, it opens up a 2,500 metre long target.

Initial trenching has extended to the southeast, the known extent of mineralization from 100 metres to 500 metres. The oxide copper mineralization has been observed in five trenches. The full width of the mineralization is not yet determined due to permafrost restrictions. The discovery trenches will be extended as the permafrost melts with removal of the cover materials. Trenching is continuing in this area as the zone is open to the southwest; and to the northwest of the discovery trench area where the mineralized structure has been offset by a fault that has now been identified in a new trench.

Both Zone 1 and 2 were discovered by prospecting in 1971. Little work was done on Zone 2 following geochemical and geophysical surveys, and trenching. Evaluation of a trench on the Zone 2 discovery outcrop indicates a south easterly trend steep dipping mineralized structure. Historic sampling of the discovery trench returned 1.0% copper over 45.7 metres within the sheared granite that hosts almost all mineralization at Carmacks.

Three lines of induced polarization geophysics were completed south of the Zone 2 discovery area in 2007. The geophysics defined multiple sub-parallel zones of increased chargeability and low resistivity, characteristic of the sulphide and oxide mineralization in other zones. The Zone 2 showing and three geophysical lines define a southeast trending target.

Geophysical survey work is planned to the southeast of the Zone 2 discovery area to provide a better understanding of the remaining 2,000 metres of strike length to the interpreted cross-fault that is thought to offset the Zone 1 mineralization. It is also planned to complete several lines of geophysical survey to fill in gaps between previous geophysical data in the gap between Zone 1 and the 2000S zone.

#### Progress on Development

With the completion of the Preliminary Economic Assessment ("PEA"), efforts are now focused on evaluating alternative processing plans and opportunities for the reduction of capital expense for the mine facilities.

The addition of a gold and silver leach, alongside the copper leach, warranted a review of the optimal leach plan to maximize both copper and precious metal recovery. A mini-study comparing vat leaching of copper to heap leaching of copper utilizing an on/off leach pad indicated that the capital costs are similar; however, there may be significant operational benefits from using vat leaching.

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#### Vat Leach Alternative

The vat leach process of submerging the crushed ore in weak sulphuric acid, removes much of the operating complexity of leach pads and simplifies environmental management of an on/off leach pad, especially under winter weather conditions. Secondly, it provides for preparation of optimal conditions for cyanide leaching of the spent copper leach material for high recovery of gold and silver. The rapid leach time expected in vat leaching (3 to 5 weeks) provides for an early start for cyanidation of recovery of gold and silver.

A bulk sample is being prepared to undertake the vat leach test work and prepare the leached materials for the cyanidation test work. This is the key additional information necessary to finalize the new processing and development plan and commence the preparation of a new feasibility study and environmental assessment report for re-entry to the permitting process.

Metallurgical test work commenced in October with the initial test work directed at simulation of a vat leach; this test work suggests leach times are shorter than previously thought. With this encouragement, the test work is being expanded to evaluate copper leaching on finer crush sizes. Favourable test results on the leaching of finer materials could result in agitated tank leach for the recovery of copper and positive changes on the leach plan for gold and silver.

#### Benchmarking and Capital Expenditure Reduction Opportunities

Comparison of capital costs for similar projects have indicated that there are opportunities for the reduction of capital expenditures; particularly, for equipment used in the processing area. Copper North has met with three well accredited engineering institutes in China to discuss the provision of detailed engineering and procurement of certain equipment for the processing of Carmacks ores.

Proposals for engineering and preliminary cost estimates for the SXEW and sulphuric acid plant have been received and indicate that there is potential for 20 to 40% reduction in some components of the development plan at the Carmacks Project. Copper North is advancing discussions with the engineering groups to provide the Company with a detailed proposal for feasibility study level engineering and procurement from China for a range of equipment including the SXEW plant, acid plant, gold-silver recovery unit, electrical components and other mechanical equipment used in materials transfer. This work will be done in cooperation with other engineering groups that will be reviewing and making adjustments from the PEA to adapt to the new development plan that is in progress.

Management is pleased with its progress in identifying and pursuing opportunities for both reducing development costs for the project and improving operations. The metallurgical test work is expected to take approximate three to four months to complete. This work is key to finalizing the development plan and undertaking detailed engineering for a new feasibility study. Expansion of the management team is required to meet the growing engineering and project management needs. Planning for this step is in progress.

