Northern Sphere Mining Corp.

(an Exploration Stage Company)

Unaudited Interim Condensed Financial Statements

(Expressed in Canadian Dollars)

Three months and nine months ended September 30, 2017 and 2016

Northern Sphere Mining Corp.
(an Exploration Stage Company)

Unaudited Interim Condensed
Statements of Financial Position

(Expressed in Canadian Dollars)

	Notes	As at September 30, 2017	As at December 31, 2016
Assets			
Current Assets			
Cash		**$ 653,448**	$ 586,999
HST recoverable		**87,943**	37,498
Prepaid expenses		**35,653**	4,110
		$ 777,044	$ 628,607
Property, plant and equipment	**5**	**105,028**	-
Mineral Properties	**6**	**255,083**	255,083
		$ 1,137,155	$ 883,690
Liabilities			
Current Liabilities			
Trade and other payables	**7**	**$ 396,972**	$ 430,674
Demand promissory note payable	**8**	**50,000**	50,000
Debenture payable	**8**	**1,901,300**	1,901,300
		$ 2,348,272	$ 2,381,974
Equity (deficiency)			
Capital Stock	**10**	**$ 9,820,441**	$ 6,712,892
Share payment reserve		**609,265**	583,514
Warrant reserve		**1,099,335**	411,600
Contributed Surplus		**37,750**	37,750
Deficit		**(12,777,908)**	(9,244,040)
		$ (1,211,117)	$ (1,498,284)
		$ 1,137,155	$ 883,690

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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 Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	**Three months ended September 30**		Nine months ended September 30	
		2017	2016	2017	2016
Revenue					
Interest Income		**$ 1,989**	-	**$ 1,989**	-
Expenses					
Management, director fees	**9**	**$ 132,704**	$ 42,000	**$ 573,549**	$ 118,000
General and administrative		**47,577**	14,519	**134,452**	54,564
Stock based compensation		**-**	-	**488,300**	84,800
Professional fees		**3,483**	44,662	**137,061**	106,937
Consulting fees		**-**	10,000	**9,282**	98,000
Exploration and evaluation expenditures	**6**	**1,144,673**	238,614	**2,167,736**	615,014
(Gain)/loss on foreign currency exchange		**10,187**	73	**25,478**	(2,650)
Gain on forgiveness of debt		**-**	-	**-**	(184)
Total Expenses		**$ 1,338,624**	$ 349,868	**$ 3,535,858**	$ 1,074,482
Net loss and comprehensive loss for the period		**$ 1,336,635**	$ 349,868	**$ 3,533,869**	$ 1,074,482
Loss per share - basic and fully diluted		**$ (0.047)**	$ (0.043)	**$ (0.140)**	$ (0.064)
Weighted average number of shares outstanding – basic and fully diluted		**28,532,593**	12,356,950	**25,299,561**	11,345,248

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
(Expressed in Canadian Dollars)

	Notes	Capital Stock: Number of shares	Capital Stock: Amount (1)	Reserves: Share based payments	Reserves: Warrants	Reserves: Contributed surplus	Accumulated deficit	2017 Total
Balance at December 31, 2016		**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)**	-	449,322	(449,322)	-	-	-	-
Value assigned on stock options issued	**10(d)**	-	-	488,300	-	-	-	488,300
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
Private Placements	**10(b)**	8,427,498	2,627,235	-	692,500	-	-	3,319,735
Share based Consulting Fees	**10(b)**	32,000	8,000	-	-	-	-	8,000
Net loss and comprehensive loss		-	-	-	-	-	(3,533,868)	(3,533,868)
Balance at September 30, 2017		**28,538,506**	**$ 9,820,441**	**$ 609,265**	**$ 1,099,335**	**$ 37,750**	**$ (12,777,908)**	**$ (1,211,117)**

(1): After deducting transaction costs

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

(Expressed in Canadian Dollars)

