Northern Sphere Mining Corporation

(an Exploration Stage Company)

Unaudited Condensed
Consolidated Financial Statements
(Expressed in Canadian Dollars)

Three and nine months ended
September 30, 2016 and 2015

MANAGEMENT’S RESPONSIBILITY FOR INTERIM CONSOLIDATED FINANCIAL REPORTING

The accompanying unaudited interim consolidated financial statements of Northern Sphere Mining Corp. [the "Company" or “Northern Sphere”] are the responsibility of the management and Board of Directors of the Company.

The unaudited interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills 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 financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) “*John Carter”*
John Carter
President and Chief Executive Officer

(signed) “*Robin Pilkey*”
Robin Pilkey
Chief Financial Officer

NOTICE TO READER

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2016 and 2015 have not been reviewed by the Company's auditors.

Northern Sphere Mining Corp.
(an Exploration Stage Company)

Unaudited Interim Condensed Consolidated
Statements of Financial Position

(Expressed in Canadian Dollars)

		September 30, 2016		December 31, 2015
Assets				
Current Assets				
Cash	**$**	**1,607**	$	-
Prepaid expenses		**3,256**		-
HST receivable		**10,731**		-
	$	**15,594**	$	-
Mineral Properties *(Note 10)*		**1,854,945**		1,797,445
	$	**1,870,539**	$	1,797,445
Liabilities				
Current Liabilities				
Bank indebtedness	**$**	**-**	$	4,312
Trade payables and accrued liabilities *(Note 5)*		**381,222**		223,740
HST payable		**-**		22,374
Deposits from Investors (*Note 7*)		**86,862**		**-**
Demand promissory note payable *(Note 6)*		**50,000**		50,000
Debenture payable *(Note 6)*		**1,901,300**		1,901,300
	$	**2,419,384**	$	2,201,726
Deficiency in Assets				
Capital Stock *(Note 9)*	**$**	**5,822,589**	$	4,977,471
Share-based payments reserve		**452,314**		452,314
Contributed Surplus		**37,750**		37,750
Deficit		**(6,861,498)**		(5,871,816)
	$	**(548,845)**	$	(404,281)
	$	**1,870,539**	$	1,797,445

Nature of Operations and Going Concern (Note 1)
Approved on behalf of the Board on November 28, 2016:

Signed " John Carter "
Director

Signed " Peter Tassiopoulios "
Director

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

Northern Sphere Mining Corp.
(an Exploration Stage Company)

Unaudited Interim Condensed Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

	Three month ended September 30		Nine month ended September 30	
	2016	2015	**2016**	2015
Administrative Expenses				
Management, director fees *(Note 7,8)*	**$ 42,000**	$ 51,667	**$ 118,000**	$ 99,667
General and administrative	**20,951**	47,344	**64,957**	62,733
Professional fees	**25,468**	24,394	**78,860**	23,038
Consulting fees	**22,762**	-	**115,500**	-
Exploration & evaluation expenditures (*Note 10*)	**238,614**	-	**615,015**	-
Gain on forgiveness of debt (*Note 5*)	**184**	-	**-**	(55,012)
Gain/(loss) on foreign currency exchange	**73**	8,732	**(2,650)**	8,732
Comprehensive loss for the period	**$ 349,868**	$ 132,138	**$ 989,682**	$ 139,158
Loss per share - basic [(1)]	**$ (0.024)**	$ (0.057)	**$ (0.080)**	$ (0.089)
Weighted average number of shares outstanding – basic and fully diluted	**14,379,698**	2,335,614	**12,364,114**	2,335,614
Loss per share - fully diluted [(1)]	**$ (0.023)**	$ (0.057)	**$ (0.077)**	$ (0.089)
Weighted average number of shares outstanding – basic and fully diluted	**15,127,198**	2,335,614	**12,863,356**	2,335,614

(1): After giving full effect to the common share consolidation effective August 25, 2015. See Note 9 for more details.

