

Northern Sphere Mining Corp.

(an Exploration Stage Company)

**Unaudited Interim Condensed
Financial Statements**

**Three months ended
March 31, 2018 and 2017**

Northern Sphere Mining Corp.
(an Exploration Stage Company)
Unaudited Interim Condensed
Statements of Financial Position

		As at March 31, 2018	As at December 31, 2017
	Notes		
Assets			
Current Assets			
Cash		\$ 43,335	\$ 267,393
HST recoverable		36,399	32,332
Prepaid expenses		9,853	23,448
		\$ 89,587	\$ 323,173
Property, plant and equipment	5	84,700	94,864
Mineral Properties	6	255,083	255,083
		\$ 429,370	\$ 673,121
Liabilities			
Current Liabilities			
Trade and other payables	7	\$ 476,211	\$ 387,347
Demand promissory note payable	8	-	50,000
Debenture payable	8	-	1,901,300
		\$ 476,211	\$ 2,338,647
Equity (deficiency)			
Capital Stock	9,10	\$ 9,836,441	\$ 9,836,441
Share payment reserve		609,265	609,265
Warrant reserve		1,099,335	1,099,335
Contributed Surplus		37,750	37,750
Deficit		(11,629,632)	(13,240,318)
		\$ (46,841)	\$ (1,665,526)
		\$ 429,370	\$ 673,121

Nature of Operations and Going Concern (Note 1)
Commitments (Note 11)
Subsequent events (Note 13)

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

Northern Sphere Mining Corp.
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Statements of Comprehensive Gain /(Loss)

		Three month ended March 31,	
	Notes	2018	2017
Revenue			
Interest Income		\$ 792	\$ -
Expenses			
Management and director fees	9	\$ 158,161	\$ 267,500
General and administrative		40,707	34,725
Stock based compensation	10(d)	-	194,600
Professional fees		30,668	73,154
Consulting fees		-	3,975
Exploration and evaluation expenditures	6	200,284	281,914
Total expenses		429,820	855,868
Gain on write-off of debt	8	1,951,300	-
Gain on write-off of accrued payables	8	89,700	-
Gain /(loss) on foreign exchange		(1,286)	77
Total net gain / (net expenses)		1,609,894	(855,791)
Net gain / (loss) and comprehensive gain / (loss) for the period		\$ 1,610,686	\$ (855,791)
Gain / (loss) per share - basic		\$ 0.056	\$ 0.043
Weighted average number of shares outstanding – basic		28,679,007	20,075,450
Gain / (loss) per share - diluted		\$ 0.039	\$ 0.043
Weighted average number of shares outstanding – basic		40,860,007	20,075,450

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

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

	Notes	Capital Stock		Reserves			Accumulated deficit	Total
		Number of shares ⁽¹⁾	Amount	Share based payments	Warrants	Contributed surplus		
Balance at January 1, 2017		20,059,008	\$ 6,712,892	\$ 583,514	\$ 411,600	\$ 37,750	\$ (9,244,040)	\$ (1,498,284)
Reclass of reserve for expired options	10(d)	(2)	449,322	(449,322)	-	-	-	-
Value assigned on stock options issued	10(d)	-	-	194,600	-	-	-	194,600
Options exercised/ expired in the period	10(d)	-	13,227	(13,227)	-	-	-	-
Warrants exercised in the period	10(c)	20,000	9,765	-	(4,765)	-	-	5,000
Net loss and comprehensive loss for the period		-	-	-	-	-	(855,791)	(855,791)
Balance at March 31, 2017		20,079,006	\$ 7,185,206	\$ 315,565	\$ 406,835	\$ 37,750	\$ (10,099,831)	\$ (2,154,475)
Balance at January 1, 2018		28,627,395	\$ 9,828,441	\$ 609,265	\$ 1,099,335	\$ 37,750	\$ (13,240,318)	\$ (1,665,527)
Share based consulting fee	10(b)	51,612	8,000	-	-	-	-	8,000
Net gain and comprehensive gain for the period		-	-	-	-	-	1,610,686	1,610,686
Balance at March 31, 2018		28,679,007	\$ 9,836,441	\$ 609,265	\$ 1,099,335	\$ 37,750	\$ (11,629,632)	\$ (46,841)

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

Northern Sphere Mining Corp.
(an Exploration Stage Company)
**Unaudited Interim Condensed
Statements of Cash Flows**