		Capital Stock		Reserves				2016
	Notes	**Number of shares**	**Amount (1)**	**Share based payments**	**Warrants**	**Contributed surplus**	**Accumulated deficit**	**Total**
Balance at December 31, 2015		9,879,698	$ 4,977,471	$ 452,314	$ -	$ 37,750	$ (5,871,816)	$ (404,281)
Value assigned on stock options issued		-	-	84,800	-	-	-	84,800
Private Placements		4,500,000	820,718	-	24,400	-	-	845,118
Net loss and comprehensive loss		-	-	-	-	-	(1,074,482)	(1,074,482)
Balance at September 30, 2016		14,379,698	$ 5,798,189	$ 537,114	$ 24,400	$ 37,750	$ (6,946,298)	$ (548,845)

(1): After deducting transaction costs

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

(Expressed in Canadian Dollars)

	Notes	Nine months ended September 30, 2017	2016
Operating activities			
Net loss		**$ (3,533,869)**	$ (1,074,482)
Items not affecting cash			
Depreciation	**5**	**30,492**	-
Stock based compensation	**10(d)**	**488,300**	84,800
Stock based payments to suppliers	**10(b)**	**8,000**	-
Net change in non-cash working capital balances:			
Prepaid expense		**(31,544)**	(3,256)
HST recoverable		**(50,443)**	(33,105)
Trade and other payables		**(33,702)**	157,482
Deposits from Investors		**-**	86,862
Cash flow used in operating activities		**$ (3,122,766)**	$ (781,699)
Investing activities			
Acquisition of property, plant and equipment	**5**	**$ (135,520)**	$ -
Expenditures on mineral properties	**6**	**-**	(57,500)
		$ (135,520)	$ (57,500)
Financing activities			
Cash flows from financing activities (net of issue costs)		**$3,324,735**	845,118
Increase in cash		**$ 66,449**	$ 5,919
Cash / (bank indebtedness) at beginning of period		**586,999**	(4,312)
Cash at end of period		**$ 653,448**	$ 1,607
Supplemental cash flow information			
Financing expenses paid		**$ 105,756**	$ 54,882

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

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 registered office is 1010 – 69 Yonge Street, Toronto, Ontario, M5E 1K3.

As at September 30, 2017, the Company had a working capital deficiency of $1,571,228 (December 31, 2016 - $1,753,367), had not yet achieved profitable operations, has accumulated losses of $12,777,908 (December 31, 2016 - $9,244,040) 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 financial position 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.

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 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 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 year ended December 31, 2016 and 2015 except as described below.

These financial statements were authorized for issuance by the Board of Directors of the Company on November 27, 2017

2.2 Basis of presentation

These interim condensed financial statements have been prepared on the going concern basis, under the historical convention, except for certain financial instruments which have been revalued at fair value, all monetary references expressed in these notes are references to Canadian dollar amounts ("$").

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

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 continues to monitor and assess the impact of this 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 on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

3. CAPITAL MANAGEMENT (continued)

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.

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 current global situation and economic uncertainties.

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 and nine-month periods ended September 30, 2017. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS

Fair value

As at September 30, 2017 and 2016, 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 September 30, 2017, the Company had a working capital deficiency of $1,571,228 (December 31, 2016 - $1,753,367). 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. The Company will need additional financing if it is to carry out its exploration plans for the next twelve months. 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 adequate financing is not available, the Company may be

4. FINANCIAL INSTRUMENTS (continued)

***Liquidity risk* (continued)**

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 incurs exploration expenditures in US dollars at both its joint venture operation in Arizona and for its mining claims in Nevada. Given the Company's current requirement to raise capital to fund its operations, the Company is restricted in its ability to hedge future foreign currency exposure to the US dollar. Management believes that the impact of foreign currency exposure to the US dollar is not significant at this time.

5. PROPERTY, PLANT AND EQUIPMENT

September 30, 2017

Equipment	January 1, 2017	Additions	Disposals	Accumulated Amortization	September 30, 2017
Mining equipment - Arizona	$ -	$ 135,520	$ -	$ 30,492	$ 105,028

The Company had no equipment in 2016.

(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES

September 30, 2017

Property	January 1, 2017	Additions	Impairment Write-off	September 30, 2017
Nye County, Nevada	$ 1	$ -	$ -	$ 1
Arizona Properties	180,082	-	-	180,082
Scadding Ontario Properties	75,000	-	-	75,000
	$ 255,083	$ -	$ -	**$ 255,083**

December 31, 2016

Property	January 1, 2016	Additions	Impairment Write-off	December 31, 2016
Nye County, Nevada	$ 1,599,863	-	$ (1,599,862)	$ 1
Arizona Properties	180,082	-	-	180,082
Scadding Ontario Properties	17,500	57,500	-	75,000
	$ 1,797,445	**$ 57,500**	**$ (1,599,862)**	**$ 255,083**

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. An impairment loss of $1,599,862 was taken through the statement of comprehensive loss for the year ended December 31, 2016.

