Management's Discussion and Analysis

NORTHFIELD CAPITAL CORPORATION

For The Six Months Ended

June 30, 2015

GENERAL

The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements of Northfield Capital Corporation ("**Northfield**") and notes thereto for the six months ended June 30, 2015 ("**Q2 2015**") which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This management discussion and analysis ("**MD&A**") covers the last completed fiscal quarter and updated as of August 26, 2015. All amounts in this MD&A are rounded to the nearest 10th of a million Canadian dollars and are approximate figures, except for per share amounts. Market values of investments are based on the closing price of the security which trades on a recognized exchange at the end of the reporting period. Readers are encouraged to read Northfield's public information filings on SEDAR at www.sedar.com. Northfield's Class A Subordinate Voting Shares ("**Class A Shares**") are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "NFD.A".

NATURE OF ACTIVITIES

Northfield is focused on making strategic investments in, and supporting the management initiatives of, selected businesses. Northfield seeks to participate in businesses which are past the initial development stage and demonstrate the potential for significant appreciation in value. Northfield regards its investees as partners. Northfield also carries on other traditional merchant banking activities, such as short-term investing.

Northfield's goal is to enhance the growth and development of its investment partners and to build long-term value for Northfield's shareholders. Northfield plays an active role, providing human as well as capital resources, to influence the strategic direction and operating orientation of its strategic investments.

Northfield's Officers and Directors are its principal shareholders and its most important and unique asset. They include seasoned business entrepreneurs who have founded and built successful companies operating in Canada and internationally. Officers and Directors commit their professional, financial, and business skills as well as their capital to enhance Northfield's investment results. Their extensive contact networks have been a valuable source of investment opportunities for Northfield. Northfield's Officers and Directors understand the challenge of running an entrepreneurial enterprise.

Northfield's Officers and Directors have gained their experience through many different business cycles. Their expertise helps to address significant strategic and operational issues that arise for Northfield's investment partners. This provides added value to investment partners.

Northfield classifies its investments into three main categories: marketable securities, other investments and investment in joint venture. Marketable securities are investments in entities which are considered short-term in nature or are not viewed as a significant holding. Other investments are either investments in entities which management believes are long-term in nature, equity investments (less than 50% but more than 20% ownership) or investments that are required to be long-term under applicable accounting rules. Investment in joint venture is an investment in an entity which Northfield has joint control (50% control).

MARKET RISKS

A substantial amount of Northfield's assets include investments in businesses whose fair values are subject to market risks. The market value of investments is subject to equity price risks based on quoted market prices or management's estimates of fair value as of the balance sheet dates. Market prices are subject to fluctuation and, consequently, the amount realized on the subsequent sale of an investment may significantly differ from the quoted market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amounts realized from the sale of a particular security may be affected by the relative quantity of the security being sold.

