

**NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Dated: January 26, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of NEMI Northern Energy & Mining Inc. (the "Company" or "NEMI") for the year ended September 30, 2015 and is prepared as at January 26, 2016. This MD&A should be read in conjunction with the Company's audited annual financial statements for the years ended September 30, 2015 and 2014 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

APPROVAL

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods reported. The Financial Statements together with the other financial information included in this MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in this MD&A. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing. The Board of Directors has approved the Financial Statements and MD&A, as well as ensured that management has discharged its financial responsibilities.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are 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", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve 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 statements. These forward looking statements include but are not limited to statements concerning:

NEMI NORTHERN ENERGY & MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

- The Company's success at completing future financings
- The Company's strategies and objectives
- The Company's cost reductions and other financial operating objectives
- The availability of qualified employees for business operations
- General business and economic conditions
- The Company's ability to meet its financial obligations as they become due
- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity
- The positive cash flows and financial viability of new business opportunities
- The Company's ability to manage growth with respect to a new business opportunity
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by these forward looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

OVERVIEW AND OUTLOOK

NEMI Northern Energy & Mining Inc. (the "Company" or "NEMI") was continued under the Business Corporations Act (British Columbia) on April 15, 2010. Previously NEMI was incorporated under the Business Corporations Act of Alberta and extra-provincially registered under the Company Act of British Columbia. The Company is the ultimate parent.

The address and domicile of the Company's registered office and its principal place of business is 1600 – 609 Granville Street, Vancouver, BC, Canada V7Y 1C3.

NEMI's common shares trade on the Canadian Securities Exchange ("CSE") under the trading symbol "NNE".

NEMI is a specialized merchant bank whose principal activity is the development of its asset and equity portfolio. Although NEMI retains the flexibility to make any investments which management determines are in its best interests, NEMI's primary target investments are shares of small-cap and micro-cap public companies which NEMI's management believes are undervalued. The ultimate objective of these investments is to maximize the Company's return. The Company operates as one segment.

On October 1, 2013, the Company acquired a 100% interest in ACME Mining Inc. ("ACME") a privately held US based company incorporated by the CEO of the Company for a nominal amount. ACME had no assets or liabilities, nor an active business at the date of acquisition. The Company intends to use ACME to enhance its existing diversified investment and merchant banking operations.

Investing activities

It is the Company's policy to recognize its investments at fair value as current assets recorded at their quoted or estimated fair value. At the end of each reporting period, the Company compares the current carrying values with the quoted market value or estimated fair values and the difference which is known as a "mark-to-market"

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

adjustment is recognized in income as an unrealized gain or loss with an offset in an equal amount to the carrying value of the investments at fair value.

As at September 30, 2015, the Company held investments at fair value for investment purposes having a fair value of \$8,080,688 (cost - \$13,520,125) detailed as follows:

	September 30, 2015		September 30, 2014	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
Publicly traded securities	4,911,261	6,402,605	4,563,106	6,822,291
Private equity securities	435,000	4,185,000	6,340,000	4,150,000
Loans	2,734,427	2,932,520	2,351,370	2,479,870
	8,080,688	13,520,125	13,254,476	13,452,161

Changes in the Company's investments at fair value for the year ended September 30, 2015 were as follows:

	September 30, 2015	September 30, 2014
	\$	\$
Opening balance	13,254,476	12,577,092
Purchases	5,760,210	7,822,107
Distributions received	(1,304,047)	(1,323,904)
Proceeds on disposition	(4,334,097)	(6,829,021)
Realized gains (losses) on disposition	(828,778)	(210,206)
Foreign exchange gains	774,675	502,831
Unrealized gains (losses)	(5,241,751)	715,577
Balance	8,080,688	13,254,476

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 (losses) totaling \$(6,070,529) (2014 – \$505,371) have been recognized in income for the year ended September 30, 2015.

Publicly traded securities and loans

The Company's publicly traded securities can be sold at any time at the Company's discretion subject to market conditions and from time to time hold period restrictions of not more than four months pursuant to the terms of each respective private placement subscription agreement, as well as escrow restrictions, if applicable.

i) American Bonanza Gold Corp ("BZA") and Kerr Mines Inc. ("KER")

On September 14, 2012, the Company extended a US\$1,500,000 loan to American Bonanza Gold Corporation ("BZA"), a publicly traded resource company. The significant terms of the underlying loan agreement provided for an interest rate of 12% and a maturity date of November 14, 2013 with repayment due in eight equal monthly installments commencing March 14, 2013. In addition, the terms also provided that the Company could elect to receive any payments on principle otherwise due in the form of 1,250 London good delivery gold ounces ("Gold Ounces") at a stated price of US\$1,200 per ounce (the "Gold Call Option"). In addition, NEMI secured 1,500,000 BZA common share purchase warrants exercisable at a price of \$0.50 each for a period of two years from the date of issuance. As at September 30, 2012, in recognition of the Gold Call Option, in the process of

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

reviewing the fair market value of the BZA Gold Loan, management had recorded an unrealized mark to market gain on the value of the loan in the amount \$133,500 and after recognition of prevailing US - Canadian dollar foreign exchange considerations, the loan carried a fair value of \$1,590,500.

