



**Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2017 and 2016**

(Unaudited - Expressed in Canadian dollars)

Notice of no Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Copper North Mining Corp.

Condensed Interim Consolidated Statements of Financial Position

As at

(Unaudited - Expressed in Canadian dollars)

	Note	June 30 2017	December 31 2016
		\$	\$
Assets			
Current			
Cash and cash equivalents		11,050	178,223
Prepaid expenses		98,647	220,833
Accounts receivable		4,755	14,038
		114,452	413,094
Non-current			
Reclamation bonds	6	85,300	85,300
Exploration and evaluation assets	6	19,354,737	19,321,737
		19,554,489	19,820,131
Liabilities			
Accounts payable and accrued liabilities	8	1,244,724	1,242,564
Shareholders' Equity			
Share capital	9	36,655,182	36,450,151
Contributed surplus		2,499,645	2,269,913
Deficit		(20,845,062)	(20,142,497)
		18,309,765	18,577,567
		19,554,489	19,820,131

Going concern – Note 2

Commitments – Notes 11

Subsequent event – Note 12

APPROVED BY THE DIRECTORS

“Bill LeClair”

Director

“Harlan Meade”

Director

Copper North Mining Corp.

Condensed Interim Consolidated Statements of Comprehensive Loss

Three and six months ended June 30

(Unaudited - Expressed in Canadian dollars)

		Three months ended		Six months ended	
	Note	2017	June 30 2016	2017	June 30 2016
		\$	\$	\$	\$
Exploration and evaluation expenses	7	69,827	150,363	120,085	299,615
Filing and regulatory fees		7,763	35,676	15,938	44,272
General administrative costs		8,676	15,979	21,076	78,334
Professional fees		10,611	6,084	29,689	9,507
Rent and utilities		26,976	28,791	56,069	57,582
Share-based payments	9, 10	9,378	12,091	157,232	24,563
Shareholder communication and travel		64,412	102,577	144,291	193,210
Wages and benefits	10	77,965	108,221	158,185	204,899
		(275,608)	(459,782)	(702,565)	(911,982)
Interest expense		-	(1,704)	-	(1,704)
Loss and comprehensive loss		(275,608)	(461,486)	(702,565)	(913,686)
Loss per share					
- Basic and diluted		(0.00)	(0.03)	(0.02)	(0.05)
Weighted average number of shares outstanding					
- Basic and diluted		30,015,704	18,328,252	29,098,407	18,098,238

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Copper North Mining Corp.

Condensed Interim Consolidated Statements of Cash Flows

Six months ended June 30

(Unaudited - Expressed in Canadian dollars)

	2017	2016
	\$	\$
Cash flows (used in) provided by		
Operating activities		
Net loss	(702,565)	(913,686)
Items not affecting cash		
Share-based payments	157,232	24,563
Net change in non-cash working capital items		
Prepaid expenses	122,186	92,642
Accounts receivable	9,283	12,661
Accounts payable and accrued liabilities	2,160	167,775
	(411,704)	(616,045)
Financing activities		
Issuance of common shares and units	278,000	561,850
Share and unit issuance costs	(8,469)	(27,247)
	269,531	534,603
Investing activities		
Acquisition of exploration and evaluation assets	(25,000)	-
Decrease in cash	(167,173)	(81,442)
Cash and cash equivalents, beginning of period	178,223	461,792
Cash and cash equivalents, end of period	11,050	380,350
Supplemental cash flow information		
Shares issued for acquisition of exploration and evaluation assets	8,000	15,000

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Copper North Mining Corp.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - Expressed in Canadian dollars)

