



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

Containing Information up to and including May 22, 2020

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 15th floor 1040 West Georgia Street, Vancouver, B.C. The Company’s common shares trade on the TSX Venture Exchange under the symbol NCX.

Summary:

- In November 2019 the Company closed a private placement consisting of 1,500,000 flow through common shares at a price of \$0.08 per share for total consideration of \$120,000. The proceeds are being used by Northisle to finance additional metallurgical testing with the intent of improving recoveries, which could have a positive impact on the economics of the project.
- In April 2019 the Company announced a second exploration campaign on the Pemberton Hills target in 2019. The initial program will consist of approximately 24 kilometres of Induced Polarization surveying as well as geological mapping, geochemical and clay studies designed to identify drill targets for a second later phase of drilling.

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for Northisle for years ended December 31, 2019, 2018, and 2017. This information should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS, and related notes.

	2019	2018	2017
Total revenue	\$ 42,168	\$ 99,659	\$ Nil
Net loss and comprehensive loss	302,413	429,761	1,508,709
Basic and diluted loss per share	0.003	0.004	0.01
Total assets	10,817,893	11,013,636	10,698,400
Total long-term liabilities	Nil	Nil	Nil
Cash dividends per share	Nil	Nil	Nil
Number of shares issued and outstanding	120,111,516	117,236,516	114,516,516

Revenue and net loss is expected to fluctuate from year-to-year primarily due to the activity level of the Company’s exploration projects, the strength of equity markets and the Company’s ability to finance on favourable terms.

¹ Note to Reader

This Annual Management Discussion and Analysis (“Annual MD&A”) should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2019.

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.

2020 OUTLOOK

In November 2019 the Company closed a \$120,000 private placement. Proceeds of the financing are being used to complete additional metallurgical testing of the Hushamu Deposit with the intent of improving recoveries which could have a positive impact on the economics of the project. Results of the metallurgical testing are expected to be announced within the next few months.

RESULTS OF OPERATIONS

Year Ended December 31, 2019

The Company's Net Loss of \$302,413 for the year ended December 31, 2019 ("the **Current Period**") was less than the Net Loss for the year ended December 31, 2018 (the "**Comparative Period**") of \$429,761. While activity levels remained constant, share-based compensation was significantly lower in the Current Period and accounted for much of the reduction in expenses. Much like last year, results were largely influenced by management's continuing decision to focus on investigating the potential for improved metal recoveries at the Hushamu and Red Dog Deposits while optioning the Pemberton Hills Property to Freeport.

Three Months Ended December 31, 2019

The Company's Net Loss of \$29,395 for the three months ended December 31, 2019 ("the **Current Quarter**") was similar to the Net Loss for the three months ended December 31, 2018 (the "**Comparative Quarter**") of \$23,309. As reported earlier in this Annual MD&A, the results were largely influenced by management's decision to carryout metallurgical studies at the Hushamu and Red Dog Deposits while optioning the Pemberton Hills Property to Freeport, requiring Freeport to fund all mineral property expenditures on the Pemberton Hills property.

THE NORTH ISLAND COPPER AND GOLD PROJECT

The North Island Copper and Gold Project (the "Project") is an advanced exploration 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 is situated about 29 km from the reclaimed BHP Island Copper Mine.

September 2017 Preliminary Economic Assessment

The Company announced the results of a Preliminary Economic Assessment ("PEA") in September 2017 which demonstrated the potential technical and economic viability of the Project constructed as an open-pit mine, with a concentrator processing nominally 75,000 tonnes/day.