#### Joint Canada-China Feasibility Study

On October 14, 2014, the Company announced that it has engaged JDS Energy and Mining Inc. ("JDS") and Beijing General Research Institute of Mining and Metallurgy ("BGRIMM") to undertake a new feasibility study for the Carmacks Project in Central Yukon.

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JDS will be responsible for the completion of a NI 43-101 feasibility study for the development of the Project with responsibility for infrastructure, geotechnical, mining and earthworks alongside Copper North's other Independent Qualified Persons ("IQP"), and oversee the engineering and procurement by BGRIMM for inclusion in the new feasibility study. In conjunction with Copper North's management team and the other IQP's, BGRIMM will be responsible for all process design and equipment selection for the Project, including the procurement of equipment from China. The decision to undertake this joint approach to re-engineering the Project follows considerable investigation and benchmarking of the Project to other similar projects.

Copper North's discussions with both JDS and BGRIMM indicate that there is opportunity to significantly reduce capital and operating costs for the Project, following the recent evaluation of alternative development plans for the Project. Key aspects of the Project's re-engineering include recovery of copper using vat leaching and the addition of gold and silver recovery.

Metallurgical test work is progressing to confirm the optimal leach design and operating parameters for the leaching of copper followed by leaching of gold and silver. This work should be completed by year-end and establish the base for the new feasibility study which is targeted for completion in Q3 2015.

The potential reduction of capital and operating costs is focused on the simplifying of operations, reduction of operating risks and reduction of environmental impacts and management requirements.

#### Royalty

Any production from the Carmacks Project is subject to either a 15% net profits interest or a 3% net smelter return royalty, at Copper North's election. If Copper North elects to pay the net smelter return royalty, it has the right to purchase the royalty for \$2.5 million, less any advance royalty payments made to that date. As at the date of this report, \$1.1 million has been paid in advance royalty payments. The Company is required to make an advance royalty payment of \$100,000 for any year in which the average daily copper price reported by the London Metal Exchange is US\$1.10 per pound or greater.

#### **Thor (British Columbia, Canada)**

On July 8, 2014, the Company acquired a 100% interest in the Thor property from Electrum Resource Corporation ("Electrum"). The Thor Property consists of 8,700 hectares of mineral claims. It is road accessible and is located approximately 20 kilometres south of the Kemess South mine-mill complex in North Central British Columbia. The property hosts several attractive large geophysical targets associated with intrusive complexes similar to those hosting the porphyry copper-gold deposits of the Kemess District. Additional Induced Polarization surveying is planned for summer 2014 to complete coverage in the West and East blocks and better define targets for drill testing.

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Pursuant to the acquisition agreement, Copper North will maintain its 100% interest in the Thor Property by making the following payments and incurring the following exploration expenditures:

Milestone	Cash Payment	Common Shares	Exploration Expenditures (\$ cumulative)	
Upon exchange approval	\$25,000	1,000,000	-	<i>Completed</i>
Year 1	\$50,000	-	\$200,000	
Year 2	\$50,000	1,000,000	\$700,000	
Year 3	\$100,000	1,000,000	\$1,500,000	
Year 4	\$100,000	1,000,000	\$2,500,000	
Year 5	\$100,000	1,000,000	\$3,500,000	
Year 6	\$100,000	-	\$5,000,000	
<b>TOTAL</b>	<b>\$525,000</b>	<b>5,000,000</b>	<b>\$5,000,000</b>	

In addition, Electrum will receive a 2% net smelter return royalty to a maximum of \$5 million. The Company agrees to pay an advanced royalty payment of \$1 million if commercial production is not attained in respect of the Thor Property before the seventh, eighth, ninth, tenth and eleventh anniversaries of the acquisition agreement. Advance royalty payments are deductible from the maximum amount of payable pursuant to the net smelter return royalty.

If the Company fails to make a scheduled payment of cash or common shares, title to the property will revert to Electrum.