During 2013 fiscal year, the Company advanced an additional US\$200,000 to BZA and on April 1, 2013, advanced an additional US\$400,000 in consideration for an Amended and Restated Secured Promissory Note and Guarantee bringing the total advanced to BZA up to US\$2,100,000 (the "Amended BZA Gold Loan"). Among the amended and revised terms and conditions provided was a reduction in the strike price of the Gold Call Option from the original US\$1,200 to US\$1,100 per ounce meaning the potential number of Gold Ounces to be delivered increased from 1,250 ounces to 1,909 ounces. In addition, NEMI secured another 600,000 BZA common share purchase warrants exercisable at a price of \$0.20 each for a period of two years from the date of issuance. Under the terms of the Amended BZA Gold Loan, the maturity date was extended to August 1, 2014 and the loan was repayable in 12 equal monthly installments commencing on September 1, 2013. All other terms and security granted under the terms of the Amended BZA Gold Loan remained substantially unchanged from the provisions of the original agreement.

In November 2013, BZA, NEMI and the other Gold Loan lenders subsequently amended and restated the secured US\$8,601,000 promissory note (NEMI has lent US\$2,100,000). The amended promissory note was restructured to be repaid commencing January 1, 2014 in twelve equal principal monthly installments completing on December 1, 2014. The strike price of the Gold Call Option was reduced to US\$900 per ounce which if exercised would result in the delivery of 9,557 gold ounces (2,333 gold ounces to NEMI) or equivalent cash, at the option of the lender. Interest payments due on November 1, 2013 and December 1, 2013 were deferred to January 1, 2014. On January 3, 2014 NEMI sent BZA a notice of default after not receiving the agreed upon payments.

On April 14, 2014 BZA announced it had entered into a definitive agreement with Kerr Mines Inc. ("KER"), an arm's length company, for a merger of the two companies' operations pursuant to which BZA shareholders will receive 0.53 common shares of KER in exchange for each BZA share held. The agreement was approved by BZA shareholders at BZA's annual general meeting held on June 20, 2014 and by the Supreme Court of British Columbia on June 25, 2014.

On May 1, 2014, NEMI and BZA entered into an agreement pursuant to which NEMI agreed to settle the full amount of the Amended BZA Gold Loan, including all accrued interest thereon in consideration of BZA issuing 48,762,489 common shares of BZA and a secured promissory note from KER in the principal amount of US\$2,100,000 to NEMI (the "KER Promissory Note"). The KER Promissory Note bore interest at a rate of 6% per annum, with six semi-annual payments of principal and interest of US\$410,914 each commencing on June 20, 2015 (received on July 15, 2015). During the year ended September 30, 2014, the 48,762,489 common shares of BZA were converted into 25,844,120 shares of KER per the Arrangement Transaction, which were later converted into 1,722,939 upon the share consolidation completed by KER of its outstanding common shares.

The KER Promissory Note is secured under a General Security Agreement by a pledge of the assets and share capital of Bonanza Explorations Inc., an operating subsidiary of KER (upon completion of the Arrangement Transaction). During the year ended September 30, 2014, the Company recorded a gain, of \$750,544 as a result of the transaction, included in gain on investments at fair value. The Company holds the right, at its option, to convert the whole, or any part of the loan, into common shares of KER at a conversion price of \$0.06 per share on a post consolidated basis.

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

As a result of the late KER Promissory Note payment received on July 15, 2015, the KER Promissory Note was in default. Under the terms of the KER Promissory Note, the entire outstanding principal amount, including interest due thereon totalling US\$2,465,484, was accelerated and became immediately due and payable. In connection with collection of the outstanding amounts owing, NEMI and KER negotiated an amendment to the Note (the "Amended KER Promissory Note"), pursuant to which the remaining outstanding principal amount and interest currently due thereon, revised to US\$2,054,570 will accrue interest at a rate of 8% per annum and would become due on December 15, 2015.

KER has defaulted on the Amended KER Promissory Note which has triggered a penalty payment of US\$100,000 to be applied to the existing principal amount, with interest now accruing at a rate of 15% per annum until repayment in full. KER remains in default, and the Company is currently in negotiations to sell the loan. Management is of the view that the Amended KER Promissory Note remains collectible.