		Three months ended March 31,	
	Notes	2018	2017
Operating activities			
Net gain / (loss)		\$ 1,610,686	\$ (855,791)
Items not affecting cash			
Depreciation	5	10,164	10,164
Stock based compensation	10(d)	-	194,600
Gain on write-off of debt	8	(1,951,300)	-
Net change in non-cash working capital items:			
Prepaid expense		13,596	(5,000)
HST recoverable		(4,067)	(13,107)
Trade and other payables	8	88,865	(13,279)
Cash flow used in operating activities		\$ (232,056)	\$ (682,413)
Investing activities			
Acquisition of property, plant and equipment	5	\$ -	\$ (135,520)
Expenditures on mineral properties	6	\$ -	\$ -
Financing activities			
Cash flows from financing activities (net of issue costs)		\$ 8,000	\$ 5,000
Decrease in cash		\$ (224,056)	\$ (812,933)
Cash / (bank indebtedness) at beginning of period		267,393	586,999
Cash / (bank indebtedness) at end of period		\$ 43,337	\$ (225,934)
Supplemental cash flow information			
Financing expenses paid		\$ -	\$ 8,461

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

Northern Sphere Mining Corp.
(an Exploration Stage Company)

Notes to Unaudited Interim Condensed Financial Statements
Three Months Ended March 31, 2018 and 2017

1. NATURE OF OPERATIONS AND GOING CONCERN

Northern Sphere Mining Corp. (fka "Argentium Resources Inc."; "Northern Sphere" or the "Company") 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. The Company's headquarter is in Toronto, Ontario, Canada.

As at March 31, 2018, the Company had not yet achieved profitable operations, has accumulated losses of \$11,629,632 (December 31, 2017 - \$13,240,318) and expects to incur future losses in the development of its business, all of which casts doubt about the Company's ability to continue as a going concern. These 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 has taken currently available initiative to limits these risks.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has neither financial resources on-hand nor current source of recurring revenue sufficient to bring these properties to production. There is also no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities.

Management will seek the necessary additional financing through a combination of the issue of new equity or debt instruments and the entering into joint venture arrangements. 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.

These financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

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Notes to Unaudited Interim Condensed Financial Statements
Three Months Ended March 31, 2018 and 2017

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed 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").

These interim condensed financial statements for the three months ended March 31, 2018 and 2017 should be read together with the annual financial statements as at for the years ended December 31, 2017 and 2016. The same accounting policies and methods of computation were followed in the preparation of these interim financial statements as were followed in the preparation of and as described in note 3 of the annual financial statements as at and for the years ended December 31, 2017 and 2016.

These financial statements were authorized for issuance by the Board of Directors of the Company on May 29, 2018

2.2 Basis of presentation and functional and presentation currency

These interim condensed 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, 2017 annual financial statements. The comparative figures presented in these interim condensed financial statements are in accordance with IFRS and have not been audited.

The interim condensed 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

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 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

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Three Months Ended March 31, 2018 and 2017

3. CAPITAL MANAGEMENT (continued)

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-month period ended March 31, 2018. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS

Fair value

As at March 31, 2018 and 2017, 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

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at March 31, 2018, the Company has a working capital deficiency of \$386,624 (December 31, 2017 – \$2,015,474). 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.

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Notes to Unaudited Interim Condensed Financial Statements
Three Months Ended March 31, 2018 and 2017

4. FINANCIAL INSTRUMENTS (continued)

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. PROPERTY, PLANT AND EQUIPMENT

March 31, 2018

Equipment	January 1, 2018	Additions	Disposals	Accumulated Amortization	March 31, 2018
Mining equipment - Arizona	\$ 135,520	\$ -	\$ -	\$ 50,820	\$ 847,000

6. MINERAL PROPERTIES

March 31, 2018

Property	January 1, 2018	Additions	Impairment Write-off	March 31, 2018
Arizona Properties	\$ 180,082	\$ -	\$ -	\$ 180,082
Scadding Ontario Properties	75,000	-	-	75,000
Nye County, Nevada	1	-	-	1
	\$ 255,083	\$ -	\$ -	\$ 255,083

December 31, 2017

Property	January 1, 2017	Additions	Impairment Write-off	December 31, 2017
Arizona Properties	\$ 180,082	\$ -	\$ -	\$ 180,082
Scadding Ontario Properties	75,000	-	-	75,000
Nye County, Nevada	1	-	-	1
	\$ 255,083	\$ -	\$ -	\$ 255,083

Arizona Properties

On July 1, 2015, the Company entered into a Joint Venture Agreement ("JV - Arizona") with TrueClaim Resources Inc. ("TrueClaim Resources"). The JV - 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.

