Northern Abitibi Mining Corp.
Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
Three and Six Months Ended March 31, 2016

(Unaudited)

May 16, 2016

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Northern Abitibi Mining Corp. ("Northern Abitibi") are the responsibility of the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with Northern Abitibi's audited annual consolidated financial statements and notes thereto for the year ended September 30, 2015. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in Northern Abitibi's most recent audited annual consolidated financial statements, except as described in Note 3 "Significant accounting policies". Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to Northern Abitibi's circumstances. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 "Interim Financial Reporting" using accounting policies consistent with IFRS appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited operations and cash flows of Northern Abitibi, as of the date of, and for the period presented by, the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfils its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report. The Audit Committee also reviews Northern Abitibi's Management's Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting Northern Abitibi's affairs in compliance with established financial standards, and applicable laws and regulation, and for maintaining proper standards of conduct for its activities.

"Shane Ebert"	"Lesley Hayes"
Shane Ebert President/Director	Lesley Hayes Director

AUDITOR INVOLVEMENT

The accompanying unaudited condensed interim consolidated financial statements of Northern Abitibi have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the six months ended March 31, 2016 have not been reviewed by Northern Abitibi's auditors.

Northern Abitibi Mining Corp.
Condensed Interim Consolidated Balance Sheets
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

		March 31 2016		September 30 2015
ASSETS				
Current Assets				
Cash at bank (Note 5)	**$**	**200,956**	$	46,550
Accounts receivable (Note 6)		**2,694**		1,477
Mining exploration tax credit receivable (Note 8)		**15,040**		15,040
Prepaid expenses		**7,328**		10,076
Short-term investments (Note 7)		**229,000**		284,750
		455,018		357,893
Non-current Assets				
Exploration and evaluation assets (Note 8)		**2,631**		1,025
Property and equipment (Note 9)		**567**		732
		3,198		1,757
TOTAL ASSETS	**$**	**458,216**	$	359,650
EQUITY AND LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (Note 10)	**$**	**14,035**	$	25,006
EQUITY				
Share capital (Note 12)		**13,776,284**		13,597,338
Reserves		**1,910,873**		1,886,077
Deficit		**(15,242,976)**		(15,148,771)
TOTAL EQUITY		**444,181**		334,644
TOTAL EQUITY AND LIABILITIES	**$**	**458,216**	$	359,650

Nature of operations and going concern (Note 1)
Commitments (Note 18)

Approved by the Board

"Shane Ebert"
___________________________ **Director**

"Lesley Hayes"
____________________________ **Director**

See accompanying notes to the financial statements.

Northern Abitibi Mining Corp.
Condensed Interim Consolidated Statements of Loss and Comprehensive (Income) Loss
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)
For the Three and Six Months Ended March 31

	Three months		Six months	
	2016	**2015**	**2016**	**2015**
Expenses				
General and administrative (Note 14)	$ **14,529**	$ 17,078	$ **28,582**	$ 37,542
Reporting to shareholders	**4,017**	311	**4,017**	4,174
Professional fees	**1,501**	495	**1,501**	1,844
Stock exchange and transfer agent fees	**2,472**	2,373	**4,256**	4,183
Depreciation	**83**	157	**165**	314
Impairment	**-**	65,007	**-**	65,007
Loss before other items	**22,602**	85,421	**38,521**	113,064
Other items				
Interest and other	**(66)**	(40)	**(66)**	(40)
Loss (income) from short-term investments	**(55,250)**	(164,250)	**55,750**	(108,250)
	(55,316)	(164,290)	**55,684**	(108,290)
(**Net income) loss and comprehensive (income) loss for the period**	$ **(32,714)**	$ (78,869)	$ **94,205**	$ 4,774
Basic and diluted loss per share (Note 15)	**$ 0.00**	$ 0.00	**$ 0.00**	$ 0.00
Weighted average shares outstanding - basic and diluted (Note 12)	**86,583,851**	84,309,126	**85,440,274**	84,309,126

Nature of operations and going concern (Note 1)

See accompanying notes to the financial statements.

Northern Abitibi Mining Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)
For the Three and Six Months Ended March 31

	Three months ended		Six months ended	
	2016	**2015**	**2016**	**2015**
Increase (decrease) in cash at bank				
Operating activities				
Cash paid to suppliers and contractors	$ **(30,685)**	$ (38,136)	$ **(47,796)**	$ (71,005)
Cash used in operating activities (Note 19)	**(30,685)**	(38,136)	**(47,796)**	(71,005)
Investing activities				
Interest and other income received	**66**	40	**66**	40
Cash expended on exploration and evaluation assets	**(1,560)**	(2,600)	**(1,606)**	(44,733)
Cash (used) provided by investing activities	**(1,494)**	(2,560)	**(1,540)**	(44,693)
Financing activities				
Share capital and warrant issue proceeds	**230,000**	-	**230,000**	-
Cash share issue costs	**(26,258)**	-	**(26,258)**	-
Cash provided by financing activities	**203,742**	-	**203,742**	-
Increase (decrease) in cash at bank	**171,563**	(40,696)	**154,406**	(115,698)
Cash at bank:				
Beginning of period	**29,393**	115,460	**46,550**	190,462
End of period	**$ 200,956**	$ 74,764	**$ 200,956**	$ 74,764

Supplementary information:

Interest and taxes

No cash was expended on interest or taxes during the three and six month periods ended March 31, 2016 and March 31, 2015.

Non-cash transactions

2016
During the three month period ended March 31, 2016, the Company completed a brokered private placement for aggregate gross proceeds of $230,000. Share issuance costs related to the private placement included the issuance of 10% of the amount raised in broker warrants. The warrants were valued at $24,796 using the Black-Sholes Option pricing model assuming a volatility of 124%, a risk free rate of 0.60%, a five year warrant life, and a 0% dividend rate.

2015
There were no non-cash transactions during the three and six month periods ended March 31, 2015.

See accompanying notes to the financial statements.

Northern Abitibi Mining Corp.

Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

		Reserves					
	Common share capital	Equity-settled share based payment	Warrant	Other Reserves*	Total Reserves	Deficit	Total
Balance, September 30, 2014	**$ 13,597,338**	**$ 50,536**	**$ -**	**$ 1,835,541**	**$ 1,886,077**	**$ (15,109,185)**	**$ 374,230**
Net and comprehensive loss for the period	-	-	-	-	-	(4,774)	(4,774)
Options expired	-	(45,536)	-	45,536	-	-	-
Balance, March 31, 2015	**13,597,338**	**5,000**	**-**	**1,881,077**	**1,886,077**	**(15,113,959)**	**369,456**
Net and comprehensive loss for the period	-	-	-	-	-	(34,812)	(34,812)
Balance, September 30, 2015	**13,597,338**	**5,000**	**-**	**1,881,077**	**1,886,077**	**(15,148,771)**	**334,644**
Net and comprehensive loss for the period	-	-	-	-	-	(94,205)	(94,205)
Private placement share and warrant issue	230,000	-	-	-	-	-	230,000
Share issue costs	(51,054)		24,796		24,796		(26,258)
Balance, March 31, 2016	**$ 13,776,284**	**$ 5,000**	**$ 24,796**	**$ 1,881,077**	**$ 1,910,873**	**$ (15,242,976)**	**$ 444,181**

*Other reserves is comprised of the aggregate of options and warrants that expired or were forfeited without exercise. These values were relieved from common share capital, share based payment reserve and warrants reserve respectively upon the expiry of the equity instrument.

See accompanying notes to the financial statements

1. Nature of operations and going concern

Northern Abitibi Mining Corp. ("the Company") is engaged in the business of mineral exploration and development in Canada. The Company was originally incorporated under the laws of the Province of Quebec, Canada and has been continued under the Alberta Business Corporations Act, Canada. The address of its primary office is Suite 800, 808 - 4th Avenue SW, Calgary, Alberta, Canada, T2P 3E8. The Company's common shares are listed on the TSX Venture Exchange under the symbol NAI.

Since inception, the efforts of the Company have been devoted to the acquisition, exploration and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether mineral properties contain ore reserves that are economically recoverable.

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in Note 3 (f) "Exploration and evaluation assets" of the annual financial statements for the year ended September 30, 2015. Accordingly, their carrying values represent costs incurred to date, net of recoveries, abandonments and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

The Company has an accumulated deficit of $15,242,976 at March 31, 2016 (September 30, 2015 - $15,148,771) and working capital of $440,983 (September 30, 2015 - $332,887) and has no current source of operating cash flow. The Company is dependent upon raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake exploration and development of its mineral properties, meet its purchase commitments (see Note 18 - "Commitments") and to finance general and administrative and operating expenses. The continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. These circumstances indicate a material uncertainty that may cast significant doubt as to the ability of the Company to meets its obligations as they come due and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company will be required to raise additional capital to meet its funding requirements for administrative and operating costs beyond fiscal 2016 and to fund ongoing or expanded exploration programs. There can be no assurance that the Company will be successful in obtaining financing. These financial statements do not reflect the adjustments that might be necessary to the carrying amount of reported assets, liabilities, revenues and expenses if the Company could not continue as a going concern. Such adjustments could be material.

2. Basis of presentation

a) Basis of presentation
These unaudited condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretation of the International Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 13 and decommissioning obligation described in Note 11. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

The presentation and functional currency of the Company is the Canadian dollar.

2. Basis of presentation (continued)

b) Principles of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its now dormant, wholly-owned US subsidiary, NAMCOEX Inc. NAMCOEX was incorporated by the Company during the year ended September 30, 2005 to acquire Nevada mineral property interests. All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are those entities that the Company controls through its power to govern the financial and operating policies of the subsidiary. Subsidiaries are fully consolidated from the date control is obtained and are de-consolidated from the date control ceases.

3. Significant accounting polices

The financial framework and accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited annual consolidated financial statements for the year ended September 30, 2015.

a) New accounting policies

Northern Abitibi did not adopt any new accounting policies during the three and six months ended March 31, 2016.

b) New accounting standards and interpretations

Certain new accounting standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for periods subsequent to those disclosed in these financial statements. Many are not applicable or do not have a significant impact to Northern Abitibi and have been excluded from below. Relevant pronouncements include the following:

IFRS 9 - Financial Instruments

IFRS 9 - Financial instruments, and consequential amendments to other related standards, is effective for accounting periods commencing on or after January 1, 2015. There have been new amendments related to IFRS 9 issued in November 2013. Although the transition date has been deferred, these amendments would be required to be prospectively applied in the financial statements for the 2014 year and beyond, as the Company has early adopted this section. However, these amendments relate to hedging and own credit risk, to which the Company is not exposed, therefore these amendments do not have a significant impact on its financial reporting.

4. Significant accounting judgments and estimates

The preparation of these unaudited condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. Circumstances could arise over the years that would require material revisions to these estimates. Changes in assumptions could have a material effect on the fair value of estimates.

These financial statements include estimates that, 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. Adjustments resulting from 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 estimate are based on historical experience, current and future economic conditions and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(Expressed in Canadian Dollars)

4. Significant accounting judgments and estimates (continued)

Significant estimates include:

a) the carrying value of investments and the recoverability of the carrying value which is included in the balance sheet.
b) the carrying values of exploration and evaluation assets that are included in the balance sheet, including the assumptions that are incorporated into the impairment assessments, and the amount of impairments that are including in the statement of profit or loss. (Refer to Note 1)
c) the estimate of the amount of decommissioning obligations and the inputs used in determining the net present value of the liabilities for decommissioning obligations included in the balance sheet.

5. Cash at bank

Cash at bank is comprised of:

		Mar 31, 2016		Sept 30, 2015
Current bank accounts	**$**	**200,956**	$	46,550

6. Accounts receivable

		Mar 31, 2016		Sept 30, 2015
Trade receivables	**$**	**-**	$	28
Due from related parties		**773**		696
Sales tax receivables		**1,921**		753
	$	**2,694**	$	1,477

7. Short-term investments

		Mar 31, 2016		Sept 30, 2015
Société d'Exploration Minière Vior Inc.				
Common shares (Mar 31, 2016 - 150,000, Sept 30, 2015 - 150,000)	**$**	**6,000**	$	8,250
Spruce Ridge Resources Ltd.				
Common shares (Mar 31, 2016 -11,000,000, Sept 30, 2015 - 11,000,000)		**220,000**		275,000
Commander Resources Ltd.				
Common shares (Mar 31, 2016 - 100,000, Sept 30, 2015 - 100,000)		**3,000**		1,500
	$	**229,000**	$	284,750

The common shares of Société d'Exploration Minière Vior Inc., Spruce Ridge Resources Ltd. and Commander Resources Ltd. were valued at their fair value, based on their respective period-end trading prices, at March 31, 2016 and September 30, 2015.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets

Six months ended, March 31, 2016	Total	British Columbia Ches Property	British Columbia Cariboo Gold Property
	$	$	$
Exploration expenditures:			
Balance, September 30, 2015 and March 31, 2016	**525**	-	**525**
Property acquisition costs			
Balance, September 30, 2015	500	-	500
Acquisition costs incurred	1,606	-	1,606
Balance, March 31, 2016	**2,106**	**-**	**2,106**
Total exploration and evaluation assets, March 31, 2016	**2,631**	**-**	**2,631**

