

**COPPER NORTH MINING CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015**

The following management discussion and analysis of Copper North Mining Corp. ("Copper North" or the "Company") is dated August 20, 2015, and provides an analysis of the Company's results of operations for the three and six months ended June 30, 2015.

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 unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2015, the Copper North audited consolidated financial statements for the year ended December 31, 2014, and the notes thereto. Copper North's accounting policies are described in note 3 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 under the symbol COL.

## **FINANCING AND FINANCIAL POSITION**

As at June 30, 2015, the Company had \$793,000 in cash and a working capital balance of \$202,000. Finding sources of financing continues to prove challenging for mineral exploration companies. Copper North's efforts to raise capital over the past few months are described below.

On June 25, 2015, Copper North completed a non-brokered private placement of 8.5 million flow-through shares at a price of \$0.06 and 1.9 million units at a price of \$0.06 for gross aggregate proceeds of \$625,000. Each unit consists of one common share of the Company and ½ of one non-transferable warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.09 until June 25, 2017.

On June 8, 2015, the Company completed a non-brokered private placement of 833,000 flow-through shares at a price of \$0.06 and 7.8 million units at a price of \$0.06 for gross aggregate proceeds of \$494,000. Each unit consists of one common share of the Company and ½ of one non-transferable warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.09 until June 8, 2017.

On March 19, 2015, Copper North completed a non-brokered private placement of 5.3 million units at a price of \$0.06 for gross proceeds of \$318,000. Each unit consists of one common share of the Company and ½ of one non-transferable warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.09 until March 19, 2017.

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On February 10, 2015, the Company received gross proceeds of \$210,000 from the exercise of 3.5 million warrants.

On February 3, 2015, Copper North completed a non-brokered private placement of 4,750,000 units at a price of \$0.06 for gross proceeds of \$285,000. Each unit consists of one common share of the Company and ½ of a non-transferable warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.09 until February 3, 2017.

## **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.

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 results of the preliminary leach test work and modelling of gold and silver recovery are positive and a broader study is warranted (see Progress on Development section on page 4). 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.

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*Mineral Resource and Mining*

The following table summarizes the mineral resource for zones 1, 4 and 7. The Measured and Indicated mineral resource estimate totals 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.

## Estimated 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 an estimated 11,551,000 tonnes grading 0.805% soluble copper, 0.435 g/t gold and 4.34 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 Feasibility Study.

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						

The conceptual mining plan entails mining an estimated 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 estimated at 5.1:1 with a maximum mining rate of 37,500 tonnes per day.

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#### *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. The PEA provides 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 indicated that the recovery of gold and silver should be positive to project economics. The PEA evaluation 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 contingent on raising additional capital.

#### Progress on Development

In July, Copper North announced the new processing plan for the Carmacks Project. This plan consists of crushing to minus 19mm, followed by rod mill grinding to minus 1mm then acid leaching copper in an agitated leach tank, followed by gold and silver leaching in similar tanks, and cyanide destruction for final waste materials. The copper leachate is to be processed in a standard solvent extraction electro-winning (SXEW) plant to produce cathode copper sheets, and gold and silver will be recovered using Merrill Crowe to produce doré bars.

Test work indicates that raising the temperature of the acid leach for copper improves the overall recovery and significantly shortens the leach time. With a grind size of minus 1mm and a leach temperature of 40 degrees Celsius, recoveries of 88% were achieved within 4 to 6 hours, less than half the time for a coarser grind of 2mm at ambient temperature. Waste heat from the manufacturing of sulphuric acid will be used to heat the leach tanks.

The residue in the copper circuit is washed to remove residual acid and the slurry is pumped into the gold-silver circuit for cyanidation; also an agitated tank leach. Optimal leach time for a two stage cyanidation circuit is approximately 12 hours with recoveries of approximately 80% gold and 62% for silver.

