



NORTHISLE COPPER AND GOLD INC. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021

The following management discussion and analysis of Northisle Copper and Gold Inc. ("Northisle" or the "Company") is dated November 25, 2021 and provides an analysis of the Company's results of operations for the three and nine months ended September 30, 2021.

This discussion is intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as certain forward-looking statements relating to its potential future performance. The information should be read in conjunction with the Northisle's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021, the Northisle audited consolidated financial statements for the year ended December 31, 2020, and the notes thereto. The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting of the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Northisle's accounting policies are described in note 3 of the aforementioned audited consolidated financial statements. All of the financial information presented herein is expressed in Canadian dollars, unless otherwise indicated.

The operations of the Company are speculative due to the high-risk nature of the mining industry. Northisle faces risks that are generally applicable to its industry and others that are specific to its operations. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. Such risk factors could materially affect the value of the Company's assets, and future operating results of the Company and could cause actual results to differ materially from those described in the forward looking statements contained in this management discussion and analysis. *Reference is made to the discussion of forward-looking statements at the end of this document.*

DESCRIPTION OF THE BUSINESS

Northisle 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 at least five other partially explored copper-gold porphyry occurrences. The Company's common shares trade on the TSX Venture Exchange under the symbol NCX.

Q3 2021 HIGHLIGHTS:

- Drilling at Red Dog commenced during the quarter, testing two potential targets near the existing resource.
- During October 2021, drilling was completed at Northwest Expo, testing near historical drilling as well as limited IP surveys completed in 2021.
 - NW21-03, NW21-04, NW21-05 and NW21-08 have been prioritized for assay based on visual inspection of core as well as proximity to historical drilling containing significant gold and copper grades.
- Northisle Board has approved a \$1.8 million surface exploration program including TerraSpec clay mapping, wireless induced polarization and ground magnetic surveys totaling over 60 line kilometers.

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- The program is testing multiple prospective porphyry targets, including Macintosh, Pemberton Hills and Northwest Expo in order to provide targets for 2022 drilling.
- Drilling at Hushumu commenced on November 22, 2021, following receipt of a multi-year (MYAB) permit which is anticipated to incorporate all work required for a pre-feasibility study on the Hushumu and Red Dog deposits.
 - The MYAB permit also includes the Macintosh target area, providing the opportunity to complete exploration drilling at this attractive target in close proximity to proposed site infrastructure.
- Northisle approved a \$1 million budget for advancing critical path project development activities including metallurgical test work, baseline data collection and First Nations engagement.

CORPORATE DEVELOPMENT

Management Changes

On July 14, 2021, the Company confirmed the appointment of Robin Tolbert as Vice President, Exploration, effective immediately, following the retirement of Jack McClintock. Mr. McClintock will remain as a Strategic Advisor to the Company.

On September 1, 2021 Nicholas Van Dyk was appointed Chief Financial Officer. Mr. Van Dyk joined Northisle in November 2020 as its Vice President, Corporate Development and Investor Relations. David Douglas will continue in the role of Corporate Secretary.

PROPERTY OVERVIEW AND DEVELOPMENT

The North Island Project

The North Island Project (the "Project") is a copper-gold advanced stage project containing the Hushumu 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 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 million lbs of copper, 112 koz of gold and 2.7 million 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

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- 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 CO ₂ e/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 silica-clay-pyrite (SCP) and chlorite-magnetite (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

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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 interpreted 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 surrounding drill holes as well as a shallow, 200m long historic drill hole within the target that ended in mineralization grading 0.14% copper.

