



**FORM 2A
ANNUAL LISTING STATEMENT**

As at January 25, 2013

NEMI Northern Energy & Mining Inc.

#200 – 1095 West Pender Street
Vancouver, British Columbia
V6E 2M6

TABLE OF CONTENTS

<i>Documents Incorporated by Reference</i>	<i>1</i>
<i>Forward Looking Information Advisory.....</i>	<i>2</i>
1. Glossary of Terms	3
2. Corporate Structure.....	6
2.1 Corporate Name and Address	6
2.2 Incorporation	6
2.3 Intercorporate Relationships.....	6
2.4 Fundamental Change or Corporate Reorganization	6
2.5 Non-Corporate Issuers and Foreign Corporations	6
3. General Development of the Business.....	6
3.1 Three Year History	6
3.2 Significant Acquisitions and Dispositions.....	7
3.3 Trends, Commitments, Events or Uncertainties	7
4. Narrative Description of the Business	7
4.1 General	13
4.2 Asset Backed Securities	15
4.3 Mineral Projects	15
4.4 Oil and Gas Operations	15
5. Selected Consolidated Financial Information	15
5.1 Annual Information	15
5.2 Quarterly Information	15
5.3 Dividends	16
6. Management's Discussion and Analysis	16
6.1 Annual Management's Discussion and Analysis	16
6.2 Overall Performance	16
6.3 Selected Annual Information.....	16
6.4 Discussion of Variations	16
6.5 Results of Operations	16
6.6 Summary of Quarterly Results.....	16
6.7 Liquidity.....	16
6.8 Capital Resources.....	17
6.9 Off-Balance Sheet Arrangements.....	17
6.10 Related Party Transactions	17
6.11 Fourth Quarter	17
6.12 Proposed Transactions.....	17
6.13 Changes in Accounting Policies including Initial Adoption.....	17
6.14 Financial Instruments and Other Instruments.....	17
6.15 Interim Management's Discussion and Analysis	17

6.16	Interim Management's Discussion and Analysis	18
6.17	Additional Disclosure for Issuers without Significant Revenue	18
6.18	Description of Securities	18
6.19	Exploration and Development Costs	18
6.20	Negative Cash Flow	18
6.21	Significant Equity Investee	18
7.	Market for Securities	18
7.1	Exchange Information	18
8.	Consolidated Capitalization	18
9.	Options to Purchase Securities	19
10.	Description of the Securities	19
10.1	Description of Equity Securities	19
10.2	Debt Securities	20
10.3	Other Securities	20
10.4	Modification of Terms	20
10.5	Other Attributes	20
10.6	Prior Sales	20
10.7	Stock Exchange Price	20
11.	Escrowed Securities	21
12.	Principal Shareholders	21
13.	Directors and Officers	22
13.1	Directors & Officers	22
13.2	Director Term of Office	23
13.3	Securities Owned by Directors	23
13.4	Committee Composition	23
13.5	Director and Officer Occupations	23
13.6	Corporate Cease Trade Orders or Bankruptcies	23
13.7	Penalties and Sanctions	23
13.8	Settlements Before December 31, 2000	23
13.9	Personal Bankruptcies	24
13.10	Conflicts of Interest	24
13.11	Management	24
14.	Capitalization	25
14.1	Issued Capital	25
15.	Executive Compensation	28
16.	Indebtedness of Directors and Executive Officers	35
16.1	Indebtedness of Directors and Executive Officers of NEMI	35
17.	Risk Factors	35
17.1	Relevant Risk Factors	35

18. Promoters.....	40
18.1 Names of Promoters.....	40
18.2 Cease Trade Orders and Bankruptcies – Penalties and Sanctions – Bankruptcies.....	40
19. Legal Proceedings	41
19.1 Legal Proceedings.....	41
19.2 Regulatory Actions	41
20. Interest of Management and Others in Material Transactions	41
21. Auditors, Transfer Agents and Registrars	41
21.1 Auditors:	41
21.2 Transfer Agent and Registrar:	41
22. Material Contracts.....	42
22.2 Co-Tenancy, Unitholders' or Limited Partnership Agreement	42
23. Interest of Experts	42
23.1 Interests of Experts.....	42
23.2 Beneficial Ownership.....	42
23.3 Ownership of Less than One Percent	42
23.4 Experts Appointed as Directors, Officers and Employees.....	42
24. Other Material Facts	42
25. Financial Statements	43
25.1 Audited Financial Statements.....	43
25.2 Financial Statements on Requalifying for Listing	43

Documents Incorporated by Reference

The following documents (collectively, the "**Documents Incorporated by Reference**"), filed by Corporation with the British Columbia, Alberta, Ontario and New Brunswick securities commissions, are specifically incorporated by reference in and form an integral part of this Listing Statement:

1. the annual information form of the Corporation dated December 19, 2011 for the year ended September 30, 2011 (the "**2011 AIF**") available on SEDAR, www.sedar.com;
2. the audited consolidated financial statements of the Corporation as at September 30, 2012 and 2011 and for the years then ended, together with the notes thereto and the auditors' report thereon (the "**2012 Audited Annual Financial Statements**") available on SEDAR, www.sedar.com ;
3. the audited consolidated financial statements of the Corporation as at September 30, 2011 and 2010 and for the years then ended, together with the notes thereto and the auditors' report thereon (the "**2011 Audited Annual Financial Statements**") available on SEDAR, www.sedar.com ;
4. the audited consolidated financial statements of the Corporation as at September 30, 2010 and 2009 and for the years then ended, together with the notes thereto and the auditors' report thereon (the "**2010 Audited Annual Financial Statements**") available on SEDAR, www.sedar.com;
5. management's discussion and analysis of operating results and financial position of the Corporation for the year ended September 30, 2012 (the "**2012 Annual MD&A**") available on SEDAR, www.sedar.com;
6. the material change report of the Corporation dated December 30, 2011 relating to the expiry of the Corporation's Substantial Issuer Bid (the "**December 30, 2011 Material Change Report**") available on SEDAR, www.sedar.com;
7. the issuer bid circular of the Corporation dated November 18, 2011, in connection with the Corporation's Substantial Issuer Bid (the "**Issuer Bid Circular**") available on SEDAR, www.sedar.com; and
8. the management information circular of the Corporation dated August 24, 2011 in connection with the annual and special meeting of shareholders of the Corporation held on September 26, 2011, at which the Corporation received shareholder approval for the PRC Sale (the "**SGM Information Circular**") available on SEDAR, www.sedar.com.

Forward Looking Information Advisory

Certain information contained in this Listing Statement constitutes forward-looking information, which is information relating to possible events, conditions or results of operations of the Corporation, which are based on assumptions about future economic conditions and courses of action and which are 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", "target", "intend", "could", "might", "should", "believe", and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information in this Listing Statement includes, but is not limited to, statements with respect to: the Corporation's investment approach, objectives and strategy, including its focus on specific sectors; the structuring of its investments and its plans to manage its investments; its financial performance; and its expectations regarding the performance of financial markets.

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 Corporation believes the expectations reflected in those forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct. Some of the risks and other factors which could cause results to differ materially from those expressed in forward-looking information contained in this Listing Statement include, but are not limited to: the nature of the Corporation's investments; its dependence on management of its portfolio companies; the available opportunities and competition for its investments; the concentration of its investments in certain industries and sectors; its dependence on key personnel; risks affecting its investments; fluctuations in commodity prices; global political and economic conditions; management of the growth of the Corporation, exchange rate fluctuations; and other risks and factors discussed in this Listing Statement under "*Risk Factors*".

Although the Corporation has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. Readers are cautioned that the foregoing list of risks and factors is not exhaustive. The forward-looking information contained in this Listing Statement is provided as at the date of this Listing Statement, based upon the opinions and estimates of management and information available to management as at the date of this Listing Statement, and the Corporation 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 required by law. Readers are cautioned not to place undue reliance on forward-looking information contained in this Listing Statement.

All of the forward-looking information contained in this Listing Statement is expressly qualified by this cautionary statement.

1. Glossary of Terms

The following is a glossary of general terms and abbreviations used in this Listing Statement:

"2010 Audited Annual Financial Statements" has the meaning set forth under the heading *"Documents Incorporated by Reference"*, above;

"2011 AIF" has the meaning set forth under the heading *"Documents Incorporated by Reference"*, above;

"2011 Audited Annual Financial Statements" has the meaning set forth under the heading *"Documents Incorporated by Reference"*, above;

"2012 Annual MD&A" has the meaning set forth under the heading *"Documents Incorporated by Reference"*, above;

"2012 Audited Annual Financial Statements" has the meaning set forth under the heading *"Documents Incorporated by Reference"*, above;

"Anglo Asset Purchase Agreement" means the asset acquisition agreement dated August 17, 2011, pursuant to which NEMI sold all of its interest in the Peace River Coal Limited Partnership to Anglo Coal Canada Limited;

"Associates" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – Investment Valuation and Accounting Policies"*;

"BCBCA" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

"BEM" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – Black Eagle Mining Corporation"*;

"BEM June 2012 Private Placement" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – Black Eagle Mining Corporation"*;

"Board" means the board of directors of the Corporation;

"Business Assets" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business"*;

"BZA" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – American Bonanza Gold Corp."*;

"BZA Note Warrants" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – American Bonanza Gold Corp."*;

"Common Shares" means the Class "A" Common Shares in the capital of the Corporation.

