



## **NORTHISLE COPPER AND GOLD INC. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023**

The following management discussion and analysis of Northisle Copper and Gold Inc. ("Northisle" or the "Company") is dated November 21, 2023, and provides an analysis of the Company's results of operations for the three and nine months ended September 30, 2023.

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 Northisle's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2023, the Northisle audited consolidated financial statements for the year ended December 31, 2022, and the notes thereto prepared in accordance with 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 (the "Project") on Vancouver Island. The 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.

### **RECENT HIGHLIGHTS:**

- On October 23, 2023, the Company announced an exploration update which highlighted that a total of 19 drill holes for 8,491m had been completed across various targets at the North Island Project and additional drill holes were underway in a Phase 3 program at Northwest Expo.
- On September 27, 2023, Northisle announced the results of drill hole NW23-13 which intercepted 130m grading 1.65g/t Au and 0.33% Cu including 15m grading 3.42g/t Au and 1.15% Cu at Northwest Expo. The latter intercept included large clasts of quartz stockworked feldspar porphyry which suggests the existence of a porphyry source to the mineralization in an interpreted down-faulted block to the southeast of Zone 1 at Northwest Expo.
- On September 11, 2023, the Company announced initial drill results from its 2023 program at Northwest Expo including several mineralized intercepts within the gold-enriched Zone 1.
- On July 17, 2023, Northisle received a 5-year area-based permit covering the Pemberton Hills target area. This permit allows the company to conduct extensive exploration drilling on this very

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large, tilted copper-gold porphyry target where geophysical exploration has identified at least 14 potential drill targets.

- On May 25, 2023, Northisle announced it had received a 5-year area-based permit for the Northwest Expo and Red Dog / Goodspeed areas and had mobilized a drill for its 2023 exploration program. This program includes an initial 4,000 meters of drilling at the Northwest Expo target, and included a further 4,000 meters of drilling which is being allocated by management based on the results of drilling.
- In addition, the Company announced its 100%-owned subsidiary North Island Mining Corp. ("NIMC") had signed an agreement with the Tlatasikwala First Nation ("TFN") which provides for collaboration between the parties in respect of the Company's exploration programs.
- On January 23, 2023, Northisle announced the results of an extensive geophysical exploration program at the North Island Project which identified a total of 41 potential drill targets across multiple areas. The Company commenced follow-up on these targets during its 2023 exploration program.
- On December 7, 2022, Northisle announced NIMC had entered into an agreement with Quatsino First Nation which provides an open, honest, transparent and fair process through which NIMC can conduct certain activities on its North Island Project within Quatsino Territory. This agreement is the culmination of many years of mutually respectful engagement between the parties and forms a framework for continued engagement.

## **CORPORATE DEVELOPMENT**

### **Private Placements**

On March 6, 2023, the Company closed a private placement raising gross proceeds of \$2,002,935 by issuing 12,139,000 common shares of the Company at a price of \$0.165 per common share. Three of the Company's cornerstone investors, Donald K. Johnson, Michael Gentile, and Dale Corman, participated in the Private Placement, with Donald K. Johnson increasing his position to approximately 9.97%, while Michael Gentile participated on a *pro rata* basis to maintain his approximate 9.98% partially diluted stake, and Dale Corman increased his position to 11.64% on a partially diluted basis. Sam Lee, Northisle President and CEO, also participated in the private placement.

On June 23, 2022, the Company completed a non-brokered private placement issuing 16,249,500 charity flow-through common shares at a price of \$0.40 per common share and 1,615,000 flow-through common shares at a price of \$0.31 per common share for gross proceeds of \$7,000,450. The company is exploring for critical minerals, including copper, and as such the expenditures are anticipated to qualify for enhanced tax credits for investors. Northisle was one of the first companies in Canada to take advantage of the new Critical Metals Exploration Tax Credit.

## **PROPERTY OVERVIEW AND DEVELOPMENT**

### **The North Island Project**

The Project is an advanced stage copper-gold porphyry project containing the Hushamu and Red Dog Deposits and six other partially explored mineral occurrences of porphyry 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 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") current technical report entitled "North Island Copper and Gold Project NI 43-101 Technical Report Preliminary Economic Assessment", was re-issued on May 27, 2022 with an effective date of February 4, 2021 and has

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been filed by the Company on [www.sedar.com](http://www.sedar.com) and its website at <https://northisle.ca>. Northisle has completed additional exploration work across the Project during 2021 and 2022.

### **2021 Preliminary Economic Assessment**

The Company filed a report describing the results of the 2021 preliminary economic assessment (the 2021 PEA" or the "Report") on SEDAR on March 22, 2021. The 2021 PEA was subsequently re-filed on June 8, 2022 with augmented discussion of data verification, economic analysis and site visits by qualified persons following a voluntary disclosure review requested by the Company as it prepared for short-form prospectus eligibility in the first half of 2022. There were no changes to any of the factual information in the report. The 2021 PEA updates on the 2017 preliminary economic assessment for the Project, 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
- 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.

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

**Table 1: Key Performance Indicators for the 2021 PEA**

	Production			AISC		After-tax Avg. Free Cash Flow	After-tax NPV (8%)	After-tax IRR	GHG Emissions (kg CO2e/lb)	
	Cu (mm lbs)	Au (koz)	Cu Eq. (mm lbs)	Cu (\$/lb)	Cu Eq. (\$/lb)	\$ mm	\$ mm	%	Cu	Cu Eq.
<b>First 6 years average</b>	112.1	111.8	177.5	\$0.77	\$2.01	321				
<b>Life of mine ("LOM") average</b>	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](http://www.sedar.com) under the Company's profile, or on the Company's website at <https://www.northisle.ca/north-island-project/technical-reports/>.

**Northwest Expo Drilling**

Northwest Expo has been the subject of several drill programs dating back to at least 2005. Current exploration is focused on gaining a better understanding of three zones, labelled Zone 1, Zone 2, and Zone 3. Zone 1 contains significant intercepts of gold-rich copper porphyry related mineralization and is a compelling target for near-term exploration. Zone 2 exhibits extensive faulting and may represent a down faulted block. Zone 3 contains historic drill intercepts of significant (>0.1% Cu) copper-gold porphyry mineralization from 91 metres to 176 metres in length.

The objective of the 2021 program at Northwest Expo was to drill test anomalies indicated by limited induced polarization (IP) geophysical surveys completed in 2012. A review of historical drilling from 2005 and 2007, and updated with additional data from 2008, identified several intercepts of economically significant gold and copper which are detailed below. Figure 1 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 anomaly is open to the northeast. The IP/Mag survey carried out in 2022 covered that un-surveyed area.

Significant 2021 drill hole assays at Northwest Expo Zone 1 are shown, along with nearby historical drill holes in Zone 1, in Table 2. NW 21-03 intersected 84.8m grading 0.92g/t Au and 0.19% Cu, filling in and confirming historical drilling. NW21-04 intersected 33m grading 0.358g/t Au and 54m grading 0.258g/t Au, extending the gold-rich zone at Northwest Expo by approximately 175m to the east, albeit at lower grade. Additional holes were completed in Zones 2 and 3 and provided a better understanding of the porphyry system at Northwest Expo.