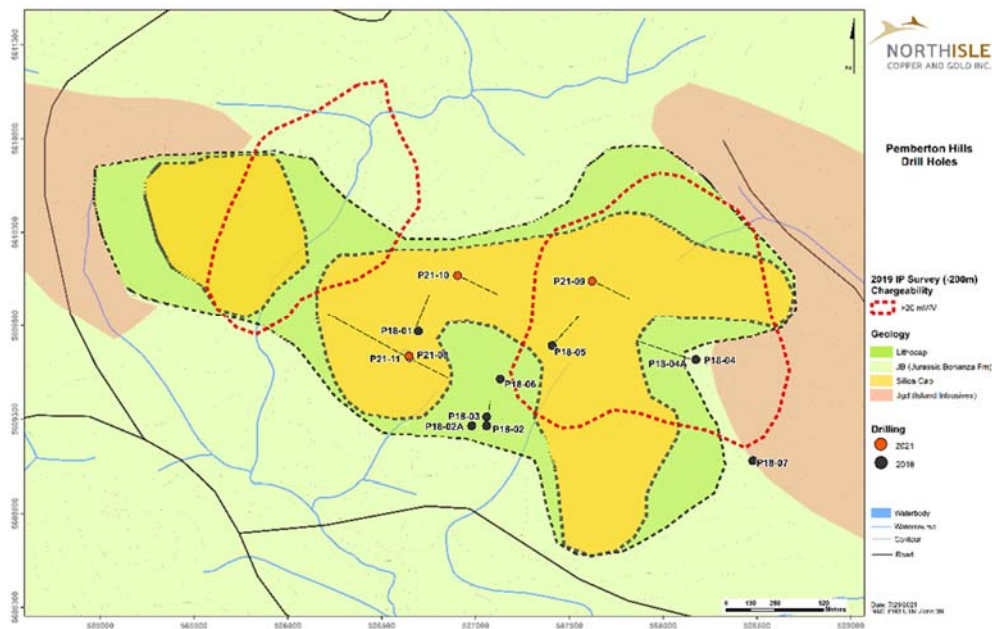
The 2021 exploration program at Pemberton Hills was planned to test this target with a drill program. The drill program at Pemberton Hills was initially planned to test the target with 3 drill holes, each with a planned minimum depth of 600m per hole. All of the holes reached their planned depth and 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

Northisle has now received all assay results from its 2021 drilling program at Pemberton Hills. The objective of the 2021 program was to test a porphyry copper-gold-molybdenum target beneath the aerially extensive lithocap present in the Pemberton Hills area and which has been the subject of various exploration programs by Northisle since 2017. The lithocap is an alteration zone comprised variably of kaolinite, dickite, smectite, pyrite and silica typically found above buried porphyry deposits. The map in Figure 1 shows an updated interpretation of the surface geology of the Pemberton Hills area.

Figure 1: Pemberton Hills Plan Map with Drill Holes and Surface Alteration



While none of this year's drill holes penetrated the Pemberton Hills lithocap, despite testing it to a vertical depth of 966 metres, the results of the drilling are considered to be consistent with the existence of a hypothesized deeply buried, large porphyry system. Of importance is the widespread occurrence of significantly anomalous molybdenum mineralization that occurs in late structures and hydrothermal breccias cutting both the lithocap and overlying silica cap. The breccias and late structures are mineralized with extremely fine grained molybdenite associated with a late, very fine-grained pyrite and accompanying alteration of kaolinite, dickite and lesser pyrophyllite plus silicification.

These structures, clay minerals indicating higher temperatures, and high acidity (typically occurring just above porphyry systems) plus associated molybdenum mineralization are interpreted to be overprinting the older lithocap alteration and emanating from a porphyry system at depth. Similar narrow mineralized structures were noted in the 2018 drilling at Pemberton Hills. Collectively, these mineralized structures observed in the 2018 and 2021 drilling define an area of approximately 3.5km by 1.5km to the northeast of 2018 and 2021 drilling which indicates a probable source area for the hypothesized buried copper-gold-molybdenum bearing porphyry system.

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The Company intends to complete additional Terraspec clay analyses as well as the creation of a comprehensive 3D model which will combine pyrite abundance, metal ratios, clay analyses, geophysics and structure information which will be used to vector towards the hypothesized mineralized porphyry system at depth and to the northeast.

Red Dog Drilling

At Red Dog, drill hole RD21-01 was targeted to test SCP alteration at depth to the south of a major east-west trending fault zone and to drill through the fault and underneath the Red Dog deposit which consists of a mineralized silica-magnetite breccia. The objective was to find the source porphyry for this mineralization. This drill hole encountered SCP alteration but no porphyry on either side of the fault. RD21-02 was drilled to test an IP chargeability anomaly northwest of the Red Dog deposit. The anomaly was found to be caused by SCP and propylitic alteration occurring from near surface to over 300 m depth in the hole. The hole ended in late basalt and felspar-porphyry dykes. Upon completion of these holes, and following reinterpretation and a new hypothesis that this deposit is tilted to the southwest the decision was made to prioritize drilling at Northwest Expo and to complete a more extensive IP survey in the northeast part of the Red Dog system in order to better target drilling.

