NORTHERN SPHERE MINING CORP.
Management's Discussion and Analysis
Period Ended September 30, 2017
Dated November 27, 2017 (Form 51-102F1)

This management's discussion and analysis ("MD&A") of the financial condition and results of operation of Northern Sphere Mining Corp. ("Northern Sphere" or the "Company") should be read in conjunction with Northern Sphere's unaudited interim condensed financial statements ("interim statements") and notes thereto as at and for the three and nine months ended September 30, 2017 and the annual financial statements as at and for the years ended December 31, 2016 and 2015. The same accounting policies and methods of computation were followed in the preparation of the interim financial statements as were followed in the preparation and described in Note 3 of the annual financial statements as at and for the years ended December 31, 2016 and 2015, except as otherwise indicated in section 1.10 below.

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts in this MD&A are reported in Canadian dollars unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR at www.sedar.com and at the Company's website located at www.northernsphere.com.

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company's anticipated investment activities and results and financing activities, the Company's future working capital requirements, the impact of changes in accounting policies and other factors on the Company's operating results, and the performance of global capital markets and interest rates, the exposure of its financial instruments to various risks and its ability to manage those risks, and the Company's ability to use tax resource pools and loss carry-forwards.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to the Company's ability to realize sufficient proceeds from the disposition of the investments (which will be based upon market conditions beyond the Company's control) or otherwise raise capital in order to fund obligations as they become due, the Company's ability to generate taxable income from operations and other risks included elsewhere in this MD&A and in the Company's other public disclosure documents filed with certain Canadian securities regulatory authorities and available under the Company's profile at www.sedar.com.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this

MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Nature of the Business

Northern Sphere is dedicated to growth through the acquisition and development of mining assets, with an emphasis on near gold, silver and copper. The Company intends on generating robust mining projects through the use of cutting-edge exploration technologies to assist with more precise mineral targeting on its assets. Headquartered in Toronto, Ontario, Northern Sphere Mining has a strong project pipeline of properties with a focus on gold, silver and other metal production in pro-mining jurisdictions.

The Company is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta, and its common shares (“Common Shares”) trade on the Canadian Stock Exchange (“CSE”) under the symbol NSM.

Going concern uncertainty

The Company has incurred a loss in the nine months ended September 30, 2017 of $3,533,869 (nine months ended September 30, 2016 - $1,074,482) and has an accumulated deficit of $12,777,908 (December 31, 2016 – $9,244,040). The Company is a junior mineral exploration company and is subject to risks and challenges similar to other companies in a comparable stage.

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. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

These challenges and the continued cumulative operating losses cast significant doubt on the Company’s ability to continue as a going concern. The financial statements for the three and nine months ended September 30, 2017 and 2016 do not include any adjustments relating to the recoverability and classification of recorded assets amounts nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern. Such adjustments can be material.

1.1 Summary of Activities

The Company's management continues to explore options to increase shareholder value including exploiting the Company's properties in Arizona and Scadding, Ontario or acquiring additional assets that would be complementary to its property portfolio.

The Company's management has spent the last nine months moving forward with exploration on these two mining properties while it has closed significant equity financing transactions.

- In early 2017, the Company began building up its management team in preparation of moving into active exploration. Mr. Sheldon Inwentash, former Chairman and founder of Pinetree Capital Corp., joined the board of directors and assumed the role of Executive Chairman. Monique Delorme, CPA, CA, a talented finance executive, joined the Company as the CFO, and Steve Gray, P Geo, joined the management team as Vice President.
- On January 12 and May 23, 2017, the Company granted to its directors, officers and consultants an aggregate 1,875,000 incentive stock options ("Option(s)") under the Company's stock option plan. Each Option entitles the holder thereof to purchase one Common Share at an exercise price of $0.50-$0.60 per share for a period of three-five years from the date of the grant. Common Shares issued pursuant to the exercise of stock options are subject to a four-month hold beginning on the date of the grant.
- In April 2017, the Company completed a non-brokered private placement financing raising gross proceeds of $3,153,000 (net $2,399,152) through the issuance and sale of 7,882,500 units at a price of $0.40 per Unit. Each Unit comprised of one Common Share and one Common Share purchase warrant, each Warrant entitling the holder to acquire one Common Share of the Company at $0.60 per share on or before the second anniversary date of issue. The Company is pleased to advise that Eric Sprott, a seasoned and well-known mining executive name in mining circles, through a corporation beneficially owned by him, acquired 5,000,000 of these Units
- On May 12, 2017, the Company completed a Flow-Through Private Placement and issued 545,000 Flow-Through Common Shares ("Flow-Through Shares") for gross proceeds of $272,500 (net $226,775)