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

Northern Sphere Mining Corp.
(an Exploration Stage Company)
Unaudited Interim Condensed Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Capital Stock		Reserves			
	Number of shares (1)	Amount	Share based payments	Contributed surplus	Accumulated deficit	Total
Balance at January 1, 2016	**9,879,698**	**$ 4,977,471**	**$ 452,314**	**$ 37,750**	**$ (5,871,816)**	**$ (404,281)**
Private Placement March 3, 2016	1,475,000	286,539	-	-	-	286,539
Private Placement May 18, 2016	1,335,000	262,059	-	-	-	262,059
Private Placement June 10, 2016	1,690,000	296,520	-	-	-	296,520
Net loss and comprehensive loss for the period	-	-	-	-	(989,682)	(989,682)
Balance at September 30, 2016	**14,379,698**	**$ 5,822,589**	**$ 452,314**	**$ 37,750**	**$ (6,861,498)**	**$ (548,845)**
Balance at January 1, 2015	2,335,614	$ 4,236,835	$ 452,314	$ -	$ (5,904,689)	$ (1,215,540)
Net loss and comprehensive loss for the period	-	-	-	-	(139,158)	(139,158)
Balance at September 30, 2015	2,335,614	$ 4,236,835	$ 452,314	$ -	$ (6,043,847)	$ (1,354,698)

(1): After giving effect to the common share consolidation effective August 25, 2015 (Note9)

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

Northern Sphere Mining Corp.
(an Exploration Stage Company)
Unaudited Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Nine months ended September 30,			
		2016		2015
Operating activities				
Comprehensive loss for the period	**$**	**(989,682)**	$	(139,158)
Net Change in non-working capital items:				
Trade and other receivables		**(3,256)**		(1,563)
HST recoverable / payable		**(33,105)**		
Trade and other payables		**157,482**		(13,882)
Cash flow (used in) from operating activities	**$**	**(868,561)**	$	(154,603)
Financing activities				
Proceeds from private placements, net of issue costs *(Note 9)*		**845,118**		-
Advances from shareholders *(Note 7)*		**86,862**		325,000
Advances from director *(Note 7)*		**-**		50,000
Cash flows from financing activities	**$**	**931,980**	$	375,000
Investing activities				
Investment in mineral property *(Note 10)*		**(57,500)**		(180,082)
(Decrease) increase in cash	**$**	**5,919**	$	40,315
Cash at beginning of period		**(4,312)**		7,556
Cash at end of period	**$**	**1,607**	$	47,872

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Northern Sphere Mining Corp. (the "Company" or "Northern Sphere") is incorporated under the Canada Business Corporations Act. The Company's principal business activity is that of a mineral exploration Company. The Company has not yet established whether its mineral properties contain reserves that are economically recoverable. The recovery of amounts capitalized as mineral properties on the statement of financial position is dependent upon the existence of economically recoverable reserves, the ability of the Company to arrange appropriate financing to complete the development of the properties, and upon future profitable production or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis, all of which are uncertain.

As at September 30, 2016, the Company had a working capital deficiency of $2,403,790 (December 31, 2015 - $3,134,642), had not yet achieved profitable operations, has accumulated losses of $6,861,498 (December 31, 2015 - $5,871,816) and expects to incur future losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The business of exploring for minerals involves a high degree of risk, as such there is no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of Northern Sphere 's interest in its mineral properties, and the Company's continued existence, is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, as well the ability of the Company to raise additional financing to fund its exploration and development programs or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs to the carrying values.

Although the Company has taken steps to verify title to its mineral properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

Management plans to secure the necessary financing to continue as a going concern through a combination of the issue of new equity or debt instruments and the entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has neither sufficient financial resources nor current source of recurring revenue. There is also no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable to the Company. Failure to obtain such additional financing will result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The accounting policies applied in these interim condensed consolidated financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved the interim condensed consolidated financial statements. Any subsequent changes to IFRS that are given effect in the annual consolidated financial statements for the year ending December 31, 2016 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

2.2 Basis of presentation and functional and presentation currency

These interim condensed consolidated financial statements have been prepared on the going concern basis, under the historical convention, except fair value through profit and loss assets which are carried at fair value and have been prepared using the accrual basis of accounting, as explained in the accounting policies, which are set out in the Company's December 31, 2015 annual financial statements. The comparative figures presented in these interim condensed consolidated financial statements are in accordance with IFRS and have not been audited.

The interim condensed consolidated financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

2.3 Adoption of new and revised standards and interpretations

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has yet to evaluate the impact of the new standard.