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**Table 2: Zone 1 Significant Intercepts**

Hole ID	From (m)	To (m)	Interval (m)	True Width (m)	Au Grade (g/t)	Cu Grade (%)	Mo Grade (%)	Re Grade (g/t)	Cu Eq. Grade (%)	Au Eq. Grade (g/t)
<b>NW21-03</b>	<b>280.25</b>	<b>365.05</b>	<b>84.8</b>	<b>84.0</b>	<b>0.92</b>	<b>0.19</b>	<b>0.005</b>	<b>0.17</b>	<b>0.89</b>	<b>1.20</b>
<b>Including</b>	<b>280.3</b>	<b>305.0</b>	<b>24.8</b>	<b>24.8</b>	<b>1.30</b>	<b>0.10</b>	<b>0.007</b>	<b>0.30</b>	<b>1.09</b>	<b>1.47</b>
<b>NW21-04</b>	<b>373</b>	<b>406</b>	<b>33.0</b>	<b>33.0</b>	<b>0.36</b>	<b>0.07</b>	<b>0.012</b>	<b>0.35</b>	<b>0.38</b>	<b>0.51</b>
<b>and</b>	<b>431</b>	<b>485</b>	<b>54</b>	<b>54</b>	<b>0.26</b>	<b>0.05</b>	<b>0.008</b>	<b>0.28</b>	<b>0.27</b>	<b>0.37</b>
<b>and</b>	<b>500</b>	<b>510</b>	<b>10</b>	<b>10</b>	<b>0.11</b>	<b>0.05</b>	<b>0.006</b>	<b>0.23</b>	<b>0.15</b>	<b>0.20</b>
EC-218	323.8	438	114.2	114.0	0.53	0.11	0.004	*	0.70	0.70
EC-228	151.85	221.9	70.1	70.0	1.15	0.22	0.018	*	1.13	1.52
EC-233	329.2	423.7	94.5	94.0	0.86	0.13	0.002	*	0.77	1.04
EC-234	286.5	384.0	97.5	97.5	0.94	0.16	0.003	*	0.87	1.17
EC-245	148.0	264.9	116.9	110.0	1.18	0.15	0.001	*	1.03	1.39
<b>Including</b>	<b>234.7</b>	<b>264.9</b>	<b>30.2</b>	<b>28.4</b>	<b>2.03</b>	<b>0.25</b>	<b>0.001</b>	<b>*</b>	<b>1.76</b>	<b>2.37</b>
EC08-254	270.00	386.00	116.0	95.0	1.00	0.17	0.005	0.37	0.93	1.26
<b>Including</b>	<b>322.0</b>	<b>352.0</b>	<b>30.0</b>	<b>24.6</b>	<b>1.50</b>	<b>0.21</b>	<b>0.008</b>	<b>0.24</b>	<b>1.35</b>	<b>1.82</b>

\* Not analyzed in historical drilling. For Au Equivalent g/t and Cu Equivalent % calculations used a value of 0.001g/t Re.

**Bolded** holes are from 2021 drilling

Copper and gold equivalent calculations based on the following metal prices which were used in the Company's 2021 PEA on the Project: Cu = US\$3.25/lb, Au = US\$1,650/oz, Mo = US\$10/lb, Re = \$1,256/kg. Calculations assume 100% recovery; totals may not add due to rounding

**Note on equivalent calculation:**

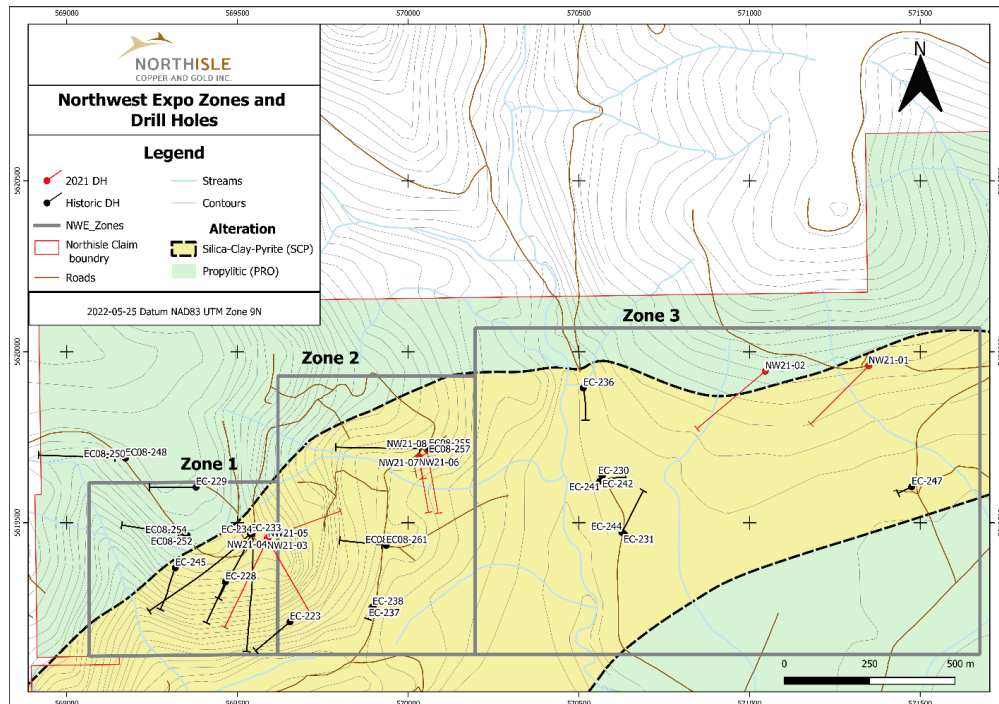
Copper equivalent is determined by calculating total contained metal value/tonne, dividing by the copper price, and then dividing the resultant number of pounds of copper by 2204.6. Gold equivalent is determined by calculating total contained metal value/tonne, dividing by the gold price, and then multiplying the resultant number of troy ounces of gold by 31.103

Note: Drill holes released in 2023 have not yet been added to this table but can be found in Northisle's recent press releases.

The observed styles of alteration and mineralization in drill holes at Northwest Expo are consistent with the current (2023) hypothesis that this porphyry system is tilted to the northeast so that the core of the porphyry system lies to the south.

A plan view of Northwest Expo, showing the above drill holes, can be found in Figure 1 below.

**Figure 1: Northwest Expo Zones and Drill Holes**



Collar data for the relevant drill holes in Zones 1, 2 and 3 can be found on the Company's website [here](#).

