



NORTHERN URANIUM CORP

CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

Expressed in Canadian dollars

March 31, 2015

NOTICE TO READER

These condensed interim financial statements of Northern Uranium Corp. ("the Company", formerly MPVC Inc.) for the three months ended March 31, 2015 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Northern Uranium Corp.

Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	March 31, 2015	December 31, 2014
Assets			
Current assets			
Cash		\$ 1,916,345	\$ 756,913
Receivables		65,985	37,052
Prepaid expenses		121,041	74,041
		<u>2,103,371</u>	<u>868,006</u>
Non-current assets			
Exploration and evaluation assets	4	937,500	937,500
Total Assets		\$ 3,040,871	\$ 1,805,506
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 1,105,768	\$ 703,600
Shareholders' Equity			
Share capital	7	9,514,641	7,306,174
Reserves		1,055,411	1,055,411
Deficit		(8,634,949)	(7,259,679)
		<u>1,935,103</u>	<u>1,101,906</u>
Total Liabilities and Shareholders' Equity		\$ 3,040,871	\$ 1,805,506

Nature and continuance of operations (Note 1)

Commitments (Note 8)

Approved by the Board of Directors:

"Chad Ulansky"

Chad Ulansky

"Lorie Waisberg"

Lorie Waisberg

See accompanying notes to condensed interim financial statements.

Northern Uranium Corp.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Three months ended	
	Note	March 31, 2015	March 31, 2014
Expenses			
Consulting		\$ 1,413	\$ -
Exploration expenditures	5	1,292,255	603,707
Management fees	7(d)	14,000	10,000
Office and administrative		50,855	33
Professional fees (recovery)	9	1,771	(89,478)
Transfer agent and filings fees		15,871	7,229
Loss before other items		1,376,165	531,491
Other items			
Interest income		891	-
Foreign exchange gain (loss)		4	-
		895	-
Loss and comprehensive loss for the year		\$ 1,375,270	\$ 531,491
Basic and diluted loss per share		\$ 0.02	\$ 0.03
Weighted average number of shares outstanding		79,025,849	19,295,149

See accompanying notes to condensed interim financial statements.

Northern Uranium Corp.

Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share capital	Reserves	Deficit	Total
Balance as at December 31, 2013		17,787,016	\$ 2,991,383	\$ 328,536	\$ (3,409,500)	\$ (89,581)
Share issuance	7(b)(i)	22,622,000	2,262,200	-	-	2,262,200
Share issuance costs	7(b)(i)	-	(212,941)	-	-	(212,941)
Loss for the quarter		-	-	-	(531,491)	(531,491)
Balance as at March 31, 2014		40,409,016	\$ 5,040,642	\$ 328,536	\$ (3,940,991)	\$ 1,428,187
Balance as at December 31, 2014		69,409,016	\$ 7,306,174	\$ 1,055,411	\$ (7,259,679)	\$ 1,101,906
Share issuance	7(b)(i)	45,452,500	2,272,625	-	-	2,272,625
Share issuance costs	7(b)(i)	-	(64,158)	-	-	(64,158)
Loss for the quarter		-	-	-	(1,375,270)	(1,375,270)
Balance as at March 31, 2015		114,861,516	\$ 9,514,641	\$ 1,055,411	\$ (8,634,949)	\$ 1,935,103

See accompanying notes to condensed interim financial statements.

Northern Uranium Corp.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Three months ended	
	March 31,	March 31,
	2015	2014
	Note	
Operating activities		
Loss for the period	\$ (1,375,270)	\$ (531,491)
Net changes in non-cash working capital items:		
Increase in receivables	(28,933)	(31,150)
Increase in prepaid expenses	(47,000)	(100,000)
Increase in accounts payable and accrued liabilities	402,168	701,873
Net cash used for operating activities	(1,049,035)	39,232
Investing activities		
Acquisition of mineral property interest	-	(49,975)
Net cash used for operating activities	-	(49,975)
Financing activities		
Issuance of share capital	2,272,625	1,882,200
Issuance cost	(64,158)	(166,541)
Net cash used for operating activities	2,208,467	1,715,659
Net decrease in cash	1,159,432	1,704,916
Cash, beginning of the quarter	756,913	13,322
Cash, end of the quarter	\$ 1,916,345	\$ 1,718,238
Cash paid for interest during the quarter	\$ -	\$ -
Cash paid for taxes during the quarter	\$ -	\$ -

See accompanying notes to condensed interim financial statements.

