



Interim Management Discussion and Analysis¹
For
NORTHISLE COPPER AND GOLD INC.

Containing Information up to and including May 31, 2021

OVERALL PERFORMANCE

Northisle Copper and Gold Inc. (“Northisle” or the “Company”) is a mineral exploration company incorporated on August 3, 2011 in the Province of British Columbia, Canada. The Company’s principal business activity is the exploration and development of its North Island Project on Vancouver Island. The North Island Project is situated between 15 and 40 kilometres southwest of Port Hardy and contains the Hushamu and Red Dog Deposits and five other partially explored copper-gold porphyry occurrences. The Company’s head office is located at Suite 1200 – 1166 Alberni Street, Vancouver, B.C. The Company’s common shares trade on the TSX Venture Exchange under the symbol NCX.

Highlights:

- Completion of an updated preliminary economic assessment (the “2021 PEA”) on the Hushamu and Red Dog deposits at the North Island Project which demonstrates the potential for the development of an economically attractive project
 - 22 year mine life with average annual production of 177 mm lbs Cu Eq. over the first 6 years, including 112 mm lbs of copper, 112 koz of gold and 2.7mm lbs of molybdenum
 - Base case metal prices of US\$3.25/lb copper, US\$1650/oz gold, US\$10/lb molybdenum and US\$1,256/kg rhenium
 - Average annual after tax free cash flow of \$321 million during the first 6 years and \$224 million over the life of the operation
 - First quartile AISC of \$0.77/lb Cu (net of by-products) and \$2.01/lb Cu Eq. over first 6 years
 - Attractive economics with \$1.1 billion after-tax NPV (8%) and 19% after-tax IRR
 - Attractive payback of 3.9 years driven by modest capex of \$1.4 billion due to excellent infrastructure from historical mining and other industrial activity
 - Focus on sustainability supported by clean, renewably sourced BC power
 - 2021 PEA includes impact of metallurgical testing which demonstrated the potential for significantly improved recoveries at the Hushamu and Red Dog deposits
- Funding of accelerated project development and exploration programs completed with more than \$10 million raised since October 2020
 - On March 18, 2021, the Company completed a private placement for gross proceeds of \$7.1 million from a total of 21.5 million common shares including flow through shares; insiders purchased approximately 1.1 million shares as part of the offering
 - On November 3, 2020, the Company completed a private placement for approximately \$3.2 million from a total of 24.6 million common shares

¹ Note to Reader

This Interim Management Discussion and Analysis (“Interim MD&A”) should be read in conjunction with the Company’s interim financial statements for the three months ended March 31, 2021.

Forward-Looking Information

When used in this document, words like "anticipate", "believe", "estimate" and "expect" and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management’s future plans, objects and goals for the Company, and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in such statements.

Currency - Unless otherwise stated, all currency amounts are stated in Canadian dollars.

- The Company has commenced an approximately 10,000 metre exploration program at its North Island Project
 - Drilling at the Pemberton Hills target totalling 3,315 metres has been completed to date, and surface exploration works near the Red Dog deposit and the South Macintosh target are currently underway
 - Exploration drilling at the Red Dog deposit, NW Expo and the first stage of in-fill and step-out drilling at Hushamu are planned for later in 2021, beginning at Red Dog
- The Company hired Michelle Tanguay as Head of Sustainability and Community Relations effective May 1, 2021. Michelle is a mining industry leader with nearly 25 years of experience, including responsibility for indigenous and stakeholder engagement, environmental program design and management, assessment and permitting process development, negotiations with indigenous governments and the development of mine life cycle and closure plans. Most recently, Michelle was Head of Environment and Community Relations and GT Gold.

