



**NORTHERN URANIUM CORP**  
(formerly MPVC Inc.)

**Management's Discussion and Analysis of Financial Position and Results of Operations ("MD&A")**

The following Management's Discussion and Analysis of the results of operations and financial position, prepared as of April 24, 2015 should be read in conjunction with the audited financial statements of Northern Uranium Corp. (the "Company", formerly MPVC Inc.) for the year ended December 31, 2014 and related notes attached thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise indicated.

The Company was incorporated on July 19, 2005 under the Canada Business Corporations Act, and changed its name from MPVC Inc. to Northern Uranium Corp. as of June 27, 2014. The Company trades on the TSX Venture Exchange under the ticker symbol UNO. The Company has commenced work on a Uranium exploration project in Manitoba.

Additional information related to the Company, including its final prospectus is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

***Going Concern of Operations***

The Company does not generate revenue from operations. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing.

***Forward-Looking Statements***

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking

statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

### **Overview of the Company**

After the sale of its business assets in late 2008, the Company transferred its stock listing to the NEX and began looking for a transaction to meet Exchange listing requirements. During fiscal 2013, the Company commenced the process of acquiring a Uranium exploration project in Manitoba and during the first quarter of fiscal 2014 completed a significant financing that allowed it to begin work on the project. The Company graduated to the TSX Venture during the first quarter of fiscal 2014.

### **Overall Performance**

As at December 31, 2014, the Company has incurred cumulative losses of \$7,259,679 (December 31, 2013 - \$3,409,500) and has working capital surplus of \$164,406 (December 31, 2013 – deficit of \$124,606). Operating activities during the year ended December 31, 2014 produced a negative cash flow of \$2,847,616 (2013 – \$547,419).

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chance of finding and developing an economic deposit.

At present, the Company's project has not yet reached the producing stage; therefore, the Company is not anticipating profit or positive cash flow from operations. Until such time as the Company is able to realize profits from the production and sale of commodities from its mineral interests, the Company will report an annual loss and will rely on its ability to obtain equity or debt financing to fund ongoing operations.

### **Selected Annual Information**

The following table provides a brief summary of the Company's financial data for the two most recent fiscal years (year ends where the Company has had activity). For more detailed information, refer to the Financial Statements.

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Total revenues	\$ -	\$ -	\$ -
Loss before other items	3,851,899	641,002	77,877
Loss for the year	3,850,179	641,002	77,877
Basic and diluted loss per share	0.09	0.05	0.03
Total assets	1,805,506	67,768	27,948

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

## ***Results of Operations***

### **For the year ended December 31, 2014**

During the year ended December 31, 2014, the Company incurred a net operating loss of \$3,850,179 or \$0.09 per share (year ended December 31, 2013 – loss of \$641,002 or \$0.05 per share). The difference is due to the Northern Manitoba project. Significant expenses for the year are as follows:

- The Company expensed \$3,092,975 in exploration expenditures for the project. In the prior year, the Company expensed \$350,340 on the project. The significant increase in costs relates to the drilling program that commenced during the year.
- The Company spent \$35,000 on consulting fees (2013 – \$41,670), \$124,419 in office and administrative expenses (2013 – \$58,558) and \$39,427 in transfer agent and filing fees (2013 – \$35,535). Changes from the prior year relate to the change in management and operations that occurred during the year; as the Company has less operational activity, there were less associated office & administrative costs.
- The Company recognized a recovery of professional fees during the year. In the prior year, legal fees relating to a private placement were expensed instead of being recorded as share issuance costs in Shareholders' equity. As such, an adjustment was made in the current year to reclassify the amount to share issuance costs.
- The Company granted stock based compensation totaling \$554,500 to members of the board, management and an investor relations firm.
- The Company accrued \$10,000 in management fees under the deferred share unit plan; under the deferred share unit plan, directors will earn compensation quarterly (\$5,000 initial value per quarter per director) at which time the number of deferred share units will be determined based on the Company's share price at the end of the quarter. Upon leaving the Board, directors, at their discretion, will receive shares for the deferred compensation. This plan was implemented during the current year and was not part of the 2013 year end.