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Notes to Unaudited Interim Condensed Financial Statements
Three Months Ended March 31, 2018 and 2017

6. MINERAL PROPERTIES (*continued*)

The Company paid \$180,082 for an 80% JV interest in the Arizona Property and 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%. This interest includes 182 claims.

Under the terms of the JV - Arizona, the Company is responsible for all costs associated with the exploration and development of the assets under the venture. These costs include 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 the Company is obligated to make lease payments (see note 11).

The JV-Arizona appointed the Company as initial Operator of the recovery efforts. The Company has since hired a local Operator. On September 9, 2015, the Company engaged Silver Sevens Exploration, Inc., ("Silver Sevens") as the local Operator for the JV - Arizona project. Silver Sevens will receive a 20% profit participation in the net profits from the mining on the Black Diamond Property in Arizona. Silver Sevens will provide management and personnel necessary to mine and mill the ore and the Company will provide all funding and pay all wages and equipment necessary to profitably mine the property. Under the terms of the contract, the Company will provide Silver Sevens with an annual advance on the profit participation of \$37,500 USD until such time as commercial production is achieved (see Note 11).

In January of 2018, the Company staked an additional 50 claims in Arizona. The cost associated with staking and registering these claims were not capitalized but included in expenses for the quarter in accordance with the Company's capitalization policy as described in note 3 of the annual financial statements as at and for the years ended December 31, 2017 and 2016.

Scadding Properties

On November 12, 2015, the Company entered into a Joint Venture Agreement ("JV Scadding") TrueClaim Exploration Limited ("TrueClaim Exploration"). The JV – 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. The JV – Scadding stipulates the Company shall control all recovery operations on the Scadding Property for the benefit of TrueClaim Exploration and the Company.

In 2016, the Company paid \$75,000 for an 80% JV interest in the Scadding Property. The Company is deemed to earn an additional 10% interest in the JV - Scadding on commencement of gold production and has a right to purchase the remaining 10% for \$2,000,000 or \$200,000 per 1%. Under the terms of the JV – Scadding, the Company is appointed as initial Operator of the recovery efforts.

Nye County, Nevada

The Company has 12 claims registered in Nye County, Nevada that it does not have immediate plans to develop. Although the Company will continue to pay annual taxes on the land claims of approximately \$2,500 and will continue to assess the opportunities for future development, management has determined the fairest presentation for its statements was to write down the asset value to \$1.

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Notes to Unaudited Interim Condensed Financial Statements
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7. TRADE AND OTHER PAYABLES

Trade payable and accrued liabilities are comprised of the following:

The following comprises trade and other payables:

	As at,	
	March 31, 2018	December 31, 2017
Trade payables and accrued liabilities not included in the following categories:	\$ 129,195	\$ 176,887
Director fees	90,687	90,687
Management and consulting fees payable to related parties	199,226	78,790
Professional fees	45,803	20,000
Consultants	11,300	20,983
	\$ 476,211	\$ 387,347

Management and consulting fees payable includes a one-time settlement payable to the former Chair of the Board of Directors of the Company who resigned as of March 31, 2018. (See related party disclosure in note 9)

Trade payables as of December 31, 2017 include amounts of \$89,700 for certain taxes thought to be payable. These amounts were reassessed and reversed in the quarter ended March 31, 2018.

8. WRITE OFF OF DEBT AND ACCRUED PAYABLES

In 2013, the Company received a refundable deposit of \$50,000 relating to an anticipated transaction relating to claims at Sill Lake. The amount was disputed between the parties. The Company has not received a claim and the claim has expired. The amount was reversed as of March 31, 2018.

In 2010, the Company issued a non-interest-bearing debenture payable with the face amount of \$1,901,300. The amount was disputed between the parties and property held as security offered to the debenture holder. The amount was never settled and has since expired. The amount was reversed as of March 31, 2018.

In 2014, the Company set up accruals in the amount of \$89,700 for certain taxes thought to be payable. These amounts were reassessed and reversed as a gain in the quarter ended March 31, 2018 as they have not become payable.

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Key management include the Board Members, the Executive Chairman, the Chief Executive Officer, and the Chief Financial Officer.