Year ended September 30, 2015	Total	British Columbia Ches Property	British Columbia Cariboo Gold Property
	$	$	$
Exploration expenditures:			
Balance, September 30, 2014	3,600	3,600	-
Geological consulting	6,750	6,000	750
Field	(985)	(985)	-
Travel	882	882	-
Geochemical	10,471	10,471	-
Excavating	9,495	9,495	-
Mobilization and demobilization	16,300	16,300	-
Equipment rental	1,970	1,970	-
Decommissioning obligation	7,370	7,370	-
BC mining exploration tax credit	(16,123)	(15,898)	(225)
Impairments	(39,205)	(39,205)	-
Balance, September 30, 2015	**525**	**-**	**525**
Property acquisition costs			
Balance, September 30, 2014	10,424	10,424	-
Acquisition costs incurred	500	-	500
Impairments	(10,424)	(10,424)	-
Balance, September 30, 2015	**500**	**-**	**500**
Total exploration and evaluation assets, September 30, 2015	**1,025**	**-**	**1,025**

The Company has applied for a British Columbia mining exploration tax credit in the amount of $15,040, for qualified expenditures totalling $50,134 incurred during the year ended September 30, 2015. These expenditures relate to both the Ches property and the Cariboo Gold property.

From time to time the Company is required to advance amounts to service providers prior to their commencing exploration work on the mineral interests. The advance is applied to the invoiced services, generally through the final invoice. As these advances pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. At March 31, 2016 and September 30, 2015, the Company held $nil in exploration and evaluation asset advances and deposits.

(Expressed in Canadian Dollars)

9. Property and equipment

	Computer equipment and software
	$
Cost	
Balance at September 30, 2015 and March 31, 2016	**9,685**
Accumulated depreciation	
Balance, September 30, 2015	8,953
Depreciation	165
Balance, March 31, 2016	**9,118**
Net Book Value	
September 30, 2015	732
March 31, 2016	**567**

10. Accounts payable and accrued liabilities

		Mar 31, 2016		Sept 30, 2015
Trade payables	**$**	**3,547**	$	829
Due to related parties		**8,256**		7,177
Sales taxes payable		**36**		-
Accrued liabilities		**2,196**		17,000
	$	**14,035**	$	25,006

11. Decommissioning obligation

Changes in the decommissioning obligation for the six months ended March 31, 2016 and year ended September 30, 2015 are as follows:

		Six months ended Mar 31, 2016		Year ended Sept 30, 2015
Balance, beginning of period	**$**	**-**	**$**	-
Ches property additions		**-**		7,370
Ches property expenditures		**-**		(7,370)
Balance, end of period	**$**	**-**	**$**	-

The above noted provision represents estimated costs to restore the Company's mineral properties including the cost of filling trenches and revegetation as applicable. Management believes that there are no other significant legal obligations as at the respective period end dates for current and future decommissioning obligations.

(Expressed in Canadian Dollars)

12. Share capital, stock options and warrants

a) Authorized
Unlimited number of common shares without par value

b) Issued and outstanding common share capital

	Mar 31, 2016	Sept 30, 2015
	Number of shares	
Balance, end of period	**107,309,126**	84,309,126

On March 23, 2016, the Company completed a brokered private placement for aggregate gross proceeds of $230,000. The placement was comprised of 23,000,000 common shares at $0.01 per share. Share issuance costs included a cash commission of 9% of the amount raised as well as 10% of the amount raised in broker warrants. Each broker warrant entitles the holder to purchase one common share at a price of $0.05 per share until March 23, 2021. In valuing the warrants, the Company used a proration of proceeds method to the components including the use of the Black-Scholes Option Pricing model assuming a volatility of 124%, a risk free rate of 0.60%, a five year warrant life, and a 0% dividend rate.

c) Stock options outstanding

Expiry	Number of options Mar 31, 2015	Sept 30, 2015	Exercise Price
January 9, 2017	**500,000**	500,000	$0.10

The Company has an option plan (the Plan), under which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, employee or consultant. The exercise price of the options granted under the Plan will not be less than that from time to time permitted under the rules of the stock exchange or exchanges on which the shares are then listed, which price reflects trading values at that time. All of the options outstanding at the respective period ends have vested.

d) Stock option transactions

During the three and six month periods ended March 31, 2016, there were no stock option transactions. Subsequent to March 31, 2016 and the approval date of these financial statements, there were no stock options granted, cancelled or issued.

e) Warrant transactions and warrants outstanding

The warrants summarized below may be exercised to acquire an equal number of common shares.

Six months ended March 31, 2016					
Exercise Price	Expiry	Balance Sept 30, 2015	Warrants Issued	Warrants Expired	Balance March 31, 2016
$0.05	March 23, 2021	-	2,300,000	-	2,300,000

There were no warrant transactions during the year ended September 30, 2015.

(Expressed in Canadian Dollars)

12. Share capital, stock options and warrants (continued)
e) Warrant transactions and warrants outstanding (continued)

Subsequent to March 31, 2016 and prior to the approval date of these financial statements, no warrants were issued or expired.

13. Financial instruments

Financial instruments recorded at fair value are classified using a fair value hierarchy that prioritizes the inputs to fair value measurements. The three levels of fair value are summarized below:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities either directly, (i.e. prices), or indirectly, (i.e. derived from prices); and
- Level 3 - Inputs that are not based on observable market data.

Level 1 has been utilized to value common shares included in short-term investments. The warrants included in short-term investments are categorized as Level 2.

The following summarizes the categories of the various financial instruments:

		March 31, 2016		September 30, 2015
		Carrying Value		
Financial Assets				
Financial assets measured at fair value:				
Short-term investments	**$**	**229,000**	$	284,750
Financial asset measured at amortized cost:				
Cash at bank		**200,956**		46,550
Accounts receivable		**773**		724
	$	**201,729**	$	47,274
Financial Liabilities				
Financial liabilities measured at amortized cost:				
Accounts payable and accrued liabilities	**$**	**13,999**	$	25,006

The above noted financial instruments are exclusive of any sales tax.

The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments.

14. General and administrative

	Three months ended Mar 31				Six months ended Mar 31			
		2016		**2015**		**2016**		**2015**
Administrative consulting fees	**$**	**4,708**	$	2,065	**$**	**6,633**	$	7,105
Occupancy costs		**4,855**		3,065		**6,355**		6,455
Office, secretarial and supplies		**1,795**		8,393		**9,416**		15,928
Travel and promotion		**-**		200		**-**		200
Insurance		**2,883**		2,853		**5,765**		5,706
Directors' fees		**-**		-		**-**		1,000
Computer network and website maintenance		**288**		502		**413**		1,148
	$	**14,529**	$	17,078	**$**	**28,582**	$	37,542

(Expressed in Canadian Dollars)

15. Earnings per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted earnings (loss) per share if their inclusion would be anti-dilutive.