## Summary of Quarterly Results

	Three Months Ended December 31, 2014		Three Months Ended September 30, 2014		Three Months Ended June 30, 2014		Three Months Ended March 31, 2014	
Total revenues	\$	-	\$	-	\$	-	\$	-
Loss before other items		1,160,357		537,534		1,622,517		531,491
Loss for the period		1,158,624		537,534		1,622,530		531,491
Basic and diluted loss per share		0.02		0.01		0.04		0.03

  

	Three Months Ended December 31, 2013		Three Months Ended September 30, 2013		Three Months Ended June 30, 2013		Three Months Ended March 31, 2013	
Total revenues	\$	-	\$	-	\$	-	\$	-
Loss before other items		213,889		389,541		20,927		16,645
Loss for the period		213,889		389,541		20,927		16,645
Basic and diluted loss per share		0.02		0.02		0.00		0.00

### Financing Activities

#### Shares issued through private placements

On March 21, 2014, the Company completed a non-brokered private placement of 11,722,000 units, raising gross proceeds of \$1,172,200 and a non-brokered private placement of 10,900,000 flow-through common shares, raising gross proceeds of \$1,090,000. Both offerings were priced at \$0.10 per share with the unit offering also containing a warrant. Each full warrant allows the holder to acquire an additional common share by paying \$0.15 anytime during the 24 months following closing.

In August and September, 2014, the Company completed the first and second tranches of a non-brokered private placement. On August 6, 2014, the Company issued 5,000,000 flow-through shares at a price of \$0.10 per share for gross proceeds of \$500,000, and 1,000,000 non-flow through units at \$0.10 per share for gross proceeds of \$100,000. Each unit is comprised of a share and one half of a two year warrant with an exercise price of \$0.15. In connection with the issuance of the units, the Company paid finder's fees of \$8,000 and issued 80,000 finder's warrants; the finder's warrants have the same terms as the warrants forming part of the units. On September 9, 2014, the Company closed the second and final tranche of the private placement and issued 5,000,000 flow-through shares at a price of \$0.10 per share for gross proceeds of \$500,000; the Company also received gross proceeds of \$20,000 through the issuance of 200,000 non-flow through units at a price of \$0.10 per unit. Each unit is comprised of a share and one half of a two year warrant with an exercise price of \$0.15. In connection with the issuance of the flow through shares, the Company paid finder's fees of \$40,000 and issued 400,000 finder's warrants; the finder's warrants have the same terms as the warrants forming part of the units. Total share issuance costs related to the private placement was \$14,736.

In December, 2014, the Company completed the first tranche of a non-brokered private placement. On December 30, 2014, the Company issued 10,750,000 flow-through shares at a price of \$0.05 per share for gross proceeds of \$537,500. In connection with this issuance, the Company paid finder's fees of \$3,000 and issued 60,000 finder's warrants with an exercise price of \$0.10 and an expiration of one year following the issuance. Total share issuance costs related to the private placement was \$5,123.

Subsequent to year end, the Company closed the second tranche of this private placement and issued 10,000,000 flow-through shares at a price of \$0.05 per share for gross proceeds of \$500,000, and 400,000 non-flow through units at \$0.05 per share for gross proceeds of \$20,000. Each unit is comprised of a share and one half of a two year warrant with an exercise price of \$0.10. In connection with the issuance of the flow through shares, the Company paid finder's fees of \$40,000 and issued 800,000 finder's warrants; the finder's warrants have the same terms as the warrants forming part of the units.

Also subsequent to year end, the Company closed the first tranche of a private placement announced February 25, 2015 and updated on March 18, 2015. The Company issued 39,200,000 flow through common shares at a price of \$0.05 per share for gross proceeds of \$1,960,000, and 13,852,500 units at \$0.05 per unit, for gross proceeds of \$692,625. Each unit is comprised of a share and one half of a two year warrant with an exercise price of \$0.10. In connection with the issuance of the flow through shares, the Company paid finder's fees of \$84,000 and issued 1,680,000 finder's warrants; the finder's warrants have the same terms as the warrants forming part of the units.