  The gross proceeds received by the Company from the sale of the Flow-Through Shares have been used to incur "Canadian exploration expenses" that are "flow-through mining expenditures" (as such terms are defined in the Income Tax Act (Canada)) on the Company's properties in Scadding, Ontario which will be renounced to the subscribers with an effective date no later than December 31, 2017, in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue of Flow-Through Shares.

- In June 2017, the Company engaged two drilling companies, Godbe Drilling LLC. of Colorado and Wolf Mountain Diamond Drilling Inc. of Sudbury, Ontario to commence an exploratory drilling program on the Buckeye mine site, a section of the Company's Arizona property claims and a second program on the Company's Scadding, Ontario property. Drilling commenced in July in Arizona and in August in Scadding. To date, the programs have completed 6 holes in Scadding, Ontario and 14 holes in Arizona. The results are currently being evaluated.

Mineral properties:

Certain of the Company's mineral properties were acquired through joint agreements where the Company is eligible for 80% of the net profit distribution ("NPD"). The Company earns an additional 10% of the NPD upon commercial production and has the right to acquire an additional 10% of the NPD for $2 million. The agreements require the Company to incur expenditures in varying amounts at varying dates. Failure by the Company to make such cash payments or incur such expenditures can result in a loss of the Company's interests. Management has budgeted for these costs and has sufficient funds to keep the agreements and the properties in good standing for the upcoming 12 months.

Arizona Properties

The Arizona project has made significant strides through 2016 and to date in 2017 with the Buckeye mine patents receiving the bulk of the work in these initial stages. The Company has completed its first drilling program in the three months ended September 30, 2017. The program has completed 14 holes in Arizona and results are being evaluated. The Company continues progress on its Geochemical Survey being conducted on its Black Diamond Property.

Scadding Claims

In the three months ended September 30, 2017, the Company commenced diamond drilling on its Scadding Gold Project located near Sudbury, Ontario. The program has completed 6 holes and the results are currently being evaluated.

Nye County, Nevada Claims

The Nye County project is in holding stage at September 30, 2017. The Company will continue to pay annual taxes on the land claims and assess the opportunities for future development but is not actively developing this project at this time.

1.2 Overall Position

The Company's financial condition continues to improve over the past nine months ended September 30, 2017. The Company successfully attracted new talent to its Board of Directors and management team and closed $3,430,500 of financing from investors (including $5,000 proceeds from warrant redemptions) for net proceeds of $3,324,735. This additional capital has allowed the Company to make significant progress on its planned development of the mining assets in Arizona and Scadding and its general working capital requirements.

The Company continues to hold a non-interest-bearing debenture payable with the face amount of $1,901,300 relating to property rights it controlled in 2013. As of September 30, 2017, the Company continues to be indebted to RX Gold & Silver Inc. and as the amount is due on demand, the debenture has been presented as current liability at face value.