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.

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.

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 (See Silver Sevens below for details).

6. MINERAL PROPERTIES (continued)

Arizona Properties (continued)

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 labour fees 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 June 2017, the Company engaged Godbe Drilling LLC. of Colorado to commence an exploratory drilling program on the Buckeye mine site, a section of the Company's Arizona property claims. Drilling commenced in July 2017. To date the program has completed 14 holes and the data results are currently being evaluated.

For the nine months ended September 30, 2017, the Company spent $1,923,370 in exploration and development of these Arizona properties compared with $524,209 in the nine months ended September 30, 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. Under the terms of the JV – Scadding, the Company is appointed as initial Operator of the recovery efforts.

In June 2017, the Company engaged Wolf Mountain Diamond Drilling Inc. of Sudbury, Ontario to commence an exploratory drilling program on the Company's Scadding Ontario property. Drilling commenced in August 2017. To date the program has completed 6 holes and the data results are currently being evaluated.

For the nine months ended September 30, 2017, the Company spent $242,014 in exploration and development of these Arizona properties compared with $88,299 in the nine months ended September 30, 2016.

(Expressed in Canadian Dollars)

7. 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, 2017	December 31, 2016
Trade payables and accrued liabilities not included in the following categories:	**$ 201,615**	$ 179,311
Director fees	**90,687**	90,687
Management and consulting fees payable to related parties	**65,023**	91,122
Exploration services to related parties	**28,250**	-
Professional fees	**11,397**	53,184
Consultants	**-**	16,370
	$ 396,972	$ 430,674

8. DEMAND PROMISSORY NOTE AND DEBENTURE PAYABLE

Sill Lake

In 2013, the Company received a refundable deposit of $50,000 relating to an anticipated transaction relating to claims at Sill Lake. The deposit converted into a demand promissory note later that same year and was due on June 30, 2014. The amount has not been settled as of June 30, 2017.

The Company is indebted to RX Exploration Inc. (“RXE”) by way of a non-interest bearing debenture payable with the face amount of $1,901,300. The amount has not been settled as of September 30, 2017

As these amounts are due on demand, they have been presented as current liability at face value.

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.

(Expressed in Canadian Dollars)

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

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

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

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 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.

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

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.

10. CAPITAL STOCK

(a) Authorized

An unlimited number of common shares.

(b) Issued

28,538,506 shares outstanding as at September 30, 2017 (December 31, 2016 – 20,059,008).

Nine months ended September 30, 2017

Stock based payment
The Issuer 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 first Installment consists of 32,000 Common Shares. The price per security for the first Installment is $0.25 based on the closing price of $0.25 on the last trading day immediately before the payment became due and payable.

Private Placement
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. In connection with this transaction, the Company paid $37,980 in finders’ fees, and $29,968 in legal fees.

Flow-Through Private Placement
On May 12, 2017, the Company completed a flow-through common shares private placement and issued 545,000 flow-through common shares (“Flow-Through Shares”) at $0.50 per share, for gross proceeds of $272,500. In connection with the issue, the Company paid $19,125 in finders’ fees and issued 38,150 broker warrants. (see Warrants below).

10. CAPITAL STOCK (continued)

(b) Issued (continued)

The gross proceeds received by the Company from the sale of the Flow-Through Shares will be 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.

Nine months ended June 30, 2016
Private Placements
On June 10, 2016, the Company completed a non-brokered private placement through the issuance of 1,690,000 common shares at a price of $0.20 per share for net proceeds of $296,520 (net of finders' fees and legal costs).

In March and May, 2016, the Company completed a non-brokered private placement through the issuance of 2,810,000 common shares at a price of $0.20 per share for total net proceeds of $548,598 (net of finders' fees and legal costs).

(c) Warrants

Nine months ended September 30, 2017
Of the warrants issued on in the first quarter of 2016, 20,000 warrants were exercised in the first quarter of 2017. 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.

