



**Condensed Interim Consolidated Financial Statements
Three months ended March 31, 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	March 31 2017	December 31 2016
		\$	\$
Assets			
Current			
Cash and cash equivalents		23,851	178,223
Prepaid expenses		157,835	220,833
Accounts receivable		4,894	14,038
		186,580	413,094
Non-current			
Reclamation bonds	6	85,300	85,300
Exploration and evaluation assets	6	19,346,737	19,321,737
		19,618,617	19,820,131
Liabilities			
Accounts payable and accrued liabilities	8	1,121,903	1,242,564
Shareholders' Equity			
Share capital	9	36,578,401	36,450,151
Contributed surplus		2,487,767	2,269,913
Deficit		(20,569,454)	(20,142,497)
		18,496,714	18,577,567
		19,618,617	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 months ended March 31

(Unaudited - Expressed in Canadian dollars)

	Note	2017	2016
		\$	\$
Exploration and evaluation expenses	7	50,258	149,252
Filing and regulatory fees		8,175	8,596
General administrative costs		12,400	62,355
Professional fees		19,078	3,423
Rent and utilities		29,093	28,791
Share-based payments	9, 10	147,854	12,472
Shareholder communication and travel		79,879	90,633
Wages and benefits	10	80,220	96,678
Total comprehensive loss		(426,957)	(452,200)
Loss per share			
- Basic and diluted		(0.02)	(0.03)
Weighted average number of shares outstanding			
- Basic and diluted		28,157,933	17,870,752

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

Three months ended March 31

(Unaudited - Expressed in Canadian dollars)

	2017	2016
	\$	\$
Cash flows (used in) provided by		
Operating activities		
Net loss	(426,957)	(452,200)
Items not affecting cash		
Share-based payments	147,854	12,472
Net change in non-cash working capital items		
Prepaid expenses	62,998	40,275
Accounts receivable	9,144	10,448
Accounts payable and accrued liabilities	(120,661)	(15,679)
	(327,622)	(404,684)
Financing activities		
Issuance of common shares and units	200,000	-
Share and unit issuance costs	(1,750)	-
Subscriptions received	-	128,000
	198,250	128,000
Investing activities		
Acquisition of exploration and evaluation assets	(25,000)	-
Decrease in cash	(154,372)	(276,684)
Cash and cash equivalents, beginning of period	178,223	461,792
Cash and cash equivalents, end of period	23,851	185,108

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

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	17,870,757	35,399,588	1,852,012	(17,872,247)	19,379,353
Private placements					
Subscriptions received in advance	-	128,000	-	-	128,000
Share-based payments	-	-	12,472	-	12,472
Loss and comprehensive loss	-	-	-	(452,200)	(452,200)
Balance, March 31, 2016	17,870,757	35,527,588	1,864,484	(18,324,447)	19,067,625
Private placements					
Share and unit issuance	9,355,715	1,331,420	-	-	1,331,420
Share and unit issuance costs	-	(106,477)	33,746	-	(72,731)
Allocation of warrant value	-	(313,299)	313,299	-	-
Shares issued for mineral property	100,000	15,000	-	-	15,000
Extension of warrants	-	(4,081)	4,081	-	-
Share-based payments	-	-	54,303	-	54,303
Loss and comprehensive loss	-	-	-	(1,818,050)	(1,818,050)
Balance, December 31, 2016	27,326,472	36,450,151	2,269,913	(20,142,497)	18,577,567
Private placements					
Share and unit issuance	2,000,000	200,000	-	-	200,000
Share and unit issuance costs	-	(1,750)	-	-	(1,750)
Allocation of warrant value	-	(70,000)	70,000	-	-
Share-based payment	-	-	147,854	-	147,854
Comprehensive loss	-	-	-	(426,957)	(426,957)
Balance, March 31, 2017	29,326,472	36,578,401	2,487,767	(20,569,454)	18,496,714

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

Three months ended March 31, 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 March 31, 2017, the Company had a working capital deficit of \$935,323, has not yet achieved profitable operations, has commitments due in the coming fiscal year and had an accumulated deficit of \$20,569,454 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 months ended March 31, 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 May 29, 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

Three months ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

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 three months ended March 31, 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
Balance, March 31, 2017	17,143,325	2,000,000	203,412	19,346,737

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. At March 31, 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.