2021 OUTLOOK

With the recent completion of a \$7.1 million private placement, in addition to the \$3.2 million private placement completed in November 2020, combined with the expertise of new senior and project management and Board members, the Company is well positioned to achieve its goals for 2021. The Company is focused on advancing key long-lead milestones and project scoping in support of pre-feasibility study work, in addition to an exploration, step-out and in-fill drilling program on the North Island Project. In the short term, key milestones include:

- Advancement of engagement process with First Nations, local communities, government and key project stakeholders
- Evaluation of BHP Island Copper Pit Lake as a potential tailings storage facility
- Engineering trade-off, metallurgy, geotechnical and other studies
- Results from 2021 exploration program

RESULTS OF OPERATIONS

Three Months Ended March 31, 2021

The Company's Net Loss of \$777,480 for the three months ended March 31, 2021 (the "**Current Period**") was significantly greater than the Net Loss for the three months ended March 31, 2020 of \$140,552 (the "**Comparative Period**"). Results were largely influenced by management's ability to successfully raise the funds necessary to initiate an exploration program at the Company's North Island Project including the completion of the 2021 PEA. Increased exploration (Current Period - \$562,512; Comparative Period - \$13,170) and corporate activities as the Company accelerated its efforts to advance the project also impacted administrative expenses with increases in Investor Relations (Current Period - \$79,505; Comparative Period - \$4,423), legal and audit (Current Period - \$39,034; Comparative Period - \$nil), office (Current Period - \$3,259; Comparative Period - \$907) and wages (Current Period - \$48,065; Comparative Period - \$14,488).

THE NORTH ISLAND PROJECT

The North Island Project (the "Project") is a copper-gold advanced stage project containing the Hushamu and Red Dog Deposits and five other partially explored mineral occurrences of porphyry and related deposit types containing copper-gold-molybdenum-rhenium situated along the "Northern Island Copper Belt" on Vancouver Island, British Columbia. The Project runs approximately 50km to the northwest of the reclaimed BHP Island Copper Mine. An updated National Instrument 43-101 (NI 43-101) current technical report entitled "North Island Copper and gold Project NI 43-101 Technical Report Preliminary Economic Assessment", was issued on March 18, 2021 with an effective date of February 4, 2021 and has been filed by the Company on www.sedar.com and its website at <https://northisle.ca>.

2021 Exploration Program

Exploration expenditures

North Island Project, B.C. Canada	Three months ending March 31, 2021	Cumulative Total*
Amortization of equipment	\$ 9,087	\$ 43,352
Camp operations	141,717	1,123,119
Claims costs	-	41,278
Community engagement	-	52,220
Drilling	132,452	2,362,581
Engineering and geological	168,397	2,371,922
Environmental studies	-	255,684
Prospecting	77,093	620,843
Wages	33,765	383,801
Mineral property exploration tax credits	-	(544,016)
Total	\$ 562,512	\$ 6,710,784

* Cumulative from the date of incorporation on August 3, 2011 to March 31, 2021

2021 Preliminary Economic Assessment

The Company filed a report describing the results of the 2021 PEA (the “Report”) on SEDAR on March 22, 2021. The 2021 PEA updates on the 2017 PEA, with the most significant changes being an update to metallurgical recoveries based on testing completed in 2020, as well as a change to the economic assumptions including metal prices and exchange rates.

The 2021 PEA confirms that the North Island Project is one of the most attractive copper-gold porphyry projects in Canada:

- Long mine life of 22 years with average annual production of 177 mm lbs Cu Eq. over the first 6 years, including 112 mm lbs of copper, 112 koz of gold and 2.7mm lbs of molybdenum
- Base case metal prices of US\$3.25/lb copper, US\$1650/oz gold, US\$10/lb molybdenum and US\$1,256/kg rhenium
- Average annual after tax free cash flow of \$321 million during the first 6 years and \$224 million over the life of the operation
- First quartile AISC of \$0.77/lb Cu (net of by-products) and \$2.01/lb Cu Eq. over first 6 years
- Attractive economics with \$1.1 billion After-tax NPV (8%) and 19% After-tax IRR
- Attractive payback of 3.9 years driven by modest capex of \$1.4 billion due to excellent infrastructure from historical mining and other industrial activity

In addition, the 2021 PEA confirmed that there were multiple opportunities to further improve the Project through optimization and exploration with prospective targets at Pemberton Hills, Red Dog and Hushamu.

Key performance indicators for the 2021 PEA are detailed in the table below:

	Production			AISC		After-tax Avg. Free Cash Flow	After- tax NPV (8%)	After- tax IRR	GHG Emissions (kg CO2e/lb)	
	Cu (mm lbs)	Au (koz)	Cu Eq. (mm lbs)	Cu (\$/lb)	Cu Eq. (\$/lb)	\$ mm	\$ mm	%	Cu	Cu Eq.
First 6 years average	112.1	111.8	177.5	\$0.77	\$2.01	321				
Life of mine (“LOM”) average	95.9	99.9	155.9	\$0.90	\$2.14	224	1,059	19.0	0.66	0.41

The 2021 PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the project described in the 2021 PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The full Report can be found on SEDAR at www.sedar.com under the Company's profile, or on the Company's website at <https://www.northisle.ca/north-island-project/technical-reports/>.