OVERALL PERFORMANCE

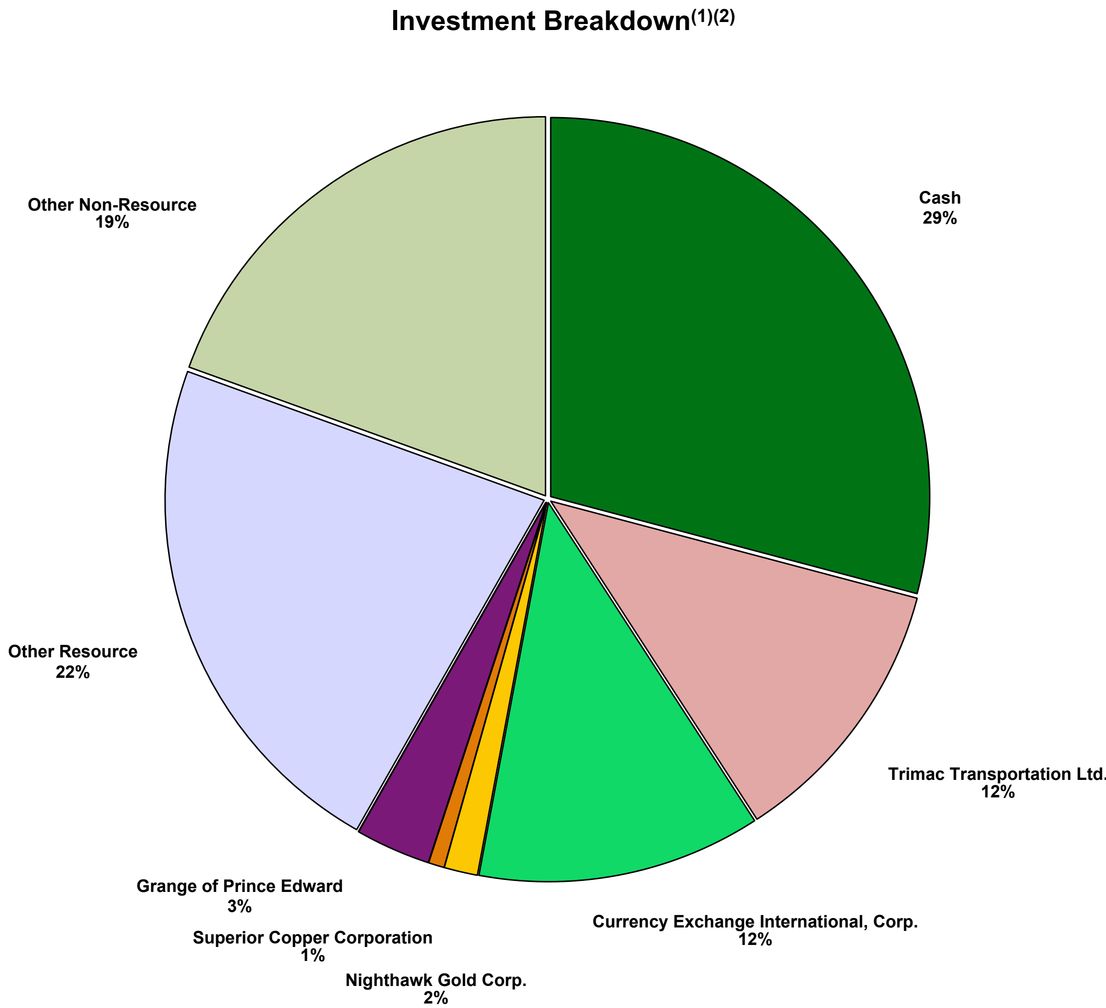
- Northfield's net asset value at June 30, 2015 was $74.1 million (or $28.18 per basic and diluted share) compared to $72.4 million (or $27.41 per basic and diluted share) at December 31, 2014.
- Comprehensive income of $2.4 million ($0.91 per basic and diluted share) for the six months ended June 30, 2015 compared to comprehensive income of $12.0 million ($4.55 per basic and diluted share) for the six months ended June 30, 2014 (or "**Q2 2014**").
- Net loss of $0.9 million ($0.34 per basic and diluted share) for the six months ended June 30, 2015 compared to a net loss of $0.2 million ($0.06 per basic and diluted share) for the six months ended June 30, 2014.
- Realized gains on the disposal of other investments of $2.2 million were recognized in net loss for the six months ended June 30, 2015 as compared to realized losses of $4.1 million for the same period in prior year.
- Realized gains on the disposal of marketable securities of $0.3 were recognized in net loss for the six months ended June 30, 2015 as compared to realized losses of $nil million for the same period in prior year.
- Recognized in net loss are unrealized losses (mark to market adjustments) on marketable securities recognized as fair value through profit and loss of $0.4 million for the six months ended June 30, 2015 as compared to unrealized gains of $3.7 million for the same period in prior year.
- Included in other comprehensive income are unrealized gains (mark to market adjustments) on other investments recognized as available for sale of $2.8 million (net of tax) for the six months ended June 30, 2015 as compared to unrealized gains of $8.6 million for the same period in prior year.
- At June 30, 2015, Northfield held investments (not including cash and cash equivalents) with a value of $51.6 million as compared to $50.5 million at December 31, 2014, a 2% increase.
- At June 30, 2015, Northfield held cash and cash equivalents of $21.2 million compared to $20.5 million at December 31, 2014, a 3% increase.

Northfield continues to hold investments in the resource, transportation, manufacturing and technology sectors. As at June 30, 2015 approximately 25% of investments (including, cash and cash equivalents, marketable securities and other investments) were in resource companies as compared to 25% as at December 31, 2014.

Northfield's financial performance has been, and is expected to continue to be, closely linked to the demand for and prices of the key resource sectors and commodities in which Northfield invests, including gold, platinum, and other precious metals, nickel, copper, lithium and other base metals, and oil and natural gas. Northfield's liquidity and operating results may be adversely affected if Northfield's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to Northfield, or if the value of Northfield's investments declines, resulting in losses upon disposition.

INVESTMENTS

Below is a chart representing a breakdown of the investments held by Northfield as at June 30, 2015. The total value of investments (including cash and cash equivalents) held at June 30, 2015 was $72.8 million.



(1) Percentages calculated based on June 30, 2015 values of cash, cash equivalents, loans receivable, marketable securities, other investments and equity accounted investments (total $72.8 million);

(2) Cash includes cash and cash equivalents amounting to $21.2 million.

RESULTS OF OPERATIONS

Operations	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue (losses)	($2.5)	($3.7)	$ -	$0.6
Operating expenses	$0.5	$0.5	$1.1	$1.0
Loss before income taxes	($3.0)	($4.2)	($1.1)	($0.4)
Income tax recovery	$0.6	$0.6	$0.2	$0.2
Net loss	($2.4)	($3.6)	($0.9)	($0.2)
Net loss per share[(1)]	***($0.91)***	***($1.34)***	***($0.34)***	***($0.06)***
Unrealized gain on available for sale investments	$0.1	$2.7	$2.8	$8.6
Reclassification of realized loss and impairment on available for sale investments to net loss	$1.1	$5.0	$0.5	$3.6
Other comprehensive income, net of tax	$1.2	$7.7	$3.3	$12.2
Comprehensive income (loss) [(2)]	($1.2)	$4.1	$2.4	$12.0
Comprehensive income (loss) per share[(1)(3)]	***($0.45)***	***$1.56***	***$0.91***	***$4.55***

(1) Net loss per share and comprehensive income (loss) per share represent both a basic and diluted per share calculation;
(2) Comprehensive income (loss) is calculated as the sum of net loss and other comprehensive income; and
(3) Net loss per share and comprehensive income (loss) per share – basic and diluted is calculated as net loss or comprehensive income (loss) divided by basic and diluted weighted average shares outstanding (Q2 2015 – 2,629,105, Q2 2014 – 2,645,925).

