

COPPER NORTH MINING CORP.

(TSXV: COL)

Price: March 12 \$0.06
52-Week Range: \$0.11-\$0.05

Shares O/S: 77.48 million
Market Cap: \$4.65 million

Average Share Volume
50-day: 83,670
200-day: 67,150

Year-End: December 31

Symbol: TSX-V: COL

Website:
<http://www.coppernorthmining.com>

Financial Data:

Balance Sheet	Year End	As At
	Dec 31/2016	Sep 30/2017
Cash	\$178,223	\$1,336,363
Current Assets	\$413,094	\$1,836,736
Total Assets	\$19,820,131	\$21,276,773
Total Liabilities	\$1,242,564	\$1,215,329
Working Capital	-\$829,470	\$621,407
Working Capital Ratio	0.33	1.51
Total Equity	\$18,577,567	\$20,061,444
Actual Shares O/S	27,326,472	72,025,974
Wtd Avg Shares O/S	20,967,523	47,606,724
Statement of Loss	12 Months	12 Months
	Dec 31/2016	Sep 30/2017
Non-disc OpEx ("Burn")	-\$1,127,190	-\$971,295
Average Monthly Burn	-\$93,933	-\$80,941
Equity Financing	\$1,386,689	\$3,188,045
Exploration/Eval. Exp.	-\$1,176,264	-\$851,401
Net Profit/(Loss)	-\$2,270,250	-\$2,094,249

Source: Company and eResearch

eResearch Analyst (on this report):
 Bob Weir, B.Sc., B.Comm., CFA



OVERVIEW

Copper North Mining Corp. ("Copper North Mining" or the "Company") is a junior exploration and development company that is currently involved with four mining projects in Canada, which are all at different stages. Its flagship property is the copper, gold, silver Carmacks Project located in Yukon.

Carmacks is the only substantial oxide copper deposit in Canada. However, the 2017 drilling program extended the sulphide copper mineralization as well. The Company's 2017 exploration success is expected to lengthen the currently-planned seven years of oxide mine life, and also to process the sulphide mineralization using other equipment and processes.

The exceptional drilling results achieved in 2017 at Carmacks also attracted considerable investor interest in the Company as witnessed by the substantial financing funds (\$3.1 million) raised in multiple equity issues.

It is always exciting for a junior mining company to bring its mine into production. For Copper North Mining, initial production at Carmacks is just over two years away, being targeted for Q4/2020.

INITIAL REPORT

eResearch published its initial report on Copper North Mining on June 21, 2017. You can read this detailed report by clicking (CTRL-CLICK) on the following link: [HERE](#)

THE COMPANY

Copper North Mining Corp. is a junior mining exploration and development company that is currently involved with four mining projects in Canada, which are all at different stages of advancement.

1. The copper, gold, and silver *Carmacks Project*, located in Yukon (the “flagship” project);
2. The copper *Thor Property*, located in British Columbia;
3. The copper and silver *Redstone Property*, located in Northwest Territories; and
4. The silver *Hidden Valley Property*, located in Northwest Territories.

Figure 1: Location of Copper North Mining’s Properties



Source: Company

INVESTMENT CONSIDERATIONS

A. Strengths

- The Company has a 100% ownership interest in four prospective mining properties: one in British Columbia; one in Yukon; and two in the Northwest Territories.
- All three Canadian jurisdictions are mining-friendly.
- Copper North Mining underwent a significant transformation in 2014, by bringing in new management, including a new CEO, and set about redefining company strategy.
- The Company is primarily focused on bringing its Carmacks copper property into production by Q4/2020.
- Carmacks constitutes Canada’s only sizable oxide copper deposit that also has a significant amount of sulphide copper mineralization as well as a substantial presence of gold and silver; the improved recovery of these precious metals has greatly enhanced the project’s economics.
- Recent drilling programs have more than doubled the mineral resources at Carmacks. An updated Mineral Resource Estimate is anticipated in Q2/2018.

- The switch from heap leach to agitated tank leach recovery of copper and gold at Carmacks has several advantages: (1) increased recoveries; (2) improved operating controls; (3) lowered expected recovery costs; (4) provided faster leach times; (5) planned conversion of end waste materials to dry-stacked tailings avoids tailing dams and simplifies mine closure requirements; and (6) satisfied regulators and First Nations groups.

B. Challenges

- The Company's market cap is about \$4,600,000, with only about 77.5 million shares outstanding and, therefore, not suitable for institutional ownership; fairly illiquid share trading (average 83,700 per day over the last 50 days and 67,200 over the last 200 days).
- The Company has frequently raised new financing, which is often a challenge when shares sell for less than \$0.10 each. In the past twelve months, the Company has raised \$3,118,170 in three separate issues that were often a combination of flow-through shares and common shares. In January 2018, the Company announced a further issue of up to \$800,000 in common shares, although closing is on or before March 15, 2018 and it is possible that the full raise may not be achieved. In a positive vein, all monies raised through the sale of flow-through units in previous issuances must be used for exploration/drilling/development within 12 months.
- Expected production at Carmacks has already been pushed back and is still over two years away from reality. Unforeseen factors could come into play to delay that initiative even further.
- The Carmacks' life-of-mine is currently only 7 years. The Company needs to increase this, and recent initiatives were designed to extend this time horizon in order to greatly improve the project's economics.
- The Company's promising development opportunity at its Thor Property likely will have to take a back seat until the Carmacks Project gets further advanced.