"Computershare" means Computershare Investor Services Inc.;

"Conflicted Insider" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – Investment Restrictions, Practices and Procedures"*;

"Conflicted Investment" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business - Investment Restrictions, Practices and Procedures"*;

"CNSX" means the Canadian National Stock Exchange;

"December 30, 2011 Material Change Report" has the meaning set forth under the heading *"Documents Incorporated by Reference"*, above;

"Debentures" means the outstanding 8% debentures, convertible into Common Shares at a price of \$0.90 per Common Share and maturing on March 12, 2013. At the option of the Corporation, the Corporation may prepay the outstanding principal amount of the Debentures if the Common Shares trade at an average price at or above \$1.13 for 20 consecutive trading days;

"Debtor" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – American Bonanza Gold Corp."*;

"Documents Incorporated by Reference" has the meaning set forth under the heading *"Documents Incorporated by Reference"*, above; **"FVTPL"** has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – Investment Valuation and Accounting Policies"*;

"Guaranty" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – American Bonanza Gold Corp."*;

"IFRS" means International Financial Reporting Standards;

"IAS 28" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – Investment Valuation and Accounting Policies"*;

"IAS 39" has the meaning set forth in section 4, under the heading *"Narrative Description of the Business – Investment Valuation and Accounting Policies"*;

"Issuer Bid Circular" has the meaning set forth under the heading *"Documents Incorporated by Reference"*, above;

"Listing Statement" means this CNSX Form 2A Listing Statement, including all information incorporated by reference herein;

"Maturity Date" has the meaning set forth in section 4 under the heading *"Narrative Description of the Business – American Bonanza Gold Corp."*;

"NEMI" or the **"Corporation"** means NEMI Northern Energy & Mining Inc., a company continued under the BCBCA;

"PRC Sale" means the sale by NEMI of all of its interest in the Peace River Coal Limited Partnership to Anglo Coal Canada Limited on August 26, 2011, pursuant to the Anglo Asset Purchase Agreement;

"SEDAR" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"SGM Information Circular" has the meaning set forth under the heading *"Documents Incorporated by Reference"*, above;

"Shareholder" means a holder of Common Shares of NEMI;

"Shareholder's Right's Plan" means the Shareholders Rights Plan Agreement between the Corporation and Computershare Trust Company of Canada, as Rights Agent, dated March 23, 2010, and ratified by the Corporation's shareholders on March 30, 2010;

"Stock Options" means the common share purchase options issued pursuant to the Stock Option Plan;

"Stock Option Plan" means the 10% rolling common share purchase option plan of NEMI;

"Substantial Issuer Bid" means NEMI's substantial issuer bid commenced November 18, 2011 which expired December 28, 2011 pursuant to which NEMI acquired 38,000,000 outstanding Common Shares and \$10,119,000 in principal amount of Debentures for aggregate consideration of \$52,599,591;

"TSX" means the Toronto Stock Exchange;

"Vangold" has the meaning as set forth in section 4, under the heading *Narrative Description of the Business – Vangold Resources Ltd.*;

"Vangold Loan" has the meaning as set forth in section 4, under the heading *Narrative Description of the Business – Vangold Resources Ltd.*;

"Vangold Share Bonus" has the meaning as set forth in section 4, under the heading *Narrative Description of the Business – Vangold Resources Ltd.*.

2. Corporate Structure

2.1 Corporate Name and Address

The corporate name of the Corporation is "NEMI Northern Energy & Mining Inc."

Head Office:

#200 – 1095 West Pender Street
Vancouver, BC V6E 2M6

Registered Office:

1600 – 609 Granville Street
Vancouver, BC V7Y 1C3

2.2 Incorporation

See discussion in the 2011 AIF under the heading "*Name, Address and Incorporation*".

2.3 Intercorporate Relationships

See discussion in the 2011 AIF under the heading "*Intercorporate Relationships*".

2.4 Fundamental Change or Corporate Reorganization

The Corporation is not applying to requalify on the CNSX following a fundamental change, or proposing any corporate reorganization.

2.5 Non-Corporate Issuers and Foreign Corporations

The Corporation is not a non-corporate issuer or incorporated outside of Canada.

3. General Development of the Business

3.1 Three Year History

See discussion in the of the Corporation's development to December 19, 2011, in the 2011 AIF under the heading "Three Year History".

Subsequent to the date of the 2011 AIF, in response to the TSX's on-going review of the Corporation's ability to meet the continued listing requirements of the TSX, NEMI voluntarily delisted its Common Shares from the TSX effective March 14, 2012, and listed the Common Shares on the CNSX effective March 15, 2012.

Concurrent with the listing of the Common Shares on the CNSX, NEMI commenced operations as a specialized merchant bank focused building an investment portfolio through investment in predominantly small cap and microcap companies which it perceives to be undervalued with a view to maximizing Shareholder value.

Since commencing merchant banking operations NEMI has grown its portfolio of investments and assets significantly, primarily through the acquisition of key strategic material investments. As at December 31, 2012, NEMI's portfolio was fair valued at \$18,095,773.

On December 11, 2012, the Corporation's board of directors declared a dividend of \$0.05 per Common Share to Shareholders of record on December 18, 2012.

Following pay-out of the dividend to Shareholders, NEMI's net asset value was valued at \$1.52 per share as at December 31, 2012.

3.2 Significant Acquisitions and Dispositions

See discussion in the 2011 AIF under the heading "*Three Year History*" concerning the PRC Sale and the Substantial Issuer Bid.

See also the SGM Information Circular concerning the PRC Sale.

See also the Issuer Bid Circular and the December 30, 2011, Material Change Report concerning the Substantial Issuer Bid.

3.3 Trends, Commitments, Events or Uncertainties

NEMI is a specialized merchant bank whose principal activity is the development of its investment portfolio.

NEMI's ability to acquire assets and securities is subject to the availability of funds. At this time, the Corporation has sufficient resources to fund proposed investments, however, as additional assets are acquired and as the investment portfolio is assembled, available funds could become increasingly limited in the event the Corporation is unable to liquidate assets or generate new investor interest. The Corporation has no assurance that funds for further investments will be available in future.

In the normal course of business, NEMI is subject to the risks and uncertainties common to equity investments, which is by its nature is subject to inherent risk including stock market fluctuations. Due to the recent economic climate, NEMI may also be impacted by the global credit crisis, which has created additional credit liquidity risks. It is not possible for the Corporation to accurately predict what effect, if any, such credit liquidity risks may have on the Corporation, but the Corporation has no reason to expect that it will be more adversely affected by such trends than any other companies operating in the field of equity investments.

For a more detailed discussion of risks see §17 "Risk Factors", below.

4. Narrative Description of the Business

NEMI is a specialized merchant bank whose principal activity is the development and management of its investment portfolio. Although NEMI retains the flexibility to make any investments which management determines are in its best interests, currently NEMI's primary target investments are shares of small-cap and micro-cap companies which NEMI's management believes are undervalued. Although its investments are not limited to any particular sector, management of NEMI believes that these kind of opportunities will consistently arise in the volatile junior resource sector. NEMI also invests in other assets, properties and business opportunities and it is anticipated that NEMI's investment portfolio may consist of various business assets including mineral properties, business assets, publically traded and private company securities, equity investments that could include control interests or interests of significant influence, convertible securities, debt instruments, and purchase rights (collectively, "Business Assets"). NEMI may also engage in other activities at its discretion such as providing bridge financing for existing businesses or start up financing for new businesses, as circumstances warrant. NEMI does

not have a detailed investment policy as it believes that as a small merchant bank it requires absolute flexibility to take advantage of opportunities which arise from time to time and are very unique in nature, but does have in place the following investment restrictions and guidelines:

Investment Restrictions

NEMI has the degree of flexibility required to conduct its investment activities and is not restricted as to what type of investments can be made from time to time but within that framework, investment practices and procedures are subject to the following considerations:

- In those instances where NEMI elects to purchase Business Assets in which any director, officer or substantial security holder holds a material interest or is a director, officer, or substantial security holder of a target asset or vendor, (a "Conflicted Investment") such individual (a "Conflicted Insider") shall disclose his or her interest to NEMI, and where the Conflicted Insider is a director of NEMI, abstain from voting on any resolution concerning such Conflicted Investment. Further, in the event that NEMI elects to purchase, sell or hold any publically traded security, all directors, officers and substantial security holders who have knowledge of such proposed trading activity are subject to black-out periods and are not permitted to buy or sell securities of any target on the public market or compete with or against NEMI's trading activities until NEMI has completed its trading activity. This does not preclude NEMI from selling or buying Business Assets to or from Conflicted Insiders so long as appropriate board approval has been secured, such approval to be granted by a majority of the directors who in any one specific instance are not conflicted.
- In those instances when NEMI has purchased an investment in a traded security without prior approval of the board that was, at the time of purchase, unknown to the Company to be a Conflicted Investment then it shall be incumbent on all directors, officers or consultants to declare their conflict the moment they become aware that Company has made such an investment at which time such Conflicted Insider shall be, subject to restrictions set out herein. Alternatively, any individual who is in a position to potentially become a Conflicted Insider can undertake to provide management with a list of companies in which that Conflicted Insider holds an investment security or to which such person provides his services as a director, officer or consultant.
- NEMI's portfolio of investments shall be subject to a review by the board of directors on a quarterly basis.
- In those instances where NEMI acquires securities of a private issuer, such acquisition or disposition shall be subject to board approval and such approval shall be subject to the provisions for Insider Conflict as detailed above.
- NEMI does not engage in the business of underwriting securities.
- NEMI does not purchase or sell commodities; or purchase or sell mortgages, but this policy shall not preclude NEMI from accepting a security lien against pledged assets.

All investment decisions that involve the acquisition of an asset or a security that is not publically traded or involves a disbursement of greater than CDN\$1,000,000 require approval of the Board of Directors. Management has discretion in respect of investments in marketable securities which involve the disbursement of CDN\$1,000,000 or less.

For the purposes of the foregoing restrictions on NEMI's investment activities:

- "substantial security holder" means a person or corporation or group of persons or corporations which own beneficially, either individually or together, or directly or indirectly, voting securities to which are attached more than 10% of the voting rights outstanding; and
- "voting securities" means any security other than a debt security of an issuer carrying the voting rights either under all circumstances or under some circumstances that have occurred and are continuing.

Where investment restrictions are based upon a percentage of funds, such percentages are based upon the acquisition cost of NEMI's assets determined at the time of investment. Any subsequent change in any applicable percentage resulting from changing values of assets will not require disposing of any security. In the event that NEMI proposes to acquire convertible debt instruments for its portfolio, the investment policies and restrictions will be based on the assumption that the debt instruments have in fact been converted.

