Copper North Mining Corp.

Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2016

(Unaudited – prepared by management)
(Expressed in Canadian dollars)

NOTICE TO READER:
These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors. These statements have been prepared by and are the responsibility of the Company's management. This notice is being provided in accordance with National Instrument 52-102 – Continuous Disclosure Obligations.

(Expressed in Canadian dollars)

CONSOLIDATED BALANCE SHEETS

	Note	March 31, 2016 $	December 31, 2015 $
ASSETS			
Cash and cash equivalents	4b	185,108	461,792
Prepaid expenses		276,045	316,320
Accounts receivable		12,879	23,327
CURRENT ASSETS		474,032	801,439
Reclamation bonds	3	85,300	85,300
Exploration and evaluation assets	3	19,281,737	19,281,737
ASSETS		**19,841,069**	**20,168,476**
LIABILITIES			
Accounts payable and accrued liabilities		250,930	344,560
Due to related parties	6c	522,514	444,563
LIABILITIES		**773,444**	**789,123**
SHAREHOLDERS' EQUITY			
Share capital	4	35,527,588	35,399,588
Contributed surplus		1,864,484	1,852,012
Deficit		(18,324,447)	(17,872,247)
SHAREHOLDERS' EQUITY		**19,067,625**	**19,379,353**
LIABILITIES AND SHAREHOLDERS' EQUITY		**19,841,069**	**20,168,476**

Nature of operations and going concern	1
Commitments	8
Subsequent events	3b, 4b

Approved by the Board of Directors

Bill LeClair (signed) Director

Dale Corman (signed) Director

(Expressed in Canadian dollars)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three months March 31,	Note	2016 $	2015 $
Exploration and evaluation expenses	3e	149,252	224,845
Filing and regulatory fees		8,596	8,132
General administrative costs		62,355	17,896
Professional fees		3,423	13,183
Rent and utilities		28,791	27,405
Share-based payments	6b	12,472	17,739
Shareholder communication and travel		90,633	164,637
Wages and benefits	6	96,678	129,533
OPERATING EXPENSES		**452,200**	**603,370**
Interest expense	6a	-	3,100
LOSS AND COMPREHENSIVE LOSS		**452,200**	**606,470**
Basic and diluted loss per common share		-	-
Weighted average number of common shares outstanding		178,707,516	122,064,976

(Expressed in Canadian dollars)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31,	Note	2016	2015
Cash flows provided by (used in)		$	$
OPERATING ACTIVITIES			
Loss and comprehensive loss		(452,200)	(606,470)
Items not affecting cash			
Share-based payments		12,472	17,739
Change in non-cash working capital items		35,044	(428,068)
OPERATING ACTIVITIES		**(404,684)**	**(1,016,799)**
FINANCING ACTIVITIES			
Issuance of common shares and units		-	603,000
Share and unit issuance costs		-	(13,207)
Exercise of warrants	5a	-	210,000
Subscriptions received	4b	128,000	-
FINANCING ACTIVITIES		**128,000**	**799,793**
CHANGE IN CASH AND CASH EQUIVALENTS		**(276,684)**	**(217,006)**
Cash and cash equivalents – Beginning		461,792	478,357
CASH AND CASH EQUIVALENTS - ENDING		**185,108**	**261,351**

(Expressed in Canadian dollars)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Number of Shares	Share Capital $	Contributed Surplus $	Deficit $	Shareholders' Equity $
DECEMBER 31, 2014	**116,497,198**	**32,778,755**	**1,240,700**	**(14,946,174)**	**19,073,281**
Private placements					
Share and unit issuance	10,050,000	603,000	-	-	603,000
Share and unit issuance costs	-	(18,607)	5,400	-	(13,207)
Allocation of warrant value	-	(120,000)	120,000	-	-
Warrant exercise (note 5a)	3,500,000	210,000	-	-	210,000
Allocation of warrant value	-	115,500	(115,500)	-	-
Share-based payments	-	-	17,739	-	17,739
Loss and comprehensive loss	-	-	-	(606,470)	(606,470)
MARCH 31, 2015	**130,047,198**	**33,568,648**	**1,268,339**	**(15,552,644)**	**19,284,343**
Private placements					
Share and unit issuance	42,350,317	2,246,759	-	-	2,246,759
Share and unit issuance costs	650,001	(57,690)	6,100	-	(51,590)
Allocation of warrant value	-	(526,000)	526,000	-	-
Shares for debt settlement (note 4c)					
Share issuance	5,660,000	169,800	-	-	169,800
Share issuance costs	-	(1,929)	-	-	(1,929)
Share-based payments	-	-	51,573	-	51,573
Loss and comprehensive loss	-	-	-	(2,319,603)	(2,319,603)
DECEMBER 31, 2015	**178,707,516**	**35,399,588**	**1,852,012**	**(17,872,247)**	**19,379,353**
Subscriptions received (note 4b)	-	128,000	-	-	128,000
Share-based payments	-	-	12,472	-	12,472
Loss and comprehensive loss	-	-	-	(452,200)	(452,200)
MARCH 31, 2016	**178,707,516**	**35,527,588**	**1,864,484**	**(18,324,447)**	**19,067,625**