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return

3. CAPITAL MANAGEMENT *(continued)*

on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

All of the properties in which the Company currently has an interest are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There has been significant market turbulence worldwide due to the credit crisis and potential of a global recession. These market conditions have and are expected to continue to have an adverse impact on the ability of junior mining exploration companies to secure equity funding. The Company has historically relied on equity financing to raise capital and expects to be able to continue to do so, but its ability to do so may be impacted by the current global situation and economic uncertainties. Management has considered how these conditions have impacted the Company's viability given its current capital structure and considers that until the outcome of future financing activities is known there is considerable uncertainty about the appropriateness of the use of the going concern basis of accounting.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three or nine month periods ended September 30, 2016. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS

Fair value

As at September 30, 2016 and 2015, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these investments. Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. Northern Sphere's asset most susceptible to credit risk is its cash, which is held at a major Canadian bank. As such, the risk of loss is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations.

4. FINANCIAL INSTRUMENTS (*continued)*

The Company manages its liquidity risk by forecasting its operations and anticipating its operating and investing activities while seeking additional financing as required.

Liquidity risk (*continued)*
As at September 30, 2016, the Company had a working capital deficiency of $6,861,498 (December 31, 2015 - $3,134,642). In order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. As such, management believes that the Company will then have sufficient working capital to discharge its current and anticipated obligations for a minimum of one year. There can be no assurance that Northern Sphere will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Northern Sphere may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

Interest rate risk: The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities.

Foreign exchange risk: The Company is involved with one joint venture in Arizona and the Company's US subsidiary has claims in Nevada where it incurs exploration expenditures in US dollars. Management believes that the impact of foreign currency exposure to the US dollar is not significant at this time and therefore does not hedge foreign exchange risk.

5. TRADE AND OTHER PAYABLES

Trade payable and accrued liabilities are comprised of the following:

The following comprises trade and other payables:

	As at,	
	September 30, 2016	December 31, 2015
Trade payables and accruals	**$ 44,444**	$ 4,324
Director and management fees	**128,166**	79,206
Consultants	**49,550**	11,300
Professional fees	**69,362**	39,210
Flow-through financing	**70,700**	70,700
Advanced royalties	**19,000**	19,000
Total Trade and Other Payables	**$ 381,222**	$ 223,740

5. TRADE AND OTHER PAYABLES *(continued)*

The usual credit period taken for trade purchases is between 30 to 90 days. Due to Northern Sphere 's limited cash resources terms of certain payables, particularly to Directors, officers and certain professional consultants have been extended such that as of September 30, 2016, over 82% of these liabilities are over 90 days.

As of September 30, 2016, costs of $243,000 have been accrued of which $13,700 relates to Part XII.6 tax, $57,000 relates to potential liabilities associated with investor's flow through tax liabilities and $19,000 relates to advanced royalties.

During the nine months ended September 30, 2015 the Company negotiated settlements with certain creditors resulting in a gain on forgiveness of debt of $55,012. In addition, the Company negotiated conversion of certain other payables into shares. The conversion transaction was closed on November 9, 2015. (Notes 8 and 9)

6. DEMAND PROMISSORY NOTE PAYABLE

Letter of Intent – Sill Lake

Northern Sphere received $50,000 cash as a refundable deposit to enter into a Letter of Intent ("LOI") on April 25, 2013 with Taku Gold Corp ("Taku"). The LOI granted Taku the exclusive right to earn a 50% interest in the Sill Lake property. As consideration for the option, Northern Sphere was to receive 10 million common shares in the capital of Taku and Taku was to incur $700,000 in exploration expenditures on the property.

As of June 30, 2013, certain conditions under the LOI were not met; therefore, under the terms of the LOI the funds received by Northern Sphere are to be refunded to Taku. Under the terms of a demand promissory note dated September 1, 2013 the full principal amount of $50,000 is due in full to Taku on or before June 30, 2014. At September 30, 2016, the full principal amount of $50,000 is still owed to Taku in relation to this transaction.

Debenture Payable – Sill Lake

The Company is indebted to RX Exploration Inc. ("RX") by way of a non-interest bearing debenture payable with the face amount of $1,901,300, in connection with a settlement agreement dated on November 29, 2010. The Company granted to the debenture holder a security interest in the assets comprising the Sill Lake Claims, however during an extension period afforded the Company, the claims related to Sill Lake lapsed and were staked by Shoreline Resource Management Inc ("Shore"), an unrelated third party. Northern Sphere was unsuccessful in its attempt to recover the claims and as such, in the three months ended December 31, 2014, the Company took the full impairment on the value of the Sill Lake properties.