Leachate from the cyanide tanks is sent to a Merrill Crowe circuit to recover gold and silver as a doré bar for refining. A SART circuit may be used to remove copper cyanates from leach fluids to recover cyanide and thereby manage cyanide consumption. The SART circuit will produce a small amount of copper-rich sulphide that will add to the total copper recovery.

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Batch test work, including locked cycle tests, is in progress to confirm the very favourable leach dynamics and define recoveries, reagent consumption and optimal equipment requirements. Similarly, test work continues to evaluate the operational application of the SART circuit in the gold-silver recovery circuit. The final steps in the test work are to determine the preferred procedure for filtration of the waste materials in preparation for waste disposal utilizing the "dry-stacked tailings" method.

#### Project Engineering and Costing

Application of agitated tank leaching results in the elimination of the expensive large, lined leach pads that formed the basis of the Feasibility Study and the PEA. Results of the recent metallurgical test work for the agitated tank leach facility enables BGRIMM (Beijing General Research Institute Mining and Metallurgy) to resume engineering, design and cost estimation of the processing facility with a view to incorporate results into a new preliminary economic assessment (see October 14, 2014 news release).

Copper North has set a new initial capital cost target of US\$150M for the project, an approximate 30% reduction compared to that in the PEA. The improvement of recoveries and reduced leach times are expected to have a significant positive impact on project economics. The project economics based on the PEA are now quite out of date and do not properly represent the leach plan and associated project economics.

The improvements based on the new metallurgical test results should lead to a reduction of equipment size in the leach circuit as compared to the previous studies. Earlier evaluation of capital equipment requirements also indicated that there are considerable savings by sourcing detailed engineering and procurement of equipment in China.

#### Exploration

Initial fill-in drilling at 2000S zone has confirmed continuity of both oxide and sulphide mineralization. The drill has now moved to the much larger Zones 13 and 12 areas that have an aggregate strike length of 1500 meters. The definition drilling has potential for a substantial addition to mineral resources.

Zone 2000S - Zone 2000S is immediately south of the proposed open pit area. All eight drill holes intersected the mineralized structure. The new and historic drill holes define a wedge shaped zone with a strike length of 300 meters and up to 150 meters vertically; a tonnage potential of approximately 1,100,000 tonnes is indicated of which about 300,000 tonnes is oxide mineralization.

The drill hole density and trench sampling are sufficient for determination of mineral resources for the 2000S zone. Copper North is awaiting assays. Details of drill hole location and historic assay results are available on Copper North's web site.

Zones 13 and 12 - Copper North is now drilling in the much larger Zones 13 and 12 which are located on the south side of Williams Creek, approximately 150 metres to the south of Zone 2000S. The target in Zone 13 has a strike length of 650 metres and Zone 12 is the southern extension of Zone 13. Drilling is in progress, with fans of drill holes between the previous 120 metre spaced drill cross sections (4,400 and 4,800 feet historic drill sections) in Zone 13.

Previous drilling has identified up to 70 metres vertical depth of oxide mineralization overlying sulphide mineralization that has been intercepted to depths of 200 metres and remains open to depth. Current drilling is focused on near surface mineralization to a depth of 150 metres and includes both oxide and sulphide mineralization. Recent trenching and detailed ground magnetic surveys have defined the mineralized structure and identified new zones of oxide mineralization.

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Historic drilling in this 150 to 200 metre section of the mineralization indicates potential of 2.8 million tonnes of oxide and approximately 6.8M tonnes of sulphide mineralization. Extension of the mineralization, now being drilled, has the potential for substantial additional increase of oxide and sulphide mineralization. Cross-sections of historic drill hole intercepts and location of new and planned drill holes are available on Copper North's web site.

Gap North - Copper North previously stated that it would explore for the continuation of Zone 1 to the north of the proposed open pit (see July 20, 2015 news release). The Gap North area has extensive overburden and valley fill materials. Drilling in the North Gap area is now being deferred as the Zone 2000S and Zone 13 and 12 have more near surface potential.