Investment Valuation and Accounting Policies

The Company's financial instruments including investments at fair value are all classified as "fair value through profit and loss" (or "FVTPL"). Accordingly, financial assets (as well as financial liabilities) are designated as fair value through profit or loss only when doing so results in more relevant information as defined in IAS 39, or when otherwise specifically permitted under IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). The Company has met the requirements of IAS 39 to designate all financial assets at fair value through profit and loss as the investments at fair value constitute a group of financial assets which is managed and its performance is evaluated on a fair value basis in accordance with a documented investment strategy. Unless specific exemptions in IAS 39 are met, all embedded derivatives have been separated and recognized in the consolidated financial statements as derivatives. It is the Company's policy to disclose information regarding the nature and extent of risks arising from financial instruments to which the Company is exposed at each reporting date.

The determination of investment values requires management to make judgments, estimates and assumptions that affect the application of investment valuation policies and reported amounts of assets, liabilities and related expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances, but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ from these estimates.

Estimates and underlying assumptions used in determining investment values are reviewed on an ongoing basis. Revisions to investment valuation estimates are recognized in the period of the revision and future periods, if the revision affects both current and future periods. On this basis investments are recognized at fair value. Fair value is determined on the basis of market prices from independent sources, if available; if there is no market price then the fair value is determined by using valuation models. The inputs to these models, such as discount rates and gold curve prices, are derived from observable market data where possible, but where observable data is not available, judgment is required to establish fair values.

There is inherent uncertainty and imprecision in estimating the factors that can affect investment values and in estimating fair values generally when observable data is not available. Changes in

assumptions and inputs used in determining investment at fair value could significantly affect the reported fair value.

All investments at fair value are classified upon initial recognition at fair value through profit or loss, with changes in fair value reported in a profit or loss. In accordance with IAS 39, Investments at fair value through profit and loss are initially recognized at fair value where reliable basis for determination exists. Transaction costs are expensed as incurred. Investments are no longer recognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial assets and the transfer qualifies for a discontinuation of recognition in accordance with IAS 39. Investments in associated companies are those entities over which the company has or is deemed to have significant influence, but not control over the financial and operating policies ("Associates"). Under IAS 39, investments in Associates are held as part of the Company's investment portfolio and carried in the consolidated statement of financial position at fair value even though the Company may have significant influence over such entities. This treatment is permitted under IAS 28, *Investments in Associates* ("IAS 28") which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are measured at fair value through profit or loss in accordance with IAS 39, with changes in fair value recognized as unrealized gains or losses on investments in the consolidated statement of income and comprehensive income. As at September 30, 2012, NEMI had no investments in Associates.

Investment purchases and sales are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are included in the determination of income or loss for the reporting period. Upon disposal of an investment, previously unrealized gains and losses are reversed, so as to recognize the full amount of the realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are immediately expensed and included in the determination of income for the reporting period in which they are incurred. Dividend income is recorded on an ex-dividend date and when the right to receive the dividend has been established. Interest income, other income, and income from loans included in investments at fair value are recorded on an accrual basis.

The fair value of securities that are traded in active markets, such as on a recognized securities exchange is determined by reference to quoted closing market prices or dealer price quotations (bid price for long positions and ask price for short positions) on the reporting date, without any deduction for transaction costs. Certain of the securities in publicly traded companies that have been acquired through private placement subscriptions may be subject to four-month holding periods as disclosed. Further, in accordance with IFRS, no provision is taken to recognize any possible premium or discount that may be applicable on relatively large board lots in a given prevailing market.

In those instances where the Company has secured additional purchase rights to securities such as warrants attached to shares for which it has subscribed or been granted under the terms of a loan agreement and for which there is no recognized trading value, the Company does not accord any value to such purchase rights. When there are sufficient and reliable observable market inputs, a valuation technique is used.

The Company's investments at fair value include equity issued by private companies. The determination of fair value of such investments at other than initial cost are subject to certain limitations. Financial information for private companies with whom the Company has made investments may not be available and, even if available, that information may be limited and/or

unreliable. For private company equity securities not traded in an active market, all investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting date, fair value is determined using appropriate valuation techniques. Such techniques may include but are not limited to:

- using recent arm's length market transactions;
- reference to the current fair value of another instrument that is substantially the same; and
- discounted cash flow analyses or other valuation models

Absent the occurrence of a recent arm's length market transactions or any significant change in general market conditions, it is generally recognized that the fair value of the investment has not materially changed. The valuation of private company equity securities involves uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Investments at fair value also included loans to corporations for which there is no quoted market value but for which comparable empirical data exists on which the Company has based its valuations. In these instances, fair value is determined using valuation techniques.

Portfolio Investments Held at Fair Value as at the most recently completed Financial Year End.

As at September 30, 2012 and December 31, 2012, investments at fair value were as follows:

	December 31, 2012		September 30, 2012	
	Quoted or estimated fair value	Cost	Quoted or estimated fair value	Cost
	\$	\$	\$	\$
a) investment in publicly traded securities	6,705,773	7,534,650	4,808,388	5,216,432
b) BEM Shares	9,000,000	3,750,000	9,000,000	3,750,000
c) BZA Loan	1,690,000	1,556,500	1,590,000	1,456,500
d) Vangold Loan	600,000	600,000	500,000	500,000
e) other	100,000	100,000	-	-
	18,095,773	13,541,150	15,898,388	10,922,932

Changes in the Company's investments at fair value were as follows:

	Three months ended December 31 2012	Year ended September 30 2012
	\$	\$
Balance, beginning of period	15,898,388	-
Purchases	2,963,659	11,636,875
Proceeds on disposition	(381,052)	(838,557)
Realized gains on disposition	32,898	156,512
Unrealized foreign exchange gains (losses)	2,712	(13,598)
Unrealized gains (losses)	(420,832)	4,957,156
Balance, end of period	18,095,773	15,898,388

As the Company carries its investments at fair value on the fair value through profit or loss basis, the above referenced realized and unrealized gains and losses as well as the foreign exchange gains (loss) totaling \$5,100,070 have been recognized in income for the year ended September 30, 2012.

a) Publicly Traded Securities

In the year ended September 30, 2012, the Company invested in a portfolio of publicly traded securities having a quoted market value of \$4,808,388 as at September 30, 2012. As at September 30, 2012, marketable securities include investments having a market value of \$1,355,000, the sale of which are subject to hold periods of a maximum of four months from purchase that expire on various dates until January 15, 2013.

b) Black Eagle Mining Corporation ("BEM")

On March 16, 2012, the Company acquired a 17.4% interest or 5 million common shares of Black Eagle Mining Corporation ("BEM") in a private placement for a total cash consideration of \$3,750,000 or \$0.75 per share. On completion of the acquisition NEMI's CEO was appointed to the BEM board of directors.

BEM is a private company incorporated under the laws of British Columbia and holds the sole and exclusive right to acquire a 100% interest in certain applications forming the Blackstone metallurgical coal project in Alberta pursuant to an agreement between BEM and Rio Tinto Exploration Canada Inc.

On June 1, 2012, BEM closed a \$12.5 million private placement at a price of \$1.80 per share (the "BEM June 2012 Private Placement"). Accordingly, the Company's net income for the year ended September 30, 2012 included an unrealized mark to market gain in the carrying value of its BEM shares of \$5,250,000 (\$1.05 per share) to adjust the fair value of the shares to the most recent arms length transaction. Upon completion of the BEM June 2012 Private Placement, NEMI owned 14.0% of BEM.

c) American Bonanza Gold Corp ("BZA")

On September 14, 2012, the Company advanced US\$1,500,000 (approximately \$1,456,800) against a Secured Promissory Note and Guaranty (the "BZA Note") extended by BZA, a Corporation organized and existing under the laws of British Columbia and its wholly-owned subsidiary Bonanza Explorations Inc., a company organized and existing under the laws of Nevada (together "BZA" or the "Debtor") under which the Debtor promised to pay to the Company together with all interest and other fees and monies which may from time to time be owing under the BZA Note. The BZA Note is due in full on November 14, 2013 (the "Maturity Date"). Interest on the unpaid balance is payable monthly in US dollars at the rate of 12% per annum commencing November 1, 2012. Subject to provisions for earlier repayment in accordance with terms of the BZA Note, repayment is due in eight equal monthly installments commencing March 14, 2013, however; the Debtor may, upon five days prior written notice prepay, in whole, or in part, the then outstanding principal amount along with all accrued and unpaid interest due and payable on such amount of prepayment, provided that such prepayment to the Company includes a prepayment penalty in an amount equal to 14 months interest on the amount of the Gold Loan being repaid at the rate of 12% less any interest payments previously paid on the prepayment amount. At the Company's option, repayment shall be made in an aggregate payment of 1250 London good delivery gold ounces, or in cash. BZA has granted the Company a security

agreement granting a charge over all of the debtor's personal property save and except for the Debtor's mining lease dated June 12, 2005 between the Patch Living Trust and the Debtor. The BZA Note is further secured under a Guarantor Security Agreement (the "Guaranty") under which the Debtor has irrevocably and unconditionally guaranteed the due and punctual payment of all obligations incurred under the terms of the loan. In addition the BZA Note provides for various terms and conditions that are typical in the industry under similar circumstances.

As at September, the fair market value of the BZA Note amounted \$1,590,000. Fair market value was determined using a valuation model. The significant assumptions applied to the model were the consensus gold forward prices and discount rate.

In addition, in consideration for having extended the BZA Note the Debtor issued 1,500,000 common share purchase warrants for nominal consideration to the Company (the "the BZA Note Warrants"). Such warrants shall be exercisable for a period of two years from the date of issuance and entitle the holder to purchase one additional share in the capital of the Debtor at a price of \$0.50 per share. At this time, that Company has not assigned any value to these warrants.

d) Vangold Resources Ltd. ("Vangold")

On July 4, 2012 the Company advanced \$500,000, in consideration for a one year term loan to Vangold Resources Ltd. ("Vangold") that bears simple interest at a rate of 20% per annum payable monthly (the "Vangold Loan"). The outstanding principal will be due and payable on July 4, 2013.

In addition, under the provisions of the Vangold Loan agreement, following a proposed Vangold share consolidation which took place during the month of October 2012, the Company was entitled to receive a bonus share allotment of 888,889 Vangold shares having a total value of \$100,000 in consideration for having made the loan accommodation (the "Vangold Share Bonus").

