NEMI Northern Energy & Mining Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

As at and for the six months ended March 31, 2016 and 2015

NEMI Northern Energy & Mining Inc.

(the "Company")

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As at and for the six months ended March 31, 2016

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Management of the Company is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") for the preparation of condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

NEMI Northern Energy & Mining Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at,

		March 31, 2016		September 30, 2015
Assets				
Current Assets:				
Cash	**$**	**5,139,778**	$	3,370,097
Investments at fair value (Note 6)		**5,771,275**		8,080,688
Accounts receivable		**-**		20,393
GST recoverable		**7,212**		10,061
Prepaid expenses		**7,735**		13,250
Total Assets	**$**	**10,926,000**	$	11,494,489
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable and accrued liabilities	**$**	**153,085**	$	205,712
		153,085		205,712
Shareholders' Equity:				
Share capital (Note 7)		**11,970,788**		12,087,354
Share-based payment reserve (Note 7)		**6,824,548**		6,824,548
Accumulated other comprehensive income		**288,711**		124,741
Deficit		**(8,311,132)**		(7,747,866)
		10,772,915		11,288,777
Total Liabilities and Shareholders' Equity	**$**	**10,926,000**	**$**	11,494,489

Organization and nature of operations (Note 1)
Subsequent event (Note 10)

Approved on Behalf of the Board May 27, 2016:

"Michael Cooney" — Michael Cooney - Director

"Joseph Helmer" — Joseph Helmer - Director

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

NEMI Northern Energy & Mining Inc.
Condensed Interim Consolidated Statements of Income and Comprehensive Income
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	For the three months ended March 31,		For the six months ended March 31,	
	2016	2015	**2016**	2015
Net investment income (losses)				
Interest and other income	**$ 33,058**	$ 123,179	**$ 533,891**	$ 179,279
Income on investments at fair value (Note 6)	**72,447**	839,971	**(647,546)**	265,026
	105,505	963,150	**(113,655)**	444,305
Expenses (recovered)				
Remuneration and benefits (Note 8)	**50,284**	40,290	**90,340**	80,290
Office	**28,845**	36,362	**58,178**	64,792
Shareholder communication	**1,672**	3,145	**2,121**	4,821
Director's fees (Note 8)	**8,000**	10,000	**16,000**	20,000
Foreign exchange losses (gains)	**370,325**	(396,150)	**252,656**	(562,006)
Interest and bank charges	**2,729**	5,184	**7,250**	5,576
Professional fees	**22,905**	29,090	**23,066**	29,090
	(484,760)	272,079	**(449,611)**	(357,437)
Net income (loss) for the period	**(379,255)**	1,235,229	**(563,266)**	801,742
Translation adjustment	**37,340**	40,532	**163,970**	55,134
Comprehensive income (loss) for the period, before income taxes	**(341,915)**	1,275,761	**(399,296)**	856,876
Income taxes	**-**	5,960	**-**	5,960
Comprehensive income (loss) for the period	**$ (341,915)**	$ 1,269,801	**$ (399,296)**	$ 850,916
Weighted average number of common shares outstanding	**15,979,152**	16,662,891	**16,015,401**	16,692,834
Basic net income (loss) per share	**$ (0.02)**	$ 0.08	**$ (0.02)**	$ 0.05
Diluted average number of common shares outstanding	**15,979,152**	16,842,685	**16,015,401**	17,117,322
Diluted net income (loss) per share	**$ (0.02)**	$ 0.08	**$ (0.02)**	$ 0.05

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

NEMI Northern Energy & Mining Inc.

Condensed Interim Consolidated Statements of Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Share Capital			Accumulated		
	Number	Amount $	Share-based Payments Reserve $	other comprehensive income $	Retained Earnings (Deficit) $	Total Shareholder's Equity $
Balance, September 30, 2014	16,777,635	12,467,622	6,746,687	42,042	(2,680,831)	16,575,520
Normal Course Issuer Bids	(148,500)	(87,108)	-	-	-	(87,108)
Cumulative translation adjustment	-	-	-	55,134	-	55,134
Net income	-	-	-	-	795,782	795,782
Balance, March 31, 2015	16,629,135	12,380,514	6,746,687	97,176	(1,885,049)	17,339,328
Balance, September 30, 2015	**16,099,135**	**12,087,354**	**6,824,548**	**124,741**	**(7,747,866)**	**11,288,777**
Normal Course Issuer Bids	**(259,000)**	**(116,566)**	**-**	-	**-**	**(116,566)**
Cumulative translation adjustment	-	-	-	**163,970**	-	**163,970**
Net loss	**-**	**-**	**-**	-	**(563,266)**	**(563,266)**
Balance, March 31, 2016	**15,840,135**	**11,970,788**	**6,824,548**	**288,711**	**(8,311,132)**	**10,772,915**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