The following describes the details of the metallurgical testing completed by SGS Canada Inc. during 2020 and as included in the 2021 PEA.

2020 Flotation Test Work Results

The metallurgical tests completed in 2020 were performed on two samples from the Hushamu zone and one sample from the Red Dog zone. The program focused on improved recovery of copper and pyrite concentrate with by-product credits of gold and molybdenum.

A simple conventional copper flotation flowsheet was used that floated all sulfides into rougher concentrate and rejected pyrite in cleaner stages. Rougher and cleaner optimization tests were performed on the Hushamu composites to develop the flotation conditions and flowsheet. A batch cleaner test was completed on the Red Dog composite using the flotation conditions developed for SCP and CMG composites. Locked cycle tests were completed on SCP, CMG, and Red Dog composites to estimate the final copper cleaner concentrate grade and recovery.

Two primary grind sizes were targeted for this test work, 75 microns and 100 microns. The copper rougher concentrate was reground to a k80 of 20 microns with lime, cyanide, and fuel oil and followed by three stages of cleaning to produce a final copper concentrate. Additional factors tested included: two collector types (PAX and 3418A), two fuel oil types (kerosene and MolyF), pH (10 and 10.5), pH modifier (lime and soda ash), and clay depressant (CMC).

Expected metallurgical results as per the 2021 PEA are summarized in the table below. Additional details can be found in the 2021 PEA.

CMG												
Concentrate	Concentrate Grade						Metal Recovery					
	Cu	Mo	Au	Fe	S	Re	Cu	Mo	Au	Fe	S	Re
	%	%	g/t	%	%	g/t	%	%	%	%	%	g/t
copper	24.0	0.05	15.4	31.0	33.6	4.5	85.5	7.1	48.9	4.1	10.4	13.6
moly*	2.9	56.9	5.8	35.0	58.3	2,434	0.1	74.4	0.2	0.0	0.0	63.5

SCP												
Concentrate	Concentrate Grade						Metal Recovery					
	Cu	Mo	Au	Fe	S	Re	Cu	Mo	Au	Fe	S	Re
	%	%	g/t	%	%	g/t	%	%	%	%	%	g/t
copper	26.6	0.02	14.9	32.5	36.5	1.5	86.2	1.9	43.1	4.1	4.8	4.4
moly*	2.9	18.7	5.8	35.0	58.3	822	0.1	20.4	0.1	0.0	0.0	20.8

Reddog												
Concentrate	Concentrate Grade						Metal Recovery					
	Cu	Mo	Au	Fe	S	Re	Cu	Mo	Au	Fe	S	Re
	%	%	g/t	%	%	g/t	%	%	%	%	%	g/t
copper	26.7	0.03	24.7	31.5	34.0	4.1	89.7	7.3	52.8	3.3	9.2	13.9
moly*	2.9	34.7	5.8	35.0	58.3	2,090	0.1	73.3	0.1	0.0	0.1	61.5

LOM weighted average												
Concentrate	Concentrate Grade						Metal Recovery					
	Cu	Mo	Au	Fe	S	Re	Cu	Mo	Au	Fe	S	Re
	%	%	g/t	%	%	g/t	%	%	%	%	%	g/t
copper	25.4	0.03	15.9	31.7	35.0	3.1	86.1	4.5	46.8	4.0	6.6	9.4
moly*	2.9	37.9	5.8	35.0	58.3	1,685	0.1	59.5	0.1	0.04	0.1	43.8

Ref. BL 0137; 90% of the Moly is recovered in the reverse moly flotation

SME Mineral Processing & Extractive Metallurgy Handbook, 80% of the Rhenium is recovered in moly concentrate

* M3 estimated Au, Ag, Fe and S in Moly concentrate

*Mo and Re grade estimated

Pemberton Hills Ownership and Exploration

On February 4, 2021, the Company announced that it had regained 100% control of the exploration tenements comprising the Pemberton Hills target at its North Island Project. This area had previously been optioned to Freeport-McMoran mineral Properties Canada Inc. ("Freeport"), who provided notice of termination of their option after NorthIsle and Freeport were unable to agree to an extension of the option.