The Vangold Share Bonus was payable within the earlier of the completion of a proposed Vangold share consolidation and 120 days after July 4, 2012. However during October 2012, as part of an arrangement to subscribe to a Vangold private placement offering for 2,250,000 Vangold shares at a price of \$0.10 each, the Company agreed to defer delivery of the bonus shares until such time as the Company would not own more than 20% of Vangold's common shares.

All Other Non-Financial Instrument Investments

Investments in non-financial instruments such as business assets including mineral properties, equipment, real estate or mineral, property, or intellectual rights are carried at the lesser of cost and estimated fair value where fair value is determined in accordance with applicable impairment analysis as provided for under established accounting policies that are applicable in each respective circumstance.

4.1 General

1.

- (a) In the next twelve months, NEMI will continue to explore opportunities for development of its investment portfolio and seek out strategic equity investment

opportunities small cap and microcap companies which it perceives to be undervalued. NEMI's primary focus will be on the management and continued development of the Corporation's portfolio of assets and equity investments.

- (b) NEMI's business operations focus on analysis, identification and management of investment opportunities and building a strong investment portfolio consistent with NEMI's investment objectives and restrictions through with a view to delivering positive returns and increasing Shareholder value. After the completion of suitable research and due diligence, should NEMI determine that an investment meets NEMI's investment objectives, only then does NEMI proceed.
- (c) As at December 31, 2012, 2012, NEMI had available working capital of approximately \$25,547,604 with which to continue to build its investment portfolio. NEMI will use the available funds to fund, among other things, the costs of research and due diligence in respect to the acquisition of investments, for general working capital and general and administrative expenses and for direct investment.
- (d) As at December 31, 2012 NEMI's cash available for investment activities for the period through December 31, 2013 is estimated as follows:

Use of Available Funds	Available Funds December 31 2013(1) \$
Cash on hand, December 31 2012	7,492,621
Less: estimated provision for operational requirements	(800,000)
Required on retirement of convertible debentures	(335,208)
Available for investment purposes in the period through December, 31, 2103	6,357,413

(1) After payment of dividends on December 31, 2012 of \$832,607 (\$0.05 per common share).

The forgoing presentation assumes that the Company does not generate any cash from the sale of existing assets. As at January 25, 2013, with exception of the scheduled loan repayment receipts, the Company is not subject to any funding obligations or commitments whatsoever and the above information does not constitute a plan to invest as there may be circumstances, where, for sound business reasons, a reallocation of funds may be necessary.

- 2. The Corporation does not distribute any products or provide any services to third parties.
- 3. The Corporation is not engaged in production of any products.
- 4. NEMI is neither a mutual fund nor an investment fund but will compete with these investment vehicles in the search for the investment opportunities, in addition to hedge funds, other

institutional investors and corporate buyers. Many of these competitors have greater financial, technical and other resources than NEMI. However, with a smaller and less expensive management infrastructure as well as an interest in opportunities that carry relatively smaller financial investment requirements, NEMI believes that it is well positioned to source, identify and capitalize upon investment opportunities that may be overlooked in today's market.

5. Please see foregoing discussion of the Corporation's investment and lending practices and restrictions the above.
6. There were no bankruptcy, receivership or similar proceedings against the Corporation or its subsidiary or made by the Corporation or its subsidiary within the three most recently completed financial years or during the current financial year..
7. See discussion in the 2011 AIF under the heading "*Three Year History*" concerning the PRC Sale and the Substantial Issuer Bid.

See also the SGM Information Circular concerning the PRC Sale.

See also the Issuer Bid Circular, the December 30, 2011, Material Change Report and the 2012 Annual MD&A concerning the Substantial Issuer Bid.

See also §3.1 "Three Year History" of this Listing Statement regarding NEMI's commencement of operations as a specialized merchant bank.

8. The Corporation has not implemented any social or environmental policies.

4.2 Asset Backed Securities

The Corporation does not have any asset-backed securities outstanding.

4.3 Mineral Projects

The Corporation does not have any mineral properties.

4.4 Oil and Gas Operations

The Corporation does not have any oil and gas operations.

5. Selected Consolidated Financial Information

5.1 Annual Information

See discussion in the 2012 Annual MD&A under the heading "*NEMI Northern Energy & Mining Corporate Operations – Selected Annual Audited Financial Information*".

5.2 Quarterly Information

See discussion in the 2012 Annual MD&A under the heading "*Summary of NEMI's Quarterly Results*".

5.3 Dividends

NEMI's current policy is to generally retain future profits for growth, however, the Corporation may, at the discretion of Board of Directors, declare and pay a dividend to Shareholders from time to time as general market conditions and the Corporation's financial circumstances may warrant.

In that light, on December 31, 2012, the Corporation paid a \$832,607 dividend (\$0.05 per Common Share) to Shareholders of record on December 18, 2012. No other dividends have been paid on the Corporation's Common Shares during the three most recently completed fiscal years.

The Corporation's dividend policy is reviewed periodically by the board of directors and is subject to change, depending on its earnings, financial requirements and other factors, as appropriate. As at the date hereof, the Corporation does not intend to change its dividend policy. As at January 25, 2013 there are no restrictions that could prevent the Corporation from paying dividends.

5.4 Foreign GAAP

The Corporation does not use Foreign GAAP.

6. Management's Discussion and Analysis

6.1 Annual Management's Discussion and Analysis

The 2012 Annual MD&A is prepared as of January 25, 2012.

6.2 Overall Performance

See discussion in the 2012 Annual MD&A.

6.3 Selected Annual Information

See discussion in the 2012 Annual MD&A.

6.4 Discussion of Variations

See discussion in the 2012 Annual MD&A.

6.5 Results of Operations

See discussion in the 2012 Annual MD&A

6.6 Summary of Quarterly Results

See discussion in the 2012 Annual MD&A.

6.7 Liquidity

See discussion in the 2012 Annual MD&A.

See also §4.1 "Principal Purposes for Available Funds" for further details on the anticipated general and administrative and other anticipated costs.

6.8 Capital Resources

See discussion in the 2012 Annual MD&A.

6.9 Off-Balance Sheet Arrangements

See discussion in the 2012 Annual MD&A.

6.10 Related Party Transactions

See discussion in the 2012 Annual MD&A.

6.11 Fourth Quarter

See discussion in the 2012 Annual MD&A.

6.12 Proposed Transactions

As at the date of this Listing Statement, other than as disclosed elsewhere in this Listing Statement, the Corporation's Board of Directors had not entered into any definitive agreements for the proposed acquisition or disposition of an asset or business that would be expected to have a material effect on the financial condition, results of operations and cash flows of the Corporation.

6.13 Changes in Accounting Policies including Initial Adoption

Effective October 1, 2011, the Corporation adopted IFRS, as set out by the International Accounting Standards Board ("IASB") who periodically issues new pronouncements to effect new or revise old accounting policies and the dates on which such changes should be effected. The notes to the audited consolidated financial statements for the year ended September 30, 2012 itemize recent pronouncements from the IASB that will become effective for financial reporting periods beginning on or after January 1, 2013. The Company is currently assessing the impact of these pronouncements; however, it is not anticipated that these standards will not have a material impact on the Company's consolidated financial statements.

6.14 Financial Instruments and Other Instruments

See discussion in the 2012 Annual MD&A.

6.15 Interim Management's Discussion and Analysis

As at the date of this Listing Statement, the Corporation has not completed any interim period for the current fiscal year for which interim unaudited financial statements or a management discussion and analysis thereon are required to be prepared under applicable securities laws.

6.16 Interim Management's Discussion and Analysis

As at the date of this Listing Statement, the Corporation has not completed any interim period for the current fiscal year for which interim unaudited financial statements or a management discussion and analysis thereon are required to be prepared under applicable securities laws.

6.17 Additional Disclosure for Issuers without Significant Revenue

This is not applicable to the Corporation.

6.18 Description of Securities

1. The Corporation is authorized to issue an unlimited number of Common Shares and unlimited number of preference shares, issuable in series. As of the date of this Listing Statement, the Corporation had 16,652,135 Common Shares and no preference shares outstanding.
2. As of the date of this Listing Statement, the Corporation had outstanding Debentures having an aggregate principal amount of \$330,000. The Debentures are convertible into Common Shares at an exercise price of \$0.90 per common share into a total of 366,666 Common Shares. In addition, the Corporation had outstanding Stock Options to purchase an aggregate of 1,050,000 Common Shares.

6.19 Exploration and Development Costs

This is not applicable to the Corporation.

6.20 Negative Cash Flow

This is not applicable to the Corporation.

6.21 Significant Equity Investee

See discussion in the 2012 Audited Annual Financial Statements and in the 2012 Annual MD&A.

7. Market for Securities

7.1 Exchange Information

The Common Shares are currently listed for trading on the CNSX under the symbol "NNE".

8. Consolidated Capitalization

The following table sets forth the consolidated capitalization of the Issuer as at each of September 30, 2012, being the Corporation's most recent financial year end. There has not been any material change in the consolidated capitalization of the Corporation since September 30, 2012.

	December 31 2012 ⁽¹⁾ \$	September 30 2012 \$
Net Current Assets	25,227,563	26,915,967
Non-current assets	10,564	11,564
Net Equity	25,238,127	26,927,531

(1) All figures after payment of \$832,607 dividend (\$0.05 per share) on December 31, 2012.

9. Options to Purchase Securities

The following Table provides information as to Stock Options of the Corporation granted to all Directors, Executive officers and employees of the Corporation pursuant to the Stock Option Plan that are outstanding as at the date of this Listing Statement.

Optionee Group	Date of Grant	Number of Common Shares issuable on Exercise	Exercise Price Per Common Share (\$)	Expiry Date
Executive Officers	May, 28, 2009	100,000	\$0.41	May 27, 2014
	May 19, 2010	125,000	\$0.60	Sept. 30, 2015
	May 19, 2010	125,000	\$0.60	Sept 30, 2016
	April 26, 2011	150,000	\$1.00	September 30, 2016
	April 19, 2012	100,000	\$1.00	April 19, 2017
Directors who are not Executive Officers	May 28, 2009	50,000	\$0.41	May 27, 2014
	May 19, 2010	50,000	\$0.60	September 30, 2015
	April 26, 2011	100,000	\$1.00	September 30, 2016
	April 19, 2012	250,000	\$1.00	April 19, 2017
TOTAL		1,050,000		

10. Description of the Securities

10.1 Description of Equity Securities

See discussion regarding the Common Shares in the 2011 AIF under the heading "*General Description of Capital Structure*".