As at September 30, 2015, \$2,734,427 (2014 - \$2,351,370) is receivable from KER included in investments at fair value.

ii) Vangold Resources Ltd. ("VAN")

As at September 30, 2015, the Company holds 625,000 warrants in VAN (2014 - 675,000) valued at \$Nil (2014 - \$Nil). The warrants were valued using the residual value approach; 250,000 are due to expire in fiscal 2016 and 425,000 are due to expire in fiscal 2017.

b) Private equity securities

i) Black Eagle Mining Corporation ("BEM")

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

On March 16, 2012, NEMI acquired 5,000,000 common shares of 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.

As at September 30, 2015, the Company held 5,200,000 common shares (2014-5,200,000) representing 14.6% (2014-14.6%) of the outstanding share capital of BEM. The fair value of these common shares was determined to be \$nil (2014-\$1.20 per share). This valuation was based on the fact that BEM's project has been placed on indefinite hold and BEM has placed this project on care and maintenance until the market for its resource improves and it can find additional financing. Accordingly, the Company's net loss for the year ended September 30, 2015, included an unrealized mark to market loss of \$6,240,000 to adjust the fair value of the shares to \$nil.

ii) Belhara Security Systems ("Belhara")

As at September 30, 2015, the Company held 132,000 shares (2014-132,000) in Belhara valued at \$Nil (2014 - \$Nil).

**NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

iii) Voleo Inc. (formerly Unloot Enterprises Inc.) (“Voleo”)

As at September 30, 2015, the Company held 2,175,000 shares (2014 - 2,000,000) in Voleo valued at \$435,000 (2014 - \$100,000).

During the year ended September 30, 2014, the Company acquired 2,000,000 shares for cash in the amount of \$100,000, or \$0.05 per share. Furthermore, the Company purchased a \$90,000 loan owed to Voleo by a third party for \$45,000. The Company received a first installment of \$30,000 from Voleo toward the balance of this debt. As at September 30, 2014, the remaining \$15,000 was included in accounts receivable.

During the year ended September 30, 2015, the Company extended the terms of the loan, and the Company and Voleo agreed to repayment of \$60,000 (representing the original \$90,000 loan, less \$30,000 which had been repaid to the Company by Voleo during the year ended September 30, 2014). The Company received a payment of \$25,000 from Voleo reducing the remaining balance of the loan to \$35,000. The Company subscribed to 175,000 shares of Voleo at \$0.20 per share for a subscription cost of \$35,000 which was offset against the remaining balance of the loan, bringing the amount owed by Voleo to \$nil.

The total cost of the 2,175,000 shares acquired over the past two fiscal years is \$135,000. The fair value of these common shares was determined to be \$0.20 per share, or \$435,000. This valuation was based on the observable \$0.20 per share price used in a financing Voleo completed during the year ended September 30, 2015.

SELECTED ANNUAL FINANCIAL INFORMATION

	For the year ended September 30, 2015	For the year ended September 30, 2014	For the year ended September 30, 2013
Comprehensive income (loss):			
(i) total for the year	(\$4,984,336)	\$473,882	(\$7,027,441)
(ii) per share	(\$0.30)	\$0.03	(\$0.42)
Total assets	\$11,494,489	\$17,016,811	\$16,332,826
Total current liabilities	\$205,712	\$441,291	\$330,770
Total long-term financial liabilities	\$ Nil	\$ Nil	\$ Nil

NEMI is a specialized merchant bank whose principal activity is the development of its asset and equity portfolio. Although NEMI retains the flexibility to make any investments which management determines are in its best interests, NEMI's primary target investments are shares of small-cap and micro-cap public companies which NEMI's management believes are undervalued. The ultimate objective of these investments is to maximize the Company's return. The Company's management consists of a full-time CEO and a contracted CFO who is retained through a company that provides outside accounting services. For the current fiscal year and going forward for the foreseeable future, the corporate operating cost structure is comparatively simple, consisting primarily of remuneration and benefits paid to management, professional fees that cover legal and audit costs, expenditures required to sustain the Company's status as a reporting publicly listed entity, office expenses and fees paid to outside directors and out-of-pocket travel and accommodation expenses.

Since the PRC disposition on September 28, 2011 and the completion of a liquidity event that culminated in the completion of the Substantial Issuer Bid (“SIB”) on December 28, 2011 where the Company purchased and subsequently cancelled 38 million common shares at a price of \$1.06 each for an aggregate gross consideration of \$40,434,359 the Company's assets have remained relatively stable over the past three fiscal years; the large swings in comprehensive income (loss) between the 2013 and 2015 fiscal years was the mostly due to

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

fluctuations in the unrealized and realized gains and losses stemming from the Company's investment in Black Eagle Mining shares and trading of various publicly traded securities.