1. Nature and Continuance of Operations

Northern Uranium Corp. (the “Company”, formerly MPVC Inc.) was incorporated on July 19, 2005 under the Canada Business Corporations Act and is considered to be in the exploration stage with respect to its mineral properties. To date, the Company has not generated significant revenues from operations and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company’s common shares are listed on the TSX Venture Exchange under the trading symbol “UNO”.

The Company’s head office and location of books and records is 203-1634 Harvey Avenue, Kelowna, British Columbia, Canada, V1Y 6G2.

The recoverability of the amounts comprised in mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Continued operations of the Company are dependent on its ability to develop its mineral properties, receive continued financial support, complete equity financings, or generate profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

2. Basis of Presentation

a. Statement of Compliance

These unaudited condensed interim financial statements (the “Financial Statements”), including comparatives, have been prepared in accordance with International Accounts Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent 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”). As a result, they do not conform in all respects with the disclosure requirements for annual financial statements under IFRS and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2014. The accounting policies and methods of application are consistent with those used in the Company’s consolidated financial statements for the year ended December 31, 2014.

These Financial Statements were approved for issue by the Audit Committee on May 28, 2015.

2. Basis of Presentation (continued)

b. Basis of Presentation

These Financial Statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

c. Use of Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ materially and adversely from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- ii) The inputs used in calculating the fair value for share-based compensation expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based compensation expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.
- iii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

2. Basis of Presentation (continued)

c. Use of Estimates

- iv) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

3. Significant Accounting Policies

New Standards Not Yet Adopted

IFRS 9 “Financial Instruments” is a new standard that is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. 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. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Its commencement date is currently unknown.

4. Exploration and Evaluation Assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing.

The carrying values of the Company’s exploration and evaluation assets are as follows:

	Northern Manitoba
Balances as at December 31, 2013	35,025
Additions - cash payments	49,975
Additions - share issuance (note 7(b))	617,500
Additions - warrants issuance (note 7(b))	235,000
Balance, December 31, 2014 and March 31, 2015	\$ 937,500

4. Exploration and Evaluation Assets (continued)

Northern Manitoba Project

The Company has entered into an agreement with CanAlaska Uranium Ltd (“CanAlaska”) to acquire up to 80% of its Northwest Manitoba Property.

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 a non-refundable cash deposit of \$35,000 (paid) and by issuing 2,250,000 common shares (issued) valued at \$0.12 per share, 1,000,000 common share purchase warrants with an exercise price of \$0.10 for a term of two years (granted) and 1,250,000 common share purchase warrants with an exercise price of \$0.15 for a term of two years (granted), on or before March 21, 2014. An additional \$50,000 payment was incurred to extend the terms of the initial agreement. The Company incurred \$600,000 in exploration expenditures on or before March 31, 2014 and issued an additional 2,250,000 common shares, valued at \$0.11 per share, on or before June 1, 2014. A further \$2,600,000 in exploration expenditures was incurred by the Company 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.

Upon the Company having earned the 50% interest, it has the right to a 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 issue an additional 2,500,000 common shares (issued at a value of \$0.04 per share) and 1,250,000 purchase warrants (granted), which shall be exercisable into 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 an 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 issue 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.