As at the date of this Listing Statement, there are 16,652,135 Common Shares outstanding.

10.2 Debt Securities

The Corporation does not have any debt securities listed on the CNSX.

10.3 Other Securities

The Corporation does not have any securities other than equity securities listed on the CNSX.

10.4 Modification of Terms

There are no provisions as to modification, amendment or variation of any rights attached to the Common Shares.

10.5 Other Attributes

The rights attaching to the Common Shares are not limited by any other class of securities of the issuer. The Corporation has no rights to redeem or repurchase the Common Shares.

10.6 Prior Sales

Other than the distributions detailed in the table below, no Common Shares have been sold during the 12-month period preceding the date of this Listing Statement:

Date of Issuance:	Number of Common Shares:	Price Per Common Share:
April 18, 2012	34,000	\$0.41 ⁽¹⁾
April 18, 2012	50,000	\$0.60 ⁽¹⁾
TOTAL	84,000	

(1) Common Shares issued upon exercise of Options by a former director of the Corporation

10.7 Stock Exchange Price

The following table sets forth the high and low closing prices per Common Share and the Volumes of the Common Shares traded on the CNSX, and, as applicable on the TSX, as compiled from published financial sources, for each of the financial quarters ended between December 31, 2009 to the Quarter ended Sept 30, 2011, for the three months ended October 31, 2011, November 30, 2011 and December 31, 2011, and for the period from January 1, 2013 to January 24, 2013:

Period	High⁽¹⁾	Low⁽¹⁾	Last Close⁽¹⁾	Volume⁽¹⁾
January 2013	1.03	0.95	0.95	9,500
December 2012	1.02	0.92	0.98	59,253

Period	High⁽¹⁾	Low⁽¹⁾	Last Close⁽¹⁾	Volume⁽¹⁾
November 2012	\$1.12	\$0.93	\$0.93	12,690
October 2012	\$1.17	\$0.98	\$1.00	119,579
Quarter Ending September 30, 2012	\$1.13	\$0.84	\$1.06	235,448
Quarter Ending June 30, 2012	\$1.08	\$0.85	\$1.00	168,124
Quarter Ending March 30, 2012 ⁽¹⁾	\$1.09	\$0.95	\$0.98	502,816
Quarter Ending December 31, 2011	\$1.05	\$0.92	\$1.04	7,521,620
Quarter Ending September 30, 2011	\$1.09	\$0.63	\$0.97	7,022,217
Quarter Ending June 30, 2011	\$1.05	\$0.64	\$0.68	1,788,013
Quarter Ending March 30, 2011	\$1.15	\$0.92	\$1.05	2,886,980

- (1) NEMI's shares traded on the TSX up to and including March 14, 2012. Effective March 15, 2012 NEMI's shares commenced trading on the CNSX.

11. Escrowed Securities

None of the securities of the Corporation are subject to escrow.

12. Principal Shareholders

To the knowledge of the Corporation's directors and executive officers, based on the Corporation's review of the SEDI website as of January 24, 2013, the following persons beneficially own, or control or direct, directly or indirectly, voting securities carrying 10 percent or more of the Common Shares:

Name and Municipality of Residence of Shareholder	Common Shares	Type of Ownership	Percentage of Common Shares of the Corporation
Michael Cooney, Larkspur, California	6,483,414	Direct and Beneficial	38.9% ⁽¹⁾

Notes:

- (1) Mr. Cooney holds options to acquire an aggregate of 500,000 Common Shares. On a fully diluted basis, Mr. Cooney would hold an aggregate of 6,983,414 Common Shares, representing approximately 38.6% of the fully diluted issued and outstanding Common Shares of the Corporation.

13. Directors and Officers

13.1 Directors & Officers

The following table sets out the names and municipalities of residence of those persons who are the directors, and officers of the Corporation, the positions and offices they hold with the Corporation, their principal occupations within the five preceding years, and the number of Common Shares beneficially held by each of them as at January 24, 2013.

Name, Position & Residency	Principal Occupation or Employment During the Past 5 Years	Date appointed Director or Officer of the Corporation	Number of Securities Beneficially Owned or over which Control or Direction is Exercised
Michael Cooney Larkspur, California Director, Chairman, CEO	Chairman of NEMI since 2009.	March 30, 2009	6,483,414
Andrew R. Williams Vancouver, British Columbia Chief Financial Officer	Chartered Accountant since 1975. Principal of ARW Consulting Inc. since August, 2005.	January 4, 2011	53
Todd Hooper ⁽¹⁾⁽²⁾ Greenbrae, California Director	Partner with Kurt Salmon Associates since 2000.	March 30, 2009	1,013,005
B. Alex Shaw Jr. ⁽¹⁾⁽²⁾ Jacksonville, Florida Director	Certified Public Accountant. Principal of Shaw Shaw & Shaw, CPA since 1977.	March 31, 2011	269,835
Jay Sujir Vancouver, British Columbia Director	Partner with Anfield Sujir Kennedy & Durno, LLP	April 16, 2012	Nil
Joel Leonard ⁽²⁾ Deerfield, Illinois Director	Managing Member, Cornerstone Trading, LLC	April 16, 2012	158,708
Joseph F. Helmer ⁽¹⁾ Kentfield, California Director	President, Caldwell Securities Inc	April 16, 2012	40,500

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.

13.2 Director Term of Office

Each director will hold office until the next annual general meeting of the Corporation unless his office is earlier vacated in accordance with the provisions of the BCBCA.

13.3 Securities Owned by Directors

As a group, directors and officers of the Corporation beneficially own directly or indirectly, or exercise control or discretion over, an aggregate total 7,965,515 Common Shares representing 47.8% of the outstanding Common Shares of the Corporation.

13.4 Committee Composition

See § 13.1

13.5 Director and Officer Occupations

See the table in §13.1 and §13.10 Management for a description of the Directors' and Officers' occupations.

13.6 Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below no director, officer, promoter or other member of management of the Corporation is, or within the ten years prior to the date of this Listing Statement has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the Corporation access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or had a receiver manager or trustee appointed to hold the assets of that director, officer or promoter.

- Mr. Williams was a director of Anglo-Andean Explorations Inc. ("Anglo-Andean"). As a result of Anglo-Andean's failure to file its financial statements on time, the British Columbia Securities Commission issued a cease trade order on February 1, 2001, and the Alberta Securities Commission issued a cease trade order on October 26, 2001. Both orders currently remain in effect. Mr. Williams subsequently resigned as a director of Anglo-Andean.

13.7 Penalties and Sanctions

No director, officer, shareholder holding sufficient securities to materially affect control, promoter or other member of management of NEMI has, during the ten years prior to the date of this Listing Statement, been subject to any penalties or sanctions imposed by a or entered into any settlement agreement with any court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft, or any other matter that would likely be considered important to a reasonable investor making an investment decision.

13.8 Settlements Before December 31, 2000

No director, officer, shareholder holding sufficient securities to materially affect control, promoter

or other member of management of NEMI has entered into any settlement agreement with any court or securities regulatory authority prior to December 31, 2000.

13.9 Personal Bankruptcies

No director, officer, shareholder holding sufficient securities to materially affect control, promoter or other member of management of NEMI has, during the ten years prior to the date of this Listing Statement, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

13.10 Conflicts of Interest

The directors of NEMI are required by law to act honestly and in good faith with a view to the best interest of NEMI and to disclose any interests which they may have in any project or opportunity of NEMI. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not NEMI will participate in any project or opportunity, that director will primarily consider the degree of risk to which NEMI may be exposed and its financial position at that time.

Except as disclosed in this Listing Statement, to the best of the Corporation's knowledge, there are no known existing or potential conflicts of interest among NEMI and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

13.11 Management

The following is a description of the management team of the Corporation.

Michael Cooney, (age 51) Chairman, Chief Executive Officer and Director:

Mr. Cooney was an independent market maker on the Chicago Board Options Exchange from 1988 to 1994, and on the Pacific Exchange from 1994 to 2002. Since 2002 he has been a private investor. Mr. Cooney obtained a Bachelor of Science degree in Mechanical Engineering from the University of Michigan in 1984 and a Bachelor of Arts degree in Physics from Kalamazoo College, in Kalamazoo, Michigan, in 1983. He is a resident of Larkspur, California.

Mr. Cooney is an employee of the Corporation and works for the Corporation on a full-time basis. Mr. Cooney is subject to non-competition and non-disclosure provisions pursuant to the terms of his employment agreement with the Corporation.

Andrew R. Williams, (age 62) Chief Financial Officer

Mr. Williams is a chartered accountant with more than 25 years of experience involving publicly traded and closely held companies. Mr. Williams earned his Chartered Accountant designation in 1976 and obtained a Bachelor of Commerce Degree from Sir George Williams University in 1972.

Mr. Williams is an independent contractor to the Corporation and devotes approximately 25% of his time to the affairs of the Corporation.

14. Capitalization

14.1 Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully- diluted)	% of Issued (non-diluted)	% of Issued (fully-diluted)
<u>Public Float⁽¹⁾</u>				
Total Outstanding (A)	16,652,135	18,068,801	100%	100%
Held by Related Persons or employees of NEMI or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in NEMI (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in NEMI upon exercise or conversion of other securities held) (B)	7,965,515	9,015,515	47.8%	49.9%
Total Public Float (A-B)	8,686,620	9,053,286	52.2%	50.1%
<u>Freely-Tradable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	6,483,414 ⁽²⁾	6,983,414 ⁽³⁾	38.9%	38.6%
Total Tradable Float (A-C)	10,168,721	11,085,387	61.1%	61.4%

(1) Figures based on the Corporation's review of the SEDI website as at January 24, 2013.