Recent Exploration

Scott Geophysics Ltd. completed 39 kilometers of Induced Polarization and ground magnetic surveys; the report on this work is in progress. The geophysical survey is an extension of previous geophysical work that defined numerous anomalies within the till covered Moose Valley area that may represent porphyry copper targets. The current work extended the IP coverage further to the south of the previous survey work to evaluate targets for the summer 2015 exploration program. The completion of the geophysical survey will provide a framework for re-evaluation of the historic exploration work that ceased in 1998.

**Redstone (Northwest Territories, Canada)**

The Redstone property comprises five mining leases and 28 mineral claims in the Nahanni Mining District southwest of Norman Wells in the Northwest Territories.

Royalty

Should production be achieved on the five mining leases that comprise the Coates Lake area, the five mining leases are subject to a net smelter return royalty of between 3 and 4% depending on the monthly average of the final daily spot price of copper reported on the New York Commodities Exchange relating to each production month, as follows:

- 3% if the price is less than, or equal to US\$0.75 per pound;
- 3.5% if the price is greater than US\$0.75 per pound, but less than, or equal to US\$1.00 per pound; or
- 4% if the price is greater than US\$1.00 per pound.

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**RESULTS OF OPERATIONS**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014 \$	2013 \$	2014 \$	2013 \$
Exploration and evaluation expenses <sup>1</sup>	609,835	60,870	849,597	385,491
Filing and regulatory fees	6,852	4,827	38,375	37,496
General administrative costs	16,251	7,605	32,603	35,690
Professional fees	25,816	18,467	62,261	41,634
Rent and utilities	7,500	18,000	22,500	61,540
Share-based payments	64,043	11,389	73,352	31,644
Shareholder communication and travel	27,050	9,856	67,001	67,907
Wages and benefits	71,645	118,208	168,229	414,496
<b>LOSS BEFORE OTHER ITEMS</b>	<b>828,992</b>	<b>249,222</b>	<b>1,313,918</b>	<b>1,075,898</b>
Interest expense	-	6,049	10,489	69,634
<b>LOSS AND COMPREHENSIVE LOSS</b>	<b>828,992</b>	<b>255,271</b>	<b>1,324,407</b>	<b>1,145,432</b>

1. Exploration and evaluation expenses for the three and nine months ended September 30, 2013 have been restated as a result of the Company's change in accounting policy effective December 31, 2013. Refer to the discussion in the Change in Accounting Policy section on page 15 of this report.

The Company's exploration and evaluation expenses increased in 2014 because Copper North was able to obtain financing in order to advance the Carmacks Project and the Thor property. 2013 exploration activity was restricted by the Company's limited financial resources. For more information on project development, refer to the Property Overview and Development section earlier in this report.

Professional fees increased during the three and nine months ended September 30, 2014 as compared to the same periods in 2013 due to a general increase in corporate activity.

Share-based payments increased during the three and nine months ended September 30, 2014 compared to the three and nine months ended September 30, 2013 as the Company granted 3,450,000 stock options to employees and directors in August 2014. The Company did not grant any stock options in 2013.

Wages and benefits decreased substantially during the three and nine months ended September 30, 2014 as compared to the same period in 2013 for a number of reasons. There has been a decrease in the number of employees in 2014 compared to 2013. The Company did not have to pay for the Chief Executive Officer ("CEO") position during most of January and February while it searched for a full-time CEO. In addition, the new CEO received a significant portion of his 2014 compensation in the form of stock options.

Shareholder communication and travel increased during the three months ended September 30, 2014 compared to the three months ended September 30, 2013 as the Company increased its marketing efforts.

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Interest expense decreased during the three and nine months ended September 30, 2014 as compared to the same periods in 2013 because the Company recorded significant charges relating to interest and the bonus shares associated with the loan received from a related party in May 2013. Only minor interest amounts on the loan were recorded during the nine months ended September 30, 2014. The loan was repaid in June 2014.

**LIQUIDITY AND CAPITAL RESOURCES**

Copper North had \$504,351 in cash and cash equivalents as at September 30, 2014 compared to \$36,289 in cash and cash equivalents as at December 31, 2013. Refer to the Financial Position and the Corporate Activity and Outlook sections at the beginning of this report for more information on the Company's financial position and recent financings.

The nature of the Company's operations requires significant expenditures for the acquisition, exploration, and development of mineral properties. The Company will continue to require additional funding to maintain its ongoing exploration programs, permitting efforts, advance royalty and property maintenance payments, and operations.