1.3 Selected Financial Information

The Company's selected quarterly results for the eight most recently completed interim financial periods are as follows:

	Quarter ended 30-Sept-17	Quarter ended 30-June-17	Quarter ended 31-Mar-17	Quarter ended 31-Dec-16
	$	**$**	**$**	**$**
				(1)
Revenue	**1,989**	**Nil**	**Nil**	Nil
Expenses	**(1,338,624)**	**(1,341,442)**	**(855,791)**	(2,297,742)
Net income / (loss)	**(1,336,635)**	**(1,341,442)**	**(855,791)**	(2,297,742)
Weighted ave. no shares – basic and fully diluted	28,532,593	**27,191,726**	**20,075,450**	15,158,497
Net income / (loss) per share – basic and fully diluted	(0.047)	**(0.049)**	**(0.043)**	(0.152)
Total assets	**1,137,155**	**2,375,318**	**440,154**	883,690
Current Liabilities	**(2,348,272)**	**(2,259,108)**	**(2,594,629)**	(2,381,974)
Long-term debt	**Nil**	**Nil**	**Nil**	Nil
Dividends per share	**Nil**	**Nil**	**Nil**	Nil
	Quarter ended 30-Sept-16	**Quarter ended 30-June-16**	**Quarter ended 31-Mar-16**	**Quarter ended 31-Dec-15**
	$	**$**	**$**	**$**
				(2)
Revenue	Nil	Nil	Nil	Nil
Expenses	(349,868)	(529,516)	(195,098)	(293,064)
Net income / (loss)	(349,868)	(529,516)	(195,098)	172,031
Weighted ave. no shares - basic and fully diluted	14,397,698	12,356,950	11,354,699	6,496,944
Net income / (loss) per share - basic and fully diluted	(0.024)	(0.043)	(0.017)	0.026
Total assets	1,870,539	1,988,573	1,919,556	1,797,445
Current Liabilities	(2,419,384)	(2,174,070)	(2,232,396)	(2,201,726)
Long-term debt	Nil	Nil	Nil	Nil
Dividends per share	Nil	Nil	Nil	Nil

The Company is a mineral exploration company that has been focused on the acquisition and exploration of mineral resources. To date, it has no active revenues. The Company has funded the acquisition of its mineral properties and planned exploration through the raising of equity capital over the past eight quarters. Its number of outstanding Common Shares has grown from 2.3 million in September 2015 to over 28 million as of September 30, 2017 and were issued at rates ranging from $0.10 in 2015, $0.20 in 2016 and $0.40-$0.50 in the first nine months of 2017.

1.4 Three months ended September 30, 2017 and 2016

For the quarters ended September 30, 2017 and 2016, the Company continued to operate with no operating revenue and only a small amount of interest income in the three months ended September 30, 2017 of $1,989. Over the same period, the Company generated comprehensive losses of $1,336,635 (2016 – $349,868). The primary reasons for the increase in comprehensive loss in the three months ended September 30, 2017 include, higher exploration and evaluation activities at the Company's two active mine sites and an increase in corporate costs as the expanded management team is more active in the marketing and development of the public entity.

The Company incurred $1,144,673 of exploration and evaluation expenditures at its mine sites in the three months ended September 30, 2017 versus $238,614 for the same period last year.

The Company intends to work through the end of its two drill programs, when it will determine the next course of action once results of their current drill programs are known.

The Company did not issue any options or warrants nor close any financing transactions in the three months ended September 30, 2017 other than a small transaction with a supplier that was settled via a stock issuance (see Section 1.8 below.) (2016: Nil).

During the three months ended September 30, 2017 and 2016 all the outstanding stock options and warrants were anti-dilutive. The basic and fully diluted loss per Common Share for the three months ended September 30, 2017 was $0.047 (September 30, 2016 - $0.024). the increase is due to the increase in the loss offset by the increase in the weighted average number of Common Shares outstanding in the periods to 28,532,593 as of September 30, 2017 (September 30, 2016 - 14,379,698).

Nine months ended September 30, 2017 and 2016

For the nine months ended September 30, 2017 and 2016, the Company continued to operate with no operating revenue and only a small interest income in the three months ended September 30, 2017 of $1,989. Over the same period, the Company generated comprehensive losses of $3,535,858 (2016 – $1,074,482). The primary reasons for the increase in comprehensive loss in the nine months ended September 30, 2017 include, higher exploration and evaluation activities at the Company's two active mine sites, an increase in management and stock based compensation, and an increase in corporate costs as the expanded management team is more active in the marketing and development of the public entity. See section on Cash Flow below for more details.

The Company intends to work through the end of its two drill programs, when it will determine the next course of action once results of their current drill programs are known.