Copper North plans to calculate an updated mineral resource estimate for Zones 2000S, 13 and 12 when all drill and trench results are received.

#### 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, \$1.2 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)**

The Thor Property consists of 15,800 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.

On June 27, 2014, Copper North entered into an acquisition agreement with Electrum Resource Corporation ("Electrum"). Pursuant to the acquisition agreement, Copper North can earn 100% interest in the Thor Property by making the following payments and incurring the following exploration expenditures. If the Company fails to make a scheduled payment of cash or common shares, it will retain no interest in the Thor property.

Payment Date	Cash Payment	Common Shares	Exploration Expenditures (\$ cumulative)	Status
July 8, 2014	\$25,000	1,000,000	-	<i>Completed</i>
June 27, 2015	\$50,000	-	\$200,000	<i>Completed</i>
June 27, 2016	\$50,000	1,000,000	\$700,000	-
June 27, 2017	\$100,000	1,000,000	\$1,500,000	-
June 27, 2018	\$100,000	1,000,000	\$2,500,000	-
June 27, 2019	\$100,000	1,000,000	\$3,500,000	-
June 27, 2020	\$100,000	-	\$5,000,000	-
<b>TOTAL</b>	<b>\$525,000</b>	<b>5,000,000</b>	<b>\$5,000,000</b>	

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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 at each of the seventh, eighth, ninth, tenth and eleventh anniversaries of the acquisition agreement if commercial production is not attained in respect of the Thor Property before those dates. Advance royalty payments are deductible from the maximum amount of payable pursuant to the net smelter return royalty.

**Recent Exploration**

A consolidation of historical geology, geochemistry, and geophysical data, including recent geophysical survey data, has defined two large target areas with anomalies typical of porphyry copper type deposits. Subject to financing, a comprehensive program comprised of drilling and other field work is planned for 2015.

**Redstone (Northwest Territories, Canada)**

The Redstone property comprises five mining leases and 18 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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*All financial information presented below is expressed in Canadian dollars, unless otherwise indicated.*

**RESULTS OF OPERATIONS**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015 \$	2014 \$	2015 \$	2014 \$
Exploration and evaluation expenses	529,566	213,719	754,411	239,762
Filing and regulatory fees	28,788	23,507	36,920	31,523
General administrative expenses	37,544	8,084	55,440	16,352
Professional fees	11,123	28,847	24,306	36,445
Rent and utilities	27,758	7,500	55,163	15,000
Share-based payments	14,336	2,826	32,075	9,309
Shareholder communication and travel	85,416	18,040	250,053	39,951
Wages and benefits	121,712	53,866	251,245	96,584
<b>OPERATING EXPENSES</b>	<b>856,243</b>	<b>356,389</b>	<b>1,459,613</b>	<b>484,926</b>
Interest expense	3,473	4,522	6,573	10,489
<b>LOSS AND COMPREHENSIVE LOSS</b>	<b>859,716</b>	<b>360,911</b>	<b>1,466,186</b>	<b>495,415</b>

THREE AND SIX MONTHS ENDED JUNE 30, 2015

The Company's exploration and evaluation expenses increased during the three and six months ended June 30, 2015 because Copper North was able to obtain financing in order to advance the Carmacks Project and the Thor property. During the three and six months ended June 30, 2014 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.

General administrative costs increased during the three and six months ended June 30, 2015 as compared to the same periods in 2014 due to a general increase in corporate activity.

Professional fees decreased during the three and six months ended June 30, 2015 as compared to the three and six months ended June 30, 2014 because of a decrease in legal services performed.

On November 1, 2014, Copper North relocated its head office as it required additional office space. As a result, there was an increase in rent expense during the three and six months ended June 30, 2015 as compared to same periods in 2014.

Share-based payments are recorded based on the amortization of the value assigned to stock option grants. There was a significant stock option grant in August 2014. There was no stock option grant in 2013. As a result, share-based payments increased during the three and six months ended June 30, 2015 compared to the same periods in the previous year.