To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage. Its principal source of funds is the issuance of common shares. It uses the capital raised from the issuance of its common shares to explore and develop its mineral properties with the goal of increasing the price of the Company's common shares. Copper North's common shares are publicly traded. As such, the price of its common shares is susceptible to factors beyond management's control including, but not limited to, fluctuations in commodity prices and foreign exchange rates and changes in the general market outlook. Should Copper North require funds during a time when the price of its common shares is depressed, the Company may be required to accept significant dilution to maintain enough liquidity to continue operations or may be unable to raise sufficient capital to meet its obligations.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans or equity financings or through other arrangements. The Company has been successful in securing financing in the past, but there can be no assurance that it will be able to do so in the future.

The Company's consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business as they come due, however certain conditions and events cast significant doubt on the validity of this assumption. For the nine months ended September 30, 2014, the Company reported a loss of \$1,324,407 and as at that date had a working capital deficit of \$796,553 and an accumulated deficit of \$14,248,915.

The aforementioned financial statements do not reflect the adjustments to the carrying values of the assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumptions deemed to be inappropriate. These adjustments could be material.

**SUMMARY OF QUARTERLY RESULTS**

<b>As at and for the quarter ended</b>	<b>30-Sep-14</b>	<b>30-Jun-14</b>	<b>31-Mar-14</b>	<b>31-Dec-13</b>
				<b>\$</b>
Loss and comprehensive loss <sup>1</sup>	828,992	360,911	134,504	7,631,996
Loss per share – basic and diluted <sup>1</sup>	0.01	-	-	0.13
Exploration and evaluation assets <sup>1</sup>	19,231,737	19,143,325	19,143,325	19,143,325
Cash and cash equivalents	504,351	171,042	(11,842)	36,289
Total assets <sup>1</sup>	19,862,047	19,404,876	19,234,213	19,277,180
<b>As at and for the quarter ended</b>	<b>30-Sep-13</b>	<b>30-Jun-13</b>	<b>31-Mar-13</b>	<b>31-Dec-12</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Loss and comprehensive loss <sup>1</sup>	255,271	524,711	365,450	622,864
Loss per share – basic and diluted <sup>1</sup>	-	0.01	0.01	0.01
Exploration and evaluation assets <sup>1</sup>	26,489,723	26,489,723	26,489,723	26,489,723
Cash and cash equivalents	6,709	29,922	61,570	521,775
Total assets <sup>1</sup>	26,584,095	26,623,361	26,648,414	27,204,418

1. Figures for the periods ending December 31, 2012 to September 30, 2013 have been restated as a result of the Company's change in accounting policy effective December 31, 2013.

**Loss and comprehensive loss**

During the quarter ended September 30, 2014 the Company incurred significant exploration expenditures at its Carmacks Project. Copper North also granted stock options to employees and directors. Both these items attributed to the loss figure.

The loss figure for the three months ended December 31, 2013 can largely be attributed to the \$7.35 million impairment charge recorded against the Redstone property.

The loss for the three months ended June 30, 2013 is slightly elevated because it includes a \$60,000 charge relating to the loan received from a related party.

**Exploration and evaluation assets**

The Company acquired the Thor property during the quarter ended September 30, 2014. Acquisition costs are capitalized.

The impairment charge of \$7.35 million relating to the Redstone property recorded by the Company during the three months ended December 31, 2013 significantly reduced the carrying value of its exploration and evaluation assets.

**Cash and cash equivalents**

Cash and cash equivalents are expected to decrease in periods when there is no financing transaction as the Company pays costs incurred related to exploration activities and operations.

Copper North completed the following financings during the periods presented:

- Private placement completed August 20, 2014 for gross proceeds of \$742,362;
- Private placement completed April 24, 2014 for gross proceeds of \$659,000; and
- Warrant exercise incentive program completed in December 2013 for gross proceeds of \$88,250.

**Copper North Mining Corp.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014

The Company was in a bank indebtedness position as at March 31, 2014 as it was forced to rely on a line of credit to fund on-going operations while waiting to complete the private placement that closed on April 24, 2014.