The following adjustments were made in arriving at diluted weighted average number of common shares for the period ended March 31:

Weighted average number of common shares:		**2016**		**2015**
Basic		**86,583,851**		84,309,126
Effect of dilutive securities:				
Stock options		**-**		-
Warrants		**-**		-
Diluted		**86,583,851**		84,309,126
Loss per share				
Basic	$	0.00	$	0.00
Diluted	$	0.00	$	0.00

16. Income tax information

The estimated taxable income for the six months ended March 31, 2016 is $Nil. Based on the level of historical taxable income it cannot be reasonably estimated at this time if it is more likely than not the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values has been reduced by an equivalent estimated taxable temporary difference valuation allowance. The estimated taxable temporary difference valuation allowance will be adjusted in the period in which it is determined that it is more likely than not that some portion or all of the future tax assets or future tax liabilities will be realized.

For further information on the Company's actual losses for tax purposes, refer to the September 30, 2015 audited financial statements. The benefit of these losses and the estimated loss for the period ended have not been recognized in these financial statements.

(Expressed in Canadian Dollars)

17. Related party balances and transactions and key management remuneration

The Company is considered a related party to Manson Creek Resources Ltd. ("Manson") and Guatavita Gold Corporation ("Guatavita") because of its common directors, officers and key management personnel that have some direct financial interest in both the Company and Manson and Guatavita. In addition, related parties include members of the Board of directors, officers and their close family members. The Company incurred the following amounts charged by(to) related parties:

		Three months ended Mar 31		Six months ended Mar 31,	
	Note	**2016**	**2015**	**2016**	**2015**
Key management remuneration:					
President and director	a)	**$ -**	$ 2,100	**$ -**	$ 6,100
Corporate secretary	d)	**-**	5,063	**5,063**	9,450
Director's fees	b)	**-**	-	**-**	1,000
		$ -	$ 7,163	**$ 5,063**	$ 16,550
Other related party transactions:					
Manson Creek Resources Ltd. ("Manson")					
Office rent and operating costs paid	c)	**$ (4,854)**	$ -	**$ (6,354)**	$ -
General and administrative and secretarial costs paid	c)	**$ (1,064)**	$ (341)	**$ (1,064)**	$ (1,713)
General and administrative and secretarial costs received	c)	**$ 726**	$ 372	**$ 726**	$ 372
Guatavita Gold Corporation ("Guatavita")					
Office rent and operating costs paid	d)	**$ -**	$ (3,065)	**$ -**	$ (6,455)
General and administrative and secretarial costs paid	d)	**$ -**	$ (6,961)	**$ (7,365)**	$ (14,127)
General and administrative and secretarial costs received	d)	**$ -**	$ 46	**$ -**	$ 46

The following amounts were receivable from or due to related parties at the respective period ends:

	Note	**Mar 31, 2016**	**Sept 30, 2015**
Balances receivable (owing)			
Consulting fees:			
President and director	a)	**$ -**	$ (4,200)
General and administrative and secretarial costs:			
Guatavita Gold Corporation	d)	**$ -**	$ (1,437)
Manson Creek Resources Ltd.	c)	**$ (6,197)**	$ (525)
Manson Creek Resources Ltd.	c)	**$ 762**	$ 315
Guatavita Gold Corporation	d)	**$ 11**	$ 374

Management compensation payable to "key management personnel" during the respective three and six month periods is reflected in the table above and consists of consulting fees paid to the President, the CFO, salary for the Corporate Secretary and directors' fees. Officers and directors are also compensated through the granting of options from time-to-time. There were no options granted to officers and directors during the three and six month periods ended March 31, 2016 or March 31, 2015. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company.

(Expressed in Canadian Dollars)

17. Related party balances and transactions and key management remuneration (continued)

a) The President and director of the Company billed for consulting services that were either expensed or, when his services related directly to mineral property exploration, capitalized to exploration and evaluation assets. During the six months ended March 31, 2016, $Nil, (2015 - $Nil), was expensed through reporting to shareholder expenses or general and administrative expenses and $Nil, (2015 - $6,100), was capitalized to exploration and evaluation assets.

b) The Company pays directors who are not officers of the Company $500 for meeting attendance in person and $300 for meeting attendance by telephone. There are two directors who are not officers and the amounts above reflect directors fees paid/payable for meetings attended during the above-noted periods. Since January 1, 2015, the directors have not been paid for meeting attendance as a voluntary cost cutting measure.

c) Manson incurred certain administrative expenses on the Company's behalf that were subsequently billed to the Company on a quarterly basis. Further, the Company incurred certain administrative costs on behalf of Manson that were billed on a quarterly basis. Effective April 1, 2015, the Company commenced to lease office space from Manson. Manson and the Company share three common officers and two common directors.

d) Guatavita employed two individuals who also performed work for the Company and incurred certain administrative expenses on behalf of the Company and billed on a quarterly basis for these expenses. Included in these billings were the services provided by the Corporate Secretary. From January 1, 2012 to March 31, 2015, the Company leased office space from Guatavita. Effective December 31, 2015, the Company is no longer receiving services from Guatavita. The Company incurred certain administrative expense on Guatavita's behalf that were subsequently billed to Guatavita on a quarterly basis. Guatavita and the Company share three common officers and one common director.

Related party receivables pertain to billings plus applicable sales taxes for which payment has not been received and related party payables reflect billings plus applicable sales taxes that were not yet paid by the Company at the respective period ends. Related party transactions were measured at the amounts agreed to by the transacting parties.

18. Commitments

Pursuant to a lease agreement for office space, the Company is committed to pay its share of base lease costs plus additional rent, which include it's proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additional annual rent is estimated to be approximately $13,600. As at March 31, 2016, the committed base lease costs to the termination of the lease are as follows:

April 1, 2016 - September 30, 2016	$	5,216
October 1, 2016 - March 31, 2017	$	5,216
Total to lease termination	$	10,432

(Expressed in Canadian Dollars)

19. Supplemental disclosure statement of cash flows

Reconciliation of cash used in operating activities to operating loss.