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

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	-
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	-

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.

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

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 March 31, 2017, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Carmacks	Redstone	Thor	Total
	\$	\$	\$	\$
Claims maintenance	-	-	-	-
Engineering studies	900	-	-	900
Exploration and camp support	12,235	450	6,369	19,054
Permitting	7,604	-	-	7,604
Recovery	(17,225)	(75)	-	(17,300)
Salary and wages	36,000	2,000	2,000	40,000
	39,514	2,375	8,369	50,258

During the three months ended March 31, 2016, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Carmacks	Redstone	Thor	Total
	\$	\$	\$	\$
Claims maintenance	8,425	-	2,250	10,675
Engineering studies	77,247	-	-	77,247
Exploration and camp support	11,730	500	9,100	21,330
Salary and wages	38,000	-	2,000	40,000
	135,402	500	13,350	149,252

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

8. Accounts payable and accrued liabilities

	March 31, 2017	December 31, 2016
	\$	\$
Accounts payables and accrued liabilities	688,236	892,230
Related party payables	433,667	350,334
	1,121,903	1,242,564

9. Share capital

a) Authorized

Unlimited common shares without par value

b) Financings

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 three months ended March 31, 2017 is as follows:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, December 31, 2016	1,220,500	\$0.57	3.43
Granted	1,800,000	\$0.10	
Expired	(301,500)	\$0.68	
Balance, March 31, 2017	2,719,000	\$0.25	4.27
Unvested	(341,000)	\$0.42	3.89
Balance, March 31, 2017	2,378,000	0.22	4.32

During the three months ended March 31, 2017 the Company recorded share-based payments expense of \$147,854. The weighted average fair value of the options granted during the period was \$0.07. During the three months ended March 31, 2017 all options granted vested immediately. 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.

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

The balance of options outstanding as at March 31, 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	4.82
\$0.50 – \$0.60	694,000	3.12
\$0.70 – \$1.10	90,000	1.11
	2,719,000	4.27

d) Share purchase warrants

The balance of warrants outstanding and related information for the three months ended March 31, 2017 is as follows:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, December 31, 2016	8,645,490	\$0.43	1.78
Issued	2,000,000	\$0.15	
Expired	(519,500)	\$0.90	
Balance, March 31, 2017	10,125,990	\$0.35	1.88

The balance of warrants outstanding as at March 31, 2017 was as follows:

Warrants outstanding, by exercise price	Number of warrants	Average remaining contractual life (years)
\$0.15 – \$0.25	6,462,642	1.82
\$0.30 – \$0.50	2,562,033	2.80
\$0.70 - \$0.90	1,101,315	0.12
	10,125,990	1.88

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 months ended March 31, 2017 and 2016 was as follows:

	2017	2016
	\$	\$
Salaries and director fees	100,000	121,501
Professional fees	6,840	-
Share-based payments	116,627	9,773
	223,467	131,274

Copper North Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

Included in accounts payable and accrued liabilities as at March 31 2017 was \$433,667 (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 months ended March 31, 2017, the Company accrued \$83,333 (2016 - \$68,951) in wages to officers and \$nil in director fees (2016 - \$9,000).

11. Commitments

The Company has an agreement to sub-lease its head office space until May 31, 2017. The total amount of payments remaining during the course of the agreement as at March 31, 2017 is \$19,000. The Company has the option to terminate the sub-lease without penalty by providing the sub-lessor 90 days' notice.

The Company must spend \$230,000 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 tranche of a private placement and issued an aggregate of 700,000 flow-through shares at \$0.10 per flow-through shares 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.