Six Months Ended June 30, 2015

Northfield's cash and cash equivalents increased to $21.2 million at June 30, 2015 from $20.5 million at December 31, 2014. The increase in cash and cash equivalents of $0.7 million for the six months ended June 30, 2015 was primarily attributable to:

- Cash inflows from investing activities of $1.9 million, which was primarily attributable to the proceeds on the disposal of other investments and marketable securities of $5.1 million and $4.1 million, respectively, offset by purchase of other investments and marketable securities of $3.9 million and $3.4 million, respectively. Activities for the same period in prior year resulted in cash inflows from investing activities of $19.0 million, which was primarily attributable to the proceeds on the disposal of other investments and marketable securities of $25.4 million and $10.0 million, respectively, offset by the purchase of marketable securities and other investments of $13.5 million and $2.6 million, respectively. Investing activities for the same period in prior year also included cash outflows of $0.3 million for loans made to the Grange, Northfield's joint venture investment;
- Cash inflows from investment and other income of $0.7 million;
- Cash outflows of $1.2 million for administrative operating expenditures and working capital; and
- Repurchase of Northfield shares pursuant to normal course issuer bid (see section "Normal Course Issuer Bid") of $0.7 million.

Overall, the market value of Northfield's investments (including marketable securities, other investments and equity accounted investment) increased to $51.6 million at June 30, 2015 from $50.5 million at December 31, 2014. Approximately 39% of Northfield's investments (excluding cash and cash equivalents) included investments in companies carrying on business primarily in the resource sector as at June 30, 2015, including 22% invested in the gold sector. Over previous years, Northfield has benefited from increases to commodity prices and successful results of its investee companies. Northfield intends to continue investing in marketable securities of companies operating in this sector.

Northfield's net asset value at June 30, 2015 was $74.1 million (or $28.18 per basic and diluted share) compared to $72.4 million (or $27.41 per basic and diluted share) at December 31, 2014. The increase in net asset value was a result of comprehensive income for the six months ended June 30, 2015 of $2.4 million (or $0.91 per basic and diluted share), in addition to a charge to retained earnings of $0.6 million (or $0.24 per basic and diluted share) for the excess of cost over paid-up value of Northfield shares repurchased pursuant to Northfield's normal course issuer bid (see section "Normal Course Issuer Bid"). Northfield continues to repurchase shares for cancellation as management continues to believe that the trading value of Northfield's shares is at a discount to its net asset value.

Comprehensive income of $2.4 million (or $0.91 per basic and diluted share) for the six months ended June 30, 2015 is comprised of net loss of $0.9 million and other comprehensive income of $3.3 million compared to comprehensive income of $12.0 million (or $4.55 per basic and diluted share) for the same period in prior year, which was comprised of net loss of $0.2 million and other comprehensive income of $12.2 million.

Net loss decreased by $0.7 million to $0.9 million (or $0.34 per basic and diluted share) for the six months ended June 30, 2015 compared to a net loss of $0.2 million (or $0.06 per basic and diluted share) for the same period in prior year. The change in net loss primarily resulted from a decrease in revenues of $0.6 million, and an increase in administrative costs of $0.1 million.

Revenues decreased by $0.6 million to $nil for the six months ended June 30, 2015 compared to revenue of $0.6 million for the same period in prior year. The decrease in revenues is primarily attributable to the following:

- Unrealized losses on investments classified as fair value through profit and loss of $0.4 million for the six months ended June 30, 2015 compared to gains of $3.7 million for the same period in prior year, resulting in a decrease in revenues of $4.1 million. Unrealized losses/gains are recognized in accordance with the mark-to-market accounting rules for fair value through profit and loss investments;
- Write-down of other investments classified as available for sale of $2.8 million compared to $nil for the same period in prior year. The current period write-down is primarily comprised of $1.7 million related to Superior Copper Corporation, $0.5 million related to Highland Copper Company Inc., and $0.3 million related to Talon Metals Corp.;
- Investment and other income of $0.7 million for the six months ended June 30, 2015 compared to $1.1 million for the same period in prior year, resulting in a decrease in revenues of $0.4 million;
- Realized gains on the sale of other investments of $2.2 million for the six months ended June 30, 2015 compared to realized losses of $4.1 million for the same period in prior year, resulting in an increase in revenues of $6.3 million; and
- Realized gains of on the sale of marketable securities of $0.3 million for the six months ended June 30, 2015 compared to no realized gains for the same period in prior year.