PEA Highlights

- After tax NPV 8% of CAD \$550.4 million, 14.3% IRR, 22-year mine life
- Life of Mine (LOM) metal production of 1.8 billion pounds of copper, 1.7 million ounces of gold and 55 million pounds of molybdenum
- Annual production of 82 million pounds of copper, 79 thousand ounces of gold and 3 million pounds of molybdenum
- Initial capital costs of CAD \$1.34 billion plus sustaining capital of \$139 million
- Direct cash cost of production per pound of copper net of gold, molybdenum and pyrite concentrate is CAD \$1.17

PEA Base Case Economic Results

Parameter	Unit	Base Case
Capital Cost	CAD\$	\$1,344 million
Sustaining Capital	CAD\$	\$139 million
NSR	CAD\$/ore tonne	\$17.61
Average Op Cost/tonne	CAD\$	\$8.66
After tax Net Revenue	CAD\$	\$2,349 million
After tax NPV 8%	CAD\$	\$550 million
After tax IRR and pay back		14.3% and 5.1 years
Metal Price Cu	US\$ per pound	\$3.10
Au	US\$ per ounce	\$1,300
Mo	US\$ per pound	\$9.00
Pyrite concentrate	US\$ per tonne	\$86
Exchange rate	US\$ / CAD\$	0.75

Category		Units	LOM
Tonnes Milled		Mt	600
Average grade	Cu	%	0.18
	Au	gpt	0.24
	Mo	%	0.008
Tonnes produced	Py	MT	14.1
Throughput		tpy	75,000
Mine Life		years	22
Net Cash Cost*		CAD\$	\$1.17

*Net direct cash costs that represent the cash cost incurred at each processing stage from mining through to recoverable metal delivered to market less net by-product credits. Direct cash costs cover mining, ore freight and milling costs, mine site administration and general expenses, concentrate freight, smelting and smelter general and administrative costs, marketing costs (freight and selling).

Initial Capital Expenditures (CAD\$ Millions)

Mine	\$149.2
Pre-Production	\$125.6
Process	\$1,024.9
Owner's Cost	\$44.5
Total	\$1,344.2

Operating Costs

The mine operating costs were calculated to average CAD\$ 2.02 per tonne moved.

Area	Unit Cost (CAD\$/t moved)
Drilling	0.13
Blasting	0.27
Loading	0.27
Hauling	0.67
Support	0.54
Mine General	0.14
Total Cost	2.02

The process operating costs were calculated to average CAD\$ 4.88/tonne ore.

Area	CAD\$/tonne ore
Salaries & Wages	0.54
Power	1.55
Liners	0.34
Grinding Media	1.06
Reagents	0.85
Maintenance Parts & Repairs	0.44
Supplies & Services	0.10
Total Cost	4.88

Mining

Preliminary mine designs have been developed for Red Dog and Hushamu deposits based upon Indicated and Inferred Resources. Resource models were imported to Minesight® mine planning software where a Lerchs Grossman algorithm was applied to an NSR model to determine possible pit limits.

The mine plan was developed to mine Red Dog concurrently with Hushamu in the early years of the mine life until Red Dog Resources were depleted. The assumed processing rate is 75,000 t/d. The overall mining rate peaks at 64 million t/a in the initial years averaging 54 million t/a over the first 12 years of the total mine life of 22 years. The effective strip ratio after stockpile reclaim was 0.72:1.

The mine will be a conventional truck and shovel operation with electrified pit operations at Hushamu. Waste rock will be placed during construction and operation within the Tailings Management Facility (TMF). A low-grade stockpile will be located at the pit rim on the northwest side of Hushamu. An overburden stockpile will be located adjacent to the low-grade stockpile for use in reclamation of the TMF at the end of the mine life.

The total resources processed in the conceptual mine plan are shown in the following Tables.

Mineral Resources Included in the Mine Plan

Indicated Resources	ROM t x 1000	Cu %	Au g/t	Mo %
Hushamu Starter Pit	80,097.0	0.24	0.27	0.007
Hushamu Phase 1 Expansion	97,217.0	0.20	0.18	0.007
Hushamu Phase 1.5 Expansion	119,509.0	0.18	0.28	0.011
Hushamu Phase 2 Expansion	109,134.0	0.17	0.25	0.008
Red Dog	50,549.0	0.22	0.32	0.005
Total	456,506.0	0.20	0.25	0.008

Indicated Resources	ROM t x 1000	Cu %	Au g/t	Mo %
Hushamu Starter Pit	2,530.0	0.12	0.15	0.015
Hushamu Phase 1 Expansion	12,802.0	0.13	0.12	0.010
Hushamu Phase 1.5 Expansion	40,554.0	0.14	0.22	0.012
Hushamu Phase 2 Expansion	84,859.0	0.14	0.21	0.008
Red Dog	2,152.0	0.17	0.27	0.003
Total	142,897.0	0.14	0.20	0.009

Infrastructure

The nearby town of Port Hardy is a main distribution centre for the north end of Vancouver Island. It has an airport with 3 daily flights to Vancouver, a hospital, schools and a college. All parts of the North Island Project are accessible from Port Hardy through a network of logging roads.