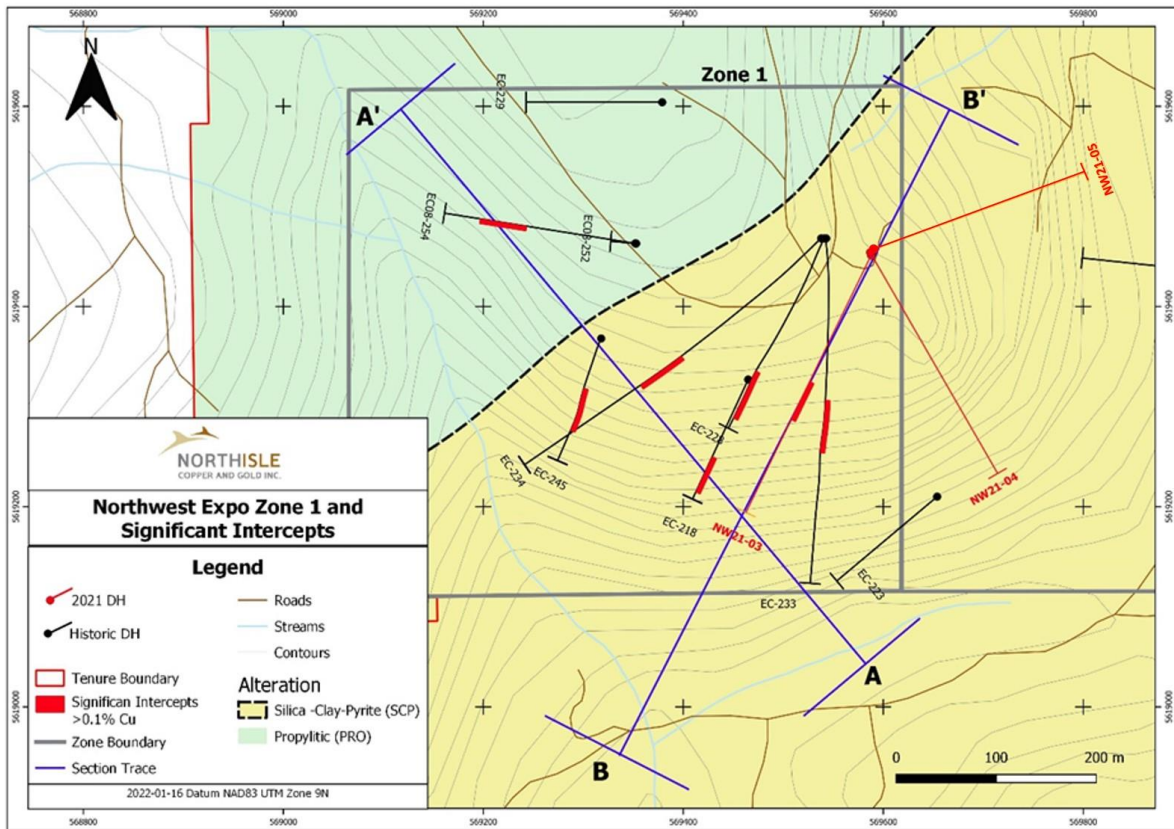
### Zone 1 – Gold-rich Porphyry Target

The mineralization at the Northwest Expo target is similar to that found at Island Copper, Hushamu, Red Dog and Goodspeed. The gold-rich zone is underlain by Jurassic Bonanza Formation andesitic volcanics, flows and feldspar porphyry dykes and minor diorite with intense silica-clay-pyrite alteration imposed upon them, as well as hydrothermal breccias and silica immiscibility textured rocks emanating from an aurally extensive hydrothermal system. Mineralization occurs predominantly in characteristic chlorite-quartz-magnetite+/-sericite altered rocks (CMG).

Figure 2 shows the location of current and historical drill holes in Zone 1, including significant intercepts (> 0.1% Cu) of drilling to date as well as the location of two cross-sections detailed in Figure 3 (Section A-A') and Figure 4 (Section B-B'). Table 2 details the grades of those intercepts.

Drill hole NW21-03 is of particular interest as it confirms a zone of high-grade gold-copper porphyry mineralization which extends from EC-254 in the west approximately 480 meters horizontally to NW21-03 in the east, and from EC-254 in the north 120 metres horizontally to EC-228 in the south, for an interpreted total extent of at least 500 meters strike length by between at least 240 - 480 metres dip length (Sections A-A' and B-B' in Figure 3 and Figure 4 respectively). Drill holes which intersect this zone have significant mineralized intercepts (>0.1% Cu) ranging from 70 metres to 116 m in length, and an interpreted average true width of 86 metres.

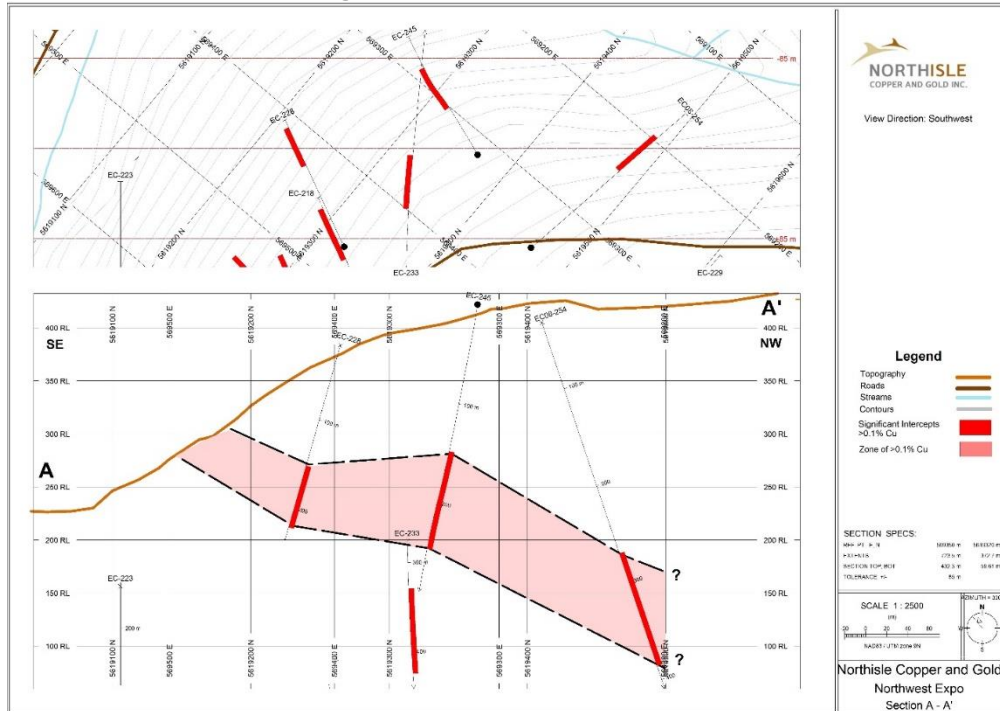
**Figure 2: Zone 1 Drill Holes and Significant Intercepts**



It was observed in several historic holes and in NW21-03 and NW21-04 assays that a zone with higher molybdenum and rhenium grades occurs above and overlaps with the intercepts noted in Table 2. Rhenium is closely associated with molybdenum. None of the 2005-2007 holes were analyzed for rhenium. Northisle plans to carry out check re-assays of those holes for Cu, Au, Mo and Re.

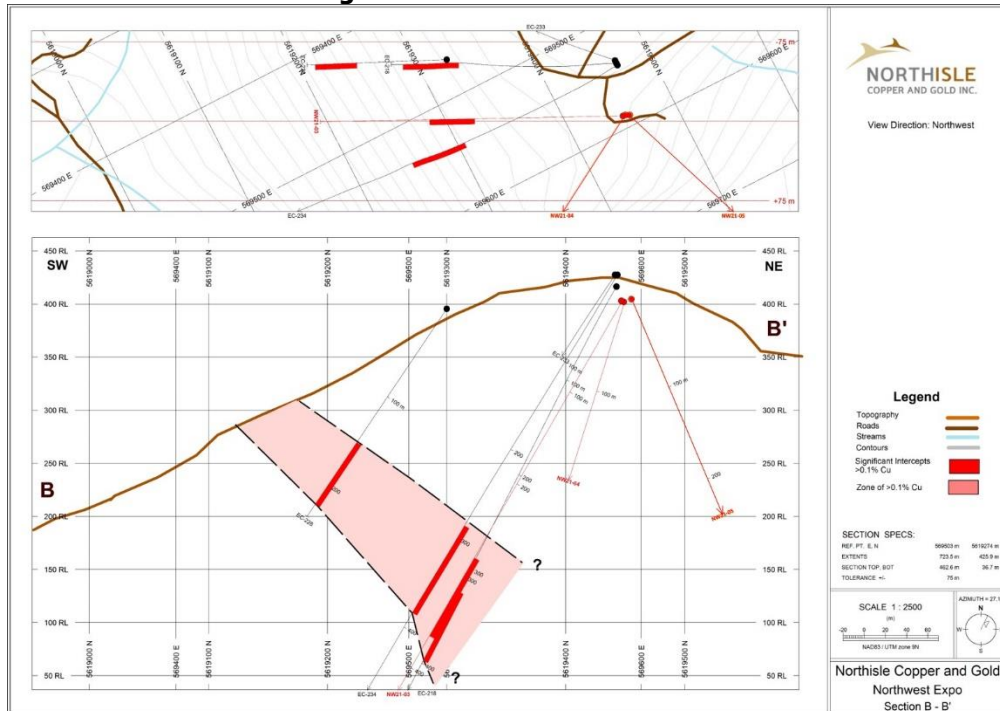


**Figure 3: Zone 1 Section A-A'**



NOTE: Please refer to Table 2 for details of the assays of the significant intercepts.

