NORTHISLE
COPPER AND GOLD INC.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2015 and 2014

Unaudited

(Expressed in Canadian dollars)

NOTICE TO READER:
These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors. These statements have been prepared by and are the responsibility of the Company’s management.

NORTHISLE COPPER AND GOLD INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	March 31, 2015	December 31, 2014
ASSETS		
Current		
Cash	$ 127,798	$ 142,972
Accounts receivable	3,747	4,715
Prepaid expenses and deposits	38,925	52,450
	170,470	200,137
Equipment	6,073	8,298
Mineral property interests (Note 3)	10,006,000	10,000,000
	$ 10,182,543	$ 10,208,435
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 153,500	$ 140,892
Payable to related parties (Note 4)	141,094	117,094
	294,594	257,986
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	19,309,824	19,304,574
Reserves (Note 6)	1,063,174	1,042,760
Deficit	(10,485,049)	(10,396,885)
	9,887,949	9,950,449
	$ 10,182,543	$ 10,208,435

The accompanying notes are an integral part of these financial statements

NORTHISLE COPPER AND GOLD INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2015 and 2014

(Unaudited - Expressed in Canadian dollars)

	March 31, 2015	March 31, 2014
Expenses		
Insurance	$ 3,525	$ 3,525
Interest and bank charges	279	253
Investor relations	1,862	1,319
Legal and audit	775	3,466
Mineral property expenditures	20,903	22,561
Office	7,936	8,233
Regulatory fees	6,977	7,401
Share-based compensation	20,414	18,893
Wages	25,660	36,870
	88,331	102,521
Other (Income) Expenses		
Interest income	(167)	(759)
Interest Expense	-	8,000
NET LOSS AND COMPREHENSIVE LOSS	**$ 88,164**	**$ 109,762**
BASIC AND DILUTED LOSS PER SHARE	**$ 0.001**	**$ 0.002**
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – basic and diluted	**72,960,200**	**57,142,983**

The accompanying notes are an integral part of these financial statements

NORTHISLE COPPER AND GOLD INC.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity

For the three months ended March 31, 2015 and 2014

(Unaudited - Expressed in Canadian dollars)

	2015	2014
DEFICIT, BEGINNING OF PERIOD	$ 10,396,885	$ 9,721,466
Net loss	88,164	109,762
DEFICIT, END OF PERIOD	**$ 10,485,049**	**$ 9,831,228**
RESERVES, BEGINNING OF PERIOD (Note 6)	$ 1,042,760	$ 880,412
Share option reserves	20,414	18,893
RESERVES, END OF PERIOD	**$ 1,063,174**	**$ 899,305**
SHARE CAPITAL, BEGINNING OF PERIOD (Note 5)	$ 19,304,574	$ 18,681,454
Share issue costs	(750)	-
Issued for property acquisition	6,000	-
Issue of bonus shares	-	8,000
SHARE CAPITAL, END OF PERIOD	**$ 19,309,824**	**$ 18,689,454**

The accompanying notes are an integral part of these financial statements

NORTHISLE COPPER AND GOLD INC.
Condensed Interim Consolidated Statement of Cash Flows
For the three months ended March 31, 2015 and 2014
(Unaudited - Expressed in Canadian dollars)

		2015		2014
Cash provided by (used in)				
Operating activities				
Net loss	$	(88,164)	$	(109,762)
Items not requiring a cash outlay				
Amortization		2,225		2,225
Share-based compensation		20,414		18,893
		(65,524)		(89,644)
Changes in non-cash working capital components				
Accounts receivable		968		(1,298)
Prepaid expenses		13,525		3,525
Accounts payable and accrued liabilities		12,608		(5,770)
Payable to related parties		24,000		76,250
		(14,424)		(15,937)
Investing activities				
Acquisition of mineral properties		(6,000)		-
Financing activities				
Shares Issued for mineral properties		6,000		-
Share Issue costs		(750)		-
Issue of bonus shares		-		8,000
		5,250		8,000
INCREASE (DECREASE) IN CASH		(15,174)		(7,937)
CASH, BEGINNING OF PERIOD		142,972		28,693
CASH, END OF PERIOD	**$**	**127,798**	**$**	**20,756**
Supplementary Information				
Interest received	$	167	$	759

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Northisle Copper and Gold Inc. ("Northisle" or the "Company") is a mineral exploration company that was incorporated on August 3, 2011 in the Province of British Columbia, Canada as a wholly-owned subsidiary of Western Copper Corporation ("Western Copper"). Pursuant to a Plan of Arrangement, the Company acquired Western Copper's interest in the North Island Project and $2,500,000 in cash in exchange for 46,501,283 common shares of the Company.