(2) Control block of 6,483,414 Common Shares held by Michael Cooney also included in 7,965,510 common shares held by Related Persons reported above in row (B).

(2) Control block of 6,483,414 Common Shares and 500,000 Stock Options held by Michael Cooney also included in 9,015,510 fully diluted common shares held by Related Persons reported above in row (B) .

Public Securityholders (Registered)⁽¹⁾

	Number of Holders	Total Number of Securities ⁽²⁾
1 – 99 Securities	1	27
100 – 499 Securities	5	1,042

	Number of Holders	Total Number of Securities⁽²⁾
500 – 999 Securities	5	2,791
1,000 – 1,999 Securities	4	4,250
2,000 – 2,999 Securities	2	5,000
3,000 – 3,999 Securities	1	3,950
4,000 – 4,999 Securities	nil	nil
5,000 or more Securities	5	16,635,075

Notes:

(1) Figures provided by NEMI's transfer agent, Computershare, as at November 16, 2012.

(2) These figures do not include the shareholders enumerated in Section B, above.

Public Securityholders (Beneficial)

Common Shares Size of Holding	Number of Holders	Total Number of Securities⁽²⁾
1 – 99 Securities	125	3,017
100 – 499 Securities	101	22,515
500 – 999 Securities	68	41,360
1,000 – 1,999 Securities	132	154,655
2,000 – 2,999 Securities	66	144,852
3,000 – 3,999 Securities	38	122,636
4,000 – 4,999 Securities	22	90,993
5,000 or more Securities	157	7,995,793

Notes:

(1) Figures provided by NEMI's transfer agent, Computershare, as at December 11, 2012.

(2) These figures do not include the Shareholders enumerated in Section B, above.

Non-Public Securityholders⁽¹⁾

Common Shares Size of Holding	Number of Holders	Total Number of Securities⁽²⁾
1 – 99 Securities	1	53

Common Shares Size of Holding	Number of Holders	Total Number of Securities⁽²⁾
100 – 499 Securities	nil	nil
500 – 999 Securities	nil	nil
1,000 – 1,999 Securities	nil	nil
2,000 – 2,999 Securities	nil	nil
3,000 – 3,999 Securities	nil	nil
4,000 – 4,999 Securities	nil	nil
5,000 or more Securities	5	7,965,457

Note:

(1) Figures based on the Corporation's review of the SEDI website as at January 4, 2013.

(2) Figures reflect the Shareholders enumerated in Section B, above.

Provide the following details for any securities convertible or exchangeable into any class of listed securities.

Description of Security (include conversion/exercise terms, including conversion/exercise price)	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
8% convertible Debentures convertible at \$0.90 until March 12, 2013	\$330,000 in principal amount	366,666 Common Shares
184,000 exercisable at \$0.41 until May 27, 2014		
225,000 exercisable at \$0.60 until September 30, 2015		
125,000 exercisable at \$0.60 until September 30, 2016		
300,000 exercisable at \$1.00 until September 30, 2016		
350,000 exercisable at \$1.00 until April 19, 2017	1,050,000 Stock Options	1,050,000 Common Shares

Provide details of any listed securities reserved for issuance that are not included in section 14.2.

There are no additional securities reserved for issuance that are not included in section 14.2

15. Executive Compensation

In accordance with the provisions of applicable securities legislation, the Corporation had two "Named Executive Officers" during the financial year ended September 30, 2011, namely (i) Mr. Michael Cooney, the current CEO and (ii) Andrew R. Williams, the current CFO.

Definitions

For the purpose of this Section 15:

"CEO" means an individual who acted as chief executive officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" means an individual who acted as chief financial officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

"closing market price" means the price at which the Corporation's security was last sold, on the applicable date,

- a) in the security's principal marketplace in Canada, or
- b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"company" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;

"external management company" includes a subsidiary, affiliate or associate of the external management company;

"grant date" means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;

"incentive plan" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"incentive plan award" means compensation awarded, earned, paid, or payable under an incentive plan;

"NEO" or "named executive officer" means each of the following individuals:

- a) a CEO;
- b) a CFO;
- c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and

- d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"**NI 52-107**" means National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

"**replacement grant**" means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

"**repricing**" means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

"**share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Compensation Discussion and Analysis

NEO Discussion and Analysis

The objective of the Corporation's compensation strategy for its NEO's is to attract and motivate them by providing adequate levels of base compensation as well as discretionary bonuses to act as incentive mechanisms for achieving corporate goals and objectives. Each NEO receives a base salary or per diem in recognition of the position's day-to-day duties, responsibilities and time requirements. The Board, or Compensation Committee thereof, reviews each NEO's base salary on an annual basis with reference to the amounts paid by comparable publicly traded companies, and may further consider an NEO's qualifications, experience, length of service and past contributions in determining an NEO's base salary.

The Board, or Compensation Committee thereof, may also set, throughout the year, discretionary bonuses to serve as incentive mechanisms for the meeting of particular corporate goals and objectives, or for the Corporation's financial performance. NEO's are also eligible to participate in the Corporation's Stock Option Plan (the "Stock Option Plan") and receive grants of stock options thereunder. For further information regarding the role of the Stock Option Plan in the Corporation's compensation strategy, see "Option Based Awards" below; and for details regarding the general terms and provisions of the Stock Option Plan, see "Securities Authorized for Issuance Under Equity Compensation Plans – Details of Stock Option Plan".

The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Corporation's compensation policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Corporation's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

The Corporation does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Option Based Awards

The Stock Option Plan is used to attract, retain and incentivize qualified and experienced personnel. The Stock Option Plan is an important part of the Corporation's long-term incentive strategy for its NEO's, as well as for its other directors, officers, other management, employees and consultants (collectively, "eligible persons"), aligning their interests with those of shareholders and permitting them to participate in any appreciation of the market value of the Corporation's common shares over a stated period of time. The Stock Option Plan is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to the Corporation's long-term growth, performance and success as well as increasing shareholder value.

The Board, or Compensation Committee thereof, reviews the grant of stock options to NEO's and other eligible persons from time to time, based on various factors such as their level of responsibility and their role and importance in the Corporation achieving its corporate goals, objectives and prospects, and increasing shareholder value. Previous grants of options are taken into account when considering new grants of stock options to NEO's.

The Corporation has no equity compensation plans other than the Stock Option Plan.

NEO Summary Compensation Table

Summary Compensation Table

The following table sets out certain information respecting the compensation paid to the NEO's during the Corporation's three most recently completed financial year(s).

Name and principal position (a)	Year ⁽¹⁾ (b)	Salary (\$) (c)	Grant date fair value of share-based awards (\$) ⁽²⁾ (d)	Grant date fair value of option-based awards ⁽²⁾ (\$) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Michael Cooney Chairman & CEO	2012	\$166,000	N/A	\$13,914	N/A	N/A	N/A	N/A	\$179,914
	2011	\$132,000	N/A	\$38,667	N/A	N/A	N/A	\$150,000 ⁽⁶⁾	\$320,667
	2010	\$132,000	N/A	\$90,000	N/A	N/A	N/A	\$150,000 ⁽³⁾	\$372,000

	2010	\$78,000	N/A	N/A	N/A	N/A	N/A	Nil	\$78,000
Andrew R. Williams CFO	2012	\$78,750 ⁽⁴⁾	N/A	\$13,914	N/A	N/A	N/A	Nil	\$92,664
	2011	\$40,925 ⁽⁴⁾⁽⁵⁾	N/A	\$19,333	N/A	N/A	N/A	Nil	\$60,258

- (1) Fiscal year ended September 30.
- (2) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton model. See note 7(c) to the audited annual financial statements for the most recently completed financial year for underlying assumptions in respect of options granted during the most recently completed financial year. Indicated figure does not represent in-the-money value of options on grant date.
- (3) Represents a conditional general performance and retention bonus of up to \$150,000, which is only payable if, as, and to the extent that Mr. Cooney exercises options. The full amount of this bonus was accrued in the financial statements for the fiscal year ended September 30, 2010.
- (4) Consulting fees paid to a company of which Mr. Williams is principal.
- (5) Mr. Williams became CFO on January 4, 2011. Indicated figure is for the period from January 4, 2011 to September 30, 2011.
- (6) Represents a performance bonus paid in cash.

Narrative Discussion

The Corporation's general compensation strategy for NEO's is discussed above under "Compensation Discussion and Analysis – NEO Compensation Discussion and Analysis". During the most recently completed financial year, the significant terms of each NEO's employment agreement or arrangement were as follows:

- Pursuant to an agreement made the 1st day of December, 2011 (as amended December 28th 2012), Mr. Cooney receives a base salary of \$200,000 per annum for acting as CEO. The Compensation Committee may authorize additional compensation for additional duties assumed by Mr. Cooney in relation to the Corporation or to its subsidiaries and affiliates from time to time. In the event of termination without just cause (which includes a change of control and change in Mr. Cooney's authority, responsibilities or duties), Mr. Cooney is entitled to a severance payment equal to one month of base salary and any accrued bonus.
- During the fiscal year ended September 30 2012, consulting fees totalling \$78,750 were paid to a company of which Mr. Williams is a principal.

NEO Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting the share-based and option-based awards outstanding at the end of the Corporation's most recently completed financial year, including awards granted before the Corporation's most recently completed financial year for the NEO's.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Michael Cooney	100,000	\$0.41	May 27, 2014	\$65,000	N/A	N/A	N/A
	125,000	\$0.60	Sept. 30, 2015	\$57,500	N/A	N/A	N/A
	125,000	\$0.60	Sept. 30, 2016	\$57,500	N/A	N/A	N/A
	100,000	\$1.00	September 30, 2016	\$6,000	N/A	N/A	N/A
	50,000	\$1.00	April 19, 2017	\$3,000	N/A	N/A	N/A
Andrew R. Williams	50,000	\$1.00	September 30, 2016	\$3,000	N/A	N/A	N/A
	50,000	\$1.00	April 19, 2017	\$3,000	N/A	N/A	N/A

- (1) For options outstanding at the end of the most recently completed financial year and in-the-money on that date, based on the difference between the closing market price of the Corporation's common shares on the CNSX on the last day of the most recently completed financial year, being \$1.06, and the exercise price of the option.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets of certain information respecting the value of the share-based and option-based awards that became vested or were earned during the Corporation's most recently completed financial year for the NEO's.