Shareholder communication and travel increased during the three and six months ended June 30, 2015 as Copper North continued its marketing efforts to promote the Company and its projects, and to raise capital.



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Wages and benefits increased during the three and six months ended June 30, 2015 as compared to the same period in 2014 because the Company's Chief Executive Officer's ("CEO") salary was increased to market standards as a significant portion of his 2014 compensation was in the form of stock options. In addition, Copper North did not pay for the CEO position in January or February 2014 as it conducted its search for a new CEO.

During the three and six months ended June 30, 2015 the Company recorded interest expense associated with agreements to defer salaries for certain officers. For more information regarding deferred salaries please refer to the Related Party Transactions section later in this report.

**LIQUIDITY AND CAPITAL RESOURCES**

Copper North had \$793,417 in cash and cash equivalents as at June 30, 2015 compared to \$478,357 in cash and cash equivalents as at December 31, 2014. Refer to the Financing and Financial Position section 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 six months ended June 30, 2015, the Company reported a loss of \$1,466,186 and as at that date had working capital of \$202,325 and an accumulated deficit of \$16,412,360.

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-Jun-15</b>	<b>31-Mar-15</b>	<b>30-Dec-14</b>	<b>30-Sep-14</b>
Loss and comprehensive loss	859,716	606,470	697,259	828,992
Loss per share – basic and diluted	0.01	-	0.01	0.01
Exploration and evaluation assets	19,281,737	19,231,737	19,231,737	19,231,737
Cash and cash equivalents	793,417	261,351	478,357	504,351
Total assets	20,775,005	20,206,970	20,174,459	19,862,047
<b>As at and for the quarter ended</b>	<b>30-Jun-14</b>	<b>31-Mar-14</b>	<b>31-Dec-13</b>	<b>30-Sep-13</b>
			\$	\$
Loss and comprehensive loss	360,911	134,504	7,631,996	255,271
Loss per share – basic and diluted	-	-	0.13	-
Exploration and evaluation assets	19,143,325	19,143,325	19,143,325	26,489,723
Cash and cash equivalents	171,042	(11,842)	36,289	6,709
Total assets	19,404,876	19,234,213	19,277,180	26,584,095

**Loss and comprehensive loss**

The Company tends to incur more exploration and evaluation expenditures from April to October because of weather conditions in Yukon. Copper North expenses all such expenditures. As a result, loss and comprehensive loss is expected to be higher during Q2 and Q3 of each given year. This trend has been inconsistent in recent years as the Company has had limited financial capability to carry out exploration and evaluation activities.

During the three months ended June 30, 2015, Copper North incurred significant exploration and evaluation expenses as the Company began its 2015 exploration program at its Carmacks Project.

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

**Exploration and evaluation assets**

Only acquisition and property payment costs are capitalized.

The Company acquired the Thor property during the quarter ended September 30, 2014.

During the three months ended June 30, 2015, Copper North recorded property payment costs associated with the Thor property. Please refer to the Property Overview and Development section earlier in this report for more information.

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.

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**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.

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. The Company currently no longer has a line of credit.

**RELATED PARTY TRANSACTIONS****Related party loan**

On May 7, 2013, the Company entered into a loan agreement (the "Loan") with Dale Corman, Copper North's Chairman, to secure funds of \$300,000. The Loan accrued interest at a rate of 8% per year. In consideration of the risk taken by Mr. Corman, the Company also agreed to issue shares equal to 20% of the principal amount of the Loan.

On June 23, 2014, the Company paid \$43,000 in cash and issued 6,860,000 common shares to Mr. Corman to settle amounts owing under the terms of the Loan. The value of the common shares was recorded at \$0.05 per share, the shares' fair value on the settlement date. Costs to settle the Loan totaled \$4,090.

**Deferred salary**

Sally Eyre, Copper North's previous Chief Executive Officer ("CEO"), and Julien Francois, Copper North's Chief Financial Officer ("CFO"), entered into agreements with the Company to defer payment of salaries from April 1, 2013 to September 30, 2013. The deferred salaries accrue 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.