As of September 30, 2016, the Company continues to be indebted to RX Exploration Inc. ("RX") by way of the non-interest bearing debenture payable for the face amount of $1,901,300. As the amount is due on demand the debenture has been presented as current at face value.

7. ADVANCES FROM INVESTORS

Debt Conversion pending

In August of 2016, two investors advanced funds to the Company to assist the Company in meeting certain obligations. On October 17, 2016, the Company announced it proposed to effect a debt conversion of $86,862 owing to the these two investors. The debt conversion will consist of the issuance of common shares of the Company at a conversion price of $0.20 per common share and be subject to a four-month hold. As of the date of this report, the transaction has not yet closed.

Advances from director

On May 1 and June 15, 2015, advances were made by a director of the Company totaling $50,000. These advances were converted to equity in November 2015.

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The interim condensed consolidated financial statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them. The Company defines its key management as its CEO, CFO, Vice Presidents and its board of directors. These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties.

Director fees includes quarterly fee of $4,000 for each Director other than the CEO. Director fees of $36,000 were recognized in the nine months ended September 30, 2016 (nine months ended September 30, 2015 - $62,667). Accumulated director fees payable at September 30, 2016 was $78,687(December 31, 2015 - $50,687). Included in management fees for the nine months ended September 30, 2016 $90,000 (September 30, 2015 - $30,000) payable to the Chief Executive Officer. After waiving his fees from January 2013 to June 2015, the Chief Executive Officer has received a management fee of $10,000 monthly since July 2015. At September 30, 2015 management fees also included is $24,519 claimed by three Vice Presidents who resigned in 2012. These amounts were written off in late 2015. The balance owing to the CEO at September 30, 2016 was $ 25,704 (December 31, 2015 - $17,187).

The Chief Financial Officer of the Company is paid on an hourly basis for her services to the Company. Included in professional fees for the nine months ended September 30, 2016 is $9,000 (2015 - $17,523). At September 30, 2016 $4,000 is owed to the Chief Financial Officer (December 31, 2015 - $4,000).

Northern Sphere and TrueClaim Exploration are considered related parties as the Company's President and Chief Executive Officer was also a Director of the Board of TrueClaim Exploration (the parent company of TrueClaim Resources) in 2015. Refer to Mineral Properties (Note 10) for more details.

From September 2015 through May 2016, the Company engaged one of its Directors for consulting services beyond regular duties as a director. Fees associated with these services for the nine months ended September 30, 2016 were $28,000 (September 30, 2016 - $Nil). The balance of fees outstanding at September 30, 2016 is $19,775 (December 31, 2015 - $7,000).

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION *(continued)*

A consultant related to the CEO has been engaged for certain accounting and administrative responsibilities. During the nine months ended September 30, 2016 the consultant was paid $20,000 for services rendered over the past 24 months. The consultant converted the payable to common shares of the Company in the June 10, 2016 private placement closing.

On November 9, 2015, the Company raised $709,408 in a private placement and issued 7,094,084 common shares. Of the total amount of $709,408 accounted for in the raise, $311,218 was a conversion of Company amounts due to the officers and directors of the Company in exchange for common shares (Note 9) A further $37,750 due to one director was forgiven and was accounted for as an adjustment to Contributed Surplus in the Statement of Financial Position.

Stock options

In April 2016, the Company issued 300,000 common share purchase options at a strike price of $0.22 and an expiry date of April 4, 2019 to members of its board and key management. No stock options were issued in 2015. Refer to Capital Stock (Note 9) for further details.

9. CAPITAL STOCK

(a) Authorized

An unlimited number of common shares.

(b) Issued

Effective August 25, 2015 the Corporation approved a share consolidation of each issued and outstanding common shares of the Corporation on a one for twenty (1:20) basis, being one (1) post-consolidation share for each twenty (20) pre-consolidation shares outstanding, fractions to be rounded to the nearest whole number. After giving full effect to the above, there were 2,335,614 post-consolidation (46,712,277 pre-consolidation) shares outstanding.