Name	Option-based awards –Value vested during the year ⁽¹⁾ (\$)	Share-based awards –Value vested during the year (\$)	Non-equity incentive plan compensation –Value earned during the year (\$)
Michael Cooney	Nil ⁽²⁾	N/A	N/A
Andrew Williams	Nil ⁽³⁾	N/A	N/A

- (1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the closing market price of the Corporation's common shares on the CNSX on the vesting date and the exercise price of the option.
- (2) 50,000 newly granted options with an exercise price of \$1.00 vested on April 19, 2012 on which date the closing market price of the Corporation's common shares on the TSX was \$0.99.
- (3) 50,000 newly granted options with an exercise price of \$1.00 vested on April 19, 2012 on which date the closing market price of the Corporation's common shares on the CNSX was \$0.99.

Narrative Discussion

The Corporation's general compensation strategy for the grant of stock options to NEO's is discussed above under "Compensation Discussion and Analysis – Option Based Awards".

During the fiscal year ended September 30, 2012, the Corporation granted a total of 100,000 stock options to NEO's. As at the end of said fiscal year, NEO's held 600,000 of the 1,050,000 then issued and outstanding stock options.

NEO Termination and Change of Control Benefits

There are no provisions in any contract, agreement, plan or arrangement, that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in the Corporation or a change in the NEO's responsibilities, except as disclosed above under "NEO Summary Compensation Table – Narrative Discussion".

Director Summary Compensation Table

Summary Compensation Table

The following table sets certain information respecting the compensation paid to directors of the Corporation who were not NEO's during the Corporation's most recently completed financial year.

Name (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards ⁽¹⁾ (\$) (d)	Non-equity incentive plan compensation (\$) (e)	Pension value (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
Jay Sujir ⁽²⁾	\$5,000	N/A	\$13,914	N/A	N/A	Nil	\$18,914
Todd Hooper	\$15,500	N/A	\$13,914	N/A	N/A	Nil	\$29,914
Joel Leonard ⁽²⁾	\$5,000	N/A	\$13,914	N/A	N/A	Nil	\$18,914
B. Alex Shaw Jr. ⁽³⁾	\$15,500	N/A	\$13,914	N/A	N/A	Nil	\$29,414
Joe Helmer ⁽²⁾	\$5,000	N/A	\$13,914	N/A	N/A	Nil	\$18,914
Lyle Stein	\$10,000	N/A	N/A	N/A	N/A	Nil	\$10,000

(1) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton model. See note 8(d) to the audited annual financial statements for the most recently completed financial year for underlying assumptions. Indicated figure does not represent in-the-money value of options on grant date.

(2) Mr. Sujir, Mr. Leonard and Mr. Helmer were each was appointed on April 16, 2012. Indicated figure is for the period from April 16, 2012 to September 30, 2012.

(3) Mr. Stein did not stand for re-appointment to the board at the annual general meeting of shareholders on April 16, 2012.

Narrative Discussion

There are no arrangements under which directors of the Corporation who were not NEO's were compensated by the Corporation or its subsidiaries during the Corporation's most recently completed financial year end for their services in their capacity as directors or consultants, except as follows:

- For the period from October 1, 2012 until April 30, 2012, the Directors were paid an annual retainer of \$18,000 and a per diem fee for all board and committee meetings attended in person of \$500. In addition, directors attending more than 12 meetings during the fiscal year ended September 30, 2010, received an additional \$500 for each such meeting in excess of 12 for the fiscal year. Commencing May 1, 2012 until September 30, 2012, the Directors of the Corporation are paid an annual retainer of \$10,000, payable in quarterly installments.

Director Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting the share-based and option-based awards outstanding at the end of the Corporation's most recently completed financial year, including awards

granted before the Corporation's most recently completed financial year, for the directors of the Corporation who were not NEO's.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Todd Hooper	50,000	\$0.41	May 27, 2014	\$32,500	N/A	N/A	N/A
	50,000	\$0.60	Sept. 30, 2015	\$23,000	N/A	N/A	N/A
	50,000	\$1.00	Sept. 30, 2016	\$3,000	N/A	N/A	N/A
	50,000	\$1.00	April 19, 2017	\$3,000	N/A	N/A	N/A
B. Alex Shaw Jr.	50,000	\$1.00	Sept. 30, 2016	\$3,000	N/A	N/A	N/A
	50,000	\$1.00	April 19, 2017	\$3,000	N/A	N/A	N/A
Jay Sujir	50,000	\$1.00	April 19, 2017	\$3,000	N/A	N/A	N/A
Joel Leonard	50,000	\$1.00	April 19, 2017	\$3,000	N/A	N/A	N/A
Joseph F. Helmer	50,000	\$1.00	April 19, 2017	\$3,000	N/A	N/A	N/A

(1) For options outstanding at the end of the most recently completed financial year and in-the-money on that date, based on the difference between the closing market price of the Corporation's common shares on the CNSX on the last day of the most recently completed financial year, being \$1.06, and the exercise price of the option.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets of certain information respecting the value of the share-based and option-based awards that became vested or were earned during the Corporation's most recently completed financial year for the directors of the Corporation who were not NEO's.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Todd Hooper	Nil ⁽²⁾	N/A	N/A
B. Alex Shaw Jr.	Nil ⁽²⁾	N/A	N/A
Jay Sujir	Nil ⁽²⁾	N/A	N/A
Joel Leonard	Nil ⁽²⁾	N/A	N/A
Joseph F. Helmer	Nil ⁽²⁾	N/A	N/A

(1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the closing market price of the Corporation's common shares on the CNSX on the vesting date and the exercise price of the option.

(2) For each named individual, 50,000 options previously granted with an exercise price of \$1.00 vested on April 19, 2012, on which date the closing market price of the Corporation's common shares on the CNSX was \$0.99.

Narrative Discussion

The Corporation's general compensation strategy for the grant of stock options to directors who were not NEO's is discussed above under "Compensation Discussion and Analysis – Option Based Awards".

During the fiscal year ended September 30, 2012, the Corporation granted a total of 250,000 stock options to directors who were not NEO's. As at the end of said fiscal year, such directors held 450,000 of the 1,050,000 then issued and outstanding stock options.

16. Indebtedness of Directors and Executive Officers

16.1 Indebtedness of Directors and Executive Officers of NEMI

No individual who is, or at any time from the date of NEMI incorporation to the date hereof was a director or executive officer of NEMI, or an associate or affiliate of such an individual, is or has been indebted to NEMI.

17. Risk Factors

17.1 Relevant Risk Factors

New Enterprise

NEMI has only recently commenced evaluating new business and investment opportunities and has no history of earnings in this endeavor. There is no assurance NEMI's portfolio of investments at fair value will achieve intended objectives, generate earnings, operate profitably or provide a return on investment in the future or that the concept will be successful or sustainable.

Concentration of Investments

Other than as disclosed in this MD&A, there are no restrictions on the proportion of Company funds and no limit on the amount of funds that may be allocated to any particular investee company, industry or sector. NEMI may participate in a limited number of investments and, as a consequence, financial results may be substantially adversely affected by the unfavorable performance of a single investment, or sector. Acquisition of one or more investments at fair value may result in NEMI having a disproportionate investment in a particular investee company, business, industry or sector could result in a disproportionately high concentration of investment risk exposure associated with one particular investment.

Illiquid Market for Investments at Fair Value

NEMI's portfolio of investments at fair value may include illiquid securities in both public and private issuer investees respectively. A considerable period of time may elapse between the time a decision is made to sell such securities and the time NEMI is able to do so, and the value of such securities could decline while awaiting disposition. Illiquid investments are subject to various risks, particularly the risk that NEMI will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, NEMI may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

In addition to investments in privately held companies, NEMI may also make direct investments in publicly traded investee securities that have low trading volumes. Accordingly, it may be difficult to

make trades in these securities without adversely affecting the price of such securities.

Trading Price of Common Shares Relative to Profit and/or Net Asset Value

NEMI is neither a mutual fund nor an investment fund and due to the nature of the Company's business, its investment strategy and the composition of its portfolio of investments at fair value will affect the market price of NEMI's Common Shares, at any time, the value of which may vary significantly from the Company's book value per share. This risk is separate and distinct from the risk that the market price of NEMI Common Shares may decrease.

Available Opportunities and Competition for Investments

The success of NEMI's operations will, among other things depend upon: (i) the availability of appropriate investment opportunities; (ii) NEMI's ability to identify, select, acquire, grow and exit those investments; and (iii) NEMI's ability to generate funds for future investments. NEMI can expect to encounter competition from other entities that have investment objectives similar to those of the Company, including investment funds, institutional investors and strategic investors. These groups may compete for the same investments as NEMI, may be better capitalized, have more personnel, have a longer operating history and have different return targets from NEMI. As a result, NEMI may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing which may further limit NEMI's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to NEMI to invest in or that such investments can be made within a reasonable period of time. There can be no assurance that NEMI will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that NEMI is unable to find and make a sufficient number of investments.

Share Prices of Investments

NEMI's investments in publicly traded securities as well as private company equity securities and loans are subject to volatility. There can be no assurance that an active trading market for any of the investee shares is sustainable. Investee share trading prices could be subject to wide fluctuations in response to various factors beyond NEMI's control, including quarterly variations in investee company results of operations, changes in earnings (if any), estimates by analysts, prevailing conditions in investee industries and general market or economic conditions. In recent years, equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of specific companies. Such market fluctuations could adversely affect the market price of NEMI's portfolio of investments at fair value as well as that of its own common shares.

No Guaranteed Return

There is no guarantee NEMI's portfolio of investments at fair value will earn any positive return in the short term or long term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to successfully make, manage and realize a return on such investments.