Table 2: Red Dog Drill Hole Collar Locations

Hole ID	Azimuth	Dip	Easting UTM	Northing UTM	Hole Depth (m)
RD21-01	0	-70	572064	5617616	504
RD21-02	360	-90	571454	5618404	393

Northwest Expo Drilling

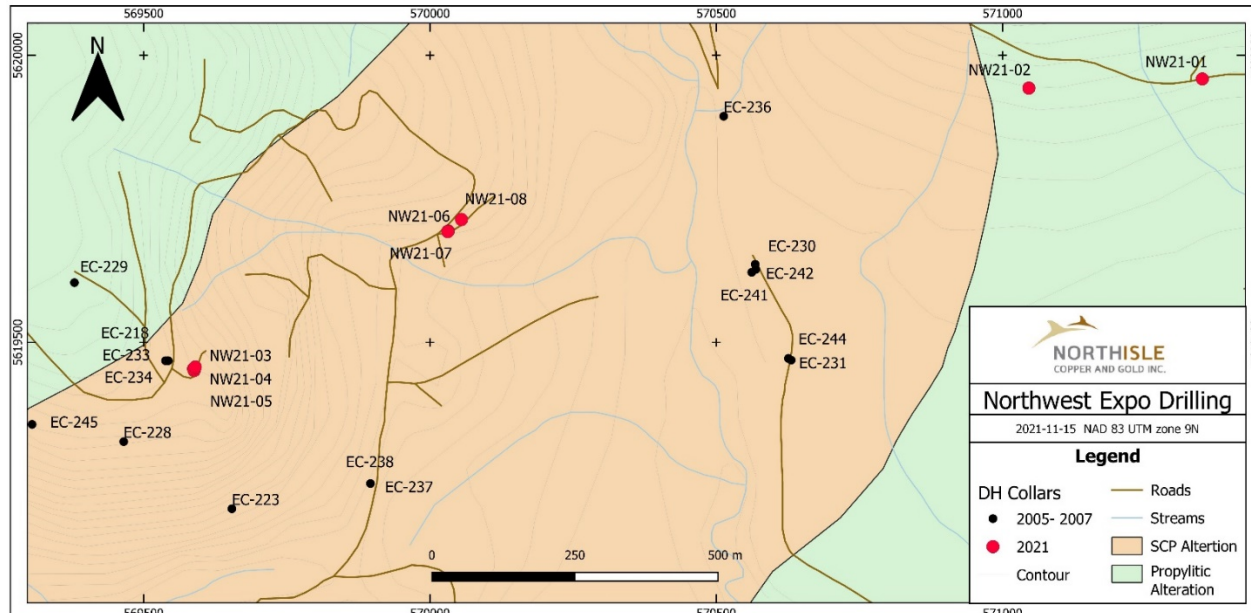
Northisle completed drilling at Northwest Expo in October. Based on visual inspection of core as well as proximity to historical drilling, which contained significant intercepts of gold-rich porphyry mineralization, drill holes NW21-03, NW21-04, NW21-05 and NW21-08 have been prioritized for assay and are anticipated to be received in December 2021.

The objective of the 2021 program at Northwest Expo was to drill test anomalies indicated by limited induced polarization surveys completed in 2012. In addition, a review of historical drilling from 2005 and 2007 identified several intercepts of economically significant gold and copper which are detailed in Table 3. Figure 2 shows the location of 2021 drilling at Northwest Expo in the context of historical drilling. The previous IP geophysics identified a 550 m wide chargeability anomaly (>15mV/V) extending south from a line running northeast from 5619500 North, north of DDH EC245 to 571400 East, northeast of DDH NW21-02. This is open to the north. The IP/Mag survey commencing shortly will cover that unsurveyed area.