**Figure 4: Zone 1 Section B-B'**



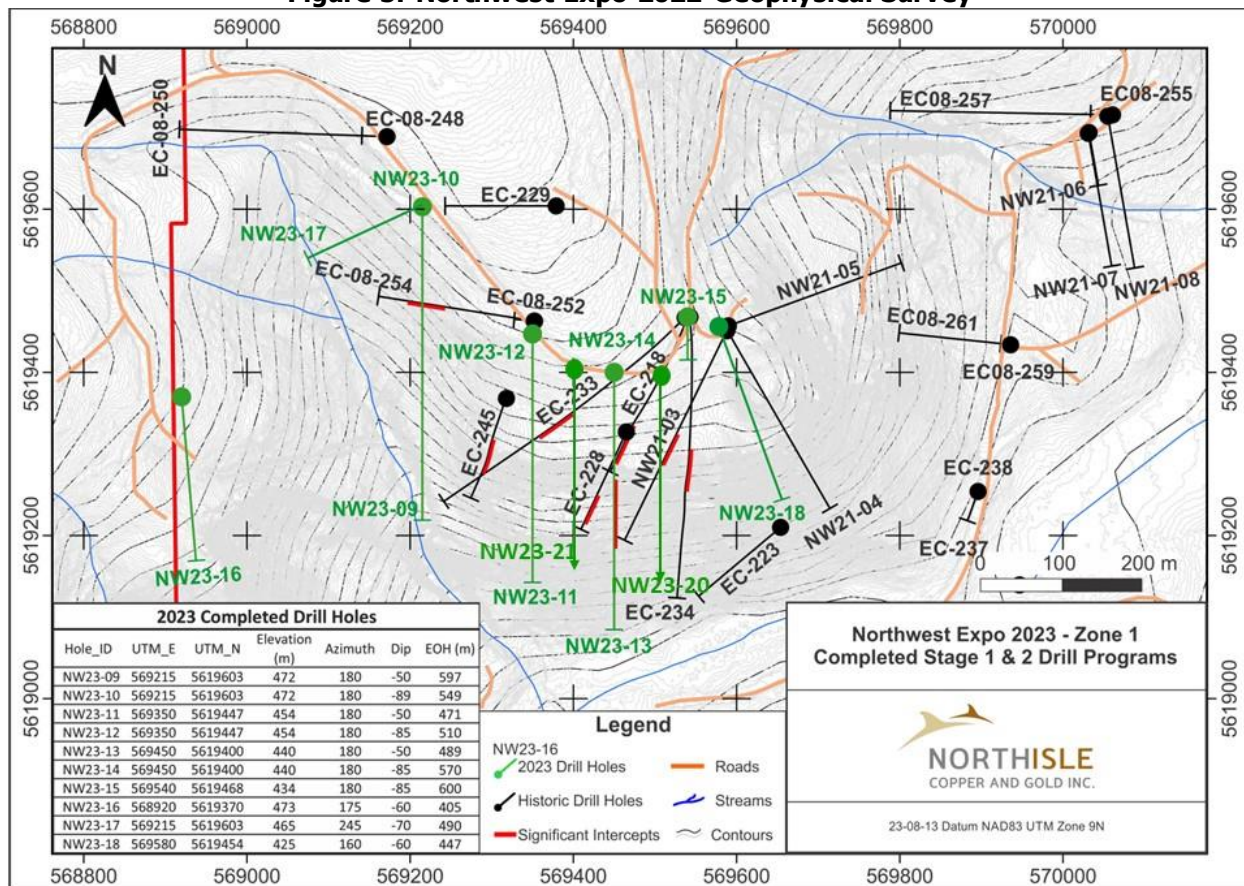
NOTE: Please refer to Table 2 for details of the assays of the significant intercepts.

The geophysical survey completed during Q4 2022 covers the existing gold-rich Zone 1 as well as the area northeast of this zone, including an area where historical drill hole EC-236 intersected 176.4m grading 0.12% Cu, 0.09g/t Au and EC-242 intersected 91.5m grading 0.18%Cu and 0.15g/t Au. Other holes in the



area failed to penetrate overburden. Based on geological field work and alteration mapping carried out in 2022, it is now hypothesized that the porphyry system which created the mineralization found in Zone 1 may be found south of the area defined as Zone 1. See Figure 5.

**Figure 5: Northwest Expo 2022 Geophysical Survey**



The objective of the geophysical survey was to test the area of the trend of silica-clay-pyrite alteration within which historic holes EC-236 intersected 176.4 metres @ 0.12% Cu, 0.09g/t Au and EC-242 intersected 91.5 metres @ 0.15% Cu, 0.18g/t Au. These intercepts are peripheral to a large chargeability anomaly to the west that has not been drill tested.

The geophysical survey defined 13 preliminary drill targets in addition to the Zone 1 area to be drilled. Eight of the targets are within the untested area of high chargeability (>12mV/V) noted above.

Northisle has now completed the first and second phases of its 2023 drill program at Northwest Expo, with 10 holes totaling 5,031 metres. Results are pending for NW23-14 through NW23-18. A third phase was commenced which includes holes NW23-19 through NW23-26, anticipated to be complete by the first week of December, 2023. Additional surface exploration in the Northwest Expo area, including outcrop mapping and analysis of surface clays has identified a prospective higher-temperature zone to the south of Zones 1, 2 and 3 which is prospective for future drilling. Two holes (NW23-19 and NW23-22) were drilled in this area to aid in vectoring towards the hydrothermal upflow zone of the porphyry system.

**Hushamu Drilling**

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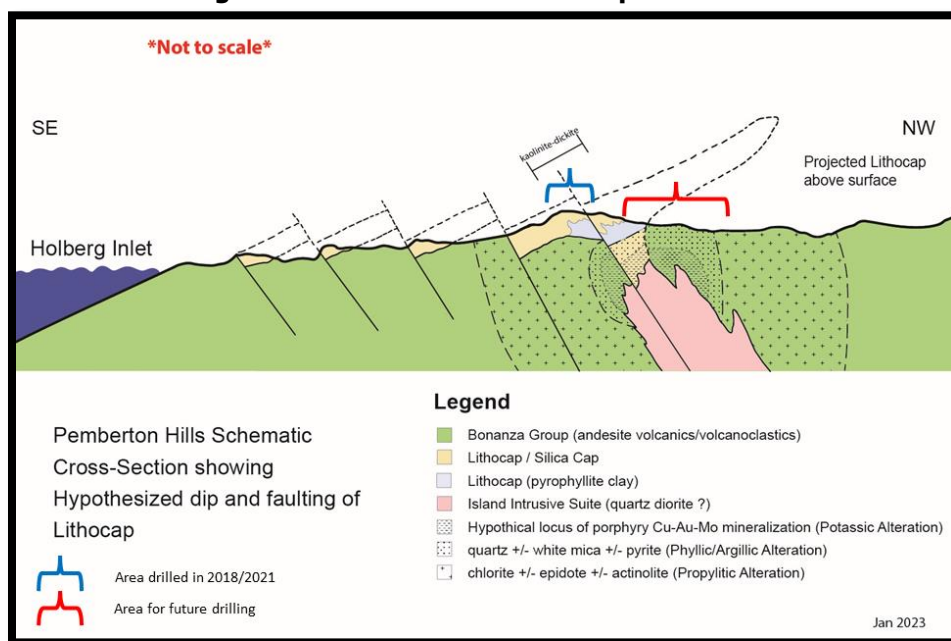
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Ten planned drill holes at Hushamu were completed in 2021-2022, totalling 4,934 metres. Drilling at Hushamu was paused to allow the drill to test the targets at McIntosh, as described below. The holes completed during late 2021 and early 2022 were targeted at filling in an under-drilled volume to the southwest of the resource and intercepted mineralization consistent with that found elsewhere in the Hushamu Deposit. The objective of that drilling program was to test areas near the defined resource with potential for increasing the global resource. Assays from 2021 and 2022 drilling at Hushamu have indicated that the potential exists to upgrade the grade in certain under-drilled areas of the resource within the conceptual pit outline considered during the 2021 PEA. In addition, HU22-06 demonstrated that mineralization extends more than 180m beyond the modelled pit shell. Additional in-fill drilling is required, with the objective of elevating approximately 100 million tonnes of in-pit Inferred Resources to Indicated as well as additional step-outs adjacent to the 2021 PEA pit shell. See the Company's [August 2022 press release](#) for more details.