	Three months ended Mar 31		Six months ended Mar 31	
	2016	**2015**	**2016**	**2015**
Loss before other items	**$ (22,602)**	$ (85,421)	**$ (38,521)**	$ (113,064)
Depreciation	**83**	157	**165**	314
Impairment of exploration and evaluation assets	**-**	65,007	**-**	65,007
Changes in assets and liabilities pertaining to operations:				
Accounts receivable	**(1,353)**	3,013	**(1,217)**	(1,224)
Prepaid expenses	**(1,335)**	(674)	**2,748**	3,154
Accounts payable and accrued liabilities	**(5,478)**	(20,218)	**(10,971)**	(25,192)
Cash paid to suppliers and contractors	**$ (30,685)**	$ (38,136)	**$ (47,796)**	$ (71,005)

20. Segment disclosures

During the current period ended March 31, 2016 and the comparative period ended March 31, 2015 as well as during the year ended September 30, 2015, the Company was only engaged in mineral exploration and all exploration activities were undertaken in Canada. Consequently, segmented information is not presented in these financial statements.

21. Capital

The Company's objective when managing capital is to continue as a going concern so that it can provide value to shareholders by acquiring and conducting exploration on mineral exploration properties with the ultimate objective of finding commercial quantities of base and/or precious metals. Capital is defined as capital stock, warrants, contributed surplus and deficit. The Company has traditionally financed through equity issues rather than debt and does not anticipate using debt to finance its continuing grass roots exploration. Should the Company evolve to the point where it is developing or operating a mine, debt options will be investigated.

The Company will raise equity as cash flow requirements dictate and will attempt, when able, to time financings with more favorable market conditions. The Company can scale back exploration, and to a certain extent, discretionary administrative costs, during tighter equity markets. The Company invests capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments such as Bankers' Acceptances and Term Deposits.

The externally imposed capital requirement that the Company is exposed to relates to flow-through shares. Pursuant to flow-through agreements entered into with flow-through share subscribers, the Company has committed to use the full proceeds of these issuances to incur qualifying mineral exploration expenditures within a prescribed time frame. Should the Company not incur these expenditures, they are required to pay the flow-through subscribers an amount equal to the tax payable by the subscriber as a result of the Company's failure to incur the expenditures. As at March 31, 2016 and September 30, 2015, there were no qualifying expenditures required by flow-through agreements, consequently there was no restricted cash at March 31, 2016 and September 30, 2015.

22. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of receivables, (excluding sales tax). The Company has had a history of prompt receipt of its receivables and considers credit risk to be low on these instruments as at March 31, 2016 and September 30, 2015.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. During the three month period ended March 31, 2016, the Company completed a brokered private placement of Common shares for aggregate gross proceeds of $230,000. The Company feels that it has sufficient working capital to finance general and administrative through fiscal 2016 assuming similar activity levels to the prior year. However, increases in activity levels, new property acquisitions and any level of exploration on its mineral properties will require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 "Nature of operations and going concern".

c) Market risk

Market risk consists of currency risk, price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits. There were no foreign currency denominated transactions during the periods disclosed and the Company did not hold cash balances in foreign currencies. As a result the Company is not exposed to foreign currency exchange risks at this time. As the Company has not yet developed producing mineral interests, it is not exposed to commodity price risk at this time. As the Company has no debt facilities and has minimal amounts of interest income, it is not exposed to significant interest rate risk at this time. The Company's equity investments are subject to market price risk. These investments were received as partial proceeds for the sale of mineral property interests. The Company does not invest excess cash in equity investments as a general rule. The investments in common shares and warrants are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. During the six month period ended March 31, 2016, the market price fluctuation on the investments held resulted in a net loss of $55,750 (19.5%) (year ended September 30, 2015 - net gain of $105,000 (58%)) on short-term investments. In 2016 a 10% change in fair value of the Company's marketable investments would result in a charge to income of $22,900 (2015 - $28,475). The Company does not intend to hold these investments for more than one year.

NORTHERN ABITIBI MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2016

The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of Northern Abitibi Mining Corp. ("Northern Abitibi" or "the Company") for the three and six month periods ended March 31, 2016 and should be read in conjunction with the Unaudited Condensed Interim Consolidated Financial Statements as at and for the three and six month periods ended March 31, 2016 ("Q2 2016") and related notes thereto as well as the Audited Consolidated Financial Statements for the year ended September 30, 2015 and related notes thereto. The date of this MD&A is May 16, 2015. Northern Abitibi's common shares trade on the TSX Venture Exchange under the symbol "NAI". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ('SEDAR') and can be accessed at www.sedar.com.

The Company's Unaudited Condensed Interim Consolidated Financial Statements for the six months ended March 31, 2016 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the IFRS accounting policies the Company adopted in its initial IFRS Annual Consolidated Financial Statements as at and for the year ended September 30, 2015. The Company's accounting policies are provided in Note 3 "Summary of significant accounting policies" to the annual Consolidated Financial Statements as at September 30, 2015. All dollar amounts are in Canadian dollars, unless otherwise noted.

The "Independent Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for Northern Abitibi's exploration projects in the following discussion and analysis is Dr. Shane Ebert, P. Geo., a Professional Geologist, registered in the Province of British Columbia and the President and Director of Northern Abitibi. The scientific and technical information concerning such properties contained herein has been reviewed by Dr. Ebert.

Statements and/or financial forecasts that are unaudited and not historical, including without limitation, exploration budgets, data regarding potential mineralization, exploration results and future plans and objectives, are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company's business including, but not limited to: general market and economic conditions, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the market place that will cause suppliers' prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work than was originally planned.

All forward-looking information is stated as of the effective date of this document, and is subject to change after this date. There can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

1) Principal Business of the Company

Northern Abitibi, including its wholly owned subsidiary, NAMCOEX Inc., is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations and no earnings there from, is considered to be in the exploration stage. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the mineral properties where necessary and upon future profitable production; or, alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The Company's philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible or the property can be sold outright.

The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares and warrants. None of the Company's mineral properties are in production. Consequently, the Company's net income is a limiting indicator of its performance and potential.

2) Highlights – Three and six months ended March 31, 2016

- The Company staked the Cariboo Gold Property located in central British Columbia. For more information refer to Note 3 "Mineral properties, Cariboo Gold property, British Columbia" below.
- The Company continues to evaluate and interpret all available historic exploration data from the Cariboo Gold Property and design an appropriate exploration program for 2016.
- On March 23, 2016, the Company completed a brokered private placement for aggregate gross proceeds of $230,000. The placement was comprised of 23,000,000 common shares at $0.01 per share. Share issuance costs included a cash commission of 9% of the amount raised as well as 10% of the amount raised in broker warrants. Proceeds net of share issuance costs were $203,742 and will be used to fund working capital requirements.
- The Company continues to actively search for new early stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition or similar agreements except as noted above.