Table 3: Northwest Expo Historical Drill Data

Hole ID	Azimuth	Dip	Elev (m)	Interval (m)	Length (m)	Cu Grade (%)	Au Grade (g/t)
EC218	206	-60	417	323.8 – 379.5	55.7	0.15	0.63
EC228	205	-56	396	151.8 – 221.9	70.1	0.22	1.15
EC233	230	-57	428	329.2 – 423.7	94.5	0.13	0.86
EC234	180	-56	428	286.5 – 384.0	97.5	0.16	0.94
EC236	175	-77	166	219.2 – 395.6	176.4	0.12	0.09
EC242	85	-80	231	210.3 – 301.8	91.5	0.15	0.19
EC245	200	-68	422	148.0 – 199.9	51.9	0.18	1.44
and EC245				234.7 – 264.9	30.2	0.25	2.03

Figure 2: Northwest Expo Plan Map with Drill Holes and Alteration



NOTE: EC230, EC231 and EC241 were abandoned at shallow depths
 EC223 had anomalous values of Cu > 100 ppm from 39 – 83.5 m
 EC237 had anomalous values of Cu >100 ppm from 127 – 369 m
 EC244 had anomalous values of Cu > 100 ppm from 230.5 – 317 m

The lithologies intersected in the historic holes above and in NW21-03 consist of strongly altered Jurassic Bonanza Formation volcanoclastics and flows intruded by several felspar-porphry, hornblende-felspar porphyry dykes, silicified breccias and exsolution textures interpreted as occurring at the upper levels of a porphyry system. All the drill holes listed in Table 1 intersected silica-clay-pyrite (SCP) alteration in the upper parts of the holes, then entered long intervals of mineralized chlorite-magnetite-chalcopyrite (CMG) alteration. CMG, a major component of the mineralization at Northisle's Hushamu and Red Dog Deposits, is observed at the surface at Northisle's Goodspeed prospect, as well as occurring in the Island Copper Porphyry Deposit.

Several additional holes were drilled during the 2005 and 2007 campaigns; however, these were drilled primarily to the south of the 2021 target area and intercepted SCP alteration. SCP alteration commonly occurs in the upper levels of traditional porphyry system models and, in the North Island Project area, tends to be enriched in molybdenum. Notably, at Hushamu, SCP is a significant component of the resource. 2021 drill holes NW21-03 to 05 were drilled in a fan to the southwest, southeast and east. NW21-03 intersected 129 m of CMG from 288m to 417m, similar in alteration and mineralization styles to EC218, 228, 233, 234 and 245. NW21-04 and 05 intersected SCP and long intervals of exsolution textures consisting of clay altered pyritic globules in a dark, fine-grained silica matrix. Drill holes NW21-06 and 07 intersected a major fault zone and were abandoned. The drill was moved 20 metres NE and NW21-08 intersected SCP alteration and encountered porphyry-style stockwork pyrite veining at depth. It was terminated in a late dyke. Collar details of the 2021 drill holes can be found in Table 4 below.

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Table 4: Northwest Expo Drill Hole Collar Locations

Hole ID	Azimuth	Dip	Easting UTM	Northing UTM	Hole Depth (m)
NW21-01	225	-60	571349	5619959	480
NW21-02	230	-60	571046	5619943	522
NW21-03	206	-60	569588	5619451	571.2
NW21-04	150	-60	569587	5619454	510
NW21-05	70	-60	569590	5619457	451
NW21-06	170	-60	570032	5619694	132
NW21-07	170	-60	570031	5619693	330.3
NW21-08	170	-70	570055	5619714	552

The observed styles of alteration and mineralization in drill holes at Northwest Expo are consistent with Northisle's current hypothesis that this porphyry system is tilted to the southwest so that the core of the porphyry system lies to the northeast.

Goodspeed and South Macintosh Surface Exploration

In addition to the Hushamu and Red Dog deposits there are several known porphyry occurrences and high-level porphyry type altered zones that require additional work to better define drill targets. 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.

Recently completed structural and alteration mapping at Goodspeed has outlined a large area of silica-clay-pyrite alteration with a 500 metre by 350 metre core of chlorite-magnetite (CMG) alteration containing stockwork quartz-feldspar-chalcopyrite veining in places. This CMG alteration is also found within and peripheral to Northisle's Red Dog copper-gold-molybdenum deposit 3.5 kilometres to the west, as well as its Hushamu copper-gold-molybdenum deposit 8 kilometres to the southeast. Further mapping, sampling and clay analyses will be carried out to aid focusing IP/Mag geophysical surveys followed by drilling.