Operating expenses increased by $0.1 million to $1.1 million for the six months ended June 30, 2015. Included in operating expenses are administrative expenses of $1.0 million, which are broken down as follows:

Administrative Expenses

For The Six Months Ended June 30,	2015	2014
Salaries, director and consulting fees	**$0.5**	$0.3
Office	**0.2**	0.1
Professional	**0.1**	0.1
Promotion & travel	**0.1**	0.1
Regulatory & commission	**0.1**	0.1
Bad debt	**-**	0.1
	1.0	0.8

Salaries, director and consulting fees increased by $0.2 million due to additional consulting services received in relation to examining strategic investments for Northfield's investment portfolio. Included in office expenses are corporate donations, which increased by $0.1 million from the same period in prior year and therefore account for the increase in this expense category.

Other comprehensive income decreased by $8.9 million to income of $3.3 million for the six months ended June 30, 2015 compared to income of $12.2 million for the same period in prior year. During the current six month period, Northfield recognized $2.8 million in unrealized gains (net of tax) on other investments available for sale as the market value of these investments increased during the current period. Offsetting these unrealized gains, Northfield reclassified $0.5 million of realized losses and impairment on other investments available for sale (net of tax) from other comprehensive income to net loss for the period. Unrealized gains/losses are recognized in accordance with the mark-to-market accounting rules for available for sale investments. For the same period in prior year, Northfield recognized $8.6 million of unrealized gains, offset by a reclassification of $3.5 million of realized losses on other investments available for sale (both amounts net of tax) from other comprehensive income to net loss.

Three Months Ended June 30, 2015

Comprehensive loss of $1.2 million (or $0.45 per basic and diluted share) for the three months ended June 30, 2014 is comprised of a net loss of $2.4 million and other comprehensive income of $1.2 million compared to comprehensive income of $4.1 million (or $1.56 per basic and diluted share) for the same period in prior year, which was comprised of a net loss of $3.6 million and other comprehensive income of $7.7 million.

The net loss decreased by $1.2 million to $2.4 million (or $0.91 per basic and diluted share) for the three months ended June 30, 2014 compared to a net loss of $3.6 million (or $1.34 per basic and diluted share) for the same period in prior year. The decrease in net loss for the current three month period was primarily attributable to an increase in revenues of $1.2 million.

Revenues increased by $1.2 million to losses of $2.5 million for the three months ended June 30, 2015 compared to losses of $3.7 million for the same period in prior year. The increase in revenues is primarily attributable to the following:

- Realized gains on the sale of other investments of $1.6 million for the current three month period compared to realized losses of $3.1 million for the prior period, resulting in an increase in revenues of $4.7 million;
- Realized gains on the sale of marketable securities of $0.3 million for the current three month period compared to realized losses of $2.4 million for the prior period, resulting in an increase in revenues of $2.7 million;
- Unrealized losses on investments classified as fair value through profit and loss of $1.8 million for the current three month period compared to gains of $1.2 million for the prior period, resulting in an decrease in revenues of $3.0 million;
- Write-down of other investments classified as available for sale of $2.8 million compared to $nil for the same period in prior year, as explained in the six month analysis above; and
- Investment and other income of $0.4 million for the current three month period compared to $0.5 million for the prior period, resulting in an decrease in revenues of $0.1 million.

Operating expenses were $0.5 million for the three months ended June 30, 2015. Included therein are administrative expenses, which increased by $0.1 million for the three months ended June 30, 2015 to $0.5 million compared to $0.4 million incurred for the same period in prior year. Administrative expenses are broken down as follows:

Administrative Expenses

For The Three Months Ended June 30,	2015	2014
Salaries, director and consulting fees	**$0.2**	$0.1
Regulatory & commission	**0.1**	0.1
Office	**0.1**	0.1
Promotion & travel	**0.1**	0.1
	0.5	0.4

The increase in salaries, director and consulting fees is explained in the six month analysis above.

Other comprehensive income decreased by $6.5 million to $1.2 million for the three months ended June 30, 2015 compared to income of $7.7 million for same period in prior year. During the three months ended June 30, 2015, Northfield recognized $0.1 million in unrealized gains (net of tax) on other investments available for sale as the market value of these investments increased slightly during the current period. Northfield also reclassified $1.1 million of realized losses and impairment charges on available for sale investments (net of tax) from other comprehensive income to net loss for the period. For the same period in prior year, Northfield recognized $2.7 million of unrealized gains on its available for sale investments, and reclassified $5.0 million of realized losses on other investments available for sale (both amounts net of tax) from other comprehensive income to net loss.

SUMMARY OF QUARTERLY RESULTS

Selected unaudited financial information for each of the last eight completed quarters are set forth below, in millions:

SELECTED QUARTERLY INFORMATION	Three Months Ended			
	Sep. 30, 2014	Dec. 31, 2014	Mar. 31, 2015	Mar. 31, 2015
Revenue (losses)	($20.2)	($7.0)	$2.5	($2.5)
Expenses	0.5	0.4	0.6	0.5
Change in fair value of financial guarantee contract	-	(0.2)	-	-
Income (loss) before income taxes	(20.7)	(7.6)	1.9	(3.0)
Income tax provision (recovery)	(0.5)	(3.5)	0.4	(0.6)
Net income (loss)	(20.2)	(4.1)	1.5	(2.4)
Net income (loss) per share (1)	***($7.64)***	***($1.57)***	***$0.57***	***($0.91)***
Other comprehensive income, net of tax	4.9	1.4	2.1	1.2
Comprehensive income (loss)(2)	($15.3)	($2.7)	$3.6	($1.2)
Comprehensive income (loss) per share (1)(3)	***($5.81)***	***($1.01)***	***$1.35***	***($0.45)***