On November 9, 2015, the Company raised $709,408 in a private placement and issued 7,094,084 common shares. Included in the transaction was a debt conversion of $384,408 of debt and payables, a debt forgiveness of $47,050 and a cash injection of $325,000.

On November 30, 2015, the Company raised an additional $45,000 in a private placement and issued 450,000 common shares.

On March 3, 2016, the Company closed the first tranche of a private placement and issued 1,475,000 common shares at a price of $0.20 each. And on May 18, 2016 the Company closed the second tranche and issued 1,335,000 common shares at a price of $0.20 each for total gross proceeds of $562,000.

On June 10, 2016, the Company raised an additional $338,000 and issued 1,690,000 common shares at a price of $0.20 each.

As of September 30, 2016, there are 14,379,698 shares outstanding (September 30, 2015 - 2,335,614).

(Expressed in Canadian Dollars)

9. CAPITAL STOCK *(continued)*

(c) Stock Options

On August 20, 2015, the Company's shareholders passed a special resolution authorizing the consolidation of the common shares of the Company on the basis of (20:1) twenty pre-consolidation common shares to one post-consolidation common share for up to twenty. The effect of this resolution on the stock options was to consolidate the stock options on the same basis.

On April 4, 2016, the Company issued an additional 625,000 stock options under the plan to directors, officers and consultants. Each option entitles the holder thereof to purchase one (1) Common Share at an exercise price of $0.22 per share for a period of three years from the date of the grant subject to a four (4) month hold.

Under the terms of the plan and after giving effect to the August 25, 2015 share consolidation, Northern Sphere may issue up to 510,469 additional options.

Stock option transactions and the number of stock options outstanding are as follows:

Three months ended September 30,	**2016**		2015	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of period	**$ 0.03**	**22,500**	$ 0.55	491,667
Expired under the Tulox Plan	**-**	**-**	0.60	(37,500)
Issued under the Argentium Plan	**0.22**	**625,000**		
Outstanding at end of period	**$ 0.21**	**647,500**	$ 0.55	454,167
Weighted Average Remaining Life (Years)		**2.4**		

(d) Warrants

Previously existing warrants expired throughout the year ended December 31, 2013 with the warrant reserve balance transferred to common share capital.

On April 4, 2016, the Company entered into an advisory agreement with Fosters & Associates Financial Services Inc. ("Fosters") pursuant to which Fosters will provide advisory services to Northern Sphere for cash consideration and the issuance of 100,000 common share purchase warrants. Each warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of $0.25 per share for a period of two years from the date of issuance and subject to a four-month hold.

(Expressed in Canadian Dollars)

10. MINERAL PROPERTIES

September 30, 2016

Property	December 31, 2015	Additions	Impairment Write-off	September 30, 2016
Nye County, Nevada	$ 1,599,863	$ -	-	$ 1,599,863
JV Arizona Properties	180,082	-	-	180,082
JV Scadding Properties	17,500	57,500	-	75,000
	$ 1,797,445	$ 57,500	-	$ 1,854,945

December 31, 2015

Property	December 31, 2014	Additions	Impairment Write-off	December 31, 2015
Nye County, Nevada	$ 1,599,863	-	-	$ 1,599,863
JV Arizona Properties	-	180,082	-	180,082
Deposits on Scadding Properties	-	17,500	-	17,500
	$ 1,599,863	$ 197,582	-	$ 1,797,445

Nye County, Nevada
On February 8, 2011, the Company purchased all of the issued and outstanding shares in Soilfor Resources, Inc., a Florida Corporation owned by Canusa Explorations, Inc., a company controlled by a shareholder of Northern Sphere. Soilfor Resources, Inc. has 12 claims registered in Nye County, Nevada. Northern Sphere issued 4,500,000 common shares and capitalized the acquisition at the fair value of the shares issued of $1,575,000 plus legal costs of $24,863.

Arizona Properties
On July 1, 2015, the Company entered into a Joint Venture Agreement (“Joint Venture - Arizona” or “JV”) with a related party, TrueClaim Resources Inc. (“TrueClaim Resources”). The Joint Venture – Arizona was formed for the mining of certain Arizona Properties (“Arizona Property”) of which TrueClaim Resources is the legal and beneficial owner of all mineral interests and mining rights on this Arizona Property. The Joint Venture – Arizona stipulates Northern Sphere shall control all recovery operations on the Arizona Property for the benefit of TrueClaim Resources and Northern Sphere.