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 stock and one half Subscriber Warrant. In total, 3,941,250 Subscriber Warrants were issued. The fair value of the Subscriber Warrants was estimated to be $685,900 on the date of grant using the Black-Scholes pricing model. In determining the fair value of the Warrants, management is required to make assumptions that could have a material impact on the valuation. The following are the assumptions used: expected term 2 years; expected volatility 100%; expected dividend yield 0%; risk free rates 0.78%-0.87%; forfeiture rate 0%; exercise price $0.60.

On May 12, 2017, in connection the flow-through common shares private placement discussed above, the Company issued 38,150 broker warrants. Each broker warrant is exercisable 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 broker warrants was estimated to be $6,600 on the date of grant using the Black-Scholes pricing model. In determining the fair value of the warrants, management is required to make assumptions that could have a material impact on the valuation. The following are the assumptions used: expected term 2 years; expected volatility 100%; expected dividend yield 0%; risk free rates 0.75%; forfeiture rate 0%; exercise price $0.50.

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (continued)

(c) Warrants (continued)

Nine months ended September 30, 2016
In the first quarter of 2016, the Company entered into an advisory agreement with Fosters & Associates Financial Services Inc. ("Fosters") pursuant to which Fosters provided advisory services to Northern Sphere for cash consideration and the issuance of 100,000 common share purchase warrants ("Advisory Warrants"). Each Advisory 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. The fair value of the Advisory Warrants issued was estimated to be $24,400 on the date of grant using the Black-Scholes option pricing model. In determining the fair value of the warrants, management is required to make assumptions that could have a material impact on the valuation. The following are the assumptions used: expected term 2 years; expected volatility 100%; expected dividend yield 0%; risk free rates 0.39%; forfeiture rate 0%; exercise price $0.25.

The following table provides information about warrants issued and outstanding at September 30, 2017:

Description	Expiry Date	Exercise Price	No. of Warrants Outstanding	Fair Value Reserve Remaining
Advisory Warrants	April 4, 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
Subscriber Warrants	April 10-25, 2019	0.60	3,941,250	685,900
Broker Warrants	May 12, 2019	0.50	38,150	6,600
			9,456,000	**$1,099,335**

(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 share. All Company stock options vest at the date of issuance.

Nine months ended September 30, 2017
On May 23, 2017, the Company issued 1,350,000 stock options at an exercise price of $0.50 and an expiry date of May 23, 2022 of which 1,100,000 were issued to members of its board and key management. All options vest at the date of issuance. The fair value of the options issued was estimated to be $293,700 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 5 years; expected volatility 100%; expected dividend yield 0%; risk free rates 0.76%; forfeiture rate 0%; exercise price $0.50.

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (continued)

(d) Stock Options (continued)

On January 12, 2017, the Company issued 525,000 stock options at an exercise 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.

Nine months ended September 30, 2016
On April 4, 2016, 625,000 stock options were issued at an exercise price of $0.22 and an expiry date of April 4, 2019. The fair value of the incentive stock options granted was estimated to be $84,800 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 interest rates 0.54%; forfeiture rate 0%; exercise price $0.22.

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
Excess reserve from prior years [1]		$ -	-	$ 449,262
Issued March 17, 2012	2017	10.80	22,500	3,052
Issued April 4, 2016 [2]:	2019	0.22	625,000	84,800
Issued December 9, 2016	2019	0.25	300,000	46,400
Outstanding at December 31, 2016		**$ 0.48**	**947,500**	**$ 583,514**
Reclass excess reserve from prior years [1]		**-**		**(449,262)**
Reclass				**(60)**
Expired March 17, 2017	**2017**	**10.80**	**(22,500)**	**(3,052)**
Expired March 29, 2017 [1]	**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 September 30, 2017		**$ 0.44**	**2,725,000**	**$ 609,265**

1: Reserves from prior years were not reclassed to capital stock as the related options were expired. These reserved have been reclassed in January of 2017.

2: Certain options issued to a previous Director of the Company on April 4, 2016 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.

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (continued)

(d) Stock Options (continued)

Under the terms of the stock option plan, Northern Sphere may issue up to 10% of the number of shares which are issued and outstanding on a particular grant date. As of September 30, 2017, that would be 2,853,850 options or up to 128,850 additional options.

