Copper North Mining Corp.

Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2015

(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	June 30, 2015 $	December 31, 2014 $
ASSETS			
Cash and cash equivalents		793,417	478,357
Other assets		616,551	381,065
CURRENT ASSETS		1,409,968	859,422
Reclamation bonds	3	83,300	83,300
Exploration and evaluation assets	3d	19,281,737	19,231,737
ASSETS		**20,775,005**	**20,174,459**
LIABILITIES			
Accounts payable and accrued liabilities		829,706	712,643
Due to related parties	7d	377,937	388,535
LIABILITIES		**1,207,643**	**1,101,178**
SHAREHOLDERS' EQUITY			
Share capital	4	34,551,047	32,778,755
Contributed surplus		1,428,675	1,240,700
Deficit		(16,412,360)	(14,946,174)
SHAREHOLDERS' EQUITY		**19,567,362**	**19,073,281**
LIABILITIES AND SHAREHOLDERS' EQUITY		**20,775,005**	**20,174,459**

Nature of operations and going concern	1
Commitments	9

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

		Three Months Ended June 30,		Six Months Ended June 30,	
		2015	2014	2015	2014
	Note	$	$	$	$
Exploration and evaluation expenses	3e	529,566	213,719	754,411	239,762
Filing and regulatory fees		28,788	23,507	36,920	31,523
General administrative expenses		37,544	8,084	55,440	16,352
Professional fees		11,123	28,847	24,306	36,445
Rent and utilities		27,758	7,500	55,163	15,000
Share-based payments	6, 7c	14,336	2,826	32,075	9,309
Shareholder communication and travel		85,416	18,040	250,053	39,951
Wages and benefits	7c	121,712	53,866	251,245	96,584
OPERATING EXPENSES		**856,243**	**356,389**	**1,459,613**	**484,926**
Interest expense	7b	3,473	4,522	6,573	10,489
LOSS AND COMPREHENSIVE LOSS		**859,716**	**360,911**	**1,466,186**	**495,415**
Basic and diluted loss per share		0.01	0.01	0.01	0.01
Weighted average number of common shares outstanding		127,440,549	70,700,756	132,757,051	65,613,639

(Expressed in Canadian dollars)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30,		2015	2014
		$	$
Cash flows provided by (used in)	Note		
OPERATING ACTIVITIES			
Loss and comprehensive loss		(1,466,186)	(495,415)
Items not affecting cash - share-based payments		32,075	9,309
Change in non-cash working capital items		(179,021)	16,431
OPERATING ACTIVITIES		**(1,613,132)**	**(469,675)**
FINANCING ACTIVITIES			
Related party loan settlement	7a	-	(43,000)
Loan settlement costs	7a	-	(4,090)
Issuance of common shares and units	4b	1,744,979	659,000
Exercise of warrants	5a	210,000	-
Share and unit issuance costs	4b	(26,787)	(7,482)
FINANCING ACTIVITIES		**1,928,192**	**604,428**
CHANGE IN CASH AND CASH EQUIVALENTS		**315,060**	**134,753**
Cash and cash equivalents – Beginning		478,357	36,289
CASH AND CASH EQUIVALENTS - ENDING		**793,417**	**171,042**