NEMI Northern Energy & Mining Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	For the six months ended March 31,	
	2016	2015
Cash flows from operating activities:		
Net income for the period	**$ (563,266)**	$ 795,782
Items not involving cash:		
Unrealized gains on investments at fair value	**(540,920)**	(481,365)
Unrealized foreign exchange gains on marketable securities	**(38,584)**	(507,320)
Financing activities charged to operations:		
Purchases of marketable securities	**(2,762,323)**	(2,398,857)
Proceeds on disposition of marketable securities	**4,166,796**	2,093,861
Losses realized on investments	**1,188,466**	216,339
Distributions received	**295,978**	223,980
Change in non-cash operating working capital:		
Accounts receivable	**20,393**	(75,572)
GST recoverable	**2,849**	6,041
Prepaid expenses	**5,515**	5,485
Accounts payable and accrued liabilities	**(52,627)**	75,297
	1,722,277	(46,329)
Cash flows from financing activities:		
Paid on shares repurchased - Normal Course Issuer Bid	**(116,566)**	(87,108)
	(116,566)	(87,108)
Effect of exchange rate on cash	**163,970**	55,134
Increase (decrease) in cash for the period	**1,769,681**	(78,303)
Cash, beginning of the period	**3,370,097**	3,656,587
Cash, end of the period	**$ 5,139,778**	$ 3,578,284
Supplementary information with respect to cash flows:		
Income taxes paid	$ **-**	$ 5,960
Interest paid	$ **6,405**	$ -
Cash dividends received	$ **457,308**	$ 57,308
Cash interest received	$ **76,583**	$ 16,259

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

1 ORGANIZATION AND NATURE OF OPERATIONS

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 Company’s head office is located at 1600 – 609 Granville Street, Vancouver, British Columbia V7Y 1C3 and its registered and records office is located at 2500-700 West Georgia Street, Vancouver, British Columbia V6C 3E8.

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

NEMI operates a developed diversified investment and merchant banking operation focused on development of an investment portfolio built on strategic equity and debt investment opportunities in small cap and microcap companies which are perceived to be undervalued. The ultimate objective of these investments is to devise exit strategies that maximize the Company's relative 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.

The Company incurred a net loss of ($563,266) and a comprehensive loss of ($399,296) for the six months ended March 31, 2016. As at March 31, 2016, the Company has working capital of $10,772,915 and a deficit of ($8,311,132).

2 BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standard Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, using accounting policies that the Company expects to adopt in its annual consolidated financial statements for the year ended September 30, 2016. These condensed interim consolidated financial statements do not include all of the information required for the annual consolidated financial statements and should be read in conjunction with the Company’s most recent audited consolidated financial statements for the year ended September 30, 2015, which are available on www.sedar.com.

The condensed interim consolidated financial statements are presented in Canadian dollars and include the accounts of the Company and its 100% wholly-owned subsidiaries, Crossroad Ventures Inc. (“Crossroad”), having a Canadian functional currency, and ACME Mining Inc. (“ACME”), having a US functional currency. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 27, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The Condensed Interim Consolidated Financial Statements of the Company have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for the statements of cash flows.

The accounting policies applied in these Condensed Interim Consolidated Financial Statements are the same as those applied in the Company's most recent audited annual consolidated financial statements as at and for the year ended September 30, 2015 which is available at www.sedar.com, except for those new, revised and/or amended standards adopted below, and reflect all the adjustments necessary for fair presentation in accordance with IAS 34. There has been no material impact on these financial statements from changes in accounting standards during the period.

4 NEW ACCOUNTING PRONOUNCEMENTS ADOPTED

During the period, the Company adopted the following new accounting policy:

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

The adoption of this standard did not have an impact on the financial statements.

5 RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the period ended March 31, 2016, and have not been applied in preparing these condensed interim consolidated financial statements. None of these is expected to have an effect on the Company's financial statements:

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

(Expressed in Canadian dollars)

6 INVESTMENTS AT FAIR VALUE

All of the Company's investments at fair value have been classified as fair value through profit or loss. Both realized and unrealized gains and losses are recognized at the end of the accounting period when the carrying values of investments at fair value are adjusted to the quoted market value in the case of publicly traded securities and the estimated market value as determined by management in the case of other securities and loans.