Ms. Eyre and Mr. Francois deferred their salaries from October 1, 2013 to February 28, 2014 for no additional compensation. The Company accrued these wages but certain amounts are still outstanding.

During the six months ended June 30, 2015, the Company repaid \$54,798 due to Mr. François in cash, of which \$3,965 was interest.

Harlan Meade, the Company's Chief Executive Officer, deferred a portion of his salary during the three months ended June 30, 2015 for no additional compensation. The Company has accrued these wages in the statement of loss.

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**Director and officer remuneration**

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015 \$	2014 \$	2015 \$	2014 \$
Salaries and director fees	111,500	91,500	233,000	163,000
Share-based payments	12,217	2,578	24,947	8,200
<b>DIRECTOR AND OFFICER REMUNERATION</b>	<b>123,717</b>	<b>94,078</b>	<b>257,947</b>	<b>171,200</b>

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

**Due to related parties**

As at	June 30, 2015 \$	December 31, 2014 \$
Wages subject to salary deferral agreements	130,000	155,000
Value of bonus shares - salary deferral agreements	26,000	31,000
Wages not subject to salary deferral agreements	93,320	94,153
Interest	20,617	18,382
Director fees	108,000	90,000
<b>DUE TO RELATED PARTIES</b>	<b>377,737</b>	<b>388,535</b>

All amounts are payable on demand.

**Participation in private placements**

Certain directors and officers of the Company participated in private placements to assist Copper North to strengthen its balance sheet. The following directors and officers participated in private placements:

Harlan Meade, CEO, purchased the following:

- 385,000 units at \$0.06 per unit on June 8, 2015.
- 335,000 units at \$0.06 per unit on February 3, 2015.
- 340,000 flow-through shares at \$0.06 per share on December 22, 2014.
- 340,000 flow-through shares at \$0.06 per share on August 20, 2014.
- 500,000 units at 0.05 per unit on April 24, 2014.

Julien Francois, CFO, purchased 500,000 units at \$0.06 per unit on June 25, 2015 and 110,000 flow-through shares at \$0.06 per share on August 20, 2014.

Dale Corman, Chairman, purchased 1,700,000 units at \$0.06 per unit on March 19, 2015

## **OUTSTANDING SHARE DATA**

As at the date of this report, the Company has 149,690,183 common shares outstanding. The Company also has 6,167,500 stock options outstanding with exercises prices ranging from \$0.06 to \$0.32 and 24,347,124 warrants outstanding with exercises prices ranging from \$0.05 to \$0.28.

## **CONTRACTUAL OBLIGATIONS**

The Company has an agreement to lease its head office space until May 31, 2017. The Company has the option to terminate the sub-lease without penalty after November 1, 2015 by providing the sub-lessor 90 days' notice.

The future minimum lease payments by calendar year are approximately as follows:

<b>Year</b>	<b>\$</b>
2015	47,000
Thereafter	-
<b>TOTAL</b>	<b>47,000</b>

The Company must incur an additional \$213,000 and \$562,001 on qualifying Canadian exploration expenditures by December 31, 2015 and December 31, 2016, respectively. Otherwise, it will be required to pay the investors who purchased flow-through shares the difference between the amount of tax benefit that they would have realized had the Company incurred all expenditures and the amount that the investors actually realized.

The Company's Other Assets includes \$400,000 in advances that the Company expects to use to perform eligible flow-through activities.

The Company has no off-balance sheet arrangements, no capital lease agreements and no long term obligations other than those described above and throughout this document, or in the description of exploration and evaluation assets contained in the notes to the 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 areas 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 six months ended June 30, 2015

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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.

**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 risk 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.

In addition, amounts prepaid or on deposit may not be recovered. To limit this risk, the Company takes into account the financial condition of the vendor and the services to be provided before making such deposit or prepayment.

### **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'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.