#### Shares issued as part of earn-in agreement

As part of the earn-in agreement with CanAlaska Uranium Ltd., the Company issued 4,500,000 shares and 2,250,000 warrants. The shares were issued in two separate issuances: on March 19, 2014, the first 2,250,000 shares were issued at \$0.12 per share, as well as the 2,250,000 warrants; the remaining 2,250,000 shares were issued at \$0.11 per share on May 30, 2014. Of the 2.25 million warrants, 1,000,000 warrants have an exercise price of \$0.10 for a term of two years and 1,250,000 warrants have an exercise price of \$0.15 for a term of two years.

Prior to the end of the year, the Company reached the 50% earn-in mark for the Northern Manitoba project. As per the agreement, CanAlaska was then issued another 2,500,000 shares and 1,250,000 warrants. The shares were issued at \$0.04 per share, and the warrants have an exercise price of \$0.10 with a term of two years.

#### **Liquidity and Capital Resources**

As at December 31, 2014 the Company had cash and cash equivalents of \$756,913, of which \$581,656 is restricted for exploration and development expenditures.

#### Off-balance sheet arrangements

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

#### Financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. Cash and cash equivalents consists of cash. The Company has no asset backed commercial paper. Cash and cash equivalents, receivables and accounts payable and accrued liabilities are measured at their amortized cost which approximates their fair value due to their short-term nature. The Company classifies fair values of financial instruments within a three-level hierarchy that prioritizes the inputs to fair value measurement and reflects the significance of the inputs used in making the fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and

significant to the overall fair value measurement. As at December 31, 2014, the Company had no financial instruments measured at fair value and requiring classification in the hierarchy.

#### Changes in accounting policies including initial adoption

Certain pronouncements were issued by the International Accounting Standards Board (the "IASB") or the IFRS Interpretations Committee that are mandatory for accounting periods on or after January 1, 2014 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- (i) IFRS 9 – *Financial Instruments* ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 – *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements is IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

#### Critical accounting estimates

The accounting estimate considered to be significant to the Company is the computation of stock based compensation expense. The Company uses the fair-value method of accounting for stock based payments related to incentive stock options awards granted, modified or settled. Under this method, compensation cost attributable to options granted is measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. In determining the fair value, the Company makes estimates of the expected volatility of the stock as well as an estimated discount rate. Changes to these estimates could result in the fair value of the stock based compensation being less than or greater than the amount recorded. During the year, the Company recorded \$554,500 in stock based compensation (2013 – \$nil).

#### Transactions with related parties

As at December 31, 2014 the Company had no subsidiaries.

The Company's related parties consist of directors and officers or companies associated with them. Other than as outlined below the Company incurred no transactions with related parties during the period ended December 31, 2014.

The Company's related party expenses consist of the following:

	Year Ended December 31,	
	2014	2013
Geological consulting fees	\$ 275,134	\$ -
Management and consulting fees	16,900	-
Shared field expenditures	1,872,332	-
Shared office and administrative costs	60,627	-
Property acquisitions costs	50,000	-
Licencing costs	100,000	-
	<b>\$ 2,374,993</b>	<b>\$ -</b>

  

	Year Ended December 31,	
	2014	2013
Cantex Mine Development Corp.	\$ 11,390	\$ -
Element 29 Ventures Ltd.	713,134	-
Kel-Ex Development Ltd.	1,276,237	-
Metalex Ventures Ltd.	354,582	-
Chad Ulansky	2,750	-
W.G. McDowall	16,900	-
	<b>\$ 2,374,993</b>	<b>\$ -</b>

The Company's related party recoveries consist of the following:

	Years Ended December 31,	
	2014	2013
Shared field expenditures	\$ 3,635	\$ -
Shared office and administrative costs	10,025	-
	<b>\$ 13,660</b>	<b>\$ -</b>

  

	Years Ended December 31,	
	2014	2013
Cantex Mine Development Corp.	\$ 3,816	\$ -
Kel-Ex Development Ltd.	9,310	-
Metalex Ventures Ltd.	534	-
	<b>\$ 13,660</b>	<b>\$ -</b>

Key management includes the Chief Executive Officer and the Chief Financial Officer. The Company has paid the following remuneration to its directors and officers during the period:

	<b>Years Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
Director fees <sup>(1)</sup>	\$ 10,000	\$ -
Share-based compensation <sup>(2)</sup>	517,700	-
Wages and benefits <sup>(3)</sup>	305,501	41,670
	<b>\$ 833,201</b>	<b>\$ 41,670</b>

(1) Director fees are amounts accrued under the Company's deferred share unit plan as described above.