A marine load out structure and a 138 KVA BC Hydro substation exist at the reclaimed Island Copper Mine, approximately 27 km from the North Island mine site. One of BC's largest wind farm complexes is situated adjacent to the northwest end of the property and the 138 KV power line connecting the wind farm to the main BC power grid passes immediately north of the North Island Project.

Economic Analysis

Economic evaluations were generated incorporating forecasts for metal prices using the long term (Base Case), the SEC price and Spot Price. The spot price case is from September 6, 2017.

Parameter	Unit	Base Case	SEC	Spot Price
Copper	US\$ per lb	\$3.10	\$2.50	3.12
Gold	US\$ per oz	\$1300	\$1,213.12	1,333.10
Molybdenum	US\$ per lb	\$9.00	\$7.03	7.14
Pyrite	US\$ per tonne	\$86	\$86	\$86
Exchange rate		0.75	0.75	0.75

Economic Result (After tax)

Net Revenue	CAD\$ M	2,349	1,339	2,342
NPV 8%	CAD\$ M	550	34	549
IRR	%	14.3	8.4	14.3
Pay back	Years	5.1	7.9	5.0

The 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 allow them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Opportunities to Enhance Value

The Project opportunities include advanced metallurgical studies to improve copper, gold and molybdenum recoveries from current life of mine averages of 77.5% for copper, 38.4% for gold (in the copper concentrate) and 59.5% for molybdenum; optimize primary and rougher concentrate regrind sizes; determine the potential for rhenium credits in the molybdenum concentrate; evaluate the use of the Island Copper pit for tailings disposal in conjunction with a waste storage site to reduce overall CAPEX, OPEX, and societal risk; and to evaluate higher production rates of 85 to 90 ktpd. In addition, there are several partially explored copper – gold exploration targets, any one of which could contribute significantly to the resource base of the Project.

Technical Report

A National Instrument 43-101 (NI 43-101) compliant technical report entitled "North Island Project PEA" has been filed by the Company on www.sedar.com

Pemberton Hills Property Joint Venture

Terms of the agreement

In February 2018 the Company signed a joint venture agreement with Freeport-McMoRan Mineral Properties Canada Inc. ("Freeport") in relation to the Company's Pemberton Hills Property located on Vancouver Island, in British Columbia. Under the terms of the joint venture, Freeport may earn up to a 65per-cent interest in the Pemberton Hills Property by funding a total of \$24 million in exploration expenditures.

Under the terms of the agreement, Freeport may earn an initial 49 per-cent interest in the Pemberton Hills Property by paying \$50,000 cash to Northisle and funding a total of \$4.0 million in exploration expenditures over three years (the "First Option"). The agreement requires Freeport to commit to \$300,000 in expenditures in the first year, with subsequent optional additional expenditures of \$1.2 million before the second anniversary and a further optional \$2.5 million before the third anniversary of the agreement. Northisle will be the operator during the First Option.

Upon completion of the First Option, a joint venture company will be formed to operate the Pemberton Hills Property under a shareholder's agreement. Freeport shall then have a one-time right to acquire an additional 16 per-cent interest in the Pemberton Hills Property, for an aggregate 65 per-cent interest in the Pemberton Hills Property (the "Second Option"), by funding an additional \$20 million in exploration expenditures over a four year period.

If Freeport elects to proceed with the Second Option and fails to complete the expenditures required, Freeport's interest will revert to the 49% interest as earned under the First Option.

Should either party's interest in the joint venture be reduced below 10 per-cent through dilution, the diluted party will be granted a 2% Net Smelter Returns Royalty ("NSR"). The NSR is subject to a buy-down provision that allows for the NSR to be reduced to 1% for a cash payment of \$2 million.