### Pemberton Hills Exploration

At Pemberton Hills, the geological model has evolved significantly since 2021, when four drill holes were completed in the lithocap occurring at the top of the Pemberton Hills porphyry system, which is now interpreted to be tilted approximately 40 to 50 degrees to the southwest. See Figure 6 for a conceptual cross section of the system.

**Figure 6: Pemberton Hills Conceptual Section**



This reinterpretation is a result of the integration of the results of Northisle's work with a previously confidential report (to December 31, 2022) completed by researchers from Lakehead University, the University of Tasmania's Centre for Ore Deposits and Earth Sciences, UBC's Mineral Deposit Research Unit and the BC Geological Survey. Utilizing this integrated model, the indications are that the core of the porphyry system is to the northeast of the location of previous work carried out on the target.

As a result, Northisle specified a target area for geophysics (see Figure 7), which was anticipated to help identified the key subsurface structures which might support the overall thesis. The completed survey included a total of 23.55 line-kilometers covering an area of 4.4 km by 2.2 km.

**Figure 7: Pemberton Hills Plan Map with Drill Holes and Surface Alteration**

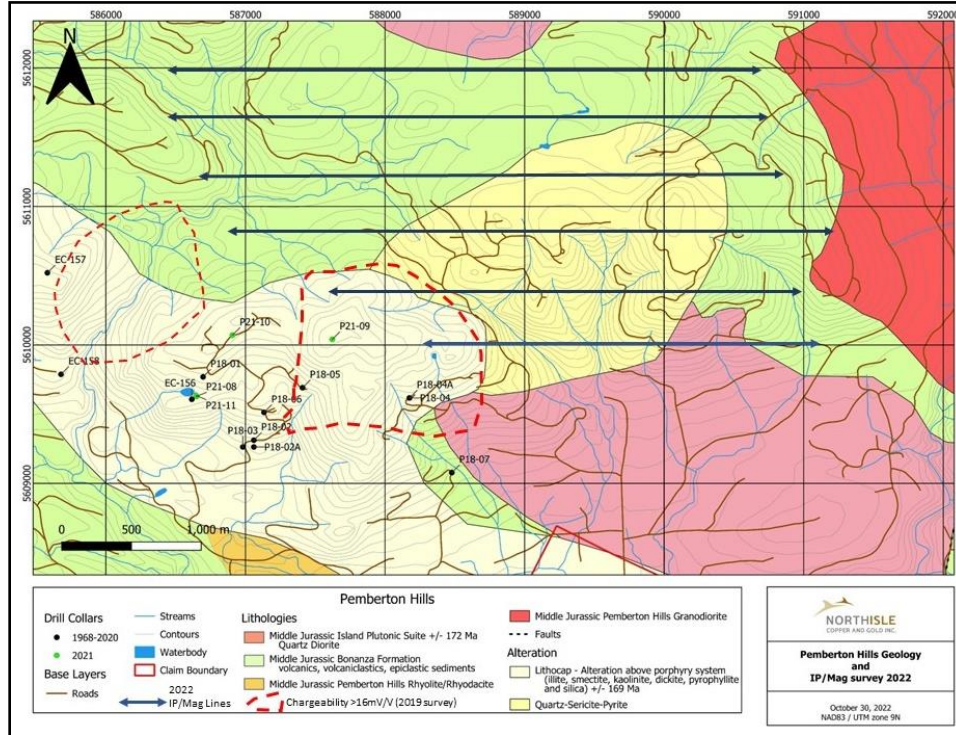
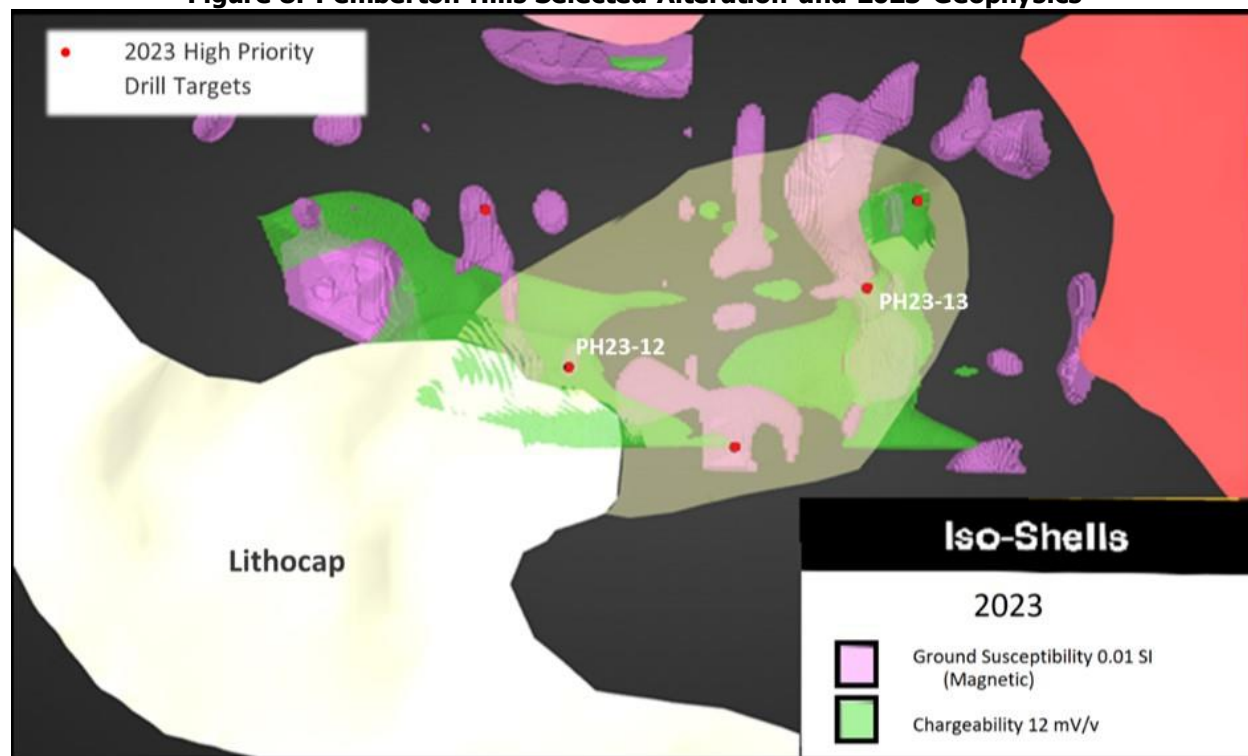


Figure 8 shows the chargeability and coincident magnetic anomalies resulting from the geophysical survey. In context with quartz-sericite-pyrite alteration 1.5km wide by 2.5km long northeast of the lithocap, the anomalies are consistent with the reinterpretation and are typical of porphyry systems elsewhere. The researchers used clay mineral and pyrite analysis, whole rock trace element ratios plus alteration mineral trace element ratios and alteration mineral fertility assessments as key markers for vectoring towards the centre of hydrothermal upflow from the porphyry. These are consistent with the conclusion that Pemberton Hills is a large and highly attractive target for exploration.