Cash and cash equivalents as at June 30, 2013 are comparable to March 31, 2013 because the Company received \$300,000 in proceeds from a loan from a related party in May 2013. These proceeds mostly offset the cash outflows during the three months ended June 30, 2013.

**RELATED PARTY TRANSACTIONS**

Certain officers entered into agreements with the Company to defer payment of salaries from April 1, 2013 to September 30, 2013. The deferred salaries accrued interest at 8% per annum. The Company has also agreed to pay a one-time bonus equal to 20% of the deferred salaries owing on September 30, 2013. The Company may pay the deferred salaries, accrued interest, and bonus in cash or common shares of Copper North. The Company has not made any payments towards the salary deferral agreements.

Certain officers deferred their salaries from October 1, 2013 to February 28, 2014 for no additional compensation. The Company has accrued the wages but has only made partial payments towards these amounts as at the date of this report. All amounts are payable on demand.

**Due to related parties**

As at	September 30, 2014	December 31, 2013
	\$	\$
Loan principal	-	300,000
Value of bonus shares relating to the Loan	-	60,000
Wages subject to salary deferral agreements	155,000	155,000
Value of bonus shares - salary deferral agreements	31,000	31,000
Wages not subject to salary deferral agreements	94,153	124,166
Interest	3,100	18,684
Director fees	81,000	54,000
<b>DUE TO RELATED PARTIES</b>	<b>364,253</b>	<b>742,850</b>

**Directors and officers**

The Company's related parties include its directors and officers. The remuneration of directors and officers during the years presented was as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Salaries and director fees	82,500	145,000	245,500	418,250
Share-based payments	63,882	10,499	72,082	33,503
<b>DIRECTOR AND OFFICER REMUNERATION</b>	<b>146,382</b>	<b>155,499</b>	<b>317,582</b>	<b>451,753</b>

**Copper North Mining Corp.****MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three and nine months ended September 30, 2014

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Share-based payments represent the fair value of stock options previously granted to directors and officers that was recognized during the years presented above.

**Other related party transactions**

From October 1, 2011 to March 31, 2013, administration, accounting and other office services were provided by Ravenwolf Resource Group Ltd. ("Ravenwolf"), a private company owned equally by Copper North, Western Copper and Gold Corp. ("Western") and NorthIsle Copper and Gold Inc. ("NorthIsle"). Ravenwolf provided the services to its owners on a cost-recovery basis.

From January 1, 2013 to March 31, 2013 Ravenwolf charged Copper North \$219,077 for its services. Effective April 1, 2013, Copper North transferred its ownership in Ravenwolf to Western. From that date onward, Ravenwolf is no longer considered a related party of the Company.

**OUTSTANDING SHARE DATA**

As at the date of this report, the Company has 106,857,532 common shares outstanding. The Company also has 6,285,834 stock options outstanding with exercises prices ranging from \$0.06 to \$0.32 and 17,950,991 warrants outstanding with exercises prices ranging from \$0.05 to \$0.28.

**OTHER CONTRACTUAL OBLIGATIONS**

Copper North does not pay dividends.

The Company has no off-balance sheet arrangements, no capital lease agreements and no long term obligations other than those described above or in the description of mineral properties contained in the notes to the audited consolidated financial statements.

Neither the Company nor any of its subsidiaries has any externally imposed capital requirements.

**SIGNIFICANT ACCOUNTING ESTIMATES****Use of estimates**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, environmental obligations, the valuation of share-based payments, and the allocation of financing proceeds. Actual results could differ from those estimates. Differences may be material.

**Copper North Mining Corp.****MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three and nine months ended September 30, 2014

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**Exploration and evaluation assets**

The recoverability of the carrying value of exploration and evaluation assets is dependent upon a number of factors including the existence of economically recoverable reserves and the Company's ability to secure and maintain title and beneficial interest in the properties, to obtain the necessary financing to continue the exploration and future development of the properties, or to realize the carrying amount through a sale or partial disposal. Realization values may be substantially different from carrying values as shown.

The fair values used to assess recoverability of the Company's exploration and evaluation asset carrying values are developed using management's projections for long-term average commodity prices for copper, gold and silver; recoverable reserves; operating costs; capital expenditures; reclamation costs; applicable foreign currency exchange rates; and potential sale proceeds. Management makes estimates relating to current and future market conditions. There are inherent uncertainties related to these factors and management's judgment when using them to assess the recoverability of exploration and evaluation assets.