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9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

Expenses

Three months ended March 31,	2018	2017
Related party management and consulting fees	\$ 128,161	\$ 245,000
Other-non-key management fees	30,000	22,500
Management, director fees per Statement of Comprehensive Gain / (Loss)	\$ 158,161	\$ 267,500
Related party share-based compensation – value attributed to options	\$ -	\$ 157,533
Other non-key management share-based compensation – value attributed to options	-	37,067
	\$ -	\$ 194,600

Payables and accruals

As at	March 31, 2018	December 31, 2017
Director fees	\$ 90,687	\$ 90,687
Management and consulting fees	199,223	78,790
	\$ 289,910	\$ 169,477

From January 4, 2017 – March 31, 2018 Park Place Limited (“Park Place”) received management and consulting fees for services normally associated with the position of Executive Chairman of a junior mining company and in accordance with an agreement between Park Place and the Company, Park Place elected Sheldon Inwentash to Executive Chairman of the Board of Directors. Park Place is a company controlled by the Sheldon Inwentash. Park Place was paid a monthly retainer of \$10,000 for these services beginning mid-February 2017. In addition, Park Place was also paid \$200,000 on March 30, 2017 in relation to Capital Market Advisory services and introductions to strategic and financial partners in relation to the financial raise in the quarter. The Company has also accrued \$80,000 on March 31, 2018 in accordance with the settlement agreement with Park Place.

As at March 31, 2018, there were fees outstanding and payable to Park Place of \$90,400 (December 31, 2017: \$22,600).

The President/Chief Executive Officer is paid a monthly retainer of \$12,500 a month. At March 31, 2018 \$63,625 is owed to the Chief Executive Officer. The Chief Financial Officer of the Company is paid on an hourly basis for her services to the Company. At March 31, 2018 \$23,161 is owed to the Chief Financial Officer.

A director of the Company has been engaged as a management consultant to the Company and was paid a monthly retainer of \$3,500. The Company has continued to accrue these fees since October 2017 but has not settled them with payment as they are in dispute. In the first quarter of 2018, \$10,500 is included in expenses and \$21,000 remains in payables. at March 31, 2017.

Stock options

No common share purchase options were issued in the first quarter ended March 31, 2018. Of the 525,000 options issued on January 12, 2017, 425,000 were issued to members of the Company's board and 50,000 were to the VP Exploration. These options were valued at fair value using the Black Sholes method of valuation at \$157,533.

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10. CAPITAL STOCK

(a) Authorized

An unlimited number of common shares ("Common Shares").

(b) Issued

28,679,007 shares outstanding as at March 31, 2018 (December 31, 2017 – 28,627,395).

Stock Based Payment

In July 2017, the Company entered into an online marketing agreement with AGORA Internet Relations Corp. ("Agora") pursuant to which Agora has agreed to provide marketing, advertising and related services to the Corporation in consideration for the payment of \$40,000, to be paid by the issuance of Common Shares. The fee is payable in five instalments of \$8,000 each (each, an "Installment"), with the first Installment paid on commencement of the term on July 15, 2017, and the subsequent Installments to become payable at the end of each three-month period thereafter. The price of the Common Shares to be issued as payment for each Installment is the closing price of the Common Shares as at the end of each Installment period.

The third Installment on January 15, 2018 consisted of 51,612 Common Shares. See Note 11 Commitments and Note 13 Subsequent Events for details regarding later installments.

(c) Warrants

No warrants were issued in the quarter ended March 31, 2018.

In the first quarter of 2017, 20,000 warrants were exercised. The Company received \$5,000 in cash in exchange for 20,000 Common Shares and \$4,765 of the warrant reserve was transferred to the Company's capital stock account.

The following table provides information about warrants issued and outstanding at March 31, 2018 and December 31, 2017:

Description	Expiry Date	Exercise Price (\$)	No. of Warrants Outstanding	Fair Value
Broker Warrant	May 12, 2020	0.50	38,150	\$6,600
Subscriber Warrants	April 10, 2019	0.60	2,887,500	493,000
Subscriber Warrants	April 18, 2019	0.60	1,016,250	187,000
Subscriber Warrants	April 25, 2019	0.60	37,500	5,900
Advisory Warrants	April 18, 2018	0.25	80,000	19,635
Subscriber Warrants	December 16, 2019	0.25	3,745,000	250,400
Broker Warrants	December 16, 2019	0.25	71,600	14,000
Subscriber Warrants	December 23, 2019	0.25	1,500,000	100,300
Broker Warrants	December 23, 2019	0.25	80,000	22,500
			9,456,000	\$ 1,099,335

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10. CAPITAL STOCK (continued)

(d) Stock Options

Effective June 22, 2012, a stock option plan was approved by the Shareholders of the Company. Under the terms of this plan the Company may issue up to 10% of its outstanding Common Shares.