(Expressed in Canadian dollars)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Number of Shares	Share Capital $	Contributed Surplus $	Deficit $	Shareholders' Equity $
DECEMBER 31, 2013	**60,469,998**	**30,072,444**	**736,635**	**(12,924,508)**	**17,884,571**
Private Placements (note 4b)					
Share and unit issuance	13,180,000	659,000	-	-	659,000
Share and unit issuance costs	-	(7,482)	-	-	(7,482)
Allocation of warrant value	-	(215,000)	215,000	-	-
Loan settlement (note 7a)	6,860,000	343,000	-	-	343,000
Loan settlement costs	-	(4,090)	-	-	(4,090)
Share-based payments	-	-	9,309	-	9,309
Loss and comprehensive loss	-	-	-	(495,415)	(495,415)
JUNE 30, 2014	**80,509,998**	**30,847,872**	**960,944**	**(13,419,923)**	**18,388,893**
Private Placements (note 4b)					
Share and unit issuance	27,987,200	1,679,232	-	-	1,679,232
Share and unit issuance costs	-	(114,725)	21,333	-	(93,392)
Allocation of warrant value	-	(165,474)	165,474	-	-
Warrant exercise incentive program					
Unit issuance (note 5a)	7,000,000	490,000	-	-	490,000
Unit issuance costs	-	(6,650)	-	-	(6,650)
Allocation of warrant value	-	(115,500)	115,500	-	-
Transfer of warrant exercise value	-	114,000	(114,000)	-	-
Shares issued to acquire Thor property (note 3b and 3d)	1,000,000	50,000	-	-	50,000
Share-based payments	-	-	91,449	-	91,449
Loss and comprehensive loss	-	-	-	(1,526,251)	(1,526,251)
DECEMBER 31, 2014	**116,497,198**	**32,778,755**	**1,240,700**	**(14,946,174)**	**19,073,281**
Private Placement (note 4b)					
Share and unit issuance	29,692,985	1,781,579	-	-	1,781,579
Share and unit issuance costs	-	(68,787)	5,400	-	(63,387)
Allocation of warrant value	-	(266,000)	266,000	-	-
Warrant exercises (note 5a)	3,500,000	210,000	-	-	210,000
Allocation of warrant exercise value	-	115,500	(115,500)	-	-
Share-based payments	-	-	32,075	-	32,075
Loss and comprehensive loss	-	-	-	(1,466,186)	(1,466,186)
JUNE 30, 2015	**149,690,183**	**34,551,047**	**1,428,675**	**(16,412,360)**	**19,567,362**

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 six months ended June 30, 2015, the Company reported a loss of $1,466,186 and as at that date had working capital of $202,325 and an accumulated deficit of $16,412,360. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans or equity financings or through other arrangements. The Company has been successful in securing financing in the past, but there can be no assurance that it will be able to do so in the future. Further detail of the Company's financing transactions for the six months ended June 30, 2015 is available in notes 4 and 5.

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, 2014, 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 August 20, 2015.

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 as shown.

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 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.

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.

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 June 30, 2015, $1.2 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.

(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. 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 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.

Payment Date	Cash payment	Common shares	Exploration expenditures (cumulative)	Status
July 8, 2014	$25,000	1,000,000	-	*Completed*
June 27, 2015	$50,000	-	$200,000	*Expenditures incurred*
June 27, 2016	$50,000	1,000,000	$700,000	-
June 27, 2017	$100,000	1,000,000	$1,500,000	-
June 27, 2018	$100,000	1,000,000	$2,500,000	-
June 27, 2019	$100,000	1,000,000	$3,500,000	-
June 27, 2020	$100,000	-	$5,000,000	-
TOTAL	$525,000	5,000,000	$5,000,000	

In addition, Electrum will receive a 2% net smelter return royalty to a maximum of $5 million. The Company agrees to pay an advanced royalty payment of $1 million at each of the seventh, eighth, ninth, tenth and eleventh anniversaries of the acquisition agreement if commercial production is not attained in respect of the Thor Property before those dates. Advance royalty payments are deductible from the maximum amount of payable pursuant to the net smelter return royalty.

The Company posted a reclamation security deposit of $3,000 with the Government of British Columbia to cover reclamation costs for the work performed 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.

(Expressed in Canadian dollars)

d) Acquisition costs

	Carmacks $	Redstone $	Thor $	Total $
DECEMBER 31, 2013	17,143,325	2,000,000	-	19,143,325
Acquisition costs	-	-	88,412	88,412
DECEMBER 31, 2014	**17,143,325**	**2,000,000**	**88,412**	**19,231,737**
Property option payment	-	-	50,000	50,000
JUNE 30, 2015	**17,143,325**	**2,000,000**	**138,412**	**19,281,737**

e) Exploration and evaluation expenditures

For the three months ended	Carmacks $	Redstone $	Thor $	Total $
Advance royalty	100,000	-	-	100,000
Claims maintenance	-	31,234	500	31,734
Engineering studies	171,421	-	-	171,421
Exploration and camp support	184,885	56	1,470	186,411
Salary and wages	32,000	2,000	6,000	40,000
JUNE 30, 2015	**488,306**	**33,290**	**7,970**	**529,566**

For the three months ended	Carmacks $	Redstone $	Thor $	Total $
Advance royalty	100,000	-	-	100,000
Engineering studies	71,284	-	-	71,284
Exploration and camp support	3,375	(940)	-	2,435
Salary and wages	40,000	-	-	40,000
JUNE 30, 2014	**214,659**	**(940)**	**-**	**213,719**