	Sep. 30, 2013	Dec. 31, 2013	Mar. 31, 2014	Jun. 30, 2014
Revenue (losses)	$1.2	($1.6)	$4.3	($3.7)
Expenses	0.3	0.6	0.5	0.5
Change in fair value of financial guarantee contract	-	0.1	-	-
Income (loss) before income taxes	0.9	(2.1)	3.8	(4.2)
Income tax provision (recovery)	0.1	(0.4)	0.4	(0.6)
Net income (loss)	0.8	(1.7)	3.4	(3.6)
Net income (loss) per share (1)	***$0.28***	***($0.65)***	***$1.28***	***($1.34)***
Other comprehensive income (loss), net of tax	7.8	(5.0)	4.5	7.7
Comprehensive income (loss) (2)	$8.6	($6.7)	$7.9	$4.1
Comprehensive income (loss) per share (1)(3)	***$3.23***	***($2.52)***	***$2.99***	***$1.56***

(1) Net income (loss) per share and comprehensive income per share represent both a basic and diluted per share calculation;
(2) Comprehensive income (loss) is calculated as the sum of net income (loss) and other comprehensive income (loss); and
(3) Comprehensive income (loss) per share is calculated as comprehensive income (loss) divided by basic weighted average shares outstanding.

The major variances in revenues and net earnings are mainly a result of fluctuations in unrealized gains or losses on Northfield's investments classified as fair value through profit and loss. The major variances in other comprehensive income are mainly a result of fluctuations in unrealized gains on Northfield's investments classified as available for sale.

FINANCIAL CONDITION

	June 30, 2015	December 31, 2014	Variance
Cash and cash equivalents	$21.2	$20.5	$0.7
Working capital	$42.3	$42.4	($0.1)
Receivables	$0.2	$nil	$0.2
Loan receivable	$0.8	$0.8	$nil
Marketable securities			
Market value	$20.9	$22.0	($1.1)
Cost	$31.0	$31.8	($0.8)
Unrealized gain (loss) (net of tax) (1)	($8.7)	($8.5)	($0.2)
Other investments			
Market value	$28.4	$26.1	$2.3
Cost	$18.5	$19.8	($1.3)
Unrealized gain (net of tax) (1)	$8.6	$5.5	$3.1
Accounts payable, accruals	$0.1	$0.1	$nil
Financial guarantee contract	$0.5	$0.5	$nil

(1) Unrealized gains (net of tax) is a measure of the difference in market value of investments over cost. Northfield calculates the term by market value of investments less cost, less any tax effect [tax effect = (market value – cost) x ½ x income tax rate]. A tax rate of 26.5% (2014– 26.5%) is used for marketable securities and other investments. It is not a defined term under IFRS and is, therefore, unlikely to be compared to similar measures presented by other companies. Management believes this non-IFRS term is useful to investors as it provides another measure by which investors may determine the market value of Northfield's assets.

During the six months ended June 30, 2015, Northfield's cash and cash equivalents position increased to $21.2 million, an increase of $0.7 million from December 31, 2014. The increase in cash and cash equivalents was primarily attributable to cash inflows of $1.9 million from investing activities, offset by $0.7 million of shares repurchased under the issuer bid, and $0.5 million of operational cash outflow.

Working capital during the six months ended June 30, 2015, increased to $42.3 million, a decrease of $0.1 million from December 31, 2014. This decrease was primarily a result of the decrease in the fair value of marketable securities of $1.1 million offset by an increase in cash of $0.7 million, as described above, and an increase in receivables of $0.2 million.

Northfield has guaranteed 50% of the long-term debt of the Grange, its equity accounted investment. As at June 30, 2015, Northfield determined the fair value of the financial guarantee contract to be $0.5 million. Northfield has recognized this financial liability on its statement of financial position accordingly.

Northfield's net asset value at June 30, 2015 was $74.1 million (or $28.18 per basic and diluted share) compared to $72.4 million (or $27.41 per basic and diluted share) at December 31, 2014. The increase in net asset value was primarily a result of the comprehensive income for the six months ended June 30, 2015 of $2.4 million (or $0.91 per basic and diluted share). See Section Results of Operations – Six Months Ended June 30, 2015 for details.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2015, Northfield had working capital of $42.3 million, which decreased from $42.4 million at December 31, 2014. On average, Northfield anticipates working capital requirements of approximately $0.2 million per month to cover operating expenses on a going forward basis. As a result, Northfield believes it has sufficient working capital to meet its planned growth and fund development activities for the foreseeable future. Also see “Credit Facilities” below.

Northfield frequently invests in small market capitalization (or junior) companies. Due to the somewhat limited size of the public float of such companies and/or any substantial decline in the price of the securities thereof, which can persist for a significant period of time, the liquidity of such securities could be impaired from time to time.