No options granted in the quarter ended March 31, 2018. For the comparative quarter ended March 31, 2017, the Company issued 525,000 Common Shares purchase options at a strike price of \$0.60 and an expiry date of January 12, 2020 of which 425,000 were issued to members of its board, and the remaining 100,000 were issued to a consultant and an advisor. All options vest at the date of issuance. The fair value of the options issued was estimated to be \$194,600 on the date of grant using the Black-Scholes option pricing model. In determining the fair value of the options, management is required to make assumptions that could have a material impact on the valuation. The following are the assumptions used: expected term 3 years; expected volatility 100%; expected dividend yield 0%; risk free rates 0.73%; forfeiture rate 0%; exercise price \$0.60.

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

	Year of expiry	Weighted Average Exercise Price	Number of Options	Value assigned to Options
Outstanding at January 1, 2017		\$ 0.48	947,500	\$ 583,514
Reclass excess reserve from prior years ¹		-		(449,322)
Expired March 17, 2017	2017	10.80	(22,500)	(3,052)
Expired March 29, 2017 ²	2019	0.22	(75,000)	(10,175)
Issued January 12, 2017	2020	0.60	525,000	194,600
Issued May 23, 2017	2022	0.50	1,350,000	293,700
Exercisable as at December 31, 2017		\$ 0.44	2,725,000	\$ 609,265
No changes during the current quarter				
Exercisable as at March 31, 2018		\$ 0.44	2,725,000	\$ 609,265

¹: Reserves from prior years were not reclassified to capital stock as the related options were expired. These reserves were reclassified in January of 2017.

²: Certain options issued in April 2016 to the Chair of the Board of Directors were subject to an accelerated expiry as a result of his resignation from the Board on December 29, 2016. These shares expired on March 29, 2017.

Under the terms of the plan Northern Sphere may issue up to 10% of the total current issued Common Shares or 2,867,901 options or up to 142,900 additional options as of March 31, 2018.

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Three Months Ended March 31, 2018 and 2017

10. CAPITAL STOCK (continued)

(d) Stock Options (continued)

The following table provides information about stock options expired during the quarter ended March 31, 2017:

No. of Options Expired	Exercise price	Expiry Date	Value transferred from Reserve to Capital account
22,500	10.80	March 17, 2017	\$3,052
75,000 ¹	0.22	March 29, 2017	\$10,175

¹: Certain options issued in April 2016 to the Chair of the Board of Directors were subject to an accelerated expiry as a result of his resignation from the Board on December 29, 2016. These shares expired on March 29, 2017.

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.

As of March 31, 2018, the Company has 232 land claims in Arizona (December 31, 2017: 182). The Company is responsible for annual land claim fees to the Bureau of Land Management in the USA in the amount of US\$35,960 due in September each year (2017: US\$28,210) in order to keep these claims in good standing.

Under the terms of the local operator's agreement with Silver Sevens for the development of the Arizona properties (see Note 6), the Company has an obligation to pay each August 30th, an annual payment of \$37,500 USD until such time as commercial production is achieved. These payments are considered as advance royalty payments under the terms of the local operator's agreement. As there is no way to determine how long this pre-commercial production stage will last, the Company has expensed these payments to date through the statement of profit/loss and is not in a position to outline the commitments for the forthcoming years.

Pursuant to a lease agreement dated October 2014 and assumed by the Company on July 15, 2015 (amended June 14, 2017), the Company has the right to approximately 15.49 acres of land located in Gila County, Arizona (The Buckeye Silver Mine) including the exclusive right to explore, develop and mine the property. The term of the agreement is for three seven-year terms and include annual lease payments on July 23rd in the following amounts to 2028 and to be negotiated by the parties thereafter:

2018	US\$	30,000	2023	US\$	55,000
2019	US\$	35,000	2024	US\$	60,000
2020	US\$	40,000	2025	US\$	65,000
2021	US\$	45,000	2026	US\$	70,000
2022	US\$	50,000	2027	US\$	70,000
			2028	US\$	70,000

Northern Sphere Mining Corp.
(an Exploration Stage Company)

Notes to Unaudited Interim Condensed Financial Statements
Three Months Ended March 31, 2018 and 2017

12. SEGMENTED INFORMATION

Operating segments are defined as components of an entity that engages in business activities from which it may earn revenues and incur expenses, about which separate financial information is available and that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company is engaged in the exploration of mine land claims and the Company's significant operating segments consist of three distinct geographic areas: Nevada and Arizona in the United States of America ("USA") and Scadding, Ontario in Canada.