SUMMARY OF QUARTERLY RESULTS¹

	4th Quarter Ended September 30, 2015	3rd Quarter Ended June 30, 2015	2nd Quarter Ended March 31, 2015	1st Quarter Ended December 31, 2014
Total revenues	\$nil	\$nil	\$nil	\$nil
Comprehensive income (loss)	(\$5,603,188)	(\$232,064)	\$1,269,801	(\$418,885)
Income (loss) per share (basic and diluted)	(\$0.31)	(\$0.01)	\$0.08	(\$0.02)
Investments at fair value	\$8,080,688	\$13,683,788	\$14,107,838	\$13,554,838
Total assets	\$11,494,489	\$17,463,925	\$17,855,916	\$16,568,571
	4th Quarter Ended September 30, 2014	3rd Quarter Ended June 30, 2014	2nd Quarter Ended March 31, 2014	1st Quarter Ended December 31, 2013
Total revenues	\$nil	\$nil	\$nil	\$nil
Comprehensive income (loss)	(\$705,788)	\$260,847	\$1,202,807	(\$283,984)
Income (loss) per share (basic and diluted)	(\$0.04)	\$0.02	\$0.07	(\$0.02)
Investments at fair value	\$13,254,476	\$14,322,088	\$14,130,399	\$12,427,565
Total assets	\$17,016,811	\$17,537,853	\$17,264,032	\$16,051,131

1 Financial information prepared in accordance with IFRS

RESULTS OF OPERATIONS FOR THE THREE AND TWELVE MONTHS ENDED SEPTEMBER 30, 2015

The following is an analysis of the Company's operating results for the three and twelve months ended September 30, 2015, and includes a comparison against the three and twelve months ended September 30, 2014.

Comprehensive income (loss) for the three and twelve months ended September 30, 2015 amounted to (\$5,603,188) and (\$4,984,336) or (\$0.31) and (\$0.30) per share respectively (2014 – (\$705,788) and \$473,882 or (\$0.04) and \$0.03 per share respectively). Comprehensive loss is substantially higher in the current periods as compared to the previous periods as a result of the \$6,240,000 mark to market loss on the BEM shares resulting from the Company's revaluation of its investment in the shares.

Gains (losses) on investments at fair value for the three and twelve months ended September 30, 2015 were (\$6,127,449) and (\$6,070,529), respectively (2014 – (\$738,393) and \$505,371, respectively). The income and losses resulted from investing activities of the Company in its publicly traded securities portfolio; the current periods also include a \$6,240,000 mark to market loss resulting from the Company's revaluation of its investment in the shares of BEM.

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

Interest and other income for the three and twelve months ended September 30, 2015 were \$279,172 and \$737,143 respectively (2014 – \$76,919 and \$307,724, respectively). Included in this income amount is interest, dividends and other income. Interest income is earned on the Company's deposits and accrued on its outstanding promissory note to KER. Dividend income was higher in the current period due to more dividends being paid out on the Company's investments in publicly traded securities.

Remuneration and benefits for the three and twelve months ended September 30, 2015 were \$52,771 and \$173,172, respectively as compared to \$40,000 and \$175,866, respectively for the same period in the previous year. Remuneration and benefits consist of the salary and associated costs paid to the CEO.

Professional fees for the three and twelve months ended September 30, 2015 were \$64,920 and \$120,596 as compared to \$41,767 and \$109,118, respectively for the same period in the previous year. Professional fees include tax preparation, accounting, auditing and legal fees incurred during the period.

Office expenses for the three and twelve months ended September 30, 2015 were \$37,510 and \$138,281, respectively compared to \$48,251 and \$178,894, respectively for the same period in the previous year. Office expenditures include expense items such as administrative services, insurance, office supplies, withholding taxes on foreign dividends and director's travel expenses. Office expenses in the previous period included a write down of \$51,555 in exploration expenditures that had been classified as "prepaid expenses" in 2011 and 2012. Not including this write-off, office expenses in the three and twelve months ended September 30, 2015 were \$10,741 lower and \$10,942 higher, respectively than in the comparative periods in 2014. Actual expenditures between the comparative periods were relatively equal however, as in February 2014 the Company received a \$33,196 USD withholding tax refund in one of its brokerage accounts which was offset against other expenses.