In the nine months ended September 30, 2017, the Company granted to its directors, officers and consultants an aggregate 1,875,000 incentive stock options ("Option(s)") (2016: 625,000) under the Company's stock option plan as described in section 1.1 above and Cash Flow iii) below.

In the nine months ended September 30, 2017 the Company settled an $8,000 transaction with a supplier via a stock issuance (see Section 1.8 below.) (2016: Nil).

In the nine months ended September 30, 2017, the Company completed a non-brokered private placement financing raising gross proceeds of $3,153,000 (net $2,399,152) through the issuance and sale of 7,882,500 units. Each Unit comprised of one Common Share and one Common Share purchase warrant and a Flow-Through Private Placement consisting of 545,000 Flow-Through Common Shares for gross proceeds of $272,500 (net $226,775). See section 1.1 above for details.

During the same period ended September 30, 2016, the Company issued 4.5 million shares and raised $853,579 (net $845,118).

During the nine months ended September 30, 2017 and 2016 all the outstanding stock options and warrants were anti-dilutive. The basic and fully diluted loss per Common Share for the nine months ended September 30, 2017 was $0.140 (September 30, 2016 - $0.113). the increase is due to the increase in the loss offset by the increase in the weighted average number of Common Shares outstanding in the periods to 25,299,561 as of September 30, 2017 (September 30, 2016 - 9,510,088).

Cash Flow

For the nine months ended September 30, 2017, the Company had a net increase in cash of $66,449 as compared to a net increase in cash of $5,919 for the nine months ended September 30, 2016. As at September 30, 2017, the Company has available cash of $653,448 compared to a cash balance of $1,607 as of September 30, 2016.

During the nine months ended September 30, 2017, the Company used cash of $3,122,766 in operating activities as compared to $781,699 during the nine months ended September 30, 2016. The primary reason for the increase is that, as the Company received additional financing, management began to put into place the exploration plans it had been developing for the prior two years.

i. Exploration and evaluation expenditures increased by $1,552,722 to $2,167,736 in the nine months ended September 30, 2017 compared to expenditures of $615,014 for the same period in 2016.
ii. Management and director fees increased by $455,549 to $573,549, primarily as a result of increased fees for a larger, more active management team offset by the cancelation of director fees as of January 2017 compared with director fees for the nine months ended September 30, 2016 of $28,000.
iii. Stock based compensation increased by $403,500 to $488,300 in the nine months ended September 30, 2017 compared to $84,800 for the same period in 2016. Stock based expenses are non-cash based expenses relating to the value attributed to incentive based compensation offered to the Company's management, directors and certain advisors and calculated using the Black Sholes method of valuation. Both the number of shares and the exercise price used in calculating the value of the stock based compensation had a significant effect on the increase. In the nine months ended September 30, 2017, 1,975,000 options were granted (2016: 625,000). The average exercise price used in calculating the valuation of the options in the nine months ended September 30, 2017 was $0.52 vs $0.22 for the same period in 2016.
iv. Professional fees increased by $30,124 to $137,061 for the nine months ended September 30, 2017 (2016 – $106,937) primarily due to small increases in both legal and accounting fees relating to general corporate matters and additional accounting and audit relating to increased transactional activities in the period.
v. Consulting fees decline by $88,718 to $8,282 for the nine months ended September 30, 2017 (2016 – $98,000) primarily due as a result of using relying more heavily on the expanded management team and fewer consultants.
vi. General and administrative expenditures increased by $79,888 to $134,452 for the nine months ended September 30, 2017 (2016 – $54,564) primarily due to the following expenses in the nine months ended September 30, 2017: an investor relations contract $8,000 (2016: $17,500); depreciation expense $30,492 (2016: Nil); public company costs $51,587 (2016: $25,500); increased travel expenses to the mine sites $26,617 (2016: $2,500) and other general expenses $17,756 (2016: $9,064).

The Company performed significantly better with financing activities in the nine months ended September 30, 2017, raising $3,324,735 net of legal and fees (2016 - $845,118) as discussed in the Summary of Activities section above.