The Company's principal business activity is the exploration and development of its North Island Project on Vancouver Island. Its head office is located at Suite 1800 – 570 Granville Street, Vancouver, B.C.

The Company currently has working capital deficit of $124,124 and will therefore need funding to continue its operations, through equity or debt financing, sale of assets, joint venture arrangements or a combination thereof. There is no assurance that additional funding, proceeds from a sale of assets or suitable joint venture arrangements will be available on a timely basis or on terms acceptable to the Company. If the Company is unable to obtain sufficient funding in this fashion, the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern will be in significant doubt.

These consolidated financial statements have been prepared on the basis that the Company is a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to do so is dependent on obtaining additional financing, through the issue of treasury shares and/or from loans to complete the exploration and development of its mineral property interests and to commence profitable operations. These consolidated financial statements do not reflect the adjustments or reclassifications which would be necessary if the Company were unable to continue its operations in the normal course of business.

2. BASIS OF PREPARATION

Summary of Significant Accounting Policies

The Company prepares its interim consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, as issued by the International Accounting Standards Board, including International Accounting Standard 34 – Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2014.

The accounting policies applied in these condensed interim consolidated financial statements are based on IFRS effective for the year ended December 31, 2015, as issued and outstanding on May 26, 2015, the date the Board of Directors approved these financial statements.

Accounting estimates and judgments

The preparation of these financial statements required management to make estimates, judgments and assumptions that affect the reported amounts and other disclosures in these financial statements. Estimates and the underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Accounting estimates and judgments (continued)

Critical estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the recoverability of accounts receivable, the impairment of carrying values of equipment and mineral property interests, the determination of realizable amounts of deferred tax assets and liabilities, and the measurement of equity instruments and share-based compensation.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the expected economic lives of and the estimated future operating results and net cash flows from equipment.

3. MINERAL PROPERTY INTERESTS

Acquisition Costs - North Island Copper Gold Property, B.C. Canada

Balance, December 31, 2014	**$**	**10,000,000**
Acquisition of Red Dog property		6,000
Balance, March 31, 2015	**$**	**10,006,000**

Exploration expenditures

North Island Copper Gold Property B.C. Canada		**Three months ending March 31, 2015**		**Three months ending March 31, 2014**		**Cumulative Property Expenditures***
Amortization of equipment	$	2,225	$	2,225	$	28192
Camp operations		14,808		15,668		543835
Claims costs				-		40,278
Community engagement				-		43,441
Drilling				-		1,531,374
Engineering and geological		3,870		4,668		1,048,181
Environmental studies				-		255,184
Prospecting				-		448,701
Wages				-		316,190
Mineral property exploration tax credit				-		(282,789)
Total	**$**	**20,903**	**$**	**22,561**	**$**	**3,972,587**

*Cumulative from the effective date of the Plan of Arrangement on October 17, 2011

The North Island Project consists of two blocks of mineral claims located on northern Vancouver Island in British Columbia, Canada. The mineral claim blocks are referred to as the Hushamu claims and the Apple Bay claims.

Should a production decision be made on the Hushamu claims, the Company is required to make a cash payment of $1,000,000 to Sirit Inc. within 60 days of the production decision. These mineral claims are also subject to a 10% net profits interest held by International Royalty Corporation. Should a production decision be made on the Apple Bay claims, the Company is required to pay $800,000 in cash or in shares to Electra Gold Ltd. (“Electra”). The payment method is at the election of the Company. Electra maintains the right to explore the Apple Bay claims for non-metallic minerals subject to certain conditions.

Red Dog Property Acquisition

On February 11, 2015, the Company acquired an option to earn a 100% interest in the Red Dog Property, a 400 hectare property entirely enclosed within Northisle’s existing 100% owned North Island Copper Gold Property. The Company issued 200,000 common shares to the vendor upon signing the option agreement and agreed to make payments of $60,000 between 2016 and 2018 and expend a minimum of $375,000 on the property by 2018. The vendor was also granted a net smelter return royalty of 3% of which 2% can be purchased by the Company at any time for US$2.0 million

(Unaudited - Expressed in Canadian dollars)

4. RELATED PARTY TRANSACTIONS

Remuneration for Directors and key management personnel for the three months ending March 31, 2015 and 2014 was:

	2015		2014
Consulting fees	24,000	$	36,250
Share-based compensation	7,895		18,893
Total	**31,895**	**$**	**55,143**

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

At March 31, 2015 the Company owed $141,094 (December 31, 2014 - $117,094) to officers and directors of the Company for unpaid consulting fees. Amounts due are non-interest bearing with no specific terms of repayment.