5. Exploration Expenditures

	Northern Manitoba	
Cumulative expenditures, December 31, 2013	\$	350,340
Additions		
Aircraft field transport		-
Camp and field supplies		73,910
Drill supplies and repairs		-
Equipment rental		8,801
Fuel		-
Labour		420,709
Shipping and freight		93,447
Telephone and communication		-
Travel and accomodation		6,840
Net exploration expenditures during the period		603,707
Cumulative expenditures, March 31, 2014		954,047
Net exploration expenditures during the remainder of 2014		2,489,268
Cumulative expenditures, December 31, 2014		3,443,315
Additions		
Aircraft field transport		260,883
Camp and field supplies		338,469
Drill supplies and repairs		129,599
Equipment rental		89,916
Fuel		10,784
Labour		287,301
Shipping and freight		92,607
Telephone and communication		4,767
Travel and accomodation		77,929
Net exploration expenditures during the year		1,292,255
Cumulative expenditures, March 31, 2015	\$	4,735,570

6. Accounts Payable and Accrued Liabilities

The Company's accounts payable and accrued liabilities are as follows:

	December 31, December 31,	
	2014	2014
Trade payables	\$ 55,749	\$ 89,188
Accrued liabilities	39,000	25,000
Related party payables	1,011,019	589,412
Total	\$ 1,105,768	\$ 703,600

7. Share Capital and Reserves

a) *Authorized share capital*

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

The holders of the common shares are entitled to one vote per share. The holders of the common shares are entitled to dividends, when and if declared by the directors of the Company, and to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. No dividends have ever been declared or paid as at March 31, 2015.

b) *Issued share capital*

i.) *Shares issued through private placements*

On March 21, 2014, the Company completed a non-brokered private placement for gross proceeds of \$2,262,200 through the issuance of 10,900,000 flow through shares at a price of \$0.10 per share and 11,722,000 non-flow through units at a price of \$0.10 per unit. The Company incurred share issuance costs related to the private placement of \$219,175 and granted 496,000 broker warrants exercisable at \$0.10 for a period of two years. For each of the 11,722,000 non-flow through units, a warrant was issued that allows the holder to acquire an additional common share by paying \$0.15 anytime during the 24 months following closing.

7. Share Capital and Reserves (continued)

b) Issued share capital (continued)

i) Shares issued through private placements (continued)

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. The Company incurred additional share issuance costs related to the private placement of \$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. The Company incurred additional share issuance costs related to the private placement of \$5,123.

The above 1,036,000 broker warrants were valued at \$68,000 using the Black Scholes option pricing model with volatility ranging from 150% to 161%, 0% dividends, an expected life of 1 to 2 years, and a risk free rate ranging from 1.07% to 1.43%.

In January 2015, 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 with an exercise price of \$0.10 and an expiration of one year following the issuance. These broker warrants were valued at \$17,000 using the Black Scholes option pricing model with volatility of 159%, 0% dividends, an expected life of 1 year, and a risk free rate of 1.07%.

7. Share Capital and Reserves (continued)

b) Issued share capital (continued)

i) Shares issued through private placements (continued)

In March 2015, the Company closed the first tranche of a non-brokered private placement and issued 23,200,000 flow-through shares at a price of \$0.05 per share for gross proceeds of \$1,160,000, and 11,852,500 non-flow through units at \$0.05 per share for gross proceeds of \$592,625. 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 shares, the Company paid total finder's fees of \$12,000 and issued 240,000 finder's warrants with an exercise price of \$0.10 and an expiration of one year following the issuance. These broker warrants were valued at \$9,000 using the Black Scholes option pricing model with volatility of 161%, 0% dividends, an expected life of 1 year, and a risk free rate of 1.07%.

Subsequent to quarter end, the Company closed the second tranche of this private placement and issued 16,000,000 flow-through shares at a price of \$0.05 per share for gross proceeds of \$800,000, and 2,000,000 non-flow through units at \$0.05 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 \$0.10. In connection with the issuance of the shares, the Company paid total finder's fees of \$72,000 and issued 1,440,000 finder's warrants with an exercise price of \$0.10 and an expiration of one year following the issuance.

ii) Shares issued as part of earn-in agreement

As part of the earn-in agreement with CanAlaska for the Northern Manitoba project (Note 4), 4,500,000 shares were issued in two tranches, along with 2,250,000 warrants. The first tranche of 2,250,000 shares was issued at \$0.12 per share, and included 2,250,000 warrants. Of these 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. In May 2014, the Company issued the second tranche of 2,250,000 shares to CanAlaska at \$0.11 per share.