Northern Sphere paid $180,080 for an 80% interest in the Arizona Property. Northern Sphere is deemed to earn an additional 10% interest in the Arizona Property on commencement of silver production and has a right to purchase the remaining 10% for $2,000,000 or $200,000 per 1%. The transaction has been accounted for as an asset acquisition in the third quarter of 2015.

Under the terms of the Agreement, Northern Sphere is appointed as initial Operator of the recovery efforts and for such services is entitled to a management fee charged to the JV. No management fee has been charged to date.

10. MINERAL PROPERTIES (continued)

Northern Sphere is obligated to pay all costs associated with the properties under the JV. This includes maintenance costs of holding property leases such as taxes, fees and lease obligations. The Buckeye Silver Mine, which is part of the Arizona properties, is subject to a lease agreement effective July 23, 2015 under which Northern Sphere is obligated to make lease payments. See COMMITMENTS AND CONTINGENCIES (Note 11) for more details.

Northern Sphere and TrueClaim Exploration are considered related parties as the Company's President and Chief Executive Officer was also a Director of the Board of TrueClaim Exploration (the parent company of TrueClaim Resources) in 2015.

Scadding Properties JV

On November 12, 2015, the Company entered into a Joint Venture Agreement ("JV Agreement" or "JV") with a related party, TrueClaim Exploration Limited ("TrueClaim Exploration"). The Joint Venture – Scadding was formed for the mining of certain Scadding, Ontario Properties ("Scadding Property") of which TrueClaim Exploration is the legal and beneficial owner of all mineral interests and mining rights on this Scadding Property. The Joint Venture – Scadding stipulates Northern Sphere shall control all recovery operations on the Scadding Property for the benefit of TrueClaim Exploration and Northern Sphere.

On March 25, 2016, the Company announced it had completed payment of $75,000 for an 80% interest in the Scadding Property. Northern Sphere is deemed to earn an additional 10% interest in the Scadding Property on commencement of gold production and has a right to purchase the remaining 10% for $2,000,000 or $200,000 per 1%. As of December 31, 2015, Northern Sphere had made only $17,500 deposit towards the purchase price of the JV and there was no certainty that Northern Sphere would be able to raise the additional funds to close this acquisition. As such, as at December 31, 2015, the transaction had been accounted for as a deposit towards the asset acquisition. Since the settlement of the acquisition price and the announcement of the completion of the acquisition the transaction is now reflected as an asset acquisition in the first quarter of 2016.

Under the terms of the Agreement, Northern Sphere is appointed as initial Operator of the recovery efforts and for such services is entitled to a management fee charged to the JV. No management fee has been charged to date.

Northern Sphere and TrueClaim Exploration are considered related parties as the Company's President and Chief Executive Officer was also a Director of the Board of TrueClaim Exploration in 2015.

11. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

Northern Sphere is in the business of mineral exploration in both Canada and the United States of America ("USA"). Management has organized the Company's reportable operating and geographic segments by country. The USA segment is responsible for exploration activities in the USA while the Canadian segment manages corporate head office activities and is responsible for the Canadian mineral exploration activities. Information concerning Northern Sphere's reportable segments is as follows:

	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Consolidated net loss		
Canada	**$ 465,616**	$ 7,020
USA	**524,066**	-
	$ 989,682	$ 7,020

	As at September 30, 2016	As at December 31, 2015
Identifiable assets		
Canada	**75,000**	50,308
USA	**1,779,945**	1,779,945
	$ 1,854,945	$ 1,830,253

13. SUBSEQUENT EVENTS

Debt Conversion

In August of 2016, two shareholders advanced funds to the Company to assist the Company in meeting certain obligations. On October 17, 2016, the Company announced it proposed to effect a debt conversion of $86,862 owing to two current shareholders of the Company. The debt conversion will consist of the issuance of common shares of the Company at a conversion price of $0.20 per common share and be subject to a four-month hold. As of the date of this report, the transaction has not yet closed.

Subsequent Deposits from Shareholders

The Company is continuing its efforts to raise additional capital and has received on deposit $35,000 since September 30, 2016 from current shareholders with intention of closing this transaction before the end of the year.