This increase in cash flow has allowed the Company to pursue its exploration and drilling plans at both its Arizona and Scadding, Ontario properties.

1.5 Liquidity and Capital Resources

Statement of financial position highlights	**As at September 30, 2017 $**	As at December 31, 2016 $

Cash	**653,448**	586,999
Property, plant and equipment	**105,028**	-
Mineral properties	**255,083**	255,083
Trade and other payables	**396,972**	430,674
Demand promissory note payable	**50,000**	50,000
Debenture payable	**1,901,300**	1,901,300
Share capital, reserves, contributed surplus	**11,566,791**	7,745,756
Deficit	**(12,777,908)**	(9,244,040)
Working capital deficit	**1,571,228**	1,753,367

The Company had a cash balance of $1,137,155 as of September 30, 2017 compared to a cash balance of $586,999 as at December 31, 2016. The increase in cash is a result of the successful equity raises in the early half of the year for net receipts of $3,324,735 partially offset by corporate and exploration and evaluation activities in both the second and third quarter of the year.

In the first quarter of the year, the Company invested in new equipment with a value of $135,520. The Company did not own equipment as of December 31, 2016. The Company's trade and other payables are down slightly from December 31, 2016 as the Company is paying its liabilities as they become due but has a couple of larger payables to mining service providers at the end of the period due to increased exploration activities. The Company continues to hold $180,387 in past due accruals of which $90,687 is accrued director fees and $89,700 is in dispute. The Company anticipates directors will convert their fees to equity in the near term. There is no change in the promissory note or debenture payable from December 31,2016 to September 30, 2017.

1.6 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.

Expenses

	Three months ended September 30		Nine months ended September 30	
	2017	2016	**2017**	2016
Director fees	**$ -**	$ 12,000	**$ -**	$ 28,000
Related party management and consulting fees	**112,704**	30,000	**493,549**	90,000
Other-non key management fees	**20,000**	-	**80,000**	-
Management, director fees per Statement of Comprehensive Loss	**$ 132,704**	$ 42,000	**$ 573,549**	$ 118,000
Related party fee included in exploration and evaluation fees within the Statement of Comprehensive Loss	**$ 25,000**	$ -	**$ -**	$ -
Related party fee included in Professional fees within the Statement of Comprehensive Loss	**$ -**	$ -	**$ -**	$ 20,000
Share based compensation – value attributed to options issued to related parties	**$ -**	$ -	**$ 396,833**	$ 42,552

Other transactions

	Three months ended September 30		Nine months ended September 30	
	2017	2016	**2017**	2016
Private placement shares and warrants issued to related parties April 2017				
No. shares:	**-**	-	**875,000**	-
No. warrants:	**-**	-	**437,500**	-
Value of shares – net of warrants:	**-**	-	**$ 274,639**	-
Value (using Black Sholes)	**-**	-	**$ 75,361**	-

Payables and accruals

	As at September 30, 2017	As at December 31, 2016
Director fees	**$ 90,687**	$ 90,687
Management and consulting fees payable to related parties	**65,023**	91,122
Exploration services payable to related party	**28,250**	
	$ 183,960	$ 181,809

Director fees
In prior years, the Company accrued $4,000/quarter for each non-executive director. These fees were suspended by board resolution in January 2017. For the nine months ended September 30, 2017, the Company expensed no director fees (2016: $28,000). A significant portion of these fees were converted to capital in late 2015 with $90,687 remaining payable as of September 30, 2017.

Management fees
The Executive Chairman of the Board of Directors, through a controlled company, Park Place Limited, is paid a monthly retainer of $10,000 for services provided as Executive Chairman. As at September 30, 2017, there were fees outstanding and payable to Park Place Limited in the amount of $11,300.

The Chief Executive Officer is paid a monthly retainer of $12,500 a month (an increase from $10,000 a month prior to August 2017). At September 30, 2017, $14,125 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 September 30, 2017, $39,598 is owed to the Chief Financial Officer.