Exploration work completed to date with Freeport's funding, including \$2 million of induced polarization, detailed clay and structure studies, and scout drilling have defined a 1.5km by 1.0km target, within a larger 3.5km by 1.5km lithocap, for what is anticipated to be a buried copper gold porphyry system. The target is indicated by a coincident anomalous IP chargeability, trace element, clay, geological and structure vectors present in surface outcrops and in surround drill holes as well as a shallow, 200m long drill hole within the target that ended in mineralization grading 0.14% copper.

The 2021 exploration program at Pemberton Hills was planned to test this target with a drill program. The drill program at Pemberton Hills was initially planned to test the target with 3 drill holes, each with a planned minimum depth of 600m per hole. All of the holes reached their planned depth and were extended further (see table below). An additional hole drilled from the same site as the historical hole with copper mineralization tested the area to the northwest of P21-08.

Table 1: Pemberton Hill Drill Hole Collar Locations

Hole ID	Azimuth	Dip	Easting UTM	Northing UTM	Hole Depth (m)
PH21-08	120	-80	586660	5609617	732
PH21-09	120	-80	587622	5610040	645
PH21-10	120	-80	586904	5610066	909
PH21-11	300	-70	586660	5609617	1029

Goodspeed and South Macintosh Surface Exploration

In addition to the defined drill targets there are several known porphyry occurrences and high-level porphyry type altered zones that require additional work to better define drill targets. Of these areas, the priorities are the Goodspeed area and South MacIntosh. The surface exploration program on the property is already underway with completion in April of soil sampling in the area between the Red Dog Deposit and Goodspeed target as well as detailed mapping of Goodspeed. Drilling at the Goodspeed target in the 1960s and 1990s intersected encouraging copper values including 0.32% over 24 metres, 0.19% over 72 metres and 0.16% over 42m. At South Macintosh, recent logging roads exposed a large area of previously unknown high-level porphyry alteration which is the target of a surface mapping program which commenced during May 2021.

Qualified Person

Technical information in this Interim MD&A has been prepared under the supervision of John McClintock, P.Eng., VP Exploration of the Company and a Qualified Person as defined by National Instrument (NI) 43-101.

RISKS AND UNCERTAINTIES

The risks and uncertainties faced by the Company are substantially unchanged from those disclosed in the Company's Annual MD&A dated April 30, 2021.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements about the Company's future prospects, and the Company provides no assurance that actual results will meet management's expectations. All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur in the future, are forward looking statements. Forward looking statements are not guarantees of future performance and actual results may differ materially. Forward-looking statements included or incorporated by reference in this document include, without limitation, statements with respect to:

- The Company's assumptions and estimates used in its drill results, as well as the potential resource estimates and interpretations from those results;
- The progress, potential and uncertainties of the Company's drill programs;
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties; and

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties

and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to:

- fluctuations in the currency markets;
- fluctuations in the prices of minerals and other commodities;
- changes in government legislation, taxation, controls, regulations and political or economic developments in Canada or other countries in which the Company may carry on business in the future;
- risks associated with mining activities;
- the speculative nature of exploration, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Company's lack of operating revenues; and
- the Company's ability to obtain necessary financing to fund the development of its mineral properties or the completion of further exploration programs.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of Northisle and is derived from unaudited quarterly financial statements prepared by management. Northisle's interim financial statements are prepared in accordance with IFRS.

Quarter ended	Revenue	Net Loss	Basic and diluted Loss per share
March 31, 2021	\$ nil	\$ 777,480	\$ 0.005
December 31, 2020	nil	908,483	0.006
September 30, 2020	nil	123,402	0.001
June 30, 2020	nil	20,354	0.000
March 31, 2020	531	140,552	0.001
December 31, 2019	12,833	29,395	0.000
September 30, 2019	12,926	71,148	0.000
June 30, 2019	10,445	41,800	0.000

Quarterly results will vary in accordance with the Company's exploration and financing activities.

Mineral exploration is typically a seasonal business, and accordingly, the Company's administrative expenses and cash requirements will fluctuate depending upon the season. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favourable terms, as was the case during 2020 and early 2021, subsequent activity levels will increase.

