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NORTHISLE PROVIDES CORPORATE UPDATE INCLUDING PROGRESS ON PRELIMINARY ECONOMIC ASSESSMENT AT NORTH ISLAND COPPER GOLD PROJECT

PEA targeted for completion during Q1 2021

Highlights

- 2020 achievements include expanding the Board and executive team, closing an oversubscribed \$3.2 million financing of common shares and completing key metallurgical studies on the North Island Project
- Upcoming PEA will reflect several updates and improvements to the previously completed study including:
 - Red Dog copper and gold recovery estimate increased to 89.8% and 53.0%, respectively
 - Hushamu copper and gold recovery estimate increased to as much as 87.9% and 50.8%, respectively
 - Inclusion of silver and rhenium recoveries
 - Updated capital and operating costs, metal prices and exchange rate forecasts
- Activity will continue to accelerate in 2021 with advancement of discussions with Indigenous nations and community engagement activities, initiating PFS work at the North Island Project as well as an aggressive exploration program on high potential targets

Vancouver, B.C. – Northisle Copper and Gold Inc. (TSX-V: NCX) (“Northisle” or the “Company”) is pleased to provide a corporate update including progress on its ongoing Preliminary Economic Assessment (the “2021 PEA”) on the 100% owned Red Dog and Hushamu deposits at the Company’s North Island Project. The 2021 PEA will provide an update to the previously published study on the North Island Project, titled “North Island Copper and Gold Project, NI43-101 Technical Report, Preliminary Economic Assessment” and dated October 24, 2017 (the “2017 PEA”).

Sam Lee, CEO of Northisle commented, “The past few months have been an exciting time to be a Northisle shareholder. We have taken several significant steps in 2020 including strengthening our leadership team, raising funds to take us through the next several key milestones and completing positive metallurgical studies at Red Dog and Hushamu. We have also worked to share the Northisle story with a larger group of investors and stakeholders and are encouraged by our conversations to date.

Since joining Northisle in October, I have been incredibly pleased with the high-quality people that we have been able to attract at the Board and management level with the addition of Kevin O’Kane and Nicholas Van Dyk. I have been working closely with the entire team as we develop the plan for the North Island Project including advancing discussions with relevant stakeholders regarding utilizing the existing infrastructure at the adjacent Island Copper Mine.

An update to the 2017 PEA is ongoing and expected to be completed in Q1 2021. We believe it will clearly demonstrate that the North Island Project is one of the premier copper development opportunities in the world driven by its attractive economics, modest capital requirements that are reasonably financeable, proximity to existing mining infrastructure and tidewater, and based in a secure and socially responsible mining jurisdiction.

On exploration, it has been gratifying working closely with Jack McClintock, who is widely recognized as being one of the leading authorities in copper and gold porphyry systems around the world. The prospective nature of our over 33,000 ha, spanning a 50km porphyry district play, has exceeded my expectations. We are developing an aggressive drill program in 2021 that looks at substantially increasing our resources at Red Dog and Hushamu, while targeting the high-level alteration lithocaps at the prospective Pemberton Hills target.

Looking forward to 2021, we expect to continue to accelerate our activities significantly. We are finalizing our plans for comprehensive engagement with Indigenous nations, communities and key project stakeholders, designing an exploration program targeted at several highly prospective areas of the property, and continuing to add breadth and

depth to our team as we advance the North Island Project responsibly, and rapidly, through the key milestones of the de-risking process.”

2021 PEA Update

Northisle commenced the preparation of the 2021 PEA on the North Island Project following the receipt of updated metallurgical testwork performed by SGS Canada Inc. (“SGS”) on both the Hushamu and Red Dog deposits in September and October, respectively. SGS completed the metallurgical testwork report in early December 2020 and results will be used in the 2021 PEA. Details of the updated testwork by SGS can be found in Table 1 below.

Table 1: Comparison of Metallurgical Testwork Results

	2017 PEA	2020 SGS Testwork	Change (%)
Hushamu (Low Pyrite - CMG)			
Copper	74.5%	86.6%	16%
Gold	43.7%	50.8%	16%
Hushamu (High Pyrite - SCP)			
Copper	75.0%	87.9%	17%
Gold	34.4%	46.4%	35%
Red Dog			
Copper	85.7%	89.8%	5%
Gold	33.0%	53.0%	65%

In addition to updating the above metallurgical recoveries, the study will also reflect updates to the mine plan, operating and capital cost estimates, metal prices, and FX rates. Subject to completion of technical review and sign-off, Northisle intends to release the 2021 PEA in Q1 2021.