1. NATURE OF OPERATIONS AND GOING CONCERN

a) 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.

b) Going concern

The nature of the Company's operations requires significant expenditures for the acquisition, exploration, and development of mineral properties. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage. The Company's operations have been primarily funded from equity financings. The Company will continue to require additional funding to maintain its ongoing exploration programs, permitting efforts, advance royalty and property maintenance payments, and operations.

While these consolidated financial statements have been prepared using International Financial Reporting Standards 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, certain conditions and events result in a material uncertainty casting significant doubt on the validity of this assumption. For the three months ended March 31, 2016, the Company reported a loss of $452,200 and as at that date had a working capital deficit of $299,412 and an accumulated deficit of $18,324,447. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from equity transactions 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. Details of the financing transaction completed subsequent to March 31, 2016 are described in note 4b.

These consolidated 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.

2. BASIS OF PRESENTATION

a) Compliance with International Financial Reporting Standards

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, as issued by the International Accounting Standards Board ("IASB"), including International Accounting Standard 34 - Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2015, which have been prepared in accordance with IFRS as issued by the IASB.

These financial statements were approved for issue by the Company's board of directors on May 25, 2016.

b) Significant accounting estimates and judgments

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 items 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.

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.

The fair value estimates 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 and resources; 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.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

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.

(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS

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, 2016, $1.3 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. The security will be released once the Company performs its obligations pursuant to its Quartz Mining License.

b) Thor (British Columbia, Canada)

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

On July 8, 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 certain payments in cash and common shares and incurring certain exploration expenditures. If the Company fails to make a scheduled payment of cash or common shares, or meet the expenditure requirements, 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	*Completed*
$50,000	June 27, 2015	*Completed*
$50,000	August 1, 2016	-
$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
1,000,000	July 8, 2014	*Completed*
1,000,000	June 27, 2016	-
1,000,000	June 27, 2017	-
1,000,000	June 27, 2018	-
1,000,000	June 27, 2019	-

(Expressed in Canadian dollars)

Cumulative Exploration Expenditures	Date	Status
$200,000	June 27, 2015	*Completed*
$700,000	October 1, 2016	-
$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 to the above, 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.

d) Acquisition costs

	Carmacks $	Redstone $	Thor $	Total $
DECEMBER 31, 2014	17,143,325	2,000,000	88,412	19,231,737
Property option payment	-	-	50,000	50,000
DECEMBER 31, 2015	**17,143,325**	**2,000,000**	**138,412**	**19,281,737**

There was no change in acquisition costs during the three months ended March 31, 2016.

(Expressed in Canadian dollars)

e) Exploration and evaluation expenditures

For the three months ended	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
MARCH 31, 2016	**135,402**	**500**	**13,350**	**149,252**

For the year ended	Carmacks	Redstone	Thor	Total
	$	$	$	$
Claims maintenance	15,485	-	2,792	18,277
Engineering studies	162,739	-	-	162,739
Exploration and camp support	629	50	3,150	3,829
Salary and wages	34,000	2,000	4,000	40,000
MARCH 31, 2015	**212,853**	**2,050**	**9,942**	**224,845**

4. SHARE CAPITAL

a) Authorized share capital

Unlimited common shares without par value

b) Financing

As at March 31, 2016, Copper North had received $128,000 in subscriptions related to a private placement that closed on April 1, 2016. This amount was recorded in cash and in share capital as of March 31, 2016. The shares to be issued in connection with the subscription proceeds were not included in the average number of common shares outstanding for the three months ended March 31, 2016.

On April 1, 2016, Copper North issued 4,541,667 units at a price of $0.03 for gross proceeds of $136,250. Each unit consisted of one common share of the Company and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.05 until April 1, 2018.

c) Shares for debt

On December 29, 2015, Copper North issued 5,660,000 common shares at a deemed price of $0.05 per common share in settlement of $283,000 payable to certain vendors. The fair market value of these shares on the date of issue was $169,800. As a result, the Company recorded a gain on debt settlement of $113,200 in the statement of loss and comprehensive loss for the year ended December 31, 2015.

(Expressed in Canadian dollars)

5. WARRANTS AND STOCK OPTIONS

a) Warrants

A summary of the Company's warrants outstanding, including changes for the periods then ended, is presented below.

	Number of Warrants	Weighted average exercise price $
DECEMBER 31, 2014	17,818,974	0.08
Issued	31,106,816	0.06
Exercised	(3,500,000)	0.06
Expired	(1,765,000)	0.05
DECEMBER 31, 2015	**43,660,790**	**0.07**

There was no change to outstanding warrants during the three months ended March 31, 2016.