A director of the Company has been engaged as a management consultant to the Company and is paid a monthly retainer of $3,500. His fees for the three months ended September 30, 2017 were $7,000 (2016 28,000). As at September 30, 2017, there were no payables outstanding to this director (2016: $19,775).

For the nine months ended September 30, 2017, $493,549 was expensed to related party management fees (2016: $90,000).

Other related party fees
A mining services firm related to one on the Company's directors was engaged in the normal course of business to provide exploration services to the Arizona exploration program. A contract was signed by the parties in September 2017 with $25,000 plus taxes due upon signing and an additional $25,000 plus taxes due upon completion on the work. Work is expected to be completed by the end of November 2017.

In 2016, an administrator, related to the President/CEO was temporarily engaged and was paid $20,000. Theses fees were converted to equity on June 10, 2016 at the same rate as the private placement on that date.

Stock options
Of the 1,350,000 stock options issued on May 23, 2017, 1.1 million were issued to members of the Company's board and key management. These options were valued at fair value using the Black Sholes method of valuation at $239,300. Of the 525,000 stock options issued on January 12, 2017, 425,000 were issued to members of the Company's board. These options were valued at fair value using the Black Sholes method of valuation at $157,533 for a total value of stock options issued to related parties in 2017 of $396,833.

Of the 625,000 stock options issued on April 4, 2016, 300,000 were issued to members of the Company's board and key management. These options were valued at fair value using the Black Sholes method of valuation at $42,552.

Capital stock transactions
In April 2017, the Company completed a non-brokered private placement through the issuance of 7,882,500 units ("Units") at a price of $0.40 per unit, with each unit consisting of one common share ("Common Share") and one-half of one common share purchase warrant ("Warrant") for aggregate gross proceeds of $3,153,000. Each Warrant will be exercisable to acquire one Common Share (a "Warrant Share") for a period of two years following the date of closing at an exercise price of $0.60 per Warrant Share. Of these Units, 775,000 were purchased by the Chair of the Board of Directors and a company controlled by the Chair and a further 100,000 of the shares were acquired by a Company related to one of the Directors.

1.7 Off-Balance Sheet Arrangements

As of the date of this report, the Company does not have any off-balance sheet arrangements that have, or are reasonable likely to have, a current or future effect on the results of operations or financial condition of the Company.

1.8 Recent Events

Agora marketing agreement
In July 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 total agreement price of $40,000, is to be paid by the issuance of Common Shares, payable in five instalments of $8,000 each (each, an "Installment"), with the first Installment paid on July 15, 2017, and quarterly thereafter.

The first Installment was settled for 32,000 Common Shares calculated on the closing price of $0.25 on the last trading day immediately before the payment became due and payable. The Company made its second Installment valued at $8,000 on October 16, 2017 and settled for 88,889 Common Shares calculated on the closing price of $0.09.

Mineral Exploration Technology
In late September 2017, the Company entered into an agreement with a mining service provider in the normal course of business. The Company has agreed to pay a total agreement price of $50,000 with the first installment of $25,000 settled on October 6, 2017 and the balance due upon final delivery of the services, expected by year end. The mining service provide is a related party to the Company as one of Northern Sphere's directors serves as the CEO of the mining service provider.

1.9 Critical Accounting Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting estimates used in the preparation of the Company's financial statements include the Company's estimate of recoverable fair value on exploration and evaluation assets, the Company's estimate of inputs for the calculation of the fair value of stock-based compensation expense and the Company's own warrants and broker warrants.

Estimate of recoverable fair value on exploration and evaluation assets

The costs of acquiring interests in exploration and evaluation assets are carried at cost until they are brought into production. The Company's recorded value of exploration assets is based on historical costs that it expects to be recoverable in the future. The Company operates in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, political, ownership, funding, and currency risks, as well as environmental risk and overall economic conditions. All of these factors are potentially subject to significant change, out of the Company's control, and such changes are not determinable. Additionally, failure to conduct additional work on the Company's exploration properties may result in their loss. Accordingly, there is always the potential for a material adjustment to the value assigned to exploration assets.