**Figure 8: Pemberton Hills Selected Alteration and 2023 Geophysics**



Fourteen preliminary targets have been defined by coincident high IP chargeability and magnetic susceptibility within or adjacent to the mapped quartz-white mica-pyrite alteration zone. Five of these have been selected as highest priority targets and are now permitted for drilling. The holes are planned to be oriented to drill through the high chargeability anomalies into the magnetic anomalies which are considered to be the most likely host of potential mineralization in the porphyry system. Two of these holes have been completed during 2023, labelled PH23-12 and PH23-13 in the figure above, and totalling 1,035 metres. Results are pending.

### Red Dog / Goodspeed

At Red Dog and Goodspeed, a geophysical survey totalling 15.79 line-kilometres was completed in late 2022 over an area of 3,500m by 850m from the Red Dog deposit (see Figure 9) extending east to Goodspeed. At Goodspeed, a stockwork of chlorite-magnetite alteration (CMG) containing chalcopyrite-bornite mineralization occurs at surface, and four historic, shallow drill holes intersected significant copper mineralization (see Table 3).

Recent alteration mapping at Goodspeed has outlined a large area of silica-clay-pyrite (SCP) alteration with a 500m by 350m core of CMG alteration containing quartz-magnetite stockwork veining and minor chalcopyrite-bornite mineralization. The CMG alteration and copper mineralization is analogous to other known occurrences in the area, and historical drilling in the 1960s and 1990s intersected encouraging copper values.

**Table 3: Selected Significant Intercepts from Historical Goodspeed Drilling**

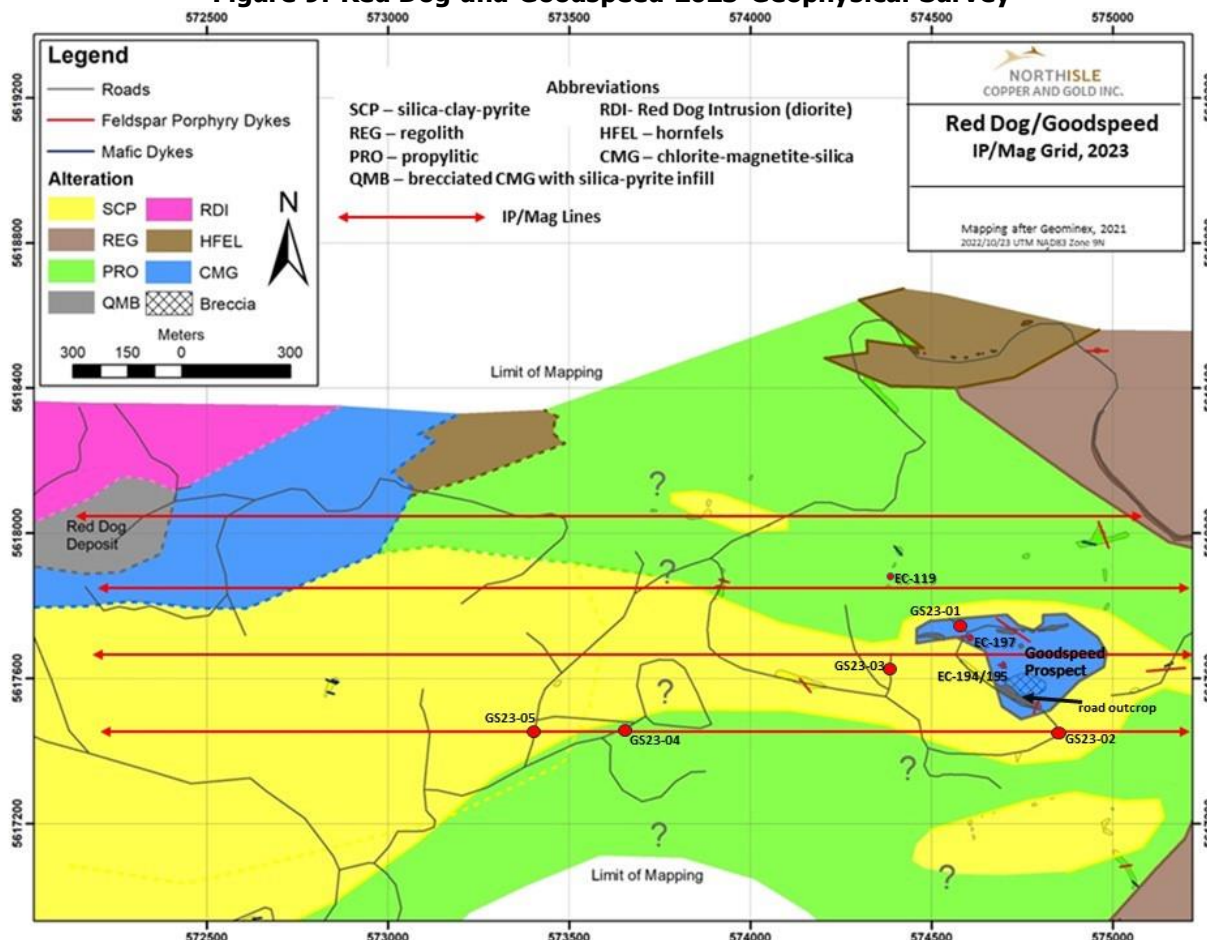
DDH	UTM_E	UTM_N	Azimuth	Dip	Length (m)	From (m)	To (m)	Intercept (m)	Copper (%)
EC-119*	574401	5617878	224	-45	157.3	45.72	70.1	24.38	0.30%
EC-194	574716	5617574	0	-45	126.5	6	30	24.0	0.135%

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<b>EC-195</b>	574716	5617574	0	-90	49.4	9	36	27.0	0.188%
<b>EC-197</b>	574570	5617654	3	-45	105.2	12	84	72.0	0.192%

\* EC-119 was reported as containing 24m of 0.32% Cu in a report by Equity Engineering Ltd. in April 2006. The collar data has been confirmed but the depth of the interval has not yet been verified.

**Figure 9: Red Dog and Goodspeed 2023 Geophysical Survey**



The Red Dog/Goodspeed 2022 geophysical survey confirmed a 2.5km eastward extending chargeability anomaly from Red Dog to Goodspeed which is consistent with the extent of the silica-clay-pyrite alteration observed at surface mapped in 2021. Fourteen first and second priority chargeability and magnetic anomaly targets were defined, of which eight were recommended for first phase drilling. Five of these were selected for drill testing in 2023 (GS23-01 through GS23-05) and have been completed in this area as shown in Figure 9. Results are pending, however preliminary interpretation of alteration indicates proximity to a potential large hydrothermal system. Further analysis is needed to improve vectoring for future exploration.