(2) Share-based compensation is the fair value of options granted to directors and management personnel.

(3) Wages and benefits includes amounts paid or accrued for geological consulting fees, management consulting fees and payroll costs due to related parties and former related parties.

### Outstanding share data

As at December 31, 2014, the Company had 69,409,016 common shares issued and outstanding, and 16,858,000 common share purchase warrants allowing for the purchase of 1,250,000 common shares at \$0.05 per share, 1,556,000 common shares at \$0.10 per share and 14,052,000 common shares at \$0.15 per share.

As at April 24, 2015, the Company has 132,861,516 outstanding common shares and 26,464,250 common shares purchase warrants; the change from year end is due to an additional 63,452,500 common shares issued as part of the private placements that closed subsequent to year end. There were an additional 9,606,250 warrants issued as part of the private placement and 2,480,000 finders' warrants.

There are 4,300,000 outstanding stock options, with an exercise price of \$0.15 as at December 31, 2014. Of these, 300,000 options were issued to the Company's investor relations firm and expire May 12, 2014; the remaining 4,000,000 options were issued to management and members of the board and expire May 12, 2024 and September 17, 2024, respectively.

### Risks and uncertainties

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. Operations, the status of mineral property rights, title to the properties and the recoverability of amounts shown for mineral properties in emerging nations can be affected by changing economic, regulatory and political situations. Other risks facing the Company include competition, environmental and insurance risks, fluctuations in metal prices, share price volatility and uncertainty of additional financing.



### Mineral Exploration Property

During the 2013 fiscal year, the Company entered into an agreement, with amendments subsequent to the year end, with CanAlaska Uranium Ltd ("CanAlaska") to acquire up to an 80% of its Northwest Manitoba Property which covers 143,603 hectares and is comprised of 3 licences (MEL-236B, MEL-166B, and MEL-247B).

Under the terms of the Option Agreement, the Company can earn up to an 80% interest in the Property by carrying out a three-stage \$11.6 million exploration program. The first stage allows the Company to obtain a 50% interest by making non-refundable cash deposits totalling of \$85,000 and by issuing 2,250,000 common shares at a deemed price of \$0.10 per share, 1,000,000 common share purchase warrants with an exercise price of \$0.10 for a term of two years and 1,250,000 common share purchase warrants with an exercise price of \$0.15 for a term of two years, on or before March 21, 2014. An additional \$50,000 was incurred to extend the terms of the original agreement. The Company was required to incur \$600,000 in exploration expenditures on or before March 31, 2014 and an additional 2,250,000 common shares were issued at a deemed price in accordance with TSX Venture Exchange pricing policies, on May 28, 2014. The agreement called for a further \$2,600,000 in exploration expenditures to be incurred by the Company on or before December 31, 2014.

As at December 31, 2014, the Company has spent the required funds on the Northern Manitoba project and has met the 50% earn-in agreement milestone.

Having now earned a 50% interest the Company has the right to earn a 70% option. The Company is proceeding with earning the 70% option. In order to exercise the 70% option, the Company must incur a further \$2.8 million in expenditures on the property within a two year period and by issuing an additional 2,500,000 common shares and 1,250,000 purchase warrants, which shall be exercisable into one common shares for a period of two years from the date of issue of the warrants at an exercise price per common share that is equal to the market price of the Company's shares on the date immediately preceding the date of issuance of such warrants. The Company may elect, prior to the end of the two year period, to pay CanAlaska a cash fee of \$50,000 for each incremental year of such extension.