The following table provides information about outstanding stock options at June 30, 2017 and 2016:

Nine months ended September 30,			**2017**			2016	
	Year of expiry	**Weighted Average Exercise Price**	**Number of Options**	**Value assigned to Options**	Weighted Average Exercise Price	Number of Options	Value assigned to Options
Excess value on books relating to expired options		**$ -**	**-**	**$ -**	$ -	-	$ 449,262
Issued April 4, 2016	**2019**	**0.22**	**550,000**	**$ 74,625**	0.22	625,000	84,800-
Issued December 9, 2016	**2019**	**0.25**	**300,000**	**46,400**	-	-	-
Issued January 12, 2017	**2020**	**0.60**	**525,000**	**194,600**	-	-	-
Issued May 23, 2017	**2022**	**0.50**	**1,350,000**	**293,700**			
Outstanding at the end of the period		**$ 0.44**	**2,725,000**	**$ 609,325**	$ 0.22	625,000	$ 534,062

11. COMMITMENTS AND CONTINGENCIES

Exploration activities
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.

Silver Sevens operator's agreement
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 comprehensive loss.

11. COMMITMENTS AND CONTINGENCIES (continued)

Buckeye lease agreement
The Buckeye Silver Mine, which is part of the Arizona properties, is subject to a lease agreement effective July 23, 2015 which, under the terms of the JV – Arizona agreement, the Company is obligated to make lease payments on July 23rd each year through 2021. The annual lease payments are in US dollars as follows:

Payment Date	**USD**
July 23, 2017	**25,000**
July 23, 2018	30,000
July 23, 2019	35,000
July 23, 2020	40,000
July 23, 2021	45,000

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 will be calculated at the closing price of the Common Shares on the date which such installment becomes payable. On July 15, 2017, the first installment was paid by the issuance of 32,000 common shares of the Company at a price of $0.25 per share for an aggregate price of $8,000. Common shares issued pursuant to the agreement with Agora will be subject to a four-month hold period from the date of issuance.

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. Although the Company does not have immediate plans to develop its Nevada property and this property currently has no material activity or assets during the current quarter, the Company will continue to show it as a separate segment in 2017 as an impairment loss of $1,599,862 was taken to through the statement of comprehensive loss in the quarter ended December 31, 2016.

(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION (continued)

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

	Three months ended September 30		Nine months ended September 30	
	2017	2016	**2017**	2016
Interest income	**$ 1,989**	**$ -**	**$ 1,989**	**$ -**
Nevada	**2,352**	2,507	**2,352**	2,507
Arizona	**981,379**	181,286	**1,923,371**	524,200
Scadding	**160,942**	54,821	**242,013**	88,299
	$ 1,144,673	$ 238,614	**$ 2,167,736**	$ 615,006
Corporate	**193,951**	111,254	**1,367,523**	459,468
Total expenses	**$ 1,338,624**	$ 349,868	**$ 3,535,259**	$ 1,074,474
Comprehensive loss	**$ 1,336,635**	$ 349,868	**$ 3,533,270**	$ 1,074,474

As at September 30, 2017	**Cash**	**Capital Assets**	**Mineral Properties**	**Other Assets**	**Identifiable assets**
Nevada	**$ -**	**$ -**	**$ 1**	**$ -**	**$ 1**
Arizona	**-**	**105,028**	**180,082**	**-**	**285,110**
Scadding	**-**	**-**	**75,000**	**-**	**75,000**
	$ -	**$ 105,028**	**$ 255,083**	**$ -**	**$ 360,111**
Corporate	**653,448**	**-**	**-**	**123,596**	**777,044**
Total	**$ 653,448**	**$ 105,028**	**$ 255,083**	**$ 123,596**	**$ 1,137,155**

As at December 31, 2016	Cash	Capital Assets	Mineral Properties	Other Assets	Identifiable assets
Nevada	$ -	$ -	$ 1	$ -	$ 1
Arizona	-	-	180,082	-	180,082
Scadding	-	-	75,000	-	75,000
	$ -	$ -	$ 255,083	$ -	$ 255,083
Corporate	586,999	-	-	41,608	628,607
Total	$ 586,999	$ -	$ 255,083	$ 41,608	$ 883,690