Another factor that affects the Company's reported quarterly results are write-downs of capitalized mineral property interests. At the end of each reporting period, the Company reviews the carrying amounts of its mineral property costs to determine whether those assets have suffered an impairment. The size and timing of these impairments cannot typically be predicted.

LIQUIDITY

The Company had working capital of \$8,748,882 on March 31, 2021 (December 31, 2020 - \$2,828,432).

During the three months ended March 31, 2021 the company received \$29,167 from the exercise of share purchase options (March 31, 2020 - \$nil).

On March 18, 2021 the Company closed a non-brokered private placement consisting of

- 2,240,780 common shares at a price of \$0.262 per common share
- 11,329,472 flow through common shares (that qualify as “flow-through shares” for purposes of the Canadian Income Tax Act) at a price of \$0.31 per common share; and
- 7,902,991 charity flow through common shares (that qualify as “flow-through shares” for purposes of the Canadian Income Tax Act) at a price of \$0.38 per common share;

for gross proceeds to the Company of \$7,102,357.

CAPITAL RESOURCES

The Company has no operations that generate cash flow and its long-term financial success is dependent on management’s ability to discover and develop economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company’s control.

In order to finance the Company’s exploration and development programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Many factors influence the Company’s ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the company’s track record and the experience and calibre of its management.

TRANSACTIONS WITH RELATED PARTIES

Remuneration for directors and key management personnel for the three months ended March 31 were:

	2021	2020
Management fees – President & CEO	\$ -	\$ 11,398
Management fees – Chief Financial Officer	12,500	-
Management fees – Vice President Corporate Development	30,000	-
Share-based compensation	34,794	68,333
Total	\$ 77,294	\$ 79,731

Share-based compensation is the fair value of options granted to directors and key management personnel which was recognized during the period.

FINANCIAL AND OTHER INSTRUMENTS

At present, the Company's most significant financial instruments are cash, accounts receivable, and accounts payable. The recorded amount of these financial instruments approximates their fair value. The Company does not consider its financial instruments exposed to significant liquidity, credit, or price risks.

COVID – 19 PANDEMIC

On March 11, 2020, the World Health Organization declared the COVID-19 coronavirus outbreak a pandemic. The spread of COVID-19 has created significant volatility in the Canadian and world markets and has the potential to have a significant and far-reaching effect on the Canadian and world economies, interest rates, and other financial measures. The Company will continue to monitor the ongoing developments regarding the COVID-19 pandemic and the potential impact on the Company’s consolidated financial statements.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Northisle’s general and administrative expenses are provided in the Company’s Consolidated Interim Financial Statements for the three months ended March 31, 2021 and 2020 that is available on Northisle’s website at www.northisle.ca or on its SEDAR Page accessed through www.sedar.com.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without nominal or par value. As at May 31, 2021, there were 168,789,104 common shares issued and outstanding.

Share Purchase Options

At May 31, 2021 the following common share purchase options were outstanding:

Expiry date	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)	Number Exercisable (Vested)
June 28, 2021	75,000	0.10	0.08	75,000
January 9, 2022	2,200,000	0.17	0.61	2,200,000
February 26, 2023	2,050,000	0.15	1.74	2,050,000
September 24, 2024	1,530,000	0.07	3.27	1,020,000
October 5, 2025	4,000,000	0.12	4.35	4,000,000
November 4, 2025	333,333	0.175	4.43	-
November 17, 2025	650,000	0.20	4.47	650,000
December 29, 2025	1,390,000	0.28	4.58	463,334
April 26, 2026	275,000	0.335	4.91	91,658
	12,503,333	\$ 0.16	3.15	10,549,992

Share Purchase Warrants

As at May 31, 2021 there were no share purchase warrants outstanding.

Dividends, Off Balance Sheet Arrangements or Proposed Transactions

As of May 31, 2021, the Company has no off balance sheet arrangements or proposed transactions which require disclosure. The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future.

APPROVAL

The Board of Directors of Northisle has approved the disclosure contained in this Interim MD&A. A copy will be provided to anyone who requests it.

ADDITIONAL INFORMATION

Additional information is available for viewing at the Company's website www.northisle.ca or on the SEDAR website at www.sedar.com.