At South Macintosh, immediately southeast of Hushamu, recent logging roads exposed a large area of previously unknown high-level porphyry alteration which was the target of a surface mapping program which was completed during May 2021. This area 1.4km south of Hushamu is observed to be 2.4 km long in a NW-SE direction and at least 1.5 km wide. An IP/Mag survey will commence in mid-November and along with TerraSpec clay analyses - which will highlight areas indicating low pH and high temperatures, will help vector towards a mineralized porphyry source and provide targets for drill testing in 2022.

New Unnamed Target

During aerial reconnaissance of the area in October, 2021 a 500m wide area was exposed by three slides in a logged area 2.5km NW of the Hushamu deposit that exhibited colour anomalies similar to SCP alteration observed on the Company's other deposits and targets. Reconnaissance exploration will be carried out in this area in 2022.

Of these areas, the priorities for exploration are the MacIntosh, Northwest Expo targets in late 2021 and early 2022 followed by Pemberton Hills, Goodspeed, Red Dog and the New Unnamed area during 2022.

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

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Mineral Property Expenditures

The Company's exploration expenses for the periods presented were as follows:

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Cumulative Property Expenditures
	\$	\$	\$
Amortization of equipment	46,890	-	81,155
Claims costs	300	-	41,578
Community engagement	27,664	-	79,884
Engineering	206,001	51,666	2,409,526
Exploration and camp support	2,511,054	102,534	6,270,348
Environmental studies	73,507	-	329,191
Salary and wages	90,265	-	440,301
Mineral property exploration tax credits	-	(50,488)	(544,016)
TOTAL	2,955,681	103,712	9,107,967

Cumulative property expenditures are from the date of incorporation on August 3, 2011 to September 30, 2021. This table does not include expenditures incurred by third party joint venturers.

All financial information presented below is expressed in Canadian dollars, unless otherwise indicated.

RESULTS OF OPERATIONS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021 \$	2020 \$	2021 \$	2020 \$
Mineral property expenditures	1,060,138	76,857	2,955,681	103,712
Filing and regulatory	1,149	2,230	30,616	13,749
Office and administration	12,508	5,258	38,463	13,674
Professional fees	17,737	-	106,489	-
Rent and utilities	7,500	1,500	14,500	4,500
Share-based payments	51,278	15,300	137,600	115,300
Shareholder communication and travel	79,603	4,906	234,402	12,256
Wages and benefits	59,582	32,112	176,397	63,431
CORPORATE EXPENSES	1,289,495	138,163	3,694,148	326,622
Foreign exchange (gain) loss	-	-	(2,475)	-
Interest income	(6,028)	(114)	(8,090)	(1,867)
Flow-through premium recovery	(138,059)	(14,647)	(343,549)	(40,613)
LOSS AND COMPREHENSIVE LOSS	1,145,408	123,402	3,340,034	284,308

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THREE MONTHS ENDED SEPTEMBER 30, 2021

Northisle incurred a loss of \$1,145,408 (\$0.01 per common share) for the three months ended September 30, 2021, compared to a loss of \$123,402 (\$0.00 per common share) over the same period in 2020. The Company was significantly more active in 2021 than the comparative period of 2020 and the differences in the comparative expenses reflect this.

During the three months ended September 30, 2021, mineral property expenditures increased by \$983,281 compared to the same period in 2020 as the Company has executed on its exploration and development strategy following a significant fundraising in late 2020 and early 2021. Significant activities during Q3 included the conclusion of the Pemberton Hills drilling program and the commencement of the Red Dog drilling program.

Professional fees increased by \$17,737 during the three months ended September 30, 2021, compared to the same period in 2020 due to a general increase in legal activity.

During the three months ended September 30, 2021, share based payments were \$51,278 due to the valuation and the timing of the amortization of recent stock option grants.

Shareholder communication and travel increased by \$74,697 during the three months ended September 30, 2021, compared to the same period in 2020 as the Company increased investor outreach as market conditions and its general activity level improved.

Wages and benefits increased by \$27,470 during the three months ended September 30, 2021, compared to the same period in 2020 due to additional head count associated with an increase in corporate and property related activity.