Table 2 illustrates current spot prices vs the prices used in the Base Case 2017 PEA.

Table 2: Commodity Price Comparison

Commodity (Unit)	Dec 11 2020 Spot Price	2017 PEA Price	Change
	US\$	US\$	%
Copper (US\$/lb)	\$3.50	\$3.10	13%
Gold (US\$/oz)	\$1,840	\$1,300	42%

Copper and gold account for approximately 85% of the revenue in the 2017 PEA.

Based on the sensitivity analysis in the 2017 PEA, higher metal prices are expected to have a significant positive impact on the project’s valuation as indicated in Table 3 below. Additional positive impacts on the project’s valuation are expected with the increased metal recoveries and the inclusion of the recovery of silver and rhenium in the financial model. The 2021 PEA will include revised capital and operating cost estimates, which have increased since 2017 and will offset to some extent the increased metal prices and metal recoveries.

Table 3: 2017 PEA Sensitivity to Commodity Price Increase

	2017 PEA Metal Price Sensitivity		
	0%	10%	20%
NPV (8%) – C\$000	\$550,393	\$902,301	\$1,249,455
IRR (%)	14.3%	18.1%	21.7%
Payback (years)	5.1	4.1	3.6

The 2017 PEA is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the plans outlined in the 2017 PEA will be realized. Commodity prices used in the 2017 PEA are as follows: US\$3.10/lb Cu, US\$1,300/oz Au, US\$9.00/lb Mo, US\$86/t Py Con, CADUSD 0.75x.

2021 Exploration Program

The 2021 exploration program will test several high priority targets, subject to available funding.

Red Dog

Drilling of approximately 2,400 metres in 4 core holes will target both the northwest extension of the higher-grade Red Dog deposit and test for the down faulted south side of the deposit. The northwest extension is highlighted by a 1 km diameter induced polarization (“IP”) anomaly while the southern extension of the deposit is suggested by a broad area of high-level porphyry alteration where shallow (less than 200 metres) historical drill holes ended in mineralization with copper and gold grades in the 0.1% and 0.1 g/t range, respectively.

Hushamu

The southeast and northwest ends of the deposit remain open and require additional drilling to determine the full extent of the deposit. Based on surface mapping and peripheral historical holes the southeast end of the deposit could extend for as much as 300 metres. The extensions will be tested by 8 to 10 core holes totalling 4,000 metres.

Pemberton Hills

Exploration in 2018 and 2019 defined two compelling targets within the 3.5 by 1.5-kilometre porphyry lithocap. These targets are defined by induced polarization chargeability anomalies and clay studies. The exploration target at Pemberton is a deeply buried copper-gold porphyry deposit. In 2021, the targets will be tested with 3 holes each having a minimum length of 600 metres.

NW Expo

Exploration carried out from 2008 to 2011 identified a 1.5km long IP chargeability anomaly. Two previously drilled holes in one part of the anomaly intersected 175 grading 0.12% Cu and 61 metres of 0.09gpt Au. The untested part of the anomaly will be tested with 4 holes in 2021.

In addition to the defined drill targets there are several partially tested copper-in soil anomalies and known porphyry occurrences that require additional work to better define drill targets. Of these areas, the priorities are the Goodspeed area and South MacIntosh.

Qualified Person

John McClintock, P.Eng, Vice President Exploration of Northisle and a Qualified Person as defined by National Instrument 43-101, has approved the scientific and technical disclosure contained in this news release.

About Northisle

Northisle Copper and Gold Inc. is a Vancouver based company whose mission is to become a leading sustainable mineral resource company for the future. Northisle owns the North Island Project, which is one of the most promising copper and gold porphyry deposits in Canada. The North Island Project is located near Port Hardy, British Columbia on a 33,149-hectare block of mineral titles 100% owned by Northisle stretching 50 kilometres northwest from the now closed Island Copper Mine operated by BHP Billiton. The Company is completing a preliminary economic assessment

which will provide an updated view on the potential of the Red Dog and Hushamu deposits and is targeted for completion in Q1 2021.

For more information on Northisle please visit the Company's website at www.northisle.ca.

On behalf of Northisle Copper and Gold Inc.

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The forward-looking statements contained in this news release represent the expectations of management of Northisle as of the date of this news release, and, accordingly, are subject to change after such date. Northisle does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

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