3) Mineral Properties

Cariboo Gold Property, British Columbia

During the year ended September 30, 2015, the Company staked the Cariboo Gold Property located in central British Columbia.

The Cariboo Gold Property is 30 kilometres southeast of Quesnel, B.C. with good road access, located in the heart of the Cariboo gold fields which have produced several million ounces of gold from both placer and lode deposits. Major deposits located south and southeast of the Cariboo Gold Property include the QR Mine, the Gibraltar Mine, the Mt. Polley Mine, and the Spanish Mountain and Woodjam projects.

The Cariboo Gold Property has seen significant historic exploration including geophysical and geochemical surveys and drilling. The property is known to contain gold skarn style mineralization similar to the nearby QR deposit, along with epithermal Au mineralization. Historic drilling has also encountered high temperature potassic alteration along with intrusive rocks and breccias indicating potential for Cu-Au porphyry style mineralization.

Historic drilling by Placer Dome and Cross Lake Minerals encountered strong gold mineralization including intercepts of 11 metres grading 1.41 g/t Au, 6 metres grading 2.18 g/t Au, 6 metres grading 1.72 g/t Au, and individual assays up to 4.5 g/t Au. An induced polarization geophysical survey conducted in 2003 for Cross Lake Minerals defines an area 800 metres by 350 metres with anomalous chargeability that remains open to the southwest, west and northeast, with a coincident resistivity high that is 200 metres by 500 metres and appears open to the west and northeast. The known mineralized zones have not been fully drill tested or delineated and significant geophysical and geological targets on the property remain untested.

The Company will continue to evaluate and interpret all available historic exploration data from the Cariboo Gold Property and design an appropriate exploration program for 2016.

Ches, British Columbia

In December 2014, the Company received the assay results for the surface sampling on the Ches property. Significant intervals of highly anomalous copper and zinc have been encountered in the trenches demonstrating the system contains significant anomalies in bedrock. These values range from 200 to 1000 ppm copper, and 200 to 5150 ppm zinc. After a thorough review of the 2014 exploration results the Company decided to terminate the Option Agreement on the Ches property and on March 5, 2015, the Company returned the property to the vendors. During the summer of 2015 all reclamation work was completed on the property and the reclamation bond held by the Government of British Columbia was returned. The Company has no further legal obligations or commitments with respect to the Ches property.

4) Operating Results

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended March 31		Six months ended March 31	
	2016	**2015**	**2016**	**2015**
General and administrative	**$ (14,529)**	$ (17,078)	**$ (28,582)**	$ (37,542)
Reporting to shareholders	**(4,017)**	(311)	**(4,017)**	(4,174)
Professional fees	**(1,501)**	(495)	**(1,501)**	(1,844)
Stock exchange and transfer agent fees	**(2,472)**	(2,373)	**(4,256)**	(4,183)
Depreciation	**(83)**	(157)	**(165)**	(314)
Impairment	**-**	(65,007)	**-**	(65,007)
Gain (loss) on short-term investments	**55,250**	164,250	**(55,750)**	108,250
Interest income	**66**	40	**66**	40
Net and comprehensive income (loss)	**$ 32,714**	$ 78,869	**$ (94,205)**	$ (4,774)

In general, the objective to tightly manage costs as a strategy to conserve resources during this economically challenging time remains a priority for the Company. Variances in general and administrative expenditures and professional fees are examined in further detail in the chart below. The most significant changes in other expenditures follow:

- Overall, expenditures in the current period were consistent with budgeted expenditures.
- Reporting to shareholders expenditures relate to the filing and dissemination of the annual audited financial statements for which there was no significant variance. The variance between the three month comparative periods results because of the timing of the preparation of the annual audited financial statements which occurred in Q2 of 2016 and Q1 of 2015.
- The impairment charges in 2015 relate to the Ches property, which was returned to the vendors in March 2015. No similar charges were incurred in the six month period ended March 31, 2016.
- In the current period, the Company recognized a gain on short-term investments of $55,520; however, over the six month period a loss of $55,750 was incurred. The loss on short-term investments results from adjusting the Company's holding in common shares and warrants of Société d'Exploration Minière Vior Inc. ("Vior Inc."), Spruce Ridge Resources Ltd. ("Spruce Ridge") and Commander Resources Ltd. (“Commander”) to fair value at the respective period ends. At March 31, 2016 Spruce Ridge shares were trading at $0.020 versus $0.025 at September 30, 2015, resulting in a loss of $55,000. At March 31, 2015 these shares were trading at $0.025 per share versus $0.015 at September 30, 2014, resulting in a gain of $110,000. At March 31, 2016, The Vior Inc. shares were trading at $0.040 per share versus $0.055 at September 30, 2015, resulting in a loss of $2,250. At March 31, 2015 and September 30, 2014, they were trading at $0.07 per share (after a 5:1 reverse stock split) and $0.015 at September 30, 2014 resulting in a loss of $750 change in the fair value at the comparative period end. Finally, the value of the Commander Resources Ltd shares increased from $0.015 at September 30, 2015 to $0.030 at March 31, 2016 resulting in a gain of $1,500. During the comparative periods the value of the shares fell from $0.03 per share at September 30, 2014 to $0.02 per share at March 31, 2015 resulting in a loss of $1,000. These market price declines result in significant valuation adjustments from period to period.

General and administrative expenses

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended March 31		Six months ended March 31	
	2016	**2015**	**2016**	**2015**
Administrative consulting fees	**$ 4,708**	$ 2,065	**$ 6,633**	$ 7,105
Occupancy costs	**4,855**	3,065	**6,355**	6,455
Office, secretarial and supplies	**1,795**	8,393	**9,416**	15,928
Travel and promotion	**-**	200	**-**	200
Insurance	**2,883**	2,853	**5,765**	5,706
Directors' fees	**-**	-	**-**	1,000
Computer network and website maintenance	**288**	502	**413**	1,148
Total general and administrative expenses	**$ 14,529**	$ 17,078	**$ 28,582**	$ 37,542

- Administrative consulting fees, which consist of fees for the CFO, the controller and geological consulting, are down by approximately $500 in accordance with budgeted expenditures. There were no geological consulting fees incurred, nor fees for the services provided by the CFO in either the current period or comparative period. The variance from the comparative period primarily results from the timing of the audit of the annual financial statements at September 30, 2015 and September 30, 2014.
- Occupancy costs have increased by $1,800 in the current quarter from the comparative quarter and result due to a new lease entered into April 1, 2015 and a subsequent change to the office cost sharing arrangements with the Company's related parties. See Note 17 - "Related party balances and transactions and key management remuneration" and Note 18 - "Commitments" in the unaudited interim consolidated financial statements dated March 31, 2016 which accompany this document. Occupancy costs are expected to be approximately $2,000 per month until the lease terminates March 31, 2017.
- There is drop of $6,500 in office, secretarial and supplies expenditures during the current from comparative periods. The majority of the expenditures relate to office salary allocations, and are in accordance with the budget. The current period change results because the Company is no longer receiving services from Guatavita Gold Corporation, a related party. See Note 17 - "Related party balances and transactions and key management remuneration" in the unaudited interim consolidated financial statements dated March 31, 2016 which accompany this document.
- There is no significant variation in insurance premiums between current and comparative quarters.
- Effective Q2 2015 to present, directors were not paid fees as a voluntary cost management measure.
- Computer network and website maintenance fees are down in the current periods by approximately $700. The decrease is a result of expenditures in Q1 2015 relating to the purchase and installation of a new network system. No similar expenditures were required in during the current periods.