(Expressed in Canadian dollars)

For the six months ended	Carmacks	Redstone	Thor	Total
	$	$	$	$
Advance royalty	100,000	-	-	100,000
Claims maintenance	15,485	31,234	3,292	50,011
Engineering studies	334,160	-	-	334,160
Exploration and camp support	185,514	106	4,620	190,240
Salary and wages	66,000	4,000	10,000	80,000
JUNE 30, 2015	**701,159**	**35,340**	**17,912**	**754,411**

For the six months ended	Carmacks	Redstone	Thor	Total
	$	$	$	$
Advance royalty	100,000	-	-	100,000
Claims maintenance	19,635	(35,728)	-	(16,093)
Engineering studies	72,904	-	-	72,904
Exploration and camp support	3,375	(424)	-	2,951
Salary and wages	80,000	-	-	80,000
JUNE 30, 2014	**275,914**	**(36,152)**	**-**	**239,762**

4. SHARE CAPITAL

a) Authorized share capital

Unlimited common shares without par value

b) Financing

i) On June 25, 2015, Copper North completed a non-brokered private placement of 8,533,350 flow-through shares at a price of $0.06 per common share and 1,881,300 units of the Company at a price of $0.06 per unit for total gross proceeds of $624,879.

Each unit consists of one common share and one half of one non-transferable warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional share at a price of $0.09 until June 25, 2017.

Julien Francois, Chief Financial Officer of the Company, purchased 500,000 units of the private placement.

The fair value assigned to the Warrants was $27,000. The fair value was calculated using the Black-Scholes option pricing model and was based on the following assumptions:

Expected stock price volatility	168.6%
Expected term, in years	2.0
Average risk-free interest rate	0.62%
Expected dividend yield	-

In connection with the private placement, the Company issued 500,001 shares as finders' fees ("Finders Shares") related to the flow-through shares.

(Expressed in Canadian dollars)

ii) On June 8, 2015, Copper North completed a non-brokered private placement of 833,334 flow-through shares at a price of $0.06 per common share and 7,785,000 units of the Company at a price of $0.06 per unit for total gross proceeds of $517,100.

Each unit consists of one common share and one half of one non-transferable warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional share at a price of $0.09 until June 8, 2017.

Harlan Meade, Chief Executive Officer of the Company, purchased 385,000 units of the private placement.

The fair value assigned to the Warrants was $119,000. The fair value was calculated using the Black-Scholes option pricing model and was based on the following assumptions:

Expected stock price volatility	170.0%
Expected term, in years	2.0
Average risk-free interest rate	0.63%
Expected dividend yield	-

In connection with the private placement, the Company issued 60,000 Finders Shares related to the units and 50,000 Finders Shares related to the flow-through shares.

iii) On March 19, 2015, Copper North completed a non-brokered private placement of 5,300,000 units of the Company at a price of $0.06 per unit for gross proceeds of $318,000. Each unit consists of one common share and one half of one non-transferable warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share at a price of $0.09 until March 19, 2017.

Dale Corman, Chairman of the Company, purchased 1,700,000 units of the private placement.

The fair value assigned to the Warrants was $69,000. The fair value was calculated using the Black-Scholes option pricing model and was based on the following assumptions:

Expected stock price volatility	135.2%
Expected term, in years	2.0
Average risk-free interest rate	0.48%
Expected dividend yield	-

In connection with the private placement, the Company issued 170,000 finders' warrants. The finders' warrants have the same terms as the Warrants and their valuation was calculated using the same assumptions. The value assigned to the finders' warrants was $5,400.

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

(Expressed in Canadian dollars)

Harlan Meade, Chief Executive Officer of the Company, purchased 335,000 units of the private placement.

The fair value assigned to the Warrants was $51,000. The fair value was calculated using the Black-Scholes option pricing model and was based on the following assumptions:

Expected stock price volatility	105.0%
Expected term, in years	2.0
Average risk-free interest rate	0.43%
Expected dividend yield	-

v) On December 22, 2014, Copper North completed a non-brokered private placement of 9,639,666 flow-through shares at a price of $0.06 per common share for total gross proceeds of $578,380.