	Common shares number	Share Capital \$	Contributed surplus \$	Deficit \$	Total \$
Balance, December 31, 2015	17,870,758	35,399,588	1,852,012	(17,872,247)	19,379,353
Private placements					
Share and unit issuance	3,160,833	561,850	-	-	561,850
Share and unit issuance costs	-	(38,204)	10,957	-	(27,247)
Allocation of warrant value	-	(154,050)	154,050	-	-
Shares issued for mineral property	100,000	15,000	-	-	15,000
Share-based payments	-	-	24,563	-	24,563
Loss and comprehensive loss	-	-	-	(913,686)	(913,686)
Balance, June 30, 2016	21,131,591	35,784,184	2,041,582	(18,785,933)	19,039,833
Private placements					
Share and unit issuance	6,194,882	897,570	-	-	897,570
Share and unit issuance costs	-	(68,273)	22,789	-	(45,484)
Allocation of warrant value	-	(159,249)	159,249	-	-
Extension of warrants	-	(4,081)	4,081	-	-
Share-based payments	-	-	42,212	-	42,212
Loss and comprehensive loss	-	-	-	(1,356,564)	(1,356,564)
Balance, December 31, 2016	27,326,473	36,450,151	2,269,913	(20,142,497)	18,577,567
Private placements					
Share and unit issuance	2,780,000	278,000	-	-	278,000
Share and unit issuance costs	-	(8,469)	-	-	(8,469)
Allocation of warrant value	-	(72,500)	72,500	-	-
Shares issued for mineral property	100,000	8,000	-	-	8,000
Share-based payment	-	-	157,232	-	157,232
Comprehensive loss	-	-	-	(702,565)	(702,565)
Balance, June 30, 2017	30,206,473	36,655,182	2,499,645	(20,845,062)	18,309,765

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

1. Nature of operations

Copper North Mining Corp. (together with its subsidiaries, "Copper North" or the "Company") was incorporated in British Columbia, Canada on August 3, 2011 and is directly engaged in the exploration and development of mineral properties in Canada.

Copper North began trading on the TSX Venture Exchange on October 24, 2011. The Company's head office is located at 1120 – 1095 West Pender Street, Vancouver, BC.

2. Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

At June 30, 2017, the Company had a working capital deficit of \$1,130,272, has not yet achieved profitable operations, has commitments due in the coming fiscal year and had an accumulated deficit of \$20,845,062 since inception and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to develop its mineral property interests and to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. As part of its ongoing strategic plan the Company is exploring financing opportunities including equity financings and strategic partner arrangements. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

3. Basis of presentation

These condensed interim consolidated financial statements for the three and six months ended June 30, 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's December 31, 2016 annual consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The condensed interim consolidated financial statements have been prepared under the historical cost convention.

These financial statements were approved by the board of directors on August 16, 2017.

The condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company's December 31, 2016 annual audited consolidated financial statements.

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2017 and 2016

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4. Accounting standards issued but not yet effective

The standards and interpretations that are issued up to the date of issuance of the Company's financial statements and applicable to the Company, but were not effective during the six months ended June 30, 2017, are disclosed below. The Company is in the process of assessing the impact of the adoptions of these standards and interpretations.

a) IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on financial liabilities and derecognition of financial instruments. The mandatory effective date of IFRS 9 would be annual periods beginning on or after January 1, 2018, with early adoption permitted.

b) IFRS 16 – Leases

This standard replaces IAS17-Leases and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The mandatory effective date is for annual periods beginning on or after January 1, 2019.

5. Critical accounting estimates and judgments

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's December 31, 2016 annual consolidated financial statements.

6. Exploration and evaluation assets

	Carmacks	Redstone	Thor	Total
	\$	\$	\$	\$
Balance, December 31, 2015	17,143,325	2,000,000	138,412	19,281,737
Additions - cash	-	-	25,000	25,000
Additions – common shares	-	-	15,000	15,000
Balance, December 31, 2016	17,143,325	2,000,000	178,412	19,321,737
Additions - cash	-	-	25,000	25,000
Additions – common shares	-	-	8,000	8,000
Balance, June 30, 2017	17,143,325	2,000,000	211,412	19,354,737

a) Carmacks (Yukon, Canada)

The Company owns 100% of the Carmacks Project, an oxide copper, gold, and silver deposit located in Yukon, Canada.

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.

Copper North Mining Corp.

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At June 30, 2017, \$1.4 million has been paid in advance royalty payments. The Company is required to make an advance royalty payment of \$100,000 in any year in which the average daily copper price reported by the London Metal Exchange is US\$1.10 per pound or greater.

The Company holds a Guaranteed Investment Certificate in the amount of \$80,300 in safekeeping for the Yukon Government. This amount represents the estimated reclamation cost for the work performed to date on the property.

b) Thor (British Columbia, Canada)

The Thor property is located south of the Kemess South mine-mill complex in North Central British Columbia.

On June 27, 2014, Copper North entered into an acquisition agreement with Electrum Resource Corporation ("Electrum"). Pursuant to the acquisition agreement, the Company will 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.