During the three months ended September 30, 2021, the Company recorded a flow-through premium recovery of \$138,059 compared to a flow-through premium recovery of \$14,647 during the three months ended September 30, 2020, relating to increased exploration activities.

NINE MONTHS ENDED SEPTEMBER 30, 2021

Northisle incurred a loss of \$3,340,034 (\$0.02 per common share) for the nine months ended September 30, 2021, compared to a loss of \$284,308 (\$0.00 per common share) over the same period in 2020. The fluctuations in the Company's corporate costs during the nine months ended September 30, 2021 relate to variances in mineral property expenditures, professional fees, share-based payments, shareholder communication and travel, wages and benefits and flow through premium recovery. The reasons for these fluctuations are explained in the section above that discusses changes for the three months ended September 30, 2021, relating primarily to the significantly increased activity level of the Company following several financings.

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LIQUIDITY AND CAPITAL RESOURCES

For the nine months ended September 30,	2021	2020
	\$	\$
CASH PROVIDED BY (USED IN)		
Operating activities	(3,349,799)	(296,791)
Financing activities	6,871,583	85,000
Investing activities	(146,396)	-
CHANGE IN CASH AND EQUIVALENTS	3,375,388	(211,791)
Cash and cash equivalents – beginning	2,942,711	378,880
CASH AND CASH EQUIVALENTS	6,318,099	167,089

Northisle had \$6,318,099 in cash as at September 30, 2021, compared to \$2,942,711 in cash as at December 31, 2020. As at September 30, 2021, the Company had working capital of \$5,431,216.

The Company will continue to require additional funding to maintain its ongoing exploration and development programs, property maintenance payments and operations. Its principal source of funds is the issuance of common shares. Northisle's common shares are publicly traded. As such, the price of its common shares is susceptible to factors beyond management's control including, but not limited to, fluctuations in commodity prices and foreign exchange rates and changes in the general market outlook. Should Northisle require funds during a time when the price of its common shares is depressed, the Company may be required to accept significant dilution to maintain enough liquidity to continue operations or may be unable to raise sufficient capital to meet its obligations.

Operating Activities

The main components of cash flows used for operating activities are discussed in the Results of Operations section, above.

Financing Activities

During the nine months ended September 30, 2021, the Company completed a non-brokered private placement for gross proceeds of \$7,102,357. The Company did not raise any funds during the nine months ended September 30, 2020.

During the nine months ended September 30, 2021, the Company received \$84,166 from the exercise of stock options. During the nine months ended September 30, 2020, the Company received \$85,000 from the exercise of stock options.

Investing Activities

During the nine months ended September 30, 2021, the Company purchased equipment totaling \$146,396. The Company did not purchase any equipment during the nine months ended September 30, 2020.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited quarterly financial information derived from financial information for each of the eight most recent quarters.

As at and for the quarter ended	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
	\$	\$	\$	\$
Loss and comprehensive loss	1,145,408	1,417,645	777,480	908,483
Loss per share – basic and diluted	0.01	0.01	0.01	0.01
Cash and cash equivalents	6,318,099	7,199,275	9,058,688	2,942,711
Total assets	16,667,732	17,546,024	19,311,131	13,038,747
As at and for the quarter ended	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19
	\$	\$	\$	\$
Loss and comprehensive loss	123,402	20,354	140,552	29,395
Loss per share – basic and diluted	-	-	-	-
Cash and cash equivalents	167,089	274,164	347,019	378,880
Total assets	10,244,819	10,343,777	10,702,546	10,817,893

Mineral exploration and development 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 common shares. When 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 on favourable terms, the Company's activity levels and the size and scope of planned exploration and development programs will also increase.

During the three months ended September 30, 2021, and June 30, 2021, Northisle's loss and comprehensive loss increased compared to previous quarters as the Company's exploration and drilling program was ongoing. As market conditions improved the Company also increased investor outreach and marketing activities during three months ended September 30, 2021, and June 30, 2021.

During the three months ended March 31, 2021, the Company completed a non-brokered private placement for gross proceeds of \$7.1 million. The Company had also begun a drilling and exploration program and published its 2021 PEA Report during the three months ended March 31, 2021. Both these items increased mineral property expenditures.

During the three months ended December 31, 2020, the Company completed a non-brokered private placement for gross proceeds of \$3.2 million. The Company's loss and comprehensive loss for the three months ended December 31, 2020, was larger than previous quarters due to an increase in share-based payments associated with stock option grants that took place during quarter.