Professional fees

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended March 31		Six months ended March 31	
	2016	**2015**	**2016**	**2015**
Audit and accounting	**$ 1,065**	$ -	**$ 1,065**	$ (30)
Legal and filing fees	**436**	495	**436**	1,874
Total professional fees	**$ 1,501**	$ 495	**$ 1,501**	$ 1,844

- Professional fees, which consist of annual auditing fees plus legal and other filing fees. The audit and accounting expenditure of $1,065 is due to an under accrual of the 2015 audit fees.
- In the current and comparative periods legal and filing fees consist primarily of fees for news releases and SEDAR continuous disclosure filings and correspond with the volume of activity in each period. Also included are nominal legal fees for filing annual returns.

5) Liquidity and Capital Resources

The Company's working capital position at March 31, 2016 was $440,983 (September 30, 2015 - $332,887) an increase of $108,000. On March 23, 2016, the Company completed a brokered private placement for aggregate gross proceeds of $230,000. The placement was comprised of 23,000,000 common shares at $0.01 per share. Share issuance costs included a cash commission of 9% of the amount raised as well as 10% of the amount raised in broker warrants. Proceeds net of share issuance costs were $203,742 and will be used to fund working capital requirements.

Other significant changes to working capital are as follows:
- A decline in the fair market value of the short-term investments from $284,750 at September 30, 2015 to $229,000 at March 31, 2016 resulted in a loss of $55,750.
- Operations for the six month period ended March 31, 2016 used approximately $48,000 which included an increase in accounts receivable of $1,200, a reduction of $2,700 in prepaid expenses and a decrease of $11,000 (a net decrease in working capital of $9,500).
- Additionally, the Company has invested $1,600 in exploration and evaluation assets, primarily for property acquisition related to the Cariboo Gold property in British Columbia.

Assuming similar activity levels, the Company will have sufficient cash to finance general and administrative operations the remainder of the current year and beyond, before acquisition costs and exploration expenses are accounted for. Additional financing will be required to fund any exploration programs. Management is continually assessing financing options. While the Company has successfully raised equity funds in the past, there are no guarantees that it will be able to do so in the future. As a result, there is doubt regarding the Company's ability to continue as a going concern. The Company's financial statements do not reflect the adjustments that would be necessary to the carrying amount of reported assets, liabilities, revenues and expenses if the Company could not continue as a going concern. Such adjustments could be material. Refer to Note 1 - Nature of operations and going concern in the Consolidated Financial Statements, September 31, 2015.

6) Financing

On March 23, 2016, the Company completed a brokered private placement for aggregate gross proceeds of $230,000. The placement was comprised of 23,000,000 common shares at $0.01 per share. Share issuance costs included a cash commission of 9% of the amount raised as well as 10% of the amount raised in broker warrants. Each broker warrant entitles the holder to purchase one common share at a price of $0.05 per share until March 23, 2021. In valuing the warrants, the Company used a proration of proceeds method to the components including the use of the Black-Scholes Option Pricing model assuming a volatility of 124%, a risk free rate of 0.60%, a five year warrant life, and a 0% dividend rate.

During the year ended September 30, 2015, there were no financing activities.

7) Contractual Obligations

Pursuant to a lease agreement for office space, the Company is committed to pay its share of base lease costs plus additional rent, which include it's proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additional annual rent is estimated to be approximately $13,600. As at March 31, 2016, the committed base lease costs to the termination of the lease are as follows:

April 1, 2016 - September 30, 2016	$	5,216
October 1, 2016 - March 31, 2017	$	5,216
Total to lease termination	$	10,432

8) Exploration Expenditures

Refer to Note 8 “Exploration and evaluation assets,” in the Condensed Interim Consolidated Financial Statements for exploration and evaluation asset expenditures for the three and six month periods ended March 31, 2016.

9) Off-Balance Sheet Transactions

There are no off-balance sheet transactions to report.

Selected Quarterly Financial Information

The following selected financial data has been extracted from the unaudited interim consolidated financial statements for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended	**Mar 31 2016 (Q2 2016)**	**Dec 31 2015 (Q1 2016)**	**Sep 30 2015 (Q4 2015)**	**Jun 30 2015 (Q3 2015)**	**Mar 31 2015 (Q2 2015)**	**Dec 31 2014 (Q1 2015)**	**Sept 30 2014 (Q4 2014)**	**Jun 30 2014 (Q3 2014)**
	$	$	**$**	**$**	**$**	**$**	**$**	**$**
Loss before recovery (impairment) of exploration and evaluation assets	(22,602)	(15,919)	(29,974)	(17,065)	(20,414)	(27,643)	(42,717)	(48,468)
Recovery (impairment) of exploration and evaluation assets	-	-	14,295	1,083	(65,007)	-	-	-
Loss before other items	(22,602)	(15,919)	(15,679)	(15,982)	(85,421)	(27,643)	(42,717)	(48,468)
Interest and other income	66	-	-	99	40	-	126	1
Gain (loss) on short-term investments	55,250	(111,000)	47,249	(50,499)	164,250	(56,000)	(5,750)	(55,000)
Comprehensive profit (loss)	32,714	(126,919)	31,570	(66,382)	78,869	(83,643)	(48,341)	(103,467)
Basic and diluted earnings (loss) per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The most significant influences on the variability of profit or loss are the amount of exploration and evaluation asset impairments, gains on sale of exploration and evaluation assets, income from flow-through shares, and gains or losses on short-term investments. The timing of the impairments and gains on sale of the Company's Exploration and evaluation assets cannot be predicted in advance and will vary from one reporting period to the next. As a result, there may be dramatic changes in the financial results and balance sheet position reported by the Company on a period by period basis.