CARMACKS PROJECT

Strategic Change

A new management team took control of Copper North Mining in March 2014 and immediately set about re-engineering Carmacks, including:

- (1) changing from heap leach to agitated tank leach processing to recover gold and silver - improves economics;
- (2) gain greater operational control;
- (3) improve metal recoveries;
- (4) lower cap-ex; and
- (5) lessen environmental concerns.

COMMENT: *Great progress has been made in all of these endeavours.*

2017 Program

In 2017, Copper North Mining drilled extensively on Zone 2000S, Zone 13 and, to a lesser extent, Zone 12.

(1) Zone 2000S

On Zone 2000S, 7 drill holes were conducted to provide infill and small step-outs in an effort to identify better not only the mineralized zone but also the border between the oxide and the sulphide areas. Importantly, copper mineralization was intersected in all of the drilled holes.

Zone 2000S is situated about 340 metres south of the planned open pit. The mineralized material not only outcrops at the surface, but also extends to the south and north and becomes wider at depth. The oxide mineralization extends to depths of up to 125 metres, while the sulphide mineralization is open to depth.

COMMENT: *The exploration success in Zone 2000S provides excellent potential for the Company to be able to extend the current expected 7-year mine life. It also provides sufficient additional information to update the Technical Report/PEA with an enhanced Mineral Resource Estimate, which is expected in Q2/2018.*

(2) Zone 13

As at Zone 2000S, the drilling in Zone 13 was designed to provide infill and small step-outs in an effort to identify better not only the mineralized zone but also the border between the oxide and the sulphide areas. In all, 13 holes were drilled on Zone 13 and all encountered copper mineralization.

Zone 13 is situated about 1,100 metres south of the planned open pit. The 2017 drilling program identified a further strike length of 70 metres, such that the total strike length now extends to 380 metres. Widths can extend to over 100 metres with excellent grade continuity.

The drilling results showed both oxide and sulphide mineralization, with assay highlights as follows:

CN 17-32 (oxide):	32.3m true width with 0.68% Cu, 0.18 g/t Au, and 2.46 g/t Ag
CN 17-20 (oxide/sulphide transition):	55.4m true width with 0.61% Cu, 0.13 g/t Au, and 1.84 g/t Ag
CN 17-19 (sulphide):	50.2m true width with 0.68% Cu, 0.13 g/t Au, and 1.95 g/t Ag

COMMENT: *The sulphide result shown above indicates an excellent probability that the sulphides extend to depth.*

(3) Zone 12

The drilling on Zone 12 included only two step-out holes that showed a thin ribbon of copper oxide mineralization. The sulphide mineralization in Zone 12, as in Zone 13, is open to depth.

COMMENT: *The 22 drill holes mentioned above in Zones 2000S, 13, and 12 will be “integrated into a new geological model for each zone.”*

Mineral Resource Estimate

A Technical Report was published in March 2016 with an updated Mineral Resource Estimate. For additional information, see the eResearch initial report on Copper North Mining, page 5. A link to the report is: [HERE](#)
Or, you can access the full Technical Report on SEDAR (www.sedar.com).

An update to the Mineral Resource Estimate is expected in Q2/2018.

Ahead

Copper North Mining plans to complete a geotechnical and hydrogeology study for the dry-stacked tailings management area that is needed for completion of environmental management planning in order to resume the permitting of the project.

In addition, a metallurgical and process study will be conducted to improve and upgrade the PEA.

COMMENT: *The Company’s immediate goal is to increase the Mineral Resource Estimate and transfer some Inferred Resources into the Indicated Resources and/or Measured Resources categories.*

Objectives for the Carmacks Project

- (1) Extend mine life.
- (2) Reduce capital requirements.
- (3) Improve mine efficiencies. Example: optimize the balance between copper and gold-silver recoveries.
- (4) Augment mine and plant construction efficiencies and timelines.
- (5) Evaluate the sulphide mineralization initiative to expand the mineral resource estimate and extend mine life.
- (6) Complete environmental management planning and implementation necessary to resume project permitting.
- (7) Complete required metallurgical work necessary to update the PEA.
- (8) Implement an additional drilling program to increase the Mineral Resource estimates.
- (9) Undertake mine-planning of the new oxide mineral resources and include in an expanded mine plan.

OTHER PROPERTIES

In 2017, Copper North Mining did minimal work on its other three properties: Thor, Redstone, and Hidden Valley.

Information concerning these properties is available in the eResearch initial report, or on the Company's website.

OWNERSHIP INTERESTS

Officers and Directors own or control, directly or indirectly, approximately 4.7% of the issued and outstanding common shares of the Corporation (according to SEDI).

In September 2017, a resident of Bangkok, Thailand purchased, for investment purposes, 13.667 million shares of the Company, to constitute a 19.8% interest. There is no other known shareholder, or group of shareholders, with more than the required admission holding of 10.0%.

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ANALYST ACCREDITATION

eResearch Analyst on this Report: Bob Weir, B.Sc., B.Comm., CFA

Analyst Affirmation: I, Bob Weir, hereby state that, at the time of issuance of this research report, I do not own shares of Copper North Mining Corp.

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