**South McIntosh**

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 southeast 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 was completed in mid-November and along with TerraSpec clay analyses helped provide targets for drill testing during Q1 2022.

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Drilling of nine holes totalling 3,589m at Macintosh was completed in 2022 and assays, while not being of significant grade, indicate that Macintosh may be an extension of the same alteration system identified at Hushamu. There are several un-tested areas to the southwest of the target which remain to be tested by future drill programs.



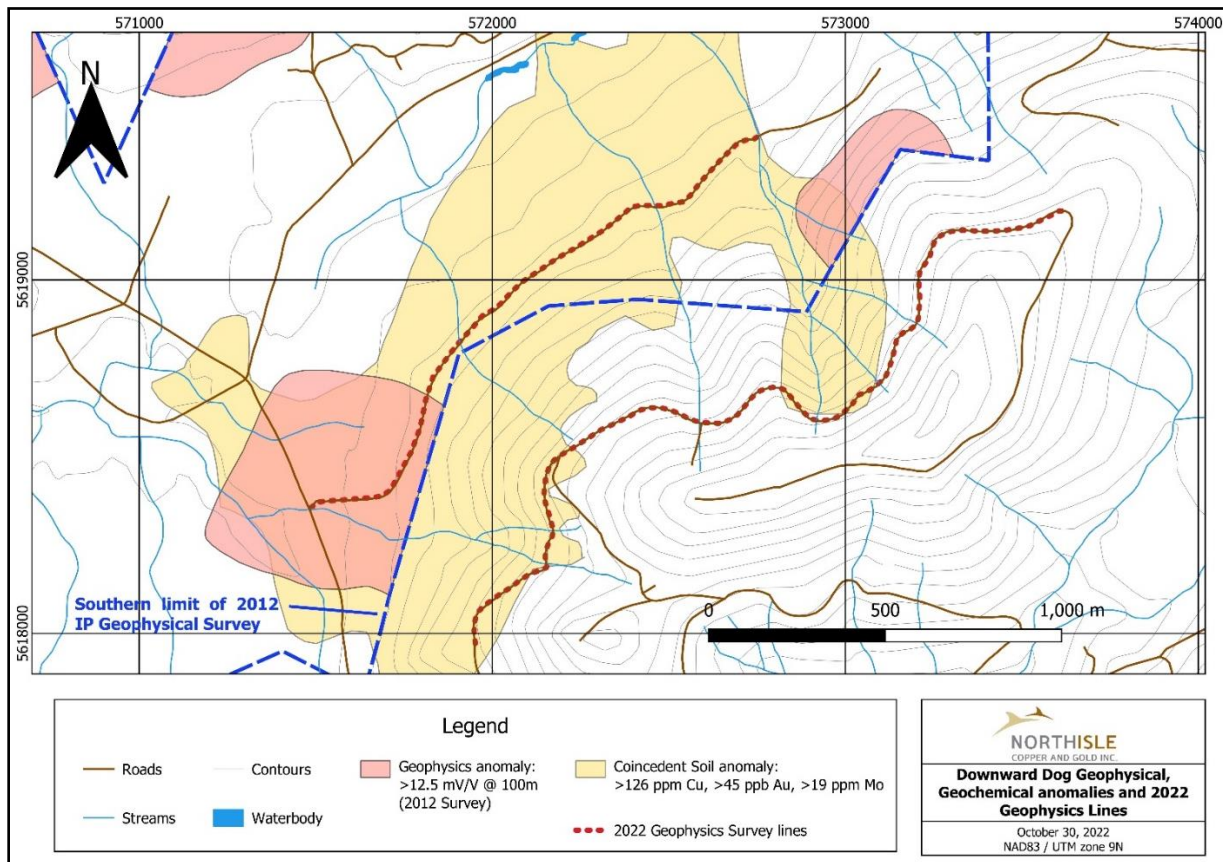
**South HEP Target**

During aerial reconnaissance of the area in October 2021 a 500m wide area was exposed by three slides in a logged area 2.5km northwest of the Hushamu deposit that exhibited colour anomalies similar to SCP alteration observed on the Company's other deposits and targets. At the southern extent of a 2019 IP survey lines to the north and east of this exhibit chargeability anomalies. Reconnaissance exploration is anticipated to commence in this area during 2024.

**New Downward Dog Target**

During analysis of historic IP geophysics and soil geochemistry it was observed that north and northeast of the Red Dog Deposit (see Figure 10) the south and southeast limit of a previous IP survey indicated >17.5 mV/V chargeability anomalies at 40m and 100m depths. A 2005 soil geochemistry survey in this area of no outcrop was found to exhibit coincident anomalies (95th percentile) of >128ppm Cu, >87ppb Au, >34ppm Mo with a peripheral anomalous zone of >194ppm Zn. This coincident Cu, Au, Mo anomaly along with the peripheral zinc anomaly is typically seen above porphyry deposits. An IP/magnetics survey was carried out during Q4 2022 along two logging roads and has identified five preliminary targets for drill testing. No additional work was carried out on this target during 2023.

**Figure 10: Downward Dog 2012 IP Anomaly, 2005 Soil Geochem Anomaly, 2022 IP / Mag**



**Northisle Copper and Gold Inc.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2023

**Mineral Property Expenditures**

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

	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Cumulative Property Expenditures
	\$	\$	\$
Amortization of equipment	8,009	46,891	164,643
Claims costs	-	824	42,402
Community engagement	313,174	198,227	740,842
Engineering	74,027	100,252	2,821,416
Exploration and camp support	2,892,639	3,376,568	14,631,383
Environmental and permitting	195,245	456,044	1,228,090
Salary and wages	217,500	147,500	917,801
Mineral property exploration tax credits	-	-	(544,016)
<b>TOTAL</b>	<b>3,700,594</b>	<b>4,326,306</b>	<b>20,002,561</b>

Cumulative property expenditures are from the date of incorporation on August 3, 2011 to September 30, 2023. 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,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Mineral property expenditures	2,123,022	856,135	3,700,594	4,326,306
Filing and regulatory fees	652	7,246	63,547	78,209
Office and administration	24,789	13,174	82,106	58,964
Professional fees	13,696	12,716	25,318	52,194
Rent and utilities	12,670	10,400	32,770	26,750
Share-based payments (note 7, 8)	153,715	155,258	474,162	454,133
Shareholder communication and travel	75,924	77,451	344,724	381,135
Wages and benefits (note 8)	182,745	171,290	527,031	571,109
<b>CORPORATE EXPENSES</b>	<b>2,587,213</b>	<b>1,303,670</b>	<b>5,250,252</b>	<b>5,948,800</b>
Foreign exchange loss	-	(122)	2,311	197
Interest income	(50,756)	-	(150,566)	(193)
Flow-through premium recovery	(928,568)	(309,364)	(1,606,272)	(751,007)
<b>LOSS AND COMPREHENSIVE LOSS</b>	<b>1,607,889</b>	<b>994,184</b>	<b>3,495,725</b>	<b>5,197,797</b>

**Northisle Copper and Gold Inc.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2023

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**THREE MONTHS ENDED SEPTEMBER 30, 2023**

Northisle incurred a loss and comprehensive loss of \$1,607,889 (\$0.01 per common share) for the three months ended September 30, 2023, compared to a loss of \$994,184 (\$0.00 per common share) over the same period in 2022. The scale and nature of the Company's activity has remained generally consistent throughout these periods, but a few items led to differences in the comparative figures, as follows:

During the three months ended September 30, 2023, mineral property expenditures increased by \$1,266,887 compared to the same period in 2022 as the Company was actively completing its 2023 drilling and exploration program which began in late May 2023.