The Company has received common shares and warrants in three separate publicly traded Companies as partial consideration for the sale of mineral property interests in past years. Comprehensive Profit or Loss will fluctuate as the carrying value of these investments is adjusted to fair value at the respective period ends.

10) Directors and Officers

Shane Ebert	*Director and President*	Douglas Cageorge	*Director*
Jean-Pierre Jutras	*Director and Vice-President*	Douglas Porter	*Chief Financial Officer*
Barbara O'Neill	*Corporate Secretary*	Lesley Hayes	*Director*

11) Related Party balances and transactions and key management remuneration

Transactions for Q2 2016 are disclosed and explained in Note 17 to the Condensed Interim Consolidated Financial Statements for the six month period ended March 31, 2016 which accompany this MD&A.

12) Share capital and equity reserves

Refer to Note 12 to the financial statements and the Condensed Interim Statement of Changes in Equity for common share capital, stock option and warrant transactions during the six months ended March 31, 2016 and balances as at that date. There were no changes to Share capital, Warrants or Options during the period from April 1, 2016 to May 16, 2016, the date of this report.

13) Financial instruments

The carrying value of the Company's financial instruments, consisting of cash at bank, accounts receivable (net of sales tax), short-term investments and accounts payable and accrued liabilities, approximate their fair value due to the short-term nature of the instruments.

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. he Company had no foreign currency denominated fund balances. Consequently, variations in foreign exchange rates will not result in foreign exchange gains or losses at this point in time.

14) Financial risk management

a) Credit risk
Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of receivables. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at March 31, 2016 and September 30, 2015.

b) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements, as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. During the three month period ended March 31,

2016, the Company completed a brokered private placement of Common shares for aggregate gross proceeds of $230,000. The Company feels that it has sufficient working capital to finance general and administrative and other operating expenses for at least one year assuming similar activity levels to the prior year, however, increases in activity levels, new property acquisitions and a 2016 exploration program would require additional financing. Refer to Note 1 - Nature of operations and going concern on the Consolidated Financial Statements, September 30, 2015.

c) Market risk

Market risk consists of currency risk, price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits. There were no foreign currency denominated transactions during the periods disclosed and the Company did not hold cash balances in foreign currencies. As a result the Company is not exposed to foreign currency exchange risks at this time. As the Company has not yet developed producing mineral interests, it is not exposed to commodity price risk at this time. As the Company has no debt facilities and has minimal amounts of interest income, it is not exposed to significant interest rate risk at this time. The Company's equity investments are subject to market price risk. These investments were received as proceeds for the sale of mineral property interests. The Company does not invest excess cash in equity investments as a general rule. The investments in common shares and warrants are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. During the six month period ended March 31, 2016, the market price fluctuation on the investments held resulted in a net loss of $55,750 (19.5%) (year ended September 30, 2015 - net gain of $105,000 (58%)) on short-term investments. In 2016 a 10% change in fair value of the Company's marketable investments would result in a charge to income of $22,900 (2015 - $28,475). The Company does not intend to hold these investments for more than one year.

15) Outlook

The Company’s primary objective is to discover mineral resources in economic quantities capable of supporting an operating mine. Should the Company discover such a promising property, it would likely attempt to ally with a more senior mining company that might option-in on the property or purchase the property outright, as the Company does not have expertise in operating a mine.

During the year ended September 30, 2015, the Company acquired the Cariboo Gold property, located in central British Columbia, through staking. The Company will continue to evaluate and interpret all available historic exploration data from the Cariboo Gold Property and design an appropriate exploration program for 2016. Refer to section 2) Highlights and 3) Mineral properties of this document for more information relating to the acquisition of this property.

The Company continues to actively search for new early stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition or similar agreements except as noted above.

16) Risks

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operation (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risk factors, among others, should be considered:

- **Exploration, development and operating risks**
  The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

- **Substantial capital requirements and liquidity**
  Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

- **Fluctuating mineral prices**
  The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

- **Regulatory, permit and license requirements**
  The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on a reasonable terms, or that such laws and regulation will not have an adverse effect on any exploration or development project which the Company might undertake.

  Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

- **Financing risks and dilution to shareholders**
  The Company has limited financial resources, no operations and no revenues. If the Company's exploration program on it properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

- **Title to properties**
  Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Optionors or the Company, as the case may be does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on its properties without compensation for its prior expenditures relating to its properties.

- **Competition**
  The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interest as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

- **Reliance on management and dependence on key personnel**
  The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

- **Environmental risks**
  The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that drill sites and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental

legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating costs.

- **Conflicts of interest**
  Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contact or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

- **Uninsurable risks**
  Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

- **Litigation**
  The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

17) Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its exploration and evaluation assets. Exploration and evaluation assets consist of the capitalized costs of exploration and mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonments. The estimated values of exploration and evaluation assets are evaluated by management on a regular basis to determine whether facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Reference is made to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, financing, the extent to which optionees have committed, or are expected to commit to, exploration on the property and the imminent expiry of the right to explore, among other factors. When it becomes apparent that the carrying value of a specific property will not be realized, an impairment provision is made for the estimated decline in value.

The Company’s estimate for decommissioning obligations is based on existing laws, contracts and other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which require that certain assumptions be made. By their nature, these estimates are subject to measurement uncertainty.

Another significant accounting estimate relates to valuing stock-based compensation and warrants. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options granted and vested, or warrants issued, during the year.

The Company estimates the fair value of its short-term equity investments at each period end as they are carried at fair value in the Balance Sheet. The Company uses the closing price of the common shares on the period-end date and uses the Black-Scholes Option Pricing Model discussed above to estimate the value of its investment in warrants. The price at which these instruments can ultimately be sold will vary from these estimates due to the timing of their sale, the volume of trading in the securities at any given time and changes in the market over time, among other factors.

18) New Accounting Policies

The Company did not adopt any new accounting policies during the six months ended March 31, 2016.

IFRS accounting standards, interpretations and amendments subsequent to period-end

Certain new accounting standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for periods subsequent to those disclosed in the financial statements. They include the following, but do not include updates that are not applicable or are not consequential to the Company's operations:

i) IFRS 9 - Financial Instruments

IFRS 9 - Financial instruments, and consequential amendments to other related standards, is effective for accounting periods commencing on or after January 1, 2015. There have been new amendments related to IFRS 9 issued in November 2013. Although the transition date has been deferred, these amendments would be required to be prospectively applied in the financial statements for the 2014 year and beyond, as the Company has early adopted this section. However, these amendments relate to hedging and own credit risk, to which the Company is not exposed, therefore these amendments do not have a significant impact on its financial reporting.

19) Other

Additional information relating to the Company may be found on SEDAR at www.sedar.com.