On May 11, 2016, Copper North amended certain terms of its acquisition agreement with Electrum. The terms of the agreement subsequent to the amendment are as follows:

Payment – Cash	Date	Status
\$25,000	July 8, 2014	<i>Completed</i>
\$50,000	June 27, 2015	<i>Completed</i>
\$50,000	August 1, 2016	<i>Completed</i>
\$100,000	June 27, 2017	-
\$100,000	June 27, 2018	-
\$100,000	June 27, 2019	-
\$100,000	June 27, 2020	-

Payment – Common Shares	Date	Status
100,000	July 8, 2014	<i>Completed</i>
100,000	June 27, 2016	<i>Completed</i>
100,000	June 27, 2017	<i>Completed</i>
100,000	June 27, 2018	-
100,000	June 27, 2019	-

Cumulative Exploration Expenditures	Date	Status
\$200,000	June 27, 2015	<i>Completed</i>
\$700,000	October 1, 2016	<i>Completed</i>
\$1,500,000	October 1, 2017	-
\$2,500,000	October 1, 2018	-
\$3,500,000	October 1, 2019	-
\$5,000,000	October 1, 2020	-

As at June 30, 2017 the Company is currently in discussions with Electrum to amend payment terms under the acquisition agreement and no default notice has been issued.

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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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 payable pursuant to the net smelter return royalty.

A deposit of \$5,000 is held by the Government of British Columbia to cover reclamation costs for the work performed to date on the property.

c) Redstone (Northwest Territories, Canada)

Copper North owns 100% of the Redstone property. The Redstone property comprises mining leases and mineral claims in the western part of the Northwest Territories.

Should production be achieved on the mining leases, the 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; and
- 4% if the price is greater than US\$1.00 per pound.

7. Exploration and evaluation expenditures

During the three months ended June 30, 2017, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Carmacks	Redstone	Thor	Total
	\$	\$	\$	\$
Claims maintenance	774	-	-	774
Engineering studies	1,350	-	-	1,350
Exploration and camp support	25,583	900	1,220	27,703
Salary and wages	28,000	4,000	8,000	40,000
	55,707,	4,900	9,220	69,827

During the three months ended June 30, 2016, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Carmacks	Redstone	Thor	Total
	\$	\$	\$	\$
Claims maintenance	381	-	-	381
Engineering studies	58,227	-	-	58,227
Exploration and camp support	46,305	450	5,000	51,755
Salary and wages	36,000	-	4,000	40,000
	140,913	450	9,000	150,363

Copper North Mining Corp.

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(Unaudited - Expressed in Canadian dollars)

During the six months ended June 30, 2017, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Carmacks	Redstone	Thor	Total
	\$	\$	\$	\$
Claims maintenance	774	-	-	774
Engineering studies	2,250	-	-	2,250
Exploration and camp support	37,818	1,350	7,589	46,757
Permitting	7,604	-	-	7,604
Recovery	(17,225)	(75)	-	(17,300)
Salary and wages	64,000	6,000	10,000	80,000
	95,221	7,275	17,589	120,085

During the six months ended June 30, 2016, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Carmacks	Redstone	Thor	Total
	\$	\$	\$	\$
Claims maintenance	8,806	-	2,250	11,056
Engineering studies	135,474	-	-	135,474
Exploration and camp support	58,035	950	14,100	73,085
Salary and wages	74,000	-	6,000	80,000
	276,315	950	22,350	299,615

8. Accounts payable and accrued liabilities

	June 30, 2017	December 31, 2016
	\$	\$
Accounts payables and accrued liabilities	712,883	892,230
Related party payables	531,841	350,334
	1,244,724	1,242,564

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

9. Share capital

a) Authorized

Unlimited common shares without par value

b) Financings

On April 13, 2017, the Company closed a private placement and issued an aggregate of 700,000 flow-through shares at \$0.10 per flow-through share and 80,000 non-flow-through units at a price of \$0.10 for gross proceeds of \$78,000. Each unit consists of one common share and one share purchase warrant entitling the holder to acquire one common share at a price of \$0.15 for a period of thirty six months from the date of issue. The Company incurred share issuance costs of \$6,719 with respect to the financing.

The fair value assigned to the warrants noted above was calculated using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 1.00%; expected life – 3 years; expected volatility – 97%; expected dividends – nil.

On February 22, 2017, the Company issued 2,000,000 units at a price of \$0.10 for gross proceeds of \$200,000. Each unit consists of one common share and one share purchase warrant entitling the holder to acquire one common share at a price of \$0.15 for a period of thirty six months from the date of issue. The Company incurred share issuance costs of \$1,750 with respect to this financing.