Shareholder communication expenses for the three and twelve months ended September 30, 2015 were \$1,589 and \$12,049, respectively compared to \$2,850 and \$12,419, respectively for the same period in the previous year. Shareholder communications include stock transfer fees and all shareholder mailing and search expenditures.

Director's fees for the three and twelve months ended September 30, 2015 were \$8,000 and \$38,000, respectively compared to \$ 10,000 and \$42,500 for the same period in the previous year. Director's fees are lower than in the previous periods as all director's fees were reduced by 20% commencing January 1, 2014. In addition, a director resigned on June 28, 2015; a replacement has yet to be named.

Share-based compensation for the three and twelve months ended September 30, 2015 was \$104,861 compared to \$134,672 for the same periods in the previous year. The amount in 2015 was calculated as the fair value of the 300,000 options issued in June 2015. The amount in 2014 was calculated as the fair value of the 300,000 options issued in August 2014.

Foreign exchange gains (losses) for the three and twelve months ended September 30, 2015 was \$383,431 and \$878,750 respectively, as compared to \$237,105 and \$331,311, respectively for the same periods in the previous year. This figure will fluctuate with any change in the exchange rate of the US dollar given that as at September 30, 2015 NEMI has \$1,731,269 USD in publicly traded investments, \$673,206 USD in cash accounts, and the KER \$2,054,570 USD loan.

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

Interest and bank charges for the three and twelve months ended September 30, 2015 were \$7,894 and \$19,480, respectively compared to \$ 3,879 and \$17,055 for the same period in the previous year. The charges were higher in the current periods due to higher broker interest paid in the Company's investment accounts.

RISKS AND UNCERTAINTIES

Investors should be aware that an investment in the common shares of the Company involves a high degree of risk. In addition to the other information contained in this MD&A, investors should consider carefully the following risk factors with regard to an investment in the common shares of the Company:

New Enterprise

There is no assurance that any investment in marketable securities or other securities held for trading or loans, acquired by NEMI will achieve intended objectives, generate earnings, operate profitably or provide a return on investment in the future.

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 adversely affected by the unfavorable performance of a single investment, or sector. Completion of one or more investments 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 Marketable and other Securities Held for Trading

NEMI may invest in illiquid marketable and other securities held for trading 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.

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,

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

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 marketable securities of public companies and other securities held for trading are subject to volatility in the share prices of investee companies. 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 marketable security portfolio as well as that of its own common shares.

No Guaranteed Return

There is no guarantee that a NEMI investment in marketable other securities held for trading 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 investments may not reveal all facts that may be relevant to making an 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

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

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 and/or distributions of or from investments, interest earned on cash, 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's 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 investments at fair value declines, resulting in 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.

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 marketable securities portfolio.

Non-Controlling Interests

NEMI's investments in marketable and other securities held for trading 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 the NEMI investment in marketable and other securities held for trading could decline to the detriment of the Company's financial position, results of operations and cash flows, and NEMI share prices.

**NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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.

No On-Going Active Business Operations

The Company's primary investments include cash, and investments at fair value (marketable and other securities held for trading). The Company is unlikely to generate any 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 the Company's investment activities in marketable and other securities held for trading 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 and Trading Price of Common Shares Relative to Profit and/or Net Asset Value

No assurance can be provided that an active and liquid market for the Company's common shares will be sustained and that the market accurately reflects the value of the shares. 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 nature of the Company's business activities makes an investment in the Company's shares that much more highly speculative.

Limited Resources

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

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

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 a marketable security investment opportunity is identified, the transaction may be subject to approvals by regulatory authorities and, in the case of a non-arm's 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 marketable security investment opportunity 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 CSE, 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

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

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.

LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital that it manages as cash and equity, consisting of issued common shares, share-based payment reserve and stock options. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, to fund existing operations and the search for new business opportunities in order to provide returns to its shareholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business. The Company manages and adjusts its capital structure as a result of changes in economic conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the period ended September 30, 2015.

As at September 30, 2015, the Company had working capital of \$11,288,777 (September 30, 2014 - \$16,575,520) including cash that totaled \$3,370,097 (September 30, 2014 - \$3,656,587). At this time management believes that this is sufficient to meet currently expected operating requirements over the next year and does not foresee any circumstances under which additional financing would be required.

A summary of the Company's cash flows during the year ended September 30, 2015 and 2014 is as follows:

	2015	2014
Cash flows provided by operating activities	\$ 3,079	\$ 9,620
Cash flows used in financing activities	(407,268)	(35,090)
Effect of exchange rate on cash	117,699	42,042
Increase (decrease) in cash for the period	(286,490)	16,572
Cash, beginning of the period	3,656,587	3,640,015
Cash, end of the period	\$ 3,370,097	\$ 3,656,587

Cash flows provided by operating activities were \$3,079 for the year ended September 30, 2015 compared to \$9,620 during the year ended September 30, 2014. The \$6,541 decrease in cash provided in 2015 as compared to the 2014 fiscal year was primarily the result of differences in trading activity by the Company between the two periods offset by a \$5,798,875 increase to net loss which was due in large part to the unrealized mark to market loss that stemmed from the Company's revaluation of its investment in BEM shares from \$6,240,000 to \$nil.