2018 Exploration Program

In 2018 the Company and Freeport agreed to an initial work plan and budget for the Pemberton Hills Property. The program is being fully funded by Freeport including a 10% management fee in favour of the Company.

The Pemberton Hills target is a 3.5 kilometre by 1.5 kilometre area of advanced argillic alteration located within the geological terrain that extends northwest from the past producing Island Copper Mine and in close proximity to the Company's wholly-owned development-stage Hushamu and Red Dog copper-gold deposits.

The alteration at Pemberton is commonly found overlying porphyry copper deposits and is similar to that observed at Hushamu and Red Dog. Further evidence of a potential buried porphyry copper deposit at Pemberton is the presence of anomalous copper intersected at the end of an historical 200 metre deep drill hole within the altered area.

The work program started in August 2018 and was expected to consist of approximately 10 kilometres of Induced Polarization (IP) geophysical survey and three drill holes totalling approximately 1500 metres. As the IP survey progressed, it was decided to add an additional five kilometres to the IP survey and increase the drilling to over 3,000 metres in five or six holes. The overall planned budget was increased from \$700,000 to over \$1.0 million.

2018 Drilling Program

Highlights

- A total of 3,400m drilled at 6 sites, compared to the initial plan of 1,500m at 3 sites
- The program tested a portion of the 3.5 by 1.5 km area of advanced argillic alteration located within the same geological terrain that extends west-northwest from BHP Billiton's past producing Island Copper Mine
- Several holes intersected advanced argillic alteration which may be associated with porphyry copper occurrences
- The next drilling program will be defined once the drill results are received and in conjunction with the results from this year's geophysical and surface clay studies

The program tested a 2,000 metre portion of the 3.5 by 1.5 km area of advanced argillic alteration located within the same geological terrain that extends west-northwest from BHP Billiton's past producing Island Copper Mine. The alteration at Pemberton is very similar to that at the nearby Hushamu and Red Dog deposits and in porphyry copper systems found elsewhere in the world.

A total of 3,400 metres of drilling at 6 sites between 200 and 750 metres apart was completed. The furthest west of the successfully completed holes continued in advanced argillic alteration to its final depth of 700 metres. A drill hole located 350 metres to the north east of this hole intersected advanced argillic alteration until entering a weakly altered intrusive rock believed to be a dyke. This hole was stopped when it became apparent the hole maybe drilling down the dip of the dyke. Two holes completed at the eastern end, approximately 750 metres from the other two holes, both cut faults that separated advanced argillically altered volcanic rocks above the fault from propylitically to weakly potassic altered granitic rocks; an alteration and rock type often occurring on the margin of porphyry copper deposits. Difficult drilling conditions resulted in only four of the holes reaching the targeted depth of 500 metres.

2019 Exploration Program

Northisle and Freeport launched a second exploration campaign on the Pemberton Hills target in 2019. The initial 2019 program consisted of approximately 24 kilometres of Induced Polarization surveying as well as geological mapping, geochemical and clay studies designed to identify drill targets for a second phase of drilling later in the year.

The geophysical program tested the northern and eastern extensions of advanced argillic alteration located within the same geological terrain that extends west-northwest from BHP Billiton's past producing Island Copper Mine. The alteration at Pemberton is very similar to that at the nearby Hushamu and Red Dog deposits and in porphyry copper systems found elsewhere in the world.

During the year ended December 31, 2019, the Company received exploration funding from Freeport of \$681,980 (2018 - \$1,554,000) of which \$323,643 (2018 - \$75,688) was unspent at year end and recorded as exploration advances and exploration commitment on the consolidated statements of financial position. The Company recognized revenue of \$42,168 (2018 - \$99,659) as its operator fee in connection with the Pemberton Hills exploration program.