The Company believes that the estimates applied in the assessment of recoverability are reasonable; however such estimates are subject to significant uncertainties and judgments. Although management has made its best estimate of these factors based on current conditions, it is possible that the underlying assumptions can change significantly and impairment charges may be required in future periods. Such charges could be material.

**Environmental site reclamation**

Minimum standards for site reclamation have been established by various governmental agencies that affect certain operations of the Company. The determination of reclamation costs requires assumptions with respect to future expected costs and legislation in effect at that time. Changes in these assumptions could have a material effect on the amount required to be recognized as an environmental reclamation provision

**Copper North Mining Corp.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014

**CHANGE IN ACCOUNTING POLICY**

Effective December 31, 2013, the Company voluntarily changed its accounting policy for exploration and evaluation expenditures to recognize these costs in the statement of loss in the period incurred, as permitted under IFRS 6 Exploration for and evaluation of mineral resources. Previously, these expenditures were capitalized as exploration and evaluation assets on the Company's balance sheet. Copper North changed its accounting policy because it believes that the new policy is more in line with the IFRS framework with respect to what constitutes an asset. The Company also believes that showing exploration and evaluation expenses separately on the statement of loss and in the operating activities section of the statement of cash flows more clearly represents the Company's activities during the periods presented. The change in accounting policy was been applied retrospectively.

The change in accounting policy resulted in the following changes to the Company's Balance Sheet as at September 30, 2013:

	<b>Previously reported</b>	Cumulative exploration and evaluation expenditures	<b>Restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Exploration and evaluation assets	<b>29,332,878</b>	(2,843,155)	<b>26,489,723</b>
Deficit	<b>2,449,357</b>	2,843,155	<b>5,292,512</b>

The change in accounting policy resulted in the following changes to the Company's Statement of Loss and Comprehensive Loss for the three months ended September 30, 2013:

	<b>Previously reported</b>	Exploration and evaluation expenditures	<b>Restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Loss and comprehensive loss	<b>194,401</b>	60,870	<b>255,271</b>
Loss per share	-	-	-

The change in accounting policy resulted in the following changes to the Company's Statement of Loss and Comprehensive Loss for the nine months ended September 30, 2013:

	<b>Previously reported</b>	Exploration and evaluation expenditures	<b>Restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Loss and comprehensive loss	<b>759,941</b>	385,491	<b>1,145,432</b>
Loss per share	<b>0.01</b>	0.01	<b>0.02</b>

**Copper North Mining Corp.****MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three and nine months ended September 30, 2014

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**FINANCIAL INSTRUMENT RISK**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to liquidity and credit risks from the use of financial instruments. Financial instruments consist of cash and cash equivalents, other assets, reclamation bond, amounts due to related parties, and accounts payable and accrued liabilities.

**Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. Certain conditions cast significant doubt on the Company's ability to meet its financial obligations. Refer to the Liquidity and Capital Resources section of this report for more information regarding the Company's liquidity risk.

**Credit risk**

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents. These financial instruments are at risk to the extent that the institutions issuing or holding them cannot redeem amounts when they are due or requested. To limit its credit risk, the Company uses a restrictive investment policy. It deposits cash and cash equivalents in Canadian chartered banks.

**FORWARD-LOOKING STATEMENTS**

This Management Discussion and Analysis contains certain forward-looking statements concerning anticipated developments in Copper North's operations in future periods. Statements that are not historical fact are forward looking information as that term is defined in National Instrument 51-102 ("NI 51-102") of the Canadian Securities Administrators. Certain forward looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Forward-looking statements and information (referred to herein together as "forward-looking statements") are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The material factors or assumptions used to develop forward-looking statements include prevailing and projected market prices and foreign exchange rates, exploitation and exploration estimates and results, continued availability of capital and financing, and general economic, market or business conditions and as more specifically disclosed throughout this document. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of Copper North and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

**Copper North Mining Corp.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014

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Copper North's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and Copper North does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from Copper North's expectations include, but are not limited to, uncertainties involved in fluctuations in copper and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies and First Nations in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; and uncertainty as to timely availability of permits and other governmental approvals.