Upon the Company having earned the 70% interest, it has the right to a 80% option. In order to exercise the 80% option, the Company must incur a further \$5.6 million in expenditures on the property within a two year period and by issuing an additional 5,000,000 common shares and 2,500,000 purchase warrants, which shall be exercisable into one common shares for a period of three years from the date of issue of the warrants at an exercise price per common share that is equal to the market price of the Company's shares on the date immediately preceding the date of issuance of such warrants. The Company may elect, prior to the end of the two year period, to pay CanAlaska a cash fee of \$50,000 for each incremental year of such extension.

The results from the AlphaTrack radon survey were announced on April 8, 2014. The radon survey was undertaken using 3,550 cups from AlphaTrack Services Ltd every 25m along lines spaced 200m apart covering a 3 x 10km area. This is one of 7 anomalous areas within the project previously outlined by CanAlaska. This radon survey has defined a number of distinct anomalies:

- Long linear trends, with strike lengths in some cases over 4km and approximately 100 to 200 meters wide. These anomalies appear to be conformable to the other geophysical anomalies, such as the VTEM and aeromagnetic data.
- Areas (approximately 400 by 800 meters) of significantly elevated radon flux (in excess of three times background). A number of these are coincident with known gravity lows and resistivity lows

previously identified at Maguire Lake. The largest anomalous zone outlined is located on the southeast shore of Maguire lake in an area previously not known to be mineralized. Values in this new zone are typically 3 to 4 times background with a high of 1484 T/mm<sup>2</sup>. (10 times background).

- Islands within Maguire Lake; one island in particular appears to exhibit noticeable elevated radon levels and this island has numerous mineralised boulders (up to 66% U<sub>3</sub>O<sub>8</sub>) on it as well as radioactive outcrops (up to 9.5% U<sub>3</sub>O<sub>8</sub>). Such mineralised outcrops are evident on two of the larger islands and both of these islands have elevated radon values.

On May 7, 2014 the preliminary results from the RadonEx lake water survey were announced, with the final results being made available on June 20, 2014. The survey comprised of 1,399 samples collected over the 10km length of Maguire Lake. Sample stations were located at 25m intervals along lines spaced at 200m.

The radon in water results are exceptionally high. At Maguire Lake the radon in water results ranged from -124 to 669 picocuries per litre (pCi/L). Of the 1,399 samples, 33 samples had results greater than 100 pCi/L, 13 samples had results greater than 200 pCi/L, 7 samples had results greater than 300pCi/L and 4 samples had results greater than 400pCi/L. RadonEx identified 7 priority one drill targets and 5 priority two targets. Significantly RadonEx state that the radon in water values at Maguire Lake approach closely the highest values received at Fission Uranium's Patterson Lake South discovery.

On May 14th the Company announced the completion of a ground gravity survey which was designed to connect previous ground gravity blocks collected in 2012. With the lake ice rapidly thinning a brief drilling program was undertaken, with one hole completed to bedrock. Though significant uranium contents were not intersected prospective geology was encountered.

At the end of August another drill program commenced utilizing both a highly mobile rotary air blast (RAB) drill and a diamond drill rig. At the time of writing 20 RAB holes and 10 core holes have been completed. RAB drilling has focused on two land based targets and has identified that one of the two targets exhibits an increase in Uranium 232, 234, 235, 238 as well as Lead 210 and Bismuth 214 isotopes at the till-bedrock contact. Uranium 234 and 238 as well as Lead 210 are mobile and therefore could have travelled up structural zones from an uranium source detected by the gravity low and elevated radon values in a favourable semi-pelite bedrock source.

Though most of the diamond drill holes have intersected uranium spikes and or prospective alteration it was only when hole MG15DD-0009 intersected a large, intense hydrothermal system that the Company's geologists felt that substantial mineralization may be in the immediate vicinity. Angled holes need to be drilled to effectively test this mineralized zone. As such a larger drill is being mobilized to site at the time of writing and is expected to re-commence drilling shortly.

The technical information and results reported here have been reviewed by Chad Ulansky, PGeol, a qualified person under National Instrument 43-101, who is responsible for the technical content.