CREDIT FACILITIES

Northfield has a line of credit available to a maximum of $1.0 million. The available line as at June 30, 2015 was $1.0 million as Northfield had not drawn on this facility. The line of credit is subject to certain financial covenants. Interest is calculated at the bank's prime rate of interest plus 1.25%. The effective interest rate at June 30, 2015 was 4.10%.

Northfield has guaranteed 50% of the long-term debt and operating line of credit of the Grange, its equity accounted investment. The total outstanding debt under the financial guarantee at June 30, 2015 was $1.1 million (December 31, 2014 - $1.1 million). The nature of the guarantee is such that 50% of this debt will be payable by Northfield on demand by the debtor.

From time to time, Northfield uses financial leverage (or “**margin**”) when purchasing investments. Northfield has margin arrangements with brokerage houses. From time to time Northfield may maintain overdraft positions in Northfield's margin accounts with various brokers that is secured by certain marketable securities. The maximum amount available is dependent on the value of the securities held in the account with each brokerage house. Interest is calculated at the brokers' prime rate of interest plus 1.5% to 2%. At June 30, 2015, Northfield had no outstanding margin loans (December 31, 2014 - $0.2 million).

RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2015, Northfield paid consulting fees of $95,000 to RDC Resource Investments Inc., a company controlled by Robert Cudney, the President, Chief Executive Officer and a Director of Northfield. At June 30, 2015, the balance owed was $nil.

During the six months ended June 30, 2015, Northfield paid consulting fees and rent of $65,000 and $33,982, respectively, to 1249687 Ontario Ltd., a company controlled by Brent Peters, the VP Finance of Northfield. At June 30, 2015, the balance owed was $nil.

During the six months ended June 30, 2015, Northfield paid consulting fees of $42,500 to 2245448 Ontario Inc., a company controlled by Michael Leskovec, the Financial Control Officer of Northfield. At June 30, 2015, the balance owed was $nil.

These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The transactions for the six months ended June 30, 2015 and balances outstanding at June 30, 2015 are disclosed in note 10 in Northfield’s unaudited condensed interim financial statements for the six months ended June 30, 2015.

SIGNIFICANT ACCOUNTING POLICIES

Northfield's unaudited condensed interim financial statements were prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("**IASB**"), and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). These unaudited condensed interim financial statements were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**") as issued by the IASB. Accordingly, they do not include all of the information required for full annual financial statements as required by IFRS. These unaudited condensed interim financial statements should be read in conjunction with Northfield's audited annual financial statements for the year ended December 31, 2014.

Changes in Accounting Policies

Northfield has not adopted any new or revised standards during the six months ended June 30, 2015.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after June 30, 2015 or later periods. Many are not applicable or do not have a significant impact to Northfield and have been excluded from the table below. The following has not yet been adopted and is being evaluated to determine the impact on Northfield: IFRS 9, Financial Instruments ("**IFRS 9**") was issued by the IASB in October 2010 and will replace IAS 39, Financial Instruments: Recognition and Measurement ("**IAS 39**"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The effective date for the application of IFRS 9 is January 1, 2018.

Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) fair value of financial assets and financial liabilities on the statement of financial position that cannot be derived from active markets, are determined using a variety of techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include consideration of model inputs such as volatility, estimated life and discount rates;

(ii) impairment losses of available for sale and equity accounted investments and loans. Northfield reviews debt securities and investments and records an impairment charge when there has been a significant or prolonged decline in the fair value below their cost or any other observable data indicating impairment. The determination of what is significant or prolonged decline requires judgment. Northfield evaluates historical share price movements and the duration and extent to which the fair value of an investment is less than its cost;

(iii) deferred income taxes recognized in respect of tax losses to the extent that it is probable that taxable profit will be available against which losses can be utilized. Estimates are used to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies; and

(iv) impairment losses of the loan receivable. Northfield reviews the collectability of the loans receivable and records an impairment charge when there is significant doubt that a loan, or a portion of a loan, is determined to be uncollectible, which requires the use of estimates.

Critical accounting judgments

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy choice which involves judgments or assessments made by management.

OUTSTANDING SHARE DATA

Share Capital

(a) Authorized

An unlimited number of:

Class A Shares – Restricted Voting

Class B Shares – Multiple Voting Shares, having 500 votes per share, convertible into one Class A Share per share; ownership is restricted to the original promoters of Northfield

200,000 Preference Shares, voting

(b) Issued

Class A Shares	Number of Shares	Consideration
December 31, 2014	2,625,385	$4,252,018
June 30, 2015 and August 26, 2015	2,587,685	$4,191,046

Class B Multiple Voting Shares	Number of Shares	Consideration
December 31, 2014, June 30, 2015 and August 26, 2015	3,720	$7,680

Preference Shares	Number of Shares	Consideration
December 31, 2014, June 30, 2015 and August 26, 2015	Nil	$nil

(c) Options (as of June 30, 2015 and August 26, 2015)

None.

(d) Warrants (as of June 30, 2015 and August 26, 2015)

None.