Harlan Meade, Chief Executive Officer of the Company, purchased 340,000 flow-through shares of the private placement.

In connection with the private placement, the Company issued 687,483 finders' warrants. Each finders' warrant entitles the holder to purchase one additional common share of the Company at price of $0.06 until December 22, 2016.

The fair value assigned to the finders' warrants was $19,250. The fair value was calculated using the Black-Scholes option pricing model and was based on the following assumptions:

Expected stock price volatility	102.3%
Expected term, in years	2.0
Average risk-free interest rate	1.05%
Expected dividend yield	-

vi) On November 5, 2014, Copper North completed a non-brokered private placement of 2,082,834 flow-through shares at a price of $0.06 per common share and 3,892,000 units of the Company at a price of $0.06 per unit for total gross proceeds of $358,490.

Each unit consists of one common share and one half of one non-transferable warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional share at a price of $0.09 until November 5, 2016.

The fair value assigned to Warrants was $38,800. The fair value was calculated using the Black-Scholes option pricing model and was based on the following assumptions:

Expected stock price volatility	103.8%
Expected term, in years	2.0
Average risk-free interest rate	1.00%
Expected dividend yield	-

In connection with the private placement the Company issued 104,141 finders' warrants. The finders' warrants have the same terms as the Warrants and their valuation was calculated using the same assumptions. The value assigned to the finders' warrants was $2,083.

(Expressed in Canadian dollars)

vii) On August 20, 2014, Copper North completed a non-brokered private placement of 6,700,000 flow-through shares at a price of $0.06 per common share and 5,672,700 units of the Company at a price of $0.06 per unit for total gross proceeds of $742,362.

Each unit consists of one common share and one half of one non-transferable warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional share at a price of $0.08 until August 20, 2015 and $0.09 from August 21, 2015 to expiry. The Warrants expire on August 20, 2016.

Harlan Meade, Chief Executive Officer of the Company, and Julien Francois, Chief Financial Officer of the Company, purchased 340,000 flow-through shares and 110,000 flow-through shares of the private placement, respectively.

The fair value assigned to the Warrants was $126,674. The fair value was calculated using the Black-Scholes option pricing model and was based on the following assumptions:

Expected stock price volatility	164.7%
Expected term, in years	2.0
Average risk-free interest rate	1.09%
Expected dividend yield	-

viii) On April 24, 2014, Copper North completed a non-brokered private placement of 13,180,000 units of the Company at a price of $0.05 per unit for gross proceeds of $659,000. Each unit comprised one common share and one non-transferable common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional share of the Company at a price of $0.07 until April 24, 2016.

Harlan Meade, Chief Executive Officer of the Company, purchased 500,000 units of the private placement.

The fair value assigned to Warrants was $215,000. The fair value was calculated using the Black-Scholes options pricing model and was based on the following assumptions:

Expected stock price volatility	132.8%
Expected term, in years	2.0
Average risk-free interest rate	1.07%
Expected dividend yield	-

(Expressed in Canadian dollars)

5. WARRANTS AND STOCK OPTIONS

a) Warrants

i) In November 2014, Copper North announced a warrant exercise incentive program to encourage the early exercise of warrants issued as part of the April 24, 2014 private placement. As part of the program, the Company amended the terms of the warrants issued in April 2014, such that each holder who exercised such warrants by November 24, 2014 would receive an additional ½ warrant.

The Company completed the warrant exercise incentive program on November 25, 2014. 7,000,000 of the 13,180,000 warrants issued in April 2014 were exercised for gross proceeds of $490,000. Each warrant issued on November 25, 2014 entitles the holder to acquire one common of the Company at an exercise price of $0.06 until November 25, 2016.

Warrants issued in April 2014 not exercised by November 24, 2014 continue to be exercisable for only common shares of the Company on the original terms.