Once the Company had reached the 50% earn-in mark (Note 4), CanAlaska was issued 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 \$0.05 with a term of two years.

c) Stock options and warrants

The Company, in accordance with its shareholder approved stock option plan, is authorized to grant options to directors, officers, employees and consultants, to acquire up to 10% of the issued and outstanding common shares. The exercise price of the options issued under the plan is determined by the Board of Directors at the time the options are granted. The options vest immediately upon grant, unless otherwise determined by the Board of Directors, and are exercisable for up to a period of ten years from the date of grant.

7. Share Capital and Reserves (continued)

c) *Stock options and warrants (continued)*

Stock options and share purchase warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2013	-	\$ -	10,450,000	\$ 0.10
Granted	4,300,000	0.15	16,858,000	0.14
Expired	-	-	(10,400,000)	0.10
Exercised	-	-	(50,000)	0.10
Outstanding, December 31, 2014	4,300,000	\$ 0.15	16,858,000	\$ 0.14
Granted	-	-	1,040,000	0.10
Outstanding, March 31, 2015	4,300,000	\$ 0.15	17,898,000	\$ 0.14
Number currently exercisable	4,300,000	\$ 0.15	17,898,000	\$ 0.14

The following stock options and warrants were outstanding at March 31, 2015:

	Number	Exercise Price	Expiry Date
Options	300,000	\$ 0.15	May 12, 2024
	3,250,000	0.15	May 13, 2024
	750,000	0.15	September 17, 2024
	<u>4,300,000</u>		
Warrants	1,000,000	\$ 0.10	March 21, 2016
	1,250,000	0.15	March 21, 2016
	11,722,000	0.15	March 21, 2016
	496,000	0.10	March 21, 2016
	580,000	0.15	August 6, 2016
	500,000	0.15	September 9, 2016
	1,250,000	0.05	December 22, 2016
	60,000	0.10	December 30, 2015
	800,000	0.10	February 9, 2016
	240,000	0.10	March 24, 2016
	<u>17,898,000</u>		

7. Share Capital and Reserves (continued)

d) *Deferred share unit plan*

The Company has a deferred share unit plan whereby directors can receive compensation in the form of a deferred share unit. Under the 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 cash or shares for the deferred compensation. Under the deferred share plan, directors are entitled to receive the cash value equal to the fair value of the deferred shares outstanding. Accordingly, the value of the deferred liability is equal to the fair value of the shares. As of March 31, 2015, \$24,000 of deferred compensation (December 31, 2014 – \$10,000) has been accrued in accounts payable which equates to 342,856 shares (December 31, 2014 – 200,000 shares) if the directors left the Company.

e) *Options – share-based compensation*

During the year ended December 31, 2014, the Company recognized share-based compensation of \$554,500 (2013 - \$nil) in the statement of loss and comprehensive loss as a result of the granting and vesting of incentive stock options. The weighted average fair value of options granted was \$0.13 per option (2013 – N/A). The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the noted periods:

	2014
Risk-free interest rate	2.28%
Expected option life	10 years
Expected stock price volatility	163.7%
Expected dividend yield	0%

No such share-based compensation was recorded in the current quarter end.

8. Commitments

The Company is currently committed to two lease agreements. The Company shares lease premises with related parties and its share of the office premises is \$823 per month. The current lease expires May 2016. The Company has also committed to an equipment lease for its Manitoba project with a related party. The monthly lease amount is \$27,200 and the lease expires April 2015. Total minimum future lease payments for office premises and equipment are as follows:

	Office premises	Equipment lease	Total
Fiscal year ending December 31, 2015	\$ 9,876	\$108,800	\$118,676
Fiscal year ending December 31, 2016	\$ 4,115	Nil	\$ 4,115

During the quarter, the Company raised \$1,160,000 in flow through funds which are required to be incurred on eligible exploration expenditures. As at March 31, 2015, the Company is required to incur \$499,993 before December 31, 2016.