Warrants outstanding are as follows:

Warrants outstanding, by exercise price	Number of warrants	Average remaining contractual life in years
$0.05 – 0.06	21,766,149	4.08
$0.07 – 0.09	21,094,641	0.63
$0.28	800,000	0.63
MARCH 31, 2016	**43,660,790**	**2.35**

(Expressed in Canadian dollars)

b) Stock options

The Company has a stock option plan that permits the grant of stock options for the purchase of up to 10% of the issued and outstanding common shares of the Company to directors, officers, employees, and consultants. Terms and pricing of stock options are determined in accordance with the stock option plan.

A summary of the Company's stock options outstanding, including the changes for the periods then ended, is presented below:

	Number of Stock options	Weighted average exercise price $
DECEMBER 31, 2014	6,285,834	0.13
Granted	4,150,000	0.05
Expired	(318,334)	0.10
DECEMBER 31, 2015	**10,117,500**	**0.10**

There was no change to outstanding stock options during the three months ended March 31, 2016.

Stock options outstanding are as follows:

Stock options outstanding, by exercise price	Number of Stock options	Weighted average exercise price $	Average remaining contractual life years
$0.05 – 0.08	7,800,000	0.06	4.09
$0.10 – 0.24	1,300,000	0.18	0.96
$0.27 – 0.32	1,017,500	0.31	0.52
MARCH 31, 2016	**10,117,500**	**0.10**	**3.33**

Of the total stock options outstanding, 6,550,824 were vested and exercisable at March 31, 2016. The weighted average exercise price of vested stock options is $0.12 and the average remaining contractual life is 2.74 years.

(Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS

a) Deferred salary

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 statement of loss. During the three months ended March 31, 2016, the Company accrued $68,951 (March 31, 2015 - $30,000) in wages to officers and $9,000 in director fees (March 31, 2015 - $9,000).

During the year ended December 31, 2015, the Company repaid $54,798 due to Julien François, Chief Financial Officer, in cash. Of this amount, $3,965 was interest. Also during the year ended December 31, 2015, Copper North repaid $100,000 due to Sally Eyre, the Company's previous Chief Executive Officer by making a cash payment of $27,000 and issuing 1,460,000 common shares with a deemed value of $0.05 per common share. Effective December 31, 2015, amounts due to Ms. Eyre no longer accrue interest.

b) Management compensation

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:

For the three months ended March 31,	2016	2015
	$	$
Salaries and director fees	121,500	121,500
Share-based payments	9,773	12,730
DIRECTOR AND OFFICER REMUNERATION	**131,273**	**134,230**

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

c) Due to related parties

As at	March 31, 2016	December 31, 2015
	$	$
Wages and salary	364,297	295,346
Interest	23,217	23,217
Director fees	135,000	126,000
DUE TO RELATED PARTIES	**522,514**	**444,563**

Amounts due to related parties are non-interest bearing and payable on demand.

7. SEGMENTED INFORMATION

The Company's operations are primarily directed towards the acquisition, exploration, and future development of resource properties in Canada. All assets are held in Canada.

8. 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, 2016 is $133,000. Of this amount, $114,000 is due within the next twelve months. The Company has the option to terminate the sub- lease without penalty by providing the sub-lessor 90 days' notice.

The Company must spend $74,745 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 3.

9. CAPITAL MANAGEMENT

Copper North is a mineral exploration and development company focusing on advancing the Carmacks Project, the Thor property and the Redstone property. Its principal source of funds is the issuance of common shares. The Company considers capital to be equity attributable to common shareholders, comprised of share capital, contributed surplus, and deficit. It is the Company's objective to safeguard its ability to continue as a going concern so that it can continue to explore and develop its projects. As at March 31, 2016, certain conditions and events cast significant doubt upon the Company's ability to continue as a going concern. Refer to note 1(b) and note 4(b) for more information.

Copper North manages its capital structure based on the funds available for its operations and makes adjustments for changes in economic conditions, capital markets and the risk characteristics of the underlying assets. To maintain its objectives, the Company may attempt to issue new shares, seek debt financing, acquire or dispose of assets or change the timing of its planned exploration and development projects. There is no assurance that these initiatives will be successful.

Copper North monitors its cash position on a regular basis to determine whether sufficient funds are available to meet its short-term and long-term corporate objectives.

There has been no change in the Company's capital management practices during the period. Copper North does not pay dividends. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

10. 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, accounts receivable, reclamation bond, amounts due to related parties, and accounts payable and accrued liabilities.

a) 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 note 1(b) for more information regarding the Company's liquidity risk.

b) 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 deposits cash and cash equivalents in Canadian chartered banks.