Exploration expenditures

North Island Copper-Gold Property, B.C. Canada	2018	2019	Cumulative Total*
Amortization of equipment	\$ -	\$ -	\$ 34,265
Camp operations	51,232	11,771	900,111
Claims costs	-	-	41,278
Community engagement	3,967	1,000	52,220
Drilling	-	42,253	2,230,129
Engineering and geological	105,805	53,481	2,015,493
Environmental studies	-	-	255,684
Prospecting	500	15,231	505,313
Wages	-	4,590	320,780
Mineral property exploration tax credits	(75,120)	(31,176)	(487,686)
Total	\$ 86,384	\$ 97,150	\$ 5,867,587

* Cumulative from the date of incorporation on August 3, 2011 to December 31, 2019

Quality Control

Information in this Annual MD&A is being prepared under the direction of John McClintock, P.Eng., President and CEO the Company and a Qualified Person as defined by National Instrument (NI) 43-101.

RISKS AND UNCERTAINTIES

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Some of the Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

The mineral industry is intensely competitive in all its phases. Northisle competes with many other mineral exploration companies who have greater financial resources and technical capacity.

It is difficult at this stage to quantify the effect of increased demand for the goods and services used in the Company's exploration programs, but cost increases during the upcoming field season could be higher than the rate of inflation prevailing in other sectors of the economy. Exploration companies can also expect to experience difficulty in scheduling drilling contracts, airborne geophysical surveys and other services that are key components of early stage exploration programs.

Mineral exploration is a speculative venture. There is no certainty that the money spent on exploration and development will result in the discovery of an economic ore body. There is no assurance that the Company's exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be related to the success of its exploration programs, which may be affected by a number of factors that are beyond the control of the Company.

The market price of precious metals and other minerals is volatile and cannot be controlled.

The purchase of securities of the Company 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. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of the Company should not constitute a major portion of an investor's portfolio.

In recent years securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on the TSX Venture Exchange may be affected by such volatility.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests. Its claims, permits or tenures may be subject to prior unregistered agreements or transfers or native land claims. Title to the claims, permits or tenures comprising the Company's properties may also be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the property to which such defect relates.

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent.

The Company's directors and officers serve as directors or officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (British Columbia) dealing with conflicts of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his interest and refrain from voting on the matter unless otherwise permitted by the Business Corporations Act (British Columbia). The directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

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
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
March 31, 2019	5,964	160,070	0.002
December 31, 2018	99,659	23,309	0.000
September 30, 2018	Nil	99,107	0.002
June 30, 2018	Nil	34,361	0.000
March 31, 2018	Nil	272,984	0.002

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 June 2016, 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 \$170,964 on December 31, 2019. During the year ended December 31, 2019 the Company received \$68,750 from the exercise of share purchase options.

In November 2019 the Company closed a private placement consisting of 1,500,000 flow through common shares at a price of \$0.08 per share for total consideration of \$120,000. The proceeds will be used by Northisle to finance additional metallurgical testing with the intent of improving recoveries, which could have a positive impact on the economics of the project.

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 were:	2019	2018
Management fees - President	\$ 50,938	\$ 57,750
Management fees – Chief Financial Officer	9,500	9,750
Share-based compensation	54,664	186,655
Total	\$ 115,102	\$ 254,155

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

At December 31, 2019, the Company owed \$118,033 (December 31, 2018 - \$154,283) to officers and directors of the Company for unpaid management fees. Amounts due are non-interest bearing with no specific terms of repayment.

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 approximate 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 Financial Statements for the years ended December 31, 2019 and 2018 that is available on Northisle's website at www.northisle.ca or on its SEDAR Page Site 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 22, 2020, there were 120,111,516 common shares issued and outstanding.

Share Purchase Options

At May 22, 2020 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 24, 2020	1,335,000	0.05	0.12	1,335,000
May 4, 2021	1,355,000	0.05	0.98	1,355,000
June 28, 2021	75,000	0.10	1.13	75,000
January 9, 2022	2,250,000	0.17	1.66	2,250,000
February 26, 2023	2,100,000	0.15	2.79	1,400,000
September 4, 2024	1,530,000	0.07	4.32	510,000
	8,645,000	\$ 0.11	2.06	6,925,000

Share Purchase Warrants

As at May 22, 2020 there were no share purchase warrants outstanding.

Dividends, Off Balance Sheet Arrangements or Proposed Transactions

As of May 22, 2020, 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 Annual MD&A. A copy of this Annual MD&A 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 www.sedar.com.