9. Related Party Disclosures

During the three months ended March 31, 2015 and 2014, the Company had related party transactions with the following companies related by way of common directors or shareholders:

- Element 29 Ventures Ltd. (“Element 29”) – a private company owned by the Company’s CEO. Element 29 provides geological consulting services to the Company.
- Kel-Ex Development Ltd. (“Kel-Ex”) – a private company owned by a significant shareholder. A director of the Company is the CFO of Kel-Ex. Kel-Ex provides administration, payroll and office services to the Company.
- Metalex Ventures Ltd. (“Metalex”) – a publicly listed company with common directors and management. Metalex shares office space with the Company and thus have certain shared expenditures which get re-billed on a cost-recovery basis.
- Cantex Mine Development Corp. (“Cantex”) – a publicly listed company with common directors and management. Cantex shares office space with the Company and thus have certain shared expenditures which get re-billed on a cost-recovery basis.

Northern Uranium Corp. (formerly MPVC Inc.)
Notes to the Condensed Interim Financial Statements
March 31, 2015
(Expressed in Canadian Dollars)

9. Related Party Disclosures (continued)

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

	Three months ended March 31,	
	2015	2014
Geological consulting fees	\$ 160,799	\$ 35,244
Management and consulting fees	-	3,192
Shared field expenditures	624,338	564,348
Shared office and administrative costs	17,842	-
Property acquisitions costs	-	50,000
Licencing costs	-	100,000
	\$ 802,979	\$ 752,784

	Three months ended March 31,	
	2015	2014
Cantex Mine Development Corp.	\$ 69	\$ -
Element 29 Ventures Ltd.	152,947	425,247
Kel-Ex Development Ltd.	624,768	322,870
Metalex Ventures Ltd.	25,195	-
Chad Ulansky	-	1,475
W.G. McDowall	-	3,192
	\$ 802,979	\$ 752,784

Included in accounts payable and accrued liabilities of the Company are the following amounts due to related parties:

	March 31,	December 31,
	2015	2014
Cantex Mine Development Corp.	\$ 73	\$ 261
Element 29 Ventures Ltd.	72,052	56,130
Kel-Ex Development Ltd.	912,439	521,137
Metalex Ventures Ltd.	26,455	11,884
	\$ 1,011,019	\$ 589,412

The Company's related party recoveries consist of shared office and administrative costs from Kel-Ex Developments Ltd. totaling \$4,919. As at March 31, 2015, the Company has a related party receivable of \$5,165 from Kel-Ex.

9. Related Party Disclosures (continued)

The remuneration of directors and officers is as follows:

	Three Months Ended March 31,	
	2015	2014
Director fees ⁽¹⁾	\$ 14,000	\$ -
Wages and benefits ⁽²⁾	161,092	43,744
	\$ 175,092	\$ 43,744

(1) Director fees are amounts accrued under the Company's deferred share unit plan as described in Note 7(d).

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

10. Financial Instruments and Risk Management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, liquidity and commodity price risk.

Credit risk - Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is in large Canadian financial institutions and it does not have any asset-backed commercial paper. The Company's receivables consist mainly of GST receivable due from the Federal Government of Canada, as well as some related party receivables (Note 9).

The Company considers the risk associated with these receivables to be remote.

Interest rate risk - Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no material interest bearing financial obligations.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Note 12.

10. Financial Instruments and Risk Management (continued)

Price risk - The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of uranium and other minerals. The Company's input costs are also affected by the price of fuel. Management monitors uranium and fuel prices to determine the appropriate course of action to be taken by the Company.

11. Capital Risk Management

The Company includes equity (comprised of issued common shares, reserves, deficit) in the definition of capital.

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company expects its current capital resources will be sufficient to complete its currently budgeted exploration programs and operations through its current operating period. The Company is currently not subject to externally imposed capital requirements. The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in secure deposits in large Canadian financial institutions.

The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration and development of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity.

12. Supplemental Disclosure with Respect to Cash Flows

Significant non-cash transactions for the three months ended March 31, 2015 included granting 800,000 broker warrants valued at \$17,000 as share issuance costs on private placements.

Significant non-cash transactions for the three months ended March 31, 2014 included:

- a) Granting 496,000 broker warrants valued at \$37,000 as share issuance costs on private placements and
- b) Issuing 2,250,000 common shares and 2,250,000 warrants to CanAlaska pursuant to the mineral property option agreement valued at \$270,000 and \$201,000 respectively.