The fair value assigned to the warrants noted above was calculated using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 1.00%; expected life – 3 years; expected volatility – 99%; expected dividends – nil.

c) Stock options

The balance of options outstanding and related information for the six months ended June 30, 2017 is as follows:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, December 31, 2015	1,011,750	\$1.00	
Granted	335,000	\$0.20	
Expired	(126,250)	\$3.20	
Balance, December 31, 2016	1,220,500	\$0.57	3.43
Granted	1,800,000	\$0.10	
Expired	(301,500)	\$0.68	
Balance, June 30, 2017	2,719,000	\$0.25	4.27
Unvested	(213,000)	\$0.37	3.76
Balance, June 30, 2017	2,506,780	0.24	4.04

During the three and six months ended June 30, 2017 the Company recorded share-based payments expense of \$9,378 and \$157,232 respectively. The weighted average fair value of the options granted during the period was \$0.07. During the six months ended June 30, 2017 all options granted vested immediately.

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2017 and 2016

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The fair value of the options granted during the period was determined using an option pricing model using the following weighted average assumptions: risk free rate 1.00%; expected life 5 years; forfeiture rate nil; volatility 106% and a dividend rate of nil.

The balance of options outstanding as at June 30, 2017 was as follows:

Stock options outstanding, by exercise price	Number of Stock options	Average remaining contractual life (years)
\$0.10 – \$0.20	1,935,000	4.58
\$0.50 – \$0.60	694,000	2.87
\$0.70 – \$1.10	90,000	0.87
	2,719,000	4.02

Subsequent to June 30, 2017, total of 40,000 options with and exercise price of \$1.00 expired unexercised.

d) Share purchase warrants

The balance of warrants outstanding and related information for the six months ended June 30, 2017 is as follows:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, December 31, 2015	4,366,078	\$0.70	
Issued	4,916,809	\$0.27	
Expired	(637,397)	\$1.06	
Balance, December 31, 2016	8,645,490	\$0.43	1.78
Issued	2,000,000	\$0.15	
Expired	(1,620,815)	\$0.90	
Balance, June 30, 2017	9,104,675	\$0.30	1.85

The balance of warrants outstanding as at June 30, 2017 was as follows:

Warrants outstanding, by exercise price	Number of warrants	Average remaining contractual life (year)
\$0.15	2,800,000	2.64
\$0.16	169,310	1.50
\$0.25	4,293,332	1.07
\$0.50	2,562,033	2.55
	9,104,675	1.85

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

10. Related party transactions

Compensation paid or payable to its directors and officers, who are the key management of the Company for services provided or earned during the three and six months ended June 30, 2017 and 2016 was as follows:

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Salaries and director fees	100,000	109,000	200,000	218,000
Professional fees	6,360	12,500	13,200	25,000
Share-based payments	3,492	9,450	120,119	19,223
	109,852	130,950	333,319	262,223

Included in accounts payable and accrued liabilities as at June 30 2017 was \$531,841 (December 31 2016 - \$350,334) due to directors and officers of the Company and/or companies they control or of which they were significant shareholders. The amounts due to related parties are non-interest bearing and payable on demand.

Certain current and former officers and directors have agreed to defer some, or all, of their salary. The Company has accrued these wages in the condensed interim consolidated statement of loss and comprehensive loss. During the three and six months ended June 30, 2017, the Company accrued \$88,333 and \$171,666 respectively (2016 - \$64,651 and \$133,602 respectively) in wages to officers and \$nil and \$nil respectively in director fees (2016 - \$9,000 and \$18,000 respectively).

11. Commitments

The Company has an agreement to sub-lease its head office space until May 31, 2020. The Company has the option to terminate the sub-lease without penalty by providing the sub-lessor 90 days' notice. The annual sub-lease commitment is as follows:

Fiscal year ended December 31, 2017	\$45,484
Fiscal year ended December 31, 2018	\$90,967
Fiscal year ended December 31, 2019	\$90,967
Fiscal year ended December 31, 2020	\$37,903

The Company must spend \$290,000 on qualifying Canadian exploration expenditures by December 31, 2017. 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.

Other commitments related to exploration and evaluation assets are described in note 6.

12. Subsequent event

The Company closed the first and second tranche of a private placement and issued an aggregate of 17,316,667 common shares at a price of \$0.06 and 100,000 flow-through shares at \$0.10 per flow-through shares for gross proceeds of \$1,049,000. The common shares are subject to approval of the TSX Venture Exchange.