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

Cash flows used in financing activities were \$407,268 for the year ended September 30, 2015 compared to \$35,090 for the year ended September 30, 2014. The \$372,178 increase in cash used for financing activities was due to more shares of the Company being repurchased under the NCIB in 2015 than in 2014.

SHARE CAPITAL

(a) Authorized

Unlimited number of Class A voting Common Shares without par value
Unlimited number of preferred shares issuable in one or more series with rights and quantity subject to the discretion of the directors

(b) Issued and Outstanding

As at September 30, 2015 total number of common shares issued and outstanding was 16,099,135. As at the date of this MD&A the total number of common shares issued and outstanding was 16,006,135.

(c) Stock Options

During the year ended September 30, 2015, 75,000 options were exercised.

On June 9, 2015, the Company granted 300,000 options, which vested immediately, having an exercise price of \$0.55 each, exercisable at any time up until and including June 9, 2020. The fair value of the options so granted was determined to be \$104,861 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate - 0.75%; expected life - 5 years; expected volatility – 108.76% and expected dividends - nil.

As at September 30, 2015 and the date of this MD&A a summary of stock options exercisable and outstanding is 1,525,000 Common Class A shares, having a weighted average exercise price of \$0.61 each.

RELATED PARTY TRANSACTIONS

The retention of certain key management personnel is subject to a management agreement, the terms of which are on a month-to-month basis with no fixed expiry date. Upon resignation at the Company's request or in the event of a change of control, in addition to termination benefits equal to one month's severance, these agreements provide for termination benefits that can include unpaid bonuses that currently includes a conditional general performance and retention bonus of \$90,000 which is only payable if, as, and to the extent that the CEO exercises certain options. The full amount of this bonus was accrued during the year ended September 30, 2010, and remains in accounts payable and accrued liabilities as at September 30, 2015.

a) Key Management Compensation

Key management includes current and former senior officers and directors (executive and non-executive) of the Company. The cost for services and short term benefits provided to the Company by key management has been recorded for the years September 30, 2015 and 2014 as follows:

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

	2015	2014
	\$	\$
Wages and benefits	160,000	170,000
Directors fees and expenses	38,000	42,500
Share-based payments	104,861	134,672
	302,861	347,172

The amounts charged were the exchange amounts, which was the amount of consideration established and agreed upon by the parties.

Included in accounts payable and accrued liabilities as at September 30, 2015 is \$135,944 (September 30, 2014 - \$394,798) due to the members of key management in consideration for unpaid remuneration and benefits and / or out-of-pocket expenses incurred in the course of fulfilling their responsibilities. The amounts owing were unsecured, non-interest bearing and due on demand.

b) Investments

Some key management personnel, or their related parties, may hold positions of control or significant influence over the financial or operating policies of other entities in which the Company has investment positions. Details of investments in these related entities are as follows:

As at September 30, 2015, the Company's investments at fair value include 5,200,000 shares in Black Eagle Mining Corporation (“BEM”) (2014-5,200,000) valued at \$nil (2014-\$6,240,000) which amounts to a 14.6% (2014-14.6%) interest in BEM. NEMI and BEM have two directors in common.

As at September 30, 2015, the Company's investments at fair value include 4,407,000 shares (2014-3,527,000) of Vangold Resources Ltd. (“VAN”) valued at \$22,035 (2014-\$70,540) which amounts to a 18.3% (2014-14.6%) interest in VAN. NEMI’s CEO has been a director of VAN since fiscal 2014.

As at September 30, 2015, the Company's investments at fair value include 2,175,000 shares (2014-2,000,000 shares) of Voleo valued at \$435,000 (2014-\$100,000) which amounts to an approximate 11.3% (2014-24%) interest in that company. The founder and Chairman of Voleo is a director of NEMI and NEMI’s CEO is currently a director of Voleo.

c) Agreements

As at September 30, 2015, the Company has a management services agreement with a private company with which the Company’s CFO exercises significant influence. During the year ended September 30, 2015, the Company paid \$75,000 (2014 - \$75,000) to this private company.

**NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

FINANCIAL INSTRUMENTS

a) Fair value risk

When participating in investment activities, the Company may incur losses if it is unable to resell the securities it has purchased or if it is forced to liquidate its holdings at less than their respective carrying values. The Company is also exposed to fair value risk as a result of its principal trading activities in publicly traded securities

The fair value of cash, GST recoverable, accounts receivable and accounts payable and accrued liabilities at September 30, 2015 approximate their carrying values due to their short term to maturity.

The following table summarizes the effect on net loss as a result of fair value changes in publicly traded securities at fair value through profit or loss as at September 30, 2015. This analysis assumes all other variables remain constant in accordance with the Company's established accounting policies:

		September 30, 2015		
		Reported carrying value	Effect of a 10% change in value on net income	
			Increase	(Decrease)
		\$	\$	\$
Investments	at fair value	8,080,688	808,069	(808,069)

As all investments at fair value are carried on a fair value through profit or loss basis, changes in the market value are included in profit or loss for the year and have no potential effect on accumulated other comprehensive income.

The levels of the fair value inputs used in determining of estimated fair value of the Company's investments in publicly traded securities and private equity securities, and loans as at September 30, 2015, is shown below. A discussion of the fair value methods used for each of the inputs levels below is discussed in Note 6.

	September 30, 2015	Estimated fair values		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Publicly traded securities	4,911,261	4,911,261	-	-
Private equity securities	435,000	-	-	435,000
Loans ⁽¹⁾	2,734,427	-	-	2,734,427
	8,080,688	4,911,261	-	3,169,427

(1) Level 3 inputs in determining the fair value of loans includes estimates in assessing potential impairment.

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

The Company's movement in Level 3 fair value through profit or loss securities consists of the following:

	2015
	\$
Opening Balance, September 30, 2014	8,714,044
Advances/purchases for investments	591,015
Disposal of investments (net)	(546,885)
Market value adjustments (net)	(6,032,267)
Foreign exchange adjustments	443,520
Balance, September 30, 2015	3,169,427

b) Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

i) Currency risk

A portion of the Company's financial assets and liabilities are denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. For every 1% change in the US-Canadian exchange rate, as at September 30, 2015, the Company is exposed to currency fluctuations as follows:

	Reported fair value	Effect of a 1% change in exchange rates	
		Increase	(Decrease)
	\$	\$	\$
US\$ investment (in CDN\$)			
Quoted marketable equities	2,304,146	23,041	(23,041)
Loans	2,734,427	27,344	(27,344)
	5,038,573	50,385	(50,385)

As at September 30, 2015, except for USD denominated investments at fair value having a market value of approximately \$5,038,573 (USD\$3,785,839) all of the Company's financial instruments are held in Canadian dollars. At current levels of foreign investment, management does not believe a change of 1% in exchange rates would have a significant effect on the Company's business, financial position and results of operations.

ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Company. The Company is exposed to interest rate risk on its cash balances as well as with respect to loans receivable included in investments at fair value. The

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

Company attempts to minimize and monitor its exposure to interest rate risk by fixing rates of interest on its loans. The Company does not engage in the trading of futures in order to mitigate interest rate risk.

The following table provides the effect on net (loss) for the year ended September 30, 2015, if interest rates had increased or decreased by 1% applied to the reported balance as of that date. This sensitivity analysis assumes all other variables are constant.

September 30, 2015			
Financial instrument	Reported carrying value	Effect of a 1% change in interest rates	
		Increase	(Decrease)
	\$	\$	\$
Cash	3,370,097	33,701	(33,701)
Loan	2,734,427	27,344	(27,344)
	6,104,524	61,045	(61,045)

iii) Other price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Management closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

c) Credit risk

Credit risk is the risk of loss if a customer or third party to a financial instrument fails to meet its commercial obligations.

The majority of the Company's cash is held through a Canadian chartered bank and accordingly, the Company's exposure to credit risk is considered to be limited. From time-to time, cash may also consist of guaranteed investment certificates or Government of Canada treasury bills acceptances which have an original maturity of three months or less from the date of purchase and which are readily convertible into a known amount of cash. Credit risk with respect to accounts receivable is considered low as the balance comprises interest accrued on guaranteed investment certificates.

As at September 30, 2015, the Company was carrying a loan included in investments at fair value to a third party in the amount of approximately \$2,734,427. This loan has been extended under circumstances that carry considerable risk. In recognition of these risks, the Company has sought collateral over the assets of the lender under a General Security Agreement. In addition, management has negotiated terms and restrictions on the operations of the borrower in an effort to mitigate against the possibility of a sudden impairment of the underlying assets. Nonetheless, there can be no assurance that these procedures will not result in the foreclosure on the loan, and in the event of foreclosure, that liquidation proceeds will be sufficient to recover the full amount of the loan value and any related costs incurred in the process of completing such a foreclosure.