The fair value assigned to the newly issued warrants was $115,500. The fair value was calculated using the Black-Scholes option pricing model and was based on the following assumptions:

Expected stock price volatility	103.9%
Expected term, in years	2.0
Average risk-free interest rate	1.01%
Expected dividend yield	-

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, 2013	3,384,500	0.14
Issued	22,253,974	0.07
Exercised	(7,000,000)	0.07
Expired	(819,500)	0.20
DECEMBER 31, 2014	17,818,974	0.08
Issued	10,028,150	0.09
Exercised	(3,500,000)	0.06
JUNE 30, 2015	**24,347,124**	**0.09**

(Expressed in Canadian dollars)

Warrants outstanding are as follows:

Warrants outstanding, by exercise price	Number of warrants	Weighted average exercise price	Average remaining contractual life
		$	*years*
$0.05 – 0.06	2,452,483	0.05	0.76
$0.07 – 0.09	21,094,641	0.08	1.38
$0.28	800,000	0.28	1.38
JUNE 30, 2015	**24,347,124**	**0.09**	**1.32**

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, 2013	3,653,334	0.22
Granted	3,650,000	0.06
Forfeited	(850,000)	0.24
Expired	(167,500)	0.06
DECEMBER 31, 2014	6,285,834	0.13
Granted	150,000	0.07
JUNE 30, 2015	**6,435,834**	**0.13**

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*
$0.06 – 0.09	4,068,334	0.06	3.88
$0.10 – 0.17	650,000	0.11	1.99
$0.24 – 0.32	1,717,500	0.28	1.31
JUNE 30, 2015	**6,435,834**	**0.13**	**3.00**

Of the total stock options outstanding, 4,569,163 were vested and exercisable at June 30, 2015. The weighted average exercise price of vested stock options is $0.15 and the average remaining contractual life is 2.53 years.

(Expressed in Canadian dollars)

6. SHARE-BASED PAYMENTS

The following is a summary of the most recent stock options granted by the Company and the fair value assigned to each grant. The fair value was calculated using the Black-Scholes option pricing model and the following inputs and assumptions:

Inputs and assumptions	January 7, 2015	August 26, 2014	March 1, 2014
Stock options granted	150,000	3,450,000	200,000
Exercise price	$0.07	$0.06	$0.08
Market price	$0.07	$0.06	$0.08
Expected option term (years)	3.0	3.0	3.0
Expected stock price volatility	159.8%	101%	121%
Average risk-free interest rate	1.00%	1.13%	1.18%
Expected forfeiture rate	-	-	-
Expected dividend yield	-	-	-
FAIR VALUE ASSIGNED	**$9,000**	**$138,000**	**$12,000**

7. RELATED PARTY TRANSACTIONS

a) Related party loan

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

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

b) Deferred salary

Sally Eyre, Copper North's previous Chief Executive Officer, and Julien Francois, Copper North's Chief Financial Officer, entered into agreements with the Company to defer payment of salaries from April 1, 2013 to September 30, 2013. The deferred salaries accrue interest at 8% per annum. The Company has also agreed to pay a one-time bonus equal to 20% of the deferred salaries owing on September 30, 2013. The Company may pay the deferred salaries, accrued interest, and bonus in cash or common shares of Copper North.

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

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

(Expressed in Canadian dollars)

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

c) Director and officer remuneration

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

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

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

d) Due to related parties

As at	June 30, 2015	December 31, 2014
	$	$
Wages subject to salary deferral agreements	130,000	155,000
Value of bonus shares - salary deferral agreements	26,000	31,000
Wages not subject to salary deferral agreements	93,320	94,153
Interest	20,617	18,382
Director fees	108,000	90,000
DUE TO RELATED PARTIES	**377,937**	**388,535**

All amounts are payable on demand.

8. 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.

9. COMMITMENTS

The Company has an agreement to lease its head office space until May 31, 2017. The total amount of payments remaining during the course of the agreement as at June 30, 2015 is $218,000. Of this amount, $114,000 is due within the next twelve months. The Company has the option to terminate the sub-lease without penalty after November 1, 2015 by providing the sub-lessor 90 days' notice.

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

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

Other commitments related to exploration and evaluation assets are described in note 3.

10. CAPITAL MANAGEMENT

Copper North is a mineral exploration and development company with a primary focus of 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 June 30, 2015, certain conditions and events cast significant doubt upon the Company's ability to continue as a going concern. Refer to note 1(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.

11. FINANCIAL INSTRUMENT RISK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to liquidity and credit risk from the use of financial instruments. Financial instruments consist of cash and cash equivalents, other assets, reclamation bond, amounts due to related parties, and accounts payable and accrued liabilities.

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 uses a restrictive investment policy. It deposits cash and cash equivalents in Canadian chartered banks.

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