5. SHARE CAPITAL

Authorized - unlimited number of common shares without par value **Issued and fully paid**	**Number of Shares**		**Amount**
Balance, December 31, 2014	**72,960,200**	**$**	**19,304,574**
Issued for property acquisition	200,000		6,000
Share issue costs	-		(750)
Balance, March 31, 2015	**73,160,200**	**$**	**19,309,824**

In May 2015, the Company completed a $114,000 non-brokered private placement consisting of 3,800,000 shares at $0.03. The proceeds of the offering will be used to fund property maintenance and operating expenses.

Share Purchase Options

The Company grants common share purchase options to directors, officers, and employees of the Company and persons who provide ongoing services to the Company under an incentive share purchase option plan. The maximum number of options which may be granted under the Plan is 10% of the number of shares of the Company outstanding at the time the options are granted. Options generally vest at a rate of 33.3% on the date of grant and 33.3% in each of the following two years.

During the three months ended March 31, 2015, $20,414 (2014 - $18,893) in share-based compensation was recognized in the consolidated statement of loss and comprehensive loss for vesting of share purchase options.

A summary of changes in share purchase options for the three months ended March 31, 2015 is:

	Number of Share Options		**Weighted Average Exercise Price**
Balance, December 31, 2014	**4,000,834**	**$**	**0.17**
Options granted	-		-
Options forfeited	-		-
Options expired	-		-
Balance, March 31, 2015	**4,000,834**	**$**	**0.17**

(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Share Purchase Options (continued)

At March 31, 2015, the following common share purchase options were outstanding:

Share purchase options outstanding, by exercise price range	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)	Number Exercisable (Vested)
$0.04 - $0.22	765,834	$ 0.14	0.16	765,834
$0.30	1,290,000	0.30	1.89	1,290,000
$0.17	370,000	0.17	2.67	370,000
$0.10	200,000	0.10	3.24	200,000
$0.05	1,375,000	0.05	3.87	907,500
	4,000,834	**$ 0.17**	**2.45**	**3,533,334**

Share purchase warrants

A summary of changes in common share purchase warrants for the three months ended March 31, 2015 is:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2013	**2,415,750**	**0.25**
Issued during private placement	10,860,000	**0.07**
Expired	(2,415,750)	.25
Balance, December 31, 2014 and March 31, 2015	**10,860,000**	**$ 0.07**

At March 31, 2015, the following common share purchase warrants were outstanding:

Expiry	Number Outstanding	Exercise Price	Weighted Average Remaining Life (in years)
June 27, 2016	**10,860,000**	**$ 0.07**	**1.25**

6. RESERVES

	Share Option Reserves	Share Warrant Reserves	Total
Balance, December 31, 2014	**$ 696,992**	**$ 345,768**	**$ 1,042,760**
Share-based compensation expense	20,414	-	20,414
Balance, March 31, 2014	**$ 717,406**	**$ 345,768**	**$ 1,063,174**

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral property interests, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares or debt, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

8. MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments are exposed to certain risks, including currency risk, credit risk, interest rate risk, and liquidity risk. The Company does not have financial instruments subject to other price risk.

Currency risk

The Company operates within one geographic region and is not exposed to significant currency risk related to the fluctuation of foreign exchange rates. The Company has not hedged or otherwise managed its exposure to currency fluctuations.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held through large Canadian financial institutions. The Company's receivables consist mostly of Goods and Services Tax due from the federal government of Canada. As such, the Company considers this risk to be minimal. As at March 31, 2015, none of the Company's financial instruments subject to credit risk were past due or impaired.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk when holding fixed rate short term deposits of varying maturities. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash equivalents investments is limited because these investments are generally highly liquid securities with short-term maturities. As at March 31, 2015, the Company considers its exposure to interest rate risk to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 7.

Accounts payable and accrued liabilities and the amounts payable to related parties are due within the current operating period.

9. LOSS PER SHARE

The Company's diluted loss per share is equal to its basic loss per share. Outstanding share purchase options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are antidilutive for the three months ended March 31, 2015 and 2014.