Information concerning Northern Sphere's reportable segments is as follows:

Three months ended March 31,	2018	2017
Interest income	\$ 792	\$ -
Arizona	(153,645)	(261,181)
Scadding	(46,639)	(20,733)
	\$ (200,284)	\$ (281,914)
Corporate expenses	(229,536)	(855,868)
Gain on forgiveness of debt and foreign exchange	2,039,714	77
Total expenses	\$ 1,609,894	\$ (855,791)
Comprehensive gain / (loss)	\$ 1,610,686	\$ (855,791)

As at March 31, 2018	Cash	Capital Assets	Mineral Properties	Other Assets	Identifiable assets
Nevada	\$ -	\$ -	\$ 1	\$ -	\$ 1
Arizona	-	84,700	180,082	-	264,782
Scadding	-	-	75,000	-	75,000
	\$ -	\$ 84,700	\$ 255,083	\$ -	\$ 339,783
Corporate	43,335	-	-	46,252	89,587
Total	\$ 43,335	\$ 84,700	\$ 255,083	\$ 46,252	\$ 673,121

As at December 31, 2017	Cash	Capital Assets	Mineral Properties	Other Assets	Identifiable assets
Nevada	\$ -	\$ -	\$ 1	\$ -	\$ 1
Arizona	-	94,864	180,082	-	274,946
Scadding	-	-	75,000	-	75,000
	\$ -	\$ 94,864	\$ 255,083	\$ -	\$ 349,947
Corporate	267,393	-	-	55,781	323,174
Total	\$ 267,393	\$ 94,864	\$ 255,083	\$ 55,781	\$ 673,121

Northern Sphere Mining Corp.
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Notes to Unaudited Interim Condensed Financial Statements
Three Months Ended March 31, 2018 and 2017

13. SUBSEQUENT EVENTS

Agora marketing agreement

On July 17, 2017, the Company entered into an online marketing agreement with AGORA Internet Relations Corp. ("Agora") for marketing, advertising and related services to the Company. The Company committed to a fee of \$40,000 payable in common shares of the Company in five installments of \$8,000 each. Shares issued for each installment are calculated at the closing price of the Common Shares on the date which such installment becomes payable. On April 15, 2018, the fourth installment was paid by the issuance of 160,000 Common Shares of the Company at a price of \$0.05 per share for an aggregate price of \$8,000. See also Commitment and Contingencies (Note 11).

Board resignations

On April 2, 2018, the Company announced the resignations of Sheldon Inwentash and Gerry Feldman from the Board of Directors. In settlement of the termination of the contract with Park Place Limited, pursuant to which the Company engaged Park Place Limited as an independent consultant with services delivered by Sheldon Inwentash, the Company will pay to Park Place Limited an amount of \$80,000 plus HST representing all outstanding fees owing by the Company to Park Place Limited in lieu of notice. The Company has provided Park Place Limited a promissory note in a principle amount of \$80,000 with interest at 8% per annum payable in full on March 31, 2019 conditional on various events.

On May 10, 2018, the Company announced the appointment of two new Board of Directors, Kelly Malcolm and Roger Gross and the resignation of Denis Laviolette from the Board of Directors.

Private Placement

On May 25, 2018, the Company announced it proposes to raise up to \$500,000 through a non-brokered private placement of up to 5,000,000 units ("Units") of the Company at a price of \$0.10 per Unit.

Each Unit will be comprised of one common share ("Common Share") of the Company and one Common Share purchase warrant (a "Warrant"). Each Warrant will be exercisable to acquire one Common Share (a "Warrant Share") for a period of eighteen months following the date of closing at an exercise price of \$0.20 per Warrant Share, subject to adjustments in certain events. The Warrants will be subject to an acceleration clause such that, if the closing price of the Common Shares is equal to or greater than \$0.25 per share for a period of 10 consecutive trading days, the Company shall have the option, but not the obligation, to effect for an accelerated expiration date that shall be 20 calendar days from the issuance of a notice of acceleration.