At each reporting period, the Company's management reviews the status of all of its exploration properties, taking into account all of the factors noted above, in order to make an estimate of the recoverable value of each property. When management believes that the value of a property has been impaired, the Company will write down the value of the property to management's estimate of its recoverable value. As well, if the Company determines that an exploration project is not viable due to the risks described above or to unsatisfactory testing or drill results, the Company will write-off the carrying value of the property. During the three months ended September 30, 2017 and 2016, the Company had no impairment on its exploration and evaluation assets.

Stock-based Compensation Expense

The Company uses the Black-Scholes option pricing model to calculate stock-based compensation expense and the fair value of the warrants and broker warrants issued under the Company's private placements. The model requires six key inputs: exercise price, market price at date of issue, risk free interest rate, expected dividend yield, expected life and expected volatility. The first two inputs are facts rather than estimates, while the risk-free interest rate, expected life, expected volatility and expected dividend yield (estimated at 0% based on the Company's history of not paying any dividends) are based on the Company's estimates. A shorter expected life of the option, lower volatility number or higher dividend yield used would result in a decrease in stock-based compensation expense. A longer expected life of the option or a higher volatility number used would result in an increase in stock- based compensation expense. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

All of the Company's stock options currently vest at the date of issuance.

During the three months ended September 30, 2017, the Company granted no options and no options were exercised.

During the nine months ended September 30, 2017, the Company granted 525,000 stock options exercisable at $0.60 per share expiring on January 22, 2020 and 1,350,000 stock options exercisable at $0.50 per share expiring on May 23, 2022.

The fair value of the options granted during the nine months ended September 30, 2017 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used (weighted average)	January 12, 2017	May 23, 2017
Expected volatility	**100%**	**100%**
Expected dividend yield	**0%**	**0%**
Risk-free interest rate	**0.73%**	**0.76%**
Expected option life in years	**3 years**	**5 years**
Expected forfeiture rate	**0%**	**0%**
Fair value per stock option granted	**$ 0.3706**	**$ 0.2175**
Total Fair value per stock option granted	**$ 194,600**	**$ 293,700**

The expected volatility is based on the average historical volatility over the life of the option at the Company's share price. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of

Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that options granted are expected to be outstanding based on historical options granted.

Stock-based Warrants

During the three months ended September 30, 2017, the Company did not issue purchase warrants.

In the first quarter of 2017, 20,000 purchase warrants were exercised at a price of $0.25 per warrant for total of $5,000 (2016: Nil).

In April 2017, the Company closed a private placement whereby it issued 7,882,500 Units at $0.40 per Unit, with each Unit comprising one Common Share and one-half of one Common Share purchase warrant. In total, 3,941,250 warrants were issued.

On May 12, 2017, the Company completed a Flow-Through Private Placement and issued 545,000 common shares for proceeds of $272,500. In connection with the issue, the Company paid $19,075 in fees and issued 38,150 broker warrants. Each broker warrant is exchangeable for one common share of the Company at a price of $0.50 for a period of twenty-four (24) months following the date of the issue of the related shares.

The fair value of the warrants granted during the nine months ended September 30, 2017 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes warrant valuation model assumptions used (weighted average)	April, 2017	May 12, 2017
Expected volatility	**100%**	**100%**
Expected dividend yield	**0%**	**0%**
Risk-free interest rate	**0.78-0.83%**	**0.75%**
Expected warrant life in years	**2 years**	**2 years**
Expected forfeiture rate	**0%**	**0%**
Fair value per warrant granted	**$ 0.1740**	**$ 0.1740**
Total Fair value per warrants granted	**$ 685,900**	**$ 6,600**

During the three and nine months ended September 30, 2016, the Company did not issue purchase warrants and nil were exercised.

1.10 Changes in Accounting Policies including Initial Adoption

Basis of Preparation

The interim condensed financial statements for the three and nine months ended September 30, 2017 and 2016 should be read together with the annual financial statements as at for the years ended December 31, 2016 and 2015. The same accounting policies and methods of computation were followed in the preparation of the 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 year ended December 31, 2016 and 2015 except as described below.

The 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 IFRS issued by the IASB and IFRIC.