Normal Course Issuer Bid

Pursuant to a notice of intention to make an issuer bid dated April 6, 2015, Northfield commenced a normal course issuer bid to purchase up to 131,269 Class A Shares, being approximately 5% of the issued and outstanding Common Shares as of the date thereof (the "**Bid**"). Management of Northfield believed that the Class A Shares were undervalued at the then market prices and that purchases of Class A Shares pursuant to the Bid would enhance shareholder value. Purchases pursuant to the Bid may occur on the TSX-V between April 6, 2015 and April 5, 2016 at prices not exceeding the market price of the Class A Shares at the time of acquisition.

As at August 26, 2015, 32,400 Class A Shares had been purchased under the Bid at an average price of $18.48 per share. Shareholders can obtain a copy of the Notice of Intention to Make a Normal Course Issuer Bid filed with regulators by Northfield in relation to the Bid by requesting a copy in writing from Northfield at 141 Adelaide St West, Suite 301, Toronto, ON M5H 3L5.

The previous normal course issuer bid expired March 13, 2015 (the "**Prior Bid**"). 6,700 Class A Shares had been purchased and cancelled at an average price of $18.49 for an aggregate cost of $0.1 million.

OTHER INFORMATION

Contractual Commitments

In the normal course of operations, certain contingencies may arise relating to legal actions undertaken against Northfield. In the opinion of management, the outcome of such potential legal actions will not have a material adverse effect on Northfield's results of operations, liquidity or its financial position.

Northfield is committed to and contingently liable for annual rental payments for premises, equipment and other commitments as disclosed in note 15 to its audited financial statements for the six months ended June 30, 2015.

Northfield has guaranteed 50% of the long-term debt and operating line of credit of the Grange, its equity accounted investment. The total outstanding debt under the financial guarantee at June 30, 2015 was $1.1 million (December 31, 2014 - $1.1 million). The nature of the guarantee is such that 50% of this debt will be payable by Northfield on demand by the debtor.

Off-Balance Sheet Arrangements

Northfield does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Northfield.

Disclosure Control and Procedures

Northfield's executive management has evaluated the effectiveness of the design and operation of Northfield's disclosure controls and procedures as of June 30, 2015. Based on this evaluation, the they have concluded that Northfield's disclosure controls and procedures are effective to ensure that information required to be disclosed in reports filed or submitted by Northfield under Canadian securities legislation is reported within the time periods specified in those rules.

Internal Control over Financial Reporting

Northfield's executive management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Vice President of Finance, Northfield's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. There has been no change in Northfield's internal control over financial reporting during the six months ended June 30, 2015 that has materially affected, or is reasonably likely to materially affect, Northfield's internal control over financial reporting.

Limitations of Controls and Procedures

Northfield's executive management believes that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within Northfield have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

FINANCIAL INSTRUMENTS

The investment operations of Northfield's business involve the purchase and sale of securities and, accordingly, the majority of Northfield's assets are currently comprised of financial instruments.

Northfield has not entered into any specialized financial agreements to minimize its investment risk and currency risk. The principal financial instruments are currently its cash and cash equivalents, marketable securities and other investments. The excess cash balances are invested in short-term investments. Unrealized gains and losses, measured on a portfolio basis, are recorded in the statement of earnings for held for trading investments and in other comprehensive for available for sale investments, in accordance with the mark-to-market accounting rules. Realized gains and losses are recorded in the statement of earnings. Contracts for goods and services are also mainly denominated in Canadian currency.

The use of financial instruments can expose Northfield to several risks, including liquidity, market and interest risks. A discussion of Northfield's use of financial instruments and their associated risks is provided below:

Liquidity Risk

Liquidity risk is the risk that Northfield will have sufficient cash resources to meet its financial obligations as they come due. Northfield's liquidity and operating results may be adversely affected if Northfield's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to Northfield, or if the value of Northfield's investments declines, resulting in losses upon disposition. Northfield generates cash flow primarily from its financing activities and proceeds from the disposition of its investments, in addition to interest and dividend income earned on its investments. Northfield has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions. All outstanding obligations as at June 30, 2015 are due within one year.

From time to time Northfield uses financial leverage (or "margin") when purchasing investments. Trading on margin allows Northfield to borrow part of the purchase price of the investments (using marginable investments as collateral), rather than pay for them in full. Buying on margin allows Northfield to increase its portfolio size by increasing the number and amount of investment through leverage. However, if the market moves against Northfield's positions and Northfield's investments decline in value, Northfield may be required to provide additional funds to its brokers, which could be substantial. Given the nature of Northfield's business, Northfield may not have sufficient cash on hand to meet margin calls and may be required to liquidate investments pre-maturely and/or at a loss, in order to generate funds needed to satisfy Northfield's obligations. Furthermore, if Northfield is unable to provide the necessary funds within the time required, Northfield's marginable investments may still be liquidated at a loss by its brokers to meet the obligations (and Northfield may still be required to make up any additional shortfall in funds thereafter).

Northfield has at times borrowed funds from other sources to meet its obligations, but there can be no assurances that such funds will be available in the future, or available on reasonable terms, and the absence of available funding and/or the sale of Northfield's investments in order to meet margin calls could have a materially adverse impact on Northfield's operating results.