Interest income increased by \$50,756 during the three months ended September 30, 2023, compared to the same period in 2022 due to an increase in interest bearing balances and the implementation of an enhanced treasury management policy which has increased the rate of return on the Company's funds while maintaining high liquidity and low risk.

During the three months ended September 30, 2023, the Company recorded a flow-through premium recovery of \$928,568 compared to a flow-through premium recovery of \$309,364 during the three months ended September 30, 2022. During the three months ended September 30, 2023, the Company was actively executing its 2023 drilling and exploration program which resulted in a higher flow through premium applicable compared to the three months ended September 30, 2022.

**NINE MONTHS ENDED SEPTEMBER 30, 2023**

Northisle incurred a loss and comprehensive loss of 3,495,725 (\$0.02 per common share) for the nine months ended September 30, 2023, compared to a loss of \$5,197,797 (\$0.03 per common share) over the same period in 2022. The scale and nature of the Company's activity has remained generally consistent throughout these periods, but a few items led to differences in the comparative figures, as follows:

During the nine months ended September 30, 2023, mineral property expenditures decreased by \$625,712 compared to the same period in 2022. While the Company was actively completing its 2023 drilling and exploration program the field work was slightly less than compared to the nine months ended September 30, 2022.

Interest income increased by \$150,373 during the nine months ended September 30, 2023, compared to the same period in 2022 due to an increase in interest bearing balances and the favourable interest rates.

During the nine months ended September 30, 2023, the Company recorded a flow-through premium recovery of \$1,606,272 compared to a flow-through premium recovery of \$751,007 during the nine months ended September 30, 2022.

**Northisle Copper and Gold Inc.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2023

**LIQUIDITY AND CAPITAL RESOURCES**

For the nine months ended September 30,	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
Operating activities	(3,980,101)	(5,726,392)
Financing activities	2,072,514	7,214,648
Investing activities	-	108,170
<b>CHANGE IN CASH AND EQUIVALENTS</b>	<b>(1,907,587)</b>	<b>1,596,426</b>
Cash and cash equivalents – beginning	5,887,004	5,794,741
<b>CASH AND CASH EQUIVALENTS</b>	<b>3,979,417</b>	<b>7,391,167</b>

Northisle had \$3,979,417 in cash and cash equivalents as at September 30, 2023, compared to \$5,887,004 in cash as at December 31, 2022. As at September 30, 2023, the Company had working capital of \$2,473,691 (December 31, 2022 - \$3,433,486) and adjusted working capital totaling \$3,344,846, after excluding the flow-through premium liability of \$871,155 (adjusted working December 31, 2022 - \$5,910,913 after excluding the flow-through premium liability of \$2,477,427).

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, 2023, the Company received \$103,750 from the exercise of stock options. During the nine months ended September 30, 2022, the Company received \$451,250 from the exercise of stock options.

During the nine months ended September 30, 2023, the Company completed non-brokered private placements for gross proceeds of \$2,002,935. During the nine months ended September 30, 2022, the Company completed non-brokered private placements for gross proceeds of \$7,000,450.

**Investing Activities**

During the nine months ended September 30, 2022, the Company redeemed short term investments totaling \$108,170. There were no assets classified as short-term investments during the nine months ended September 30, 2023.

**Northisle Copper and Gold Inc.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2023

**SUMMARY OF QUARTERLY RESULTS**

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

<b>As at and for the quarter ended</b>	<b>30-Sep-23</b>	<b>30-Jun-23</b>	<b>31-Mar-23</b>	<b>31-Dec-22</b>
	\$	\$	\$	\$
Loss and comprehensive loss	1,607,889	1,083,795	804,041	1,465,569
Loss per share – basic and diluted	0.01	0.01	0.00	0.01
Cash and cash equivalents	3,979,417	6,007,945	7,195,485	5,887,004
Total assets	14,281,400	16,504,189	17,610,624	16,716,425

<b>As at and for the quarter ended</b>	<b>30-Sep-22</b>	<b>30-Jun-22</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	\$	\$	\$	\$
Loss and comprehensive loss	994,184	2,099,352	2,104,261	1,885,176
Loss per share – basic and diluted	0.00	0.01	0.01	0.01
Cash and cash equivalents	7,391,167	9,122,759	4,072,653	5,794,741
Total assets	18,092,202	19,816,959	14,842,720	16,643,150

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, 2023, the Company's mineral property expenditures increased compared to the three months ended June 30, 2023, as the Company was executing its 2023 drilling and exploration program.

During the three months ended June 30, 2023, the Company's mineral property expenditures increased compared to the three months ended March 31, 2023, as the Company was in the planning phase of its 2023 drilling and exploration program, and the Company commenced drilling during May 2023.

During the three months ended March 31, 2023, the Company's mineral property expenditures decreased compared to the three months ended December 31, 2022 as the Company focused on desktop analysis and core re-logging as it awaited new exploration permits.

During the three months ended December 31, 2022, the Company's mineral property expenditures increased compared to Q3 2022 but decreased compared to the first half of the year as the Company completed its surface exploration program at several targets.

During the three months ended June 30, 2022, March 31, 2022, December 31, 2021 Northisle's loss and comprehensive loss increased compared to previous periods as the Company's exploration and drilling program was ongoing.

During the three months ended December 31, 2021, the Company had an increase in corporate activity related to the implementation of an equity incentive plan and improved AGM disclosure which resulted in higher professional fees than compared to prior quarters.

## 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,	
	2023 \$	2022 \$	2023 \$	2022 \$
President and Chief Executive Officer	68,750	68,750	206,250	206,250
Chief Financial Officer	55,000	55,000	165,000	165,000
Vice President, Exploration	42,500	42,500	127,500	127,500
Vice President, Project Development	30,000	30,000	90,000	55,000
Share-based payments	145,986	139,277	449,319	408,874
<b>MANAGEMENT COMPENSATION</b>	<b>342,236</b>	<b>335,527</b>	<b>1,038,069</b>	<b>957,624</b>

## OUTSTANDING SHARE DATA

As at the date of this report, the Company has 212,923,936 common shares outstanding. The Company had 5,048,000 warrants outstanding with an exercise price of \$0.28 and 13,151,133 stock options outstanding with exercise prices ranging from \$0.07 - \$0.40 per stock option. In addition, there are 1,339,468 restricted share units and 832,200 deferred share units to be settled by way of common shares issued from treasury.

## 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. The Company's accounts payable and accrued liabilities are all due in less than one year. 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.



**Northisle Copper and Gold Inc.**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2023

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**Credit risk**

Financial instruments that potentially subject the Company to credit risk consist primarily of cash, short term investments and reclamation deposits. 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 as well as guaranteed investment certificates from Canadian chartered banks with a credit rating of R-1(high) or equivalent. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents Northisle's maximum exposure to credit risk.

**ADDITIONAL INFORMATION**

Additional information is available for viewing at the Company's website at [www.northisle.ca](http://www.northisle.ca) or on the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

**NATIONAL INSTRUMENT 43-101 COMPLIANCE**

Unless otherwise indicated, the Company has prepared the technical information in this MD&A ("Technical Information") based on information contained in the 2021 PEA, the Company's Annual Information Form for the year ended December 31, 2022 and news releases (collectively, the "Disclosure Documents") available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Each Disclosure Document was prepared by or under the supervision of a qualified person (a "Qualified Person") as defined in NI 43-101. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Technical Information in the 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 NI 43-101.

## **Northisle Copper and Gold Inc.**

### MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2023

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#### **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 Project and the Company's planned and future activities on the Project;
- the anticipated timing and results of future exploration and drilling of the 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, 2023

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- 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, 2022.

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 under applicable securities law.