The interim condensed financial statements and this MD&A are presented in Canadian dollars, which is the functional currency of the Company.

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.

Mineral Properties

Exploration and evaluation activities (IFRS 6)

All direct expenditures related to the acquisition of mineral properties continue to be capitalized, while exploration and evaluation costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property will be capitalized. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base. All initial acquisition costs relating to the properties are capitalized with regular impairment analysis conducted to assess the viability of each property

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

Investments

Financial instruments at fair value through profit or loss ("FVTPL") are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in the income statement. Where the Company has the positive intent and ability to hold reclamation bonds to maturity, they are stated at amortized cost less impairment losses.

Other financial instruments held by the Company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognized directly under other comprehensive income, except for impairment losses. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in profit or loss. The fair value of financial instruments classified as FVTPL and available-for-sale is their quoted bid price at the balance sheet date.

Financial instruments classified as FVTPL or available-for-sale investments are recognized or derecognized by the Company on the date it commits to purchase or sell the investments respectively. Securities held-to-maturity are recognized or derecognized on the day they are transferred to or by the Company respectively.

Impairment losses for the different financial assets and liabilities are recognized as follows:

> *FVTPL:* An impairment loss on a financial asset or financial liability classified as held for trading is recognized in net income in the period in which it arises.
>
> *Available-for-sale financial assets:* When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity is transferred to profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.
>
> *Held-to-maturity securities:* The recoverable amount of the Company's investments in held-to-maturity securities and receivables carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). An impairment loss is recognized in net income and through the amortization process. Effective interest method: The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognized on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

The Company's financial instruments measured at fair value on the balance sheet consist of cash, reclamation bonds, accounts payable and accrued liabilities, restoration liabilities and promissory notes payable. Cash is measured at level 1 of the fair value hierarchy. The Company does not have any financial instruments at level 2 or 3 of the fair value hierarchy. The three levels of the fair value hierarchy as follows:

> Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
>
> Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
>
> Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Debenture payable and Other Borrowings

Interest-bearing loans and other borrowings are recognized initially at fair value less related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Income / (Loss) Per Share

The basic income / (loss) per share is computed by dividing the net income / (loss) by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year.

Balance Sheet

Assets and liabilities expected to be realized in, or intended for sale or consumption in, the entity's normal operating cycle, usually equal to 12 months, are recorded as current assets or liabilities.

Statement of Cash Flows

The Company prepares its statement of cash flows using the indirect method.

1.11 Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's: (a) capitalized or expensed exploration and development costs; (b) expensed research and development costs; (c) deferred development costs; (d) general and administrative expenses; and (e) any material costs, deferred or expenses, not already referred to in (a) through (d), is provided in the Company's Statement of Comprehensive Income (Loss) contained in its audited Financial Statements for the year ended December 31, 2016, which can be accessed on SEDAR under the Company's profile page at www.sedar.com.

Disclosure of Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value.

Issued and outstanding: December 31, 2016 – 20,059,008;
Issued and outstanding: November 27, 2017 – 28,538,506

Warrants outstanding: December 31, 2016 – 5,496,600
Warrants outstanding: November 27, 2017 – 9,456,000

Options outstanding: December 31, 2016 – 947,500
Options outstanding: November 27, 2017 – 2,725,000

During the three months ended September 30, 2017 and 2016 all the outstanding stock options and warrants were anti-dilutive.

Dividend Policy

No dividends have been paid on any shares of the Corporation since the date of its incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, is made known to the Company's certifying officers. Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that these controls and procedures are effective, for the nature and size of the entity, in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

Litigation

There is no litigation pending, nor does management have knowledge of any potential litigation.

Funding Requirements

In order to move forward with its exploration activities, the Corporation will require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

Reliance on Management

The Corporation anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Corporation could materially adversely affect the Corporation.

Auditors, Transfer Agent and Registrar

The auditors of the Corporation are Parker Simone LLP, Chartered Professional Accountants of Mississauga, Ontario. The Transfer Agent and Registrar for the Common Shares of the Corporation is Computershare Investor Services Inc., of Vancouver, British Columbia