Due Diligence

The due diligence process NEMI undertakes in connection with investment purchases may not reveal all facts that may be relevant to making such investment. Before making investments, although NEMI conducts due diligence that management deems to be reasonable and appropriate based on the facts and circumstances applicable to each investment, there can be no assurance that the due diligence will identify

all of the risks and perils associated with the investment. When conducting due diligence, NEMI may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. The assistance of outside consultants, legal advisors, accountants and investment banks may be required in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, NEMI will rely on the resources available to the Company, including information provided by the investee target company and, in some circumstances, third-party investigations. The due diligence investigation that NEMI completes with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation can be costly and will not necessarily result in the investment being successful.

Cash Flow / Investment Income

NEMI generates cash flow and investment income primarily from proceeds received on disposition of investments at fair value, interest earned on cash and cash equivalents, and financing activities. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of NEMI's direct control. NEMI liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to NEMI, or if the value of the portfolio of investments at fair value declines, resulting in unrealized mark-to-market losses or realized capital losses on disposition.

Volatility of Share Price

The market price of NEMI's Common Shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in the Company's consolidated results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and prevailing market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of NEMI's Common Shares. The purchase of NEMI Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Common Shares in NEMI should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Need for Additional Capital and Access to Capital Markets

NEMI anticipates that it has sufficient resources to meet its current obligations, however future investments by NEMI may require a significant infusion of additional funds. Further financing may dilute the current holdings of shareholders and may thereby result in a loss for shareholders.

There can be no assurance that NEMI will be able to obtain adequate financing, or financing on terms that are reasonable or acceptable for these or other purposes, or to fulfill the Company's future obligations as they become due. Failure to obtain such additional financing could result in delay or indefinite postponement of further investment or growth in NEMI's portfolio of investments at fair value.

Non-Controlling Interests

NEMI's investments at fair value will more likely than not include equity securities of companies over which NEMI holds little control or significant influence. These securities may be acquired by NEMI in the secondary market or through purchases of securities from an investee company. Any such investment is subject to the risk under which investee companies operate or they may make business, financial or

management decisions with which NEMI does not agree. When or if any of the foregoing occurs, the value of NEMI's portfolio of investments at fair value could decline to the detriment of the Company's financial position, results of operations, cash flows and share price.

Reliance on Management's Expertise

NEMI is dependent upon the effort, skill and business contacts of key members of its management, for among other things, the information and deal flow they generate during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, NEMI's continued success will depend upon the continued service of these individuals who are not obligated to remain employed with the Company. The loss of the services of any one or more of these individuals could have a material adverse effect on revenues, net income and cash flows and growth outlook including NEMI's ability to maintain or grow existing assets, raise additional funds or find new investment opportunities in the future. NEMI does not have any key person insurance in place for management.

On-going Active Business Operations

The Company has only recently commenced its merchant banking operations and there can be no assurance that the Company will be able to generate earnings or pay dividends until at least after its cash is more fully invested or in the alternative; a new business interest is secured. Further, no assurance can be provided that such new business interests can be secured or that any business interest that may be secured can be operated profitably or that development of the Company's portfolio of investments at fair value will generate asset value growth that could result in positive cash flow, or that any future dividends could or would ever be paid.

Adverse Income Tax Assessments

In the process of recognizing the income earned on the PRC Disposition on September 28, 2011, the Company did not recognize any resulting income tax liability. Although the Company has relied on the advice of expert advisors in its determination and treatment of the gain on disposal, no assurance can be provided that the Company will not be subject to adverse income tax assessments and / or penalties on assessment and while management believes that it has retained sufficient resources on hand to address such a contingency, no assurance can be provided that the amount so retained will be sufficient or can be retained until the assessment is definitive.

NEMI Stock Liquidity

No assurance can be provided that an active and liquid market for the Company's common shares will be sustained. Investors may find it difficult to resell their shares.

Highly Speculative

Under normal circumstances, as stated elsewhere herein, an investment in NEMI's common shares is highly speculative. Further, the present stage of corporate development makes an investment in the Company's shares that much more highly speculative.

Limited Resources

The Company has only a set amount of money and management resources with which to identify and acquire potential business opportunities and there can be no assurance that the Company will be able to

identify a suitable business opportunity. Further, even if such an opportunity is identified, there can be no assurance that the company will be able to successfully complete the transaction and implement a profitable business plan.

While the Company currently has sufficient working capital available to it, the Company's ability to secure or operate any new business opportunity may require additional financing. The Company may not be able to secure financing on terms acceptable to it, if at all. Failure of the Company to secure sufficient financing could result in delays or prohibit the Company from securing a proposed business opportunity or proposed operations and could result in the Company going out of business.

Potential for Interest Dilution

A transaction for a new business opportunity may be financed in all or in part by the issuance of additional securities by the Company and this may result in dilution to a shareholder's interest, which dilution may be significant and which may also result in a change of control of the Company.

Ability to Secure Prerequisite Approvals

In the event that a suitable business or an investment opportunity is identified, the transaction may be subject to approvals by regulatory authorities and, in the case of a non-arms length transaction, approval by the majority of any minority shareholders.

Shareholder Rights

Unless a shareholder has a right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed business transaction for which a majority of minority shareholders have given approval, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

Ability to Retain a Listing on a Recognized Stock Exchange and Possibility of Trading Halts or Suspensions

Although the Company's shares now trade on the CNSX, trading in the common shares of the Company may be halted or suspended from time-to-time for any number of reasons, including for failure by the Company to submit documents to the applicable regulatory authorities within required time periods.

Foreign Operations and Management Residency

In the event that management of the Company resides outside of Canada or the Company identifies a foreign business opportunity, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce any judgments obtained in Canadian courts against such persons or businesses.

Conflicts of Interest

There are potential conflicts of interest to which some or all of the directors, officers, or insiders of the Company could be subject in connection with the operations of the Company. The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Some of the directors and officers of the Company are directors and officers of other companies. Some of the other companies are engaged in or could be engaged in the search for properties or business prospects that may be suitable

business ventures or opportunities that could be of interest to the Company. Accordingly, situations may arise where some or all of the directors, officers or insiders of the Company could be in direct competition with the Company. The directors and officers of the Company are required by law to act in the best interest of the Company. They have the same obligations to other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to other companies, and in certain circumstances, this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflict in legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives. Conflicts will be subject to the procedures and remedies as provided under the British Columbia Business Corporations Act.

18. Promoters

18.1 Names of Promoters

The Corporation does not have a "promoter" within the meaning of the applicable policies of the CNSX.

18.2 Cease Trade Orders and Bankruptcies – Penalties and Sanctions – Bankruptcies

No promoter or person performing investor relations activities of or for the Corporation is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or company that was (i) subject to an a cease trade order, an order similar to a cease trade order; or an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days. that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer.

No promoter or person performing investor relations activities of or for the Corporation is, as at the date hereof, or has been within 10 years before the date hereof (i) was a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets ; or (ii) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets of the promoter.

No promoter or person performing investor relations activities of or for the Corporation has been subject to (i) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

19. Legal Proceedings

19.1 Legal Proceedings

There are currently no legal proceedings material.

There are no material legal proceedings to which NEMI or a subsidiary of NEMI is or was a party or which any of NEMI's property is or was the subject of, during the most recently completed financial year, and NEMI is not aware of any such proceedings that are contemplated.

19.2 Regulatory Actions

During the three most recently completed financial years: (i) no penalties or sanctions were imposed against NEMI by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions were imposed by a court or regulatory body against NEMI that would likely be considered important to a reasonable investor in making an investment decision; and (iii) NEMI did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

20. Interest of Management and Others in Material Transactions

No

- a) director or executive officer of the Corporation;
- b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Corporation's outstanding voting securities; or
- c) associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b);

has, during any of the financial years ended September 30, 2012, 2011 or 2010, had any material interest in any transactions or any proposed transactions which has materially affected or will materially affect the Corporation.

21. Auditors, Transfer Agents and Registrars

21.1 Auditors:

Ernst & Young LLP, Chartered Accountants, are NEMI's auditors and have prepared an auditors' report dated January 25, 2013 with respect to the Corporation's financial statements for the year ended September 30, 2012.

21.2 Transfer Agent and Registrar:

Computershare Investor Services Inc. is the transfer agent and registrar for NEMI's Common Shares and maintains registers in Vancouver, British Columbia and Toronto, Ontario.

22. Material Contracts

NEMI has entered into the following material contracts in the two years preceding the date of this Listing Statement:

1. Anglo Asset Purchase Agreement;
2. Substantial Issuer Bid Circular, and related offering documents;
3. Shareholder's Rights Plan; and
4. Secured Promissory Note dated September 14, 2012 among the Corporation, American Bonanza Gold Corp. and Bonanza Explorations Inc.

22.2 Co-Tenancy, Unitholders' or Limited Partnership Agreement

The Corporation is not a party to any co-tenancy, unitholders' or limited partnership agreement.

23. Interest of Experts

23.1 Interests of Experts

To the best of NEMI's knowledge, the Corporation is not aware of any direct or indirect interest in the property of the Corporation by any expert associated with the Corporation.

23.2 Beneficial Ownership

No beneficial ownership either direct or indirect, by any person or company referred to in Item 23.1 of any securities of the Corporation or a Related Person of the Corporation.

23.3 Ownership of Less than One Percent

Please refer to §23.1.

23.4 Experts Appointed as Directors, Officers and Employees

To the best of NEMI's knowledge, this does not apply.

24. Other Material Facts

To the knowledge of NEMI's directors and officers, there are no material facts about NEMI and its securities that are not disclosed under the preceding items or in the Documents Incorporated by Reference (available on SEDAR) and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to NEMI and its securities.

25. Financial Statements

25.1 Audited Financial Statements

See 2010 Audited Annual Financial Statements, 2011 Audited Annual Financial Statements, and 2012 Audited Annual Financial Statements.

25.2 Financial Statements on Requalifying for Listing

The Corporation is not re-qualifying for listing on the CNSX.

.

CERTIFICATE OF THE CORPORATION

The foregoing contains full, true, and plain disclosure of all material information relating to NEMI Northern Energy and Mining Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 25th day of January, 2013

"Michael Cooney"

Michael Cooney, Chief Executive Officer

"Andrew R. Williams"

Andrew R. Williams, Chief Financial Officer

"Jay Sujir"

Jay Sujir, Director

"B. Alex Shaw Jr."

B. Alex Shaw, Jr., Director