As at June 30, 2015, based on typical margin requirements Northfield had available margin of approximately $17.5 million from its brokers of which Northfield was using $nil. Northfield manages this risk by not over extending the use of margin. As at June 30, 2015, the estimated sensitivity of Northfield's available margin from a 10% decrease in the closing bid price of Northfield's investments with all other variables held constant would reduce the available margin to $15.0 million.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from Northfield's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, equity and commodity prices. Northfield is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

Northfield manages market risk by having a portfolio which is not singularly exposed to any one issuer. Northfield's investment activities are currently across different sectors, with a focus in the natural resource industry.

The following table shows the estimated sensitivity of Northfield's after-tax net income (loss) for the six months ended June 30, 2015 from a change in closing price of Northfield's investments with all other variables held constant as at June 30, 2015:

Percentage of Change in Closing Prices	Change in Comprehensive Income (Net of Tax) From % Increase in Closing Price	Change in Comprehensive Income (Net of Tax) From % Decrease in Closing Price
Investments held for trading		
5%	$0.9	($0.9)
10%	$1.8	($1.8)
Investments available for sale		
5%	$1.2	($1.2)
10%	$2.4	($2.4)

Interest Rate Risk

Interest risk is the impact that changes in interest rates could have on Northfield's earning and liabilities. As at June 30, 2015, Northfield had access to credit facilities comprised of due to brokers and bank indebtedness (collectively "interest risk liabilities"), which bore interest at rates fluctuating with the prime rate or overnight lending rate. From time to time Northfield uses these facilities, but at June 30, 2015 the amount outstanding was $nil. The interest risk liabilities can be repaid by Northfield at any time without notice or penalty, which provides Northfield with some ability to manage and mitigate its interest risk.

Northfield invests in fixed income securities which bear interest at fixed rates of interest, and as such, are subject to interest rate price risk resulting from changes in fair value from market fluctuations in interest rates. To minimize this risk, all fixed income securities held by Northfield as at June 30, 2015 mature within one year.

Credit Risk

Credit risk is the risk of financial loss to Northfield if a counter party to a financial instrument fails to meet its payment obligations. Northfield is exposed to credit risk with respect to its cash and cash equivalents, receivables and loan receivable.

Northfield's credit risk is primarily attributable to cash and cash equivalents and its loan receivable. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote as it maintains accounts highly-rated financial institutions and brokerage firms.

Currency Risk

Currency risk is the risk that the fair value of, or future cash flows from Northfield's financial instruments will fluctuate because of changes in foreign exchange rates. Some of Northfield's investments are denominated in foreign currencies and are therefore exposed to foreign exchange fluctuations. Northfield believes it is not significantly exposed to currency risk as these investments comprise less than 13% of Northfield's total investments.

For the six months ended June 30, 2015, management estimates that if the United States dollar had strengthened or weakened by 10% against the Canadian dollar, assuming all other variables remained constant, net income for the period would have increased or decreased by approximately $0.6 million.

RISK FACTORS

Northfield's financial condition, results of operations and business are subject to certain risks which may negatively affect Northfield. The risk factors set forth in Northfield's annual MD&A for the year ended December 31, 2014, a copy of which is filed at www.sedar.com, could materially affect Northfield's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to Northfield. Additional risks not currently known to us, or that we currently believe to be immaterial, may also effect and negatively impact our business.

USE OF NON-IFRS MEASURES

This MD&A contains references to "net asset value" ("**NAV**") and "NAV per share (basic and diluted)" which are non-IFRS measures. NAV is calculated as total assets less total liabilities. NAV per share basic is calculated as total assets less total liabilities divided by the weighted average number of shares of Northfield outstanding for the period. NAV per share diluted is calculated as total assets less total liabilities divided by the weighted average number of shares of Northfield outstanding, calculated based upon the assumption that all outstanding options and warrants of Northfield, if any, have been exercised. The basic and diluted weighted average number of shares outstanding for the six months ended June 30, 2015 was 2,629,105 (December 31, 2014 – 2,641,560, six months ended June 30, 2014 – 2,645,925). The term NAV per share does not have any standardized meaning according to IFRS and therefore may not be comparable to similar measures presented by other companies. Northfield has calculated NAV and NAV per share (basic and diluted) consistently over its past fiscal years and believes that the measure provides information useful to Northfield's shareholders in understanding its performance facilitates the comparison of the quarterly and year-end results of Northfield's ongoing operations and provides a meaningful measure to evaluate Northfield's business relative to that of its peers. Furthermore, Northfield believes the calculation of NAV per share (basic and diluted) provides a comparison between the market value of Northfield's assets and the trading price of the Class A Shares that is useful to investors. Management uses this non-IFRS calculation when determining whether to repurchase Class A Shares under its normal course issuer bid.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of Northfield that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities and results and financing activities, changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Northfield believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to investment performance and our ability to generate taxable income from operations, market fluctuations, fluctuations in prices of commodities underlying our interests and equity investments, the strength of the Canadian, U.S. and other economies, foreign exchange fluctuations, political and economic conditions in the countries in which the interests of Northfield's portfolio investments are located, and other risks included elsewhere in this MD&A and under the headings "Financial Instruments" and "Risk Factors".

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although Northfield has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A is provided as of the date hereof and Northfield undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.