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

d) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions and current liabilities on their due dates. Accounts payable and accrued liabilities are all current and expected to be paid within one year.

MANAGEMENT OF CAPITAL

The Company's objectives when managing its capital are to maintain a flexible structure in order to optimize the cost of and return on capital at an acceptable level of risk, balancing the interests of both equity and debt holders while allowing for development of the business.

In addition to its cash holdings, and investments at fair value, the Company considers components of shareholders' equity to be of capital under management. The Company does not currently have any short term credit facilities in place.

Current investment activity as it pertains to the management of investments at fair value is ultimately limited to the extent of the Company's ability to liquidate existing investments on a timely and profitable basis and by the Company's ability to secure new financing through the issuance of new shares or incur debt, as required, in order to meet the objectives above. The Company monitors its capital on regular basis. The Company is not subject to externally imposed capital requirements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year included:

i. Share-based payments

All equity-settled, share-based awards issued by the Company are recorded at fair value using the Black-Scholes option pricing model. In assessing the fair value of equity-based compensation, estimates have to be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant date.

ii. Income tax

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

iii. Valuation of investments at fair value

The Company recognizes its investments 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 fair value, and in estimating fair values generally, when observable data is not available. Changes in assumptions and inputs used in valuing financial instruments could affect reported fair values.

(b) Critical accounting judgements

The information about significant areas of judgment considered by management in preparing the financial statements is as follows:

i. Valuation of private company equity securities

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.

ii. Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern as discussed in Note 1, and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, these consolidated financial statements continue to be prepared on a going concern basis.

CHANGES IN ACCOUNTING POLICIES

There has been no material impact on these financial statements from changes in accounting standards during the year.

**NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED

The following standards and amendments to existing standards have been adopted by the Company effective October 1, 2014:

IFRS 32 (Amendment) - Financial Instruments: Presentation, effective for annual periods beginning on or after January 1, 2015.

The adoption of these standards did not have an impact on the financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended September 30, 2015, and have not been applied in preparing these consolidated financial statements. None of these is expected to have an effect on the Company's financial statements:

IFRS 7 (Amended) - Financial instruments: Disclosures, effective for annual periods beginning on or after January 1, 2015.

IFRS 9 - New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

NEMI has not entered into any material 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.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that material items requiring disclosure by the Company are identified and reported in a timely manner.

Based on current securities legislation in Canada, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company have evaluated the design and effectiveness of the Company's disclosure controls and procedures as of September 30, 2014, and have concluded that such disclosure controls and procedures were operating effectively at that date.

There were no significant changes to the Company's disclosure controls process during the year ended September 30, 2015.

NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

It should be noted that while the Company's CEO and CFO believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures can prevent all errors or mistakes. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal controls over financial reporting

Management is responsible for designing, establishing and maintaining a system of internal controls over financial reporting to provide reasonable assurance that the financial information prepared by the Company for external purposes is reliable and has been recorded, processed and reported in an accurate and timely manner in accordance with IFRS.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities. The Audit Committee fulfils its role of ensuring the integrity of the reported information through its review of the interim and annual financial statements.

There are inherent limitations in the effectiveness of internal controls over financial reporting, including the possibility that misstatements may not be prevented or detected. Accordingly, even effective internal controls over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Furthermore, the effectiveness of internal controls can change with circumstances. The Company has paid particular attention to segregation of duties and matters surrounding its internal controls over financial reporting as the Company has only limited staff resources at the present time such that "ideal" segregation of duties is not feasible. This risk is dealt with by management and any identified compensating controls such as Board or senior management review are implemented where appropriate. At the present time, the Company does not anticipate hiring additional accounting or administrative staff as this is not considered necessary or practical and accordingly, will continue to rely on review procedures to detect potential misstatements in reporting of material to the public.

The CEO and the CFO have evaluated the design and effectiveness of internal controls over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, as at September 30, 2015, the Company believes that its internal controls over financial reporting were designed and operating effectively to provide reasonable, but not absolute, assurance that the objectives of the control system are met.

The Company's management, including the CEO and CFO, believe that any internal controls over financial reporting, including those systems determined to be effective and no matter how well conceived and operated, have inherent limitations and can provide only reasonable, not absolute, assurance that the objectives of the control system are met with respect to financial statement preparation and presentation. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

**NEMI NORTHERN ENERGY & MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

The Company continues to review and assess its internal controls over financial reporting. There were no significant changes made to internal controls over financial reporting during the year ended September 30, 2015.

ADDITIONAL INFORMATION

Additional information relating to the Company is available at www.sedar.com.