RELATED PARTY TRANSACTIONS

Management compensation

The Company's related parties include its directors and officers, who are the key management of the Company. The remuneration of directors and officers during the periods presented was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Salary and Wages	70,000	29,187	217,265	55,031
Share-based payments	31,027	15,300	105,809	115,300
MANAGEMENT COMPENSATION	101,027	44,487	324,074	170,331

OUTSTANDING SHARE DATA

As at the date of this report, the Company has 168,864,104 common shares outstanding. The Company also has 12,593,333 stock options outstanding with exercise prices ranging from \$0.07 - \$0.34 per stock option.

CONTRACTUAL OBLIGATIONS

The Company has no off-balance sheet arrangements, no capital lease agreements and no contractual obligations. Neither the Company nor any of its subsidiaries has any externally imposed capital requirements. The Company has no proposed transactions.

FINANCIAL INSTRUMENT RISK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to liquidity, credit, and market risk from the use of financial instruments. Financial instruments consist of cash, certain other assets, and accounts payable and accrued liabilities.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company uses cash forecasts to ensure that there is sufficient cash on hand to meet short-term business requirements. Cash is invested in highly liquid investments which are available to discharge obligations when they come due. The Company does not maintain a line of credit.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash. These financial instruments are at risk to the extent that the institutions issuing or holding them cannot redeem amounts when they are due or requested. To limit its credit risk, the Company uses a restrictive investment policy. It deposits cash and cash equivalents in Canadian chartered banks. The carrying amount of financial

Northisle Copper and Gold Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2021

assets recorded in the financial statements, net of any allowance for losses, represents Northisle's maximum exposure to credit risk.

Market risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments.

As at September 30, 2021, the carrying amounts of cash, other assets, and accounts payable and accrued liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments.

Northisle Copper and Gold Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2021

Cautionary Statement Regarding Forward Looking Information

This MD&A contains "forward-looking information" and "forward-looking statements" (referred to together herein as "forward-looking statements"). Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements are not historical facts. Forward-looking 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 forward-looking statements.

Forward-looking statements in this MD&A include, but are not limited to:

- statements related to the North Island Project and the Company's planned and future activities on the North Island Project;
- the anticipated timing and results of future exploration and drilling of the North Island Project and the Company's assumptions and estimates used in its drill results, the interpretation of those results and its resource estimates;
- statements related to Northisle's ability to implement its business strategies associated with its mineral exploration and production;
- discussions of results from operations (including, without limitation, statements about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial), business prospects, future business plans and opportunities;
- expectations regarding the ability of the Company to raise capital and to continue its exploration and development plans on its properties; and
- statements as to management's expectations with respect to, among other things, the activities contemplated in this MD&A.

Forward-looking statements are necessarily based upon a number of estimates and assumptions, including assumptions with respect to the factors below, that, while considered reasonable by the Company, are inherently subject to significant risks and uncertainties. Known and unknown factors could cause actual results to differ materially from those anticipated in the forward-looking statements, including, but not limited to, the following:

- mineral resource calculations are only estimates;
- significant uncertainty exists related to inferred mineral resources;
- actual capital costs, operating costs and production, and economic returns may differ significantly from those described in the 2021 PEA;
- mining operations require geologic, metallurgic, engineering, title, environmental, economic and financial assessment that may be materially incorrect and thus the Company may not be able to produce as expected;
- the Company does not have any operating revenue;
- the mineral exploration industry is intensely competitive;
- additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company;

Northisle Copper and Gold Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2021

- failure to maintain relationships with the communities in which the Company operates and other stakeholders may adversely affect the Company's business;
- fluctuations in the demand for copper and gold;
- the Company's exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted;
- the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations;
- there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned;
- public health crises such as the COVID-19 pandemic may adversely impact the Company's business; and
- the other factors, risks, and uncertainties described in the Company's Annual Information Form and Management Discussion & Analysis for the year ended December 31, 2020.

The actual results or performance by Northisle could differ materially from those expressed in, or implied by, any forward-looking statements. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of the Company. Northisle is under no obligation to update any forward-looking statements, except as required by applicable securities law.