As at March 31, 2016, investments at fair value included the following:

	March 31, 2016		September 30, 2015	
	Fair value	**Cost**	Fair value	Cost
	$	**$**	$	$
Publicly traded securities	**5,077,115**	**6,027,540**	4,911,261	6,402,605
Private equity securities	**694,160**	**4,444,160**	435,000	4,185,000
Loans	**-**	**198,093**	2,734,427	2,932,520
	5,771,275	**10,669,793**	8,080,688	13,520,125

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

	March 31, 2016	September 30, 2015
	$	$
Opening Balance	**8,080,688**	13,254,476
Purchases	**2,762,323**	5,760,210
Distributions received	**(295,978)**	(1,304,047)
Proceeds on disposition	**(4,166,796)**	(4,334,097)
Realized losses on disposition	**(1,188,466)**	(828,778)
Foreign exchange gains	**38,584**	774,675
Unrealized gains (losses)	**540,920**	(5,241,751)
Balance	**5,771,275**	8,080,688

As the Company carries its investments at fair value on the fair value through profit or loss basis, the above referenced realized and unrealized losses totalling ($647,546) (September 30, 2015 – ($6,070,529)) have been recognized in income for the six months ended March 31, 2016.

a) 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.

6 INVESTMENTS AT FAIR VALUE (continued)

a) Publicly traded securities and loans (continued)

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

During the year ended September 30, 2012, the Company extended a US$1,500,000 loan to American Bonanza Gold Corporation ("BZA"), a publicly traded resource company bearing interest at 12% per annum. 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 (expired).

During the year ended September 30, 2013, the Company advanced an additional US$200,000 to BZA, and a further US$400,000 in consideration for an Amended and Restated Secured Promissory Note and Guarantee bringing the total principal 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 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 (expired). Under the terms of the Amended BZA Gold Loan, the maturity date was extended to August 1, 2014. 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.

During the year ended September 30, 2014, BZA, NEMI and the other Gold Loan lenders amended and restated the secured US$8,601,000 promissory note (of which US$2,100,000 was due to NEMI). 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 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. The agreement was approved by BZA shareholders on June 20, 2014, and by the Supreme Court of British Columbia on June 25, 2014 (the “Arrangement Transaction”).

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

6 INVESTMENTS AT FAIR VALUE (continued)

a) Publicly traded securities and loans (continued)

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

25,844,120 shares of KER per the Arrangement Transaction, which were later consolidated into 1,722,939 shares 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.

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.

On March 2, 2016 NEMI finalized a Note Purchase Agreement with Tamimi Investment and Mining Company ("Tamimi") whereby NEMI assigned the amount (Principle and accrued interest of $2,138,329 USD) owed by Kerr to the Company to Tamimi for proceeds of $1,875,000 USD. Payment was received from Tamimi on March 2, 2016; the loss of $354,652 resulting from this transaction has been included in the Company's net loss for the period ended March 31, 2016.

As of March 2, 2016 this loan has been completely repaid. During the history of this loan, from September 2012 to March 2016, NEMI has earned a net return of $515,796 USD (24.56%) on the principle amount of $2,100,000 USD.

ii) Vangold Resources Ltd. ("VAN")

As at March 31, 2016, the Company holds 675,000 warrants in VAN valued at $Nil (2015 - $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.

6 INVESTMENTS AT FAIR VALUE (continued)

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 March 31, 2016, the Company held 5,200,000 common shares (2015-5,200,000) representing 14.6% (2015-14.6%) of the outstanding share capital of BEM. The fair value of these common shares was determined to be $nil (2015-$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 March 31, 2016, the Company held 132,000 shares in Belhara valued at $Nil (2015 - $Nil). The shares were acquired in fiscal 2013 as consideration for a sub-lease agreement and their cost and fair value were written down to $Nil during the year ended September 30, 2013.

iii) Voleo Inc. (formerly Unloot Enterprises Inc.) ("Voleo")

As at March 31, 2016, the Company held 2,175,000 shares (2015 - 2,000,000) in Voleo valued at $435,000 (2015 - $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.

6 INVESTMENTS AT FAIR VALUE (continued)

b) Private equity securities (continued)

iii) Voleo Inc. (formerly Unloot Enterprises Inc.) ("Voleo") (continued)

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.

iv) United Community Bancshares ("Bancshares")

As at March 31, 2016, the Company held 141,700 common shares and 583 preferred shares in Bancshares valued at $259,160 (2015 - $Nil). The shares were acquired in March 2016 for $200,000 USD. The valuation was based on the observable price per common and preferred share used in a financing Bancshares completed in March 2016.

7 SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

a. Authorized

An unlimited number of Class A voting Common Shares - 15,840,135 issued and outstanding as at March 31, 2016.

An unlimited number of Preferred Shares issuable in one or more series with rights and quantity subject to the discretion of the directors - none issued.

(Expressed in Canadian dollars)

7 SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

b. Options

The Company has adopted a rolling 10% stock option plan ("Plan") which provides that the directors of the Company may grant options to purchase Class A common shares of the Company to directors, officers, employees and service providers, with the number of options being limited to 10% of the issued Class A shares at the time of granting of options. The Board in its sole discretion may determine any vesting provisions for options. Options are equity settled. The exercise price shall be determined by the directors of the Company at the time of grant in accordance with the provisions of the Plan. The expiry date for an option shall not be more than ten years from the grant date.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2014	1,300,000	$ 0.61
Forfeited	-	-
Exercised	(75,000)	0.40
Granted	300,000	0.55
Balance, September 30, 2015	1,525,000	$ 0.61
Forfeited	-	-
Exercised	-	-
Granted	-	-
Balance, March 31, 2016	**1,525,000**	**$0.61**

As at March 31, 2016, outstanding options were as follows:

Expiry	Number of options outstanding		Weighted average exercise price per share	Average remaining life (years)
September 30, 2016	200,000	$	0.80	0.50
September 30, 2016	125,000	$	0.40	0.50
April 19, 2017	300,000	$	0.80	1.05
August 30, 2018	300,000	$	0.45	2.42
August 25, 2019	300,000	$	0.60	3.41
June 9, 2020	300,000	$	0.55	4.19
Fully vested and exercisable	**1,525,000**	**$**	**0.61**	**2.28**

7 SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

c. Loss per share

Basic per share amounts have been calculated using the weighted average number of common shares outstanding. The weighted average number of common shares outstanding for the period ended March 31, 2016 was 16,015,401 (2015 – 16,692,834) As the calculation of diluted losses per share would be anti-dilutive, the calculation of the diluted number of shares in the current period is not applicable.

d. Normal course issuer bid ("NCIB")

On July 21, 2015, NEMI announced that it would conduct an NCIB under which the Company may purchase up to 821,456 of its common shares or 5% of the total outstanding at any time on the open market commencing July 27, 2015 at prevailing market prices at the time of acquisition. The bid will expire on July 26, 2016 or such earlier date as the Company may complete its purchases. All common shares acquired by the Company under the provisions of the NCIB, if any, will be cancelled. For the six-month period ended March 31, 2016, 259,000 shares had been repurchased and cancelled under the current 2015 NCIB. Subsequent to the period-end, the Company repurchased and cancelled a total of 232,456 of its common shares. As of May 6, 2016 the Company has completed all of its purchases under the 2015 NCIB; there are 15,607,679 shares outstanding

8 RELATED PARTIES

a) Key management compensation

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 $53,075 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.

Key management includes 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 on the condensed interim consolidated statement of income and comprehensive income and included in reported expenses for the period ended March 31, 2016 and 2015 as follows:

(Expressed in Canadian dollars)

8 RELATED PARTIES (continued)

a) Key management compensation (continued)

	For the six months ended March 31, 2016	For the six months ended March 31, 2015
	$	$
Wages and benefits	**90,340**	80,290
Directors fees	**16,000**	20,000
	106,340	100,290

Included in accounts payable and accrued liabilities as at March 31, 2016 is $59,323 (September 30, 2015 - $135,944) due to the 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 members of 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 March 31, 2016, the Company's investments at fair value include 5,200,000 shares in Black Eagle Mining Corporation (“BEM”) (2015-5,200,000) valued at $nil (2015-$6,240,000) which amounts to a 14.6% (2015-14.6%) interest in BEM. NEMI and BEM have two directors in common.

As at March 31, 2016, the Company's investments at fair value include 4,407,000 shares (2015–4,407,000) of Vangold Resources Ltd. (“VAN”) valued at $nil (2015-$22,270) which amounts to an 18.3% (2015-18.3%) interest in VAN. NEMI’s CEO has been a director of VAN since fiscal 2014.

As at March 31, 2016, the Company's investments at fair value include 2,175,000 shares (2015-2,000,000 shares) of Voleo valued at $435,000 (2015-$100,000) which amounts to a 11.3% (2014-13.3%) interest in that company. The founder and Chairman of Voleo is a director of NEMI.

8 RELATED PARTIES (continued)

c) Agreements

As at March 31, 2016, the Company has a management services agreement with a private company with which the Company's CFO exercises significant influence. During the six-month period ended March 31, 2016, the Company paid $37,500 (2015 - $37,500) to this private company.

9 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 shareholders' equity, to be components, from time to time, 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 based upon debt to equity and current asset to current liability ratios. The Company is not subject to externally imposed capital requirements.

10 SUBSEQUENT EVENT

Subsequent to the period-end, the Company through its 2015 NCIB, repurchased and cancelled a total of 232,456 of its common shares. As of May 6, 2016 the Company has completed all of its purchases under the 2015 NCIB; there are 15,607,679 shares outstanding.