



Northisle Copper and Gold Inc.

Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in Canadian dollars)



Independent auditor's report

To the Shareholders of Northisle Copper and Gold Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Northisle Copper and Gold Inc. and its subsidiary (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of impairment indicators of mineral property interests</p> <p>Refer to note 2 – Basis of presentation, note 3 – Accounting policies and note 8 – Mineral property interests to the consolidated financial statements.</p> <p>The carrying value of mineral property interests was \$10 million as at December 31, 2025. At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to mineral property interests. If any such indicator exists, then an impairment test is performed by management. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable; and (iv) facts and circumstances suggest that the carrying amount exceeds the</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Assessed the judgment by management in determining the impairment indicators, which included the following:<ul style="list-style-type: none">– Obtained, for a sample of mining claims, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration date.– Read the board of directors' minutes and obtained budget approvals to evidence planned and budgeted substantive expenditure on further exploration for and evaluation of mineral resources in the specific area.– Assessed whether a decision to discontinue exploration and evaluation in an area was taken and whether sufficient data exists to indicate that the carrying value of mineral properties will not be fully recovered from future development and production

Key audit matter	How our audit addressed the key audit matter
<p>recoverable amount. No impairment indicators were identified by management as at December 31, 2025.</p> <p>We considered this a key audit matter due to (i) the significance of the mineral property interests; (ii) the judgments by management in its assessment of indicators of impairment related to mineral property interests; and (iii) the high degree of subjectivity in performing procedures related to these judgments applied by management.</p>	<p>based on evidence obtained in other areas of the audit.</p>

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Leonard Wadsworth.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia

April 20, 2026

Northisle Copper and Gold Inc.

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(Expressed in Canadian dollars)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31, 2025	December 31, 2024
		\$	\$
ASSETS			
	Note		
Cash and cash equivalents	5	32,504,353	9,476,401
Mineral property exploration tax credit		204,863	-
Other assets		993,355	243,790
CURRENT ASSETS		33,702,571	9,720,191
Reclamation deposits		232,175	182,175
Equipment	6	297,970	-
Right of use asset	7	420,662	163,118
Mineral property interests	8	10,016,000	10,016,000
ASSETS		44,669,378	20,081,484
LIABILITIES			
Accounts payable and accrued liabilities		2,390,538	762,874
Flow-through premium liability	9	2,476,497	2,311,412
Current portion of lease liability	10	251,422	59,422
CURRENT LIABILITIES		5,118,457	3,133,708
Non-current portion of lease liability	10	183,066	111,181
LIABILITIES		5,301,523	3,244,889
SHAREHOLDERS' EQUITY			
Share capital	11	89,610,840	54,143,843
Contributed surplus	13	4,809,229	4,261,307
Deficit		(55,052,214)	(41,568,555)
SHAREHOLDERS' EQUITY		39,367,855	16,836,595
LIABILITIES AND SHAREHOLDERS' EQUITY		44,669,378	20,081,484
Nature of operations	1		
Subsequent events	19		

Approved by the Board of DirectorsKeena Hicken-Gaberria (signed) DirectorSam Lee (signed) CEO and Director

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CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the year ended December 31,	Note	2025 \$	2024 \$
Mineral property expenditures	8b	13,097,124	7,389,111
Filing and regulatory fees		79,792	81,916
Office and administration		501,141	345,213
Professional fees		324,171	183,569
Rent and utilities		110,055	45,845
Share-based payments	13	1,305,442	942,626
Shareholder communication and travel		586,633	493,033
Wages and benefits	14	1,121,151	931,380
OPERATING EXPENSES		17,125,509	10,412,693
Foreign exchange loss/(gain)		(236)	5,683
Interest income		(477,702)	(230,832)
Flow-through premium recovery	9	(3,163,912)	(681,370)
LOSS AND COMPREHENSIVE LOSS		13,483,659	9,506,174
Basic and diluted loss per share		0.05	0.04
Weighted average number of common shares outstanding		271,563,198	236,238,698

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CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended December 31,	Note	2025	2024
Cash flows provided by (used in)		\$	\$
OPERATING ACTIVITIES			
Loss and comprehensive loss		(13,483,659)	(9,506,174)
Items not affecting cash			
Interest on lease obligation		21,045	11,167
Amortization		102,404	43,302
Interest income		(477,702)	(230,832)
Flow-through premium recovery	9	(3,163,912)	(681,370)
Share-based compensation	13	1,305,442	942,626
		(2,212,723)	84,893
Non-cash working capital items			
Change in other assets		(597,321)	17,164
Change in mineral tax claim receivable		(204,863)	-
Change in accounts payable and accrued liabilities		1,627,664	37,473
		825,480	54,637
OPERATING ACTIVITIES		(14,870,902)	(9,366,644)
INVESTING ACTIVITIES			
Purchase of equipment		(307,655)	-
Reclamation bond		(50,000)	-
Interest received		325,458	221,281
INVESTING ACTIVITIES		(32,198)	221,281
FINANCING ACTIVITIES			
Warrant exercise	12	-	1,413,440
Private placement	11	39,685,842	9,918,076
Issuance costs	11	(2,256,173)	(723,670)
Stock option and restricted share unit exercise	13	608,805	508,552
Lease payments	10	(107,423)	(36,306)
FINANCING ACTIVITIES		37,931,051	11,080,092
CHANGE IN CASH AND CASH EQUIVALENTS		23,027,952	1,934,729
Cash and Cash Equivalents – Beginning		9,476,401	7,541,672
CASH AND CASH EQUIVALENTS - ENDING		32,504,353	9,476,401

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CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Number of Shares	Share Capital \$	Contributed Surplus \$	Deficit \$	Shareholders' Equity \$
DECEMBER 31, 2023		228,114,487	44,339,707	4,346,995	(32,062,381)	16,624,321
Private placement	11	18,515,000	9,918,076	-	-	9,918,076
Private placement issuance costs	11	-	(723,670)	-	-	(723,670)
Flow-through premium	9	-	(2,340,576)	-	-	(2,340,576)
Exercise of warrants	12	5,048,000	1,829,340	(415,900)	-	1,413,440
Exercise of stock options and restricted share units	13	5,537,280	1,120,966	(612,414)	-	508,552
Share-based payments	13	-	-	942,626	-	942,626
Loss and comprehensive loss		-	-	-	(9,506,174)	(9,506,174)
DECEMBER 31, 2024		257,214,767	54,143,843	4,261,307	(41,568,555)	16,836,595
Private placement	11	32,923,086	39,685,842	-	-	36,356,845
Private placement issuance costs	11	-	(2,256,173)	-	-	(2,256,173)
Flow-through premium	9	-	(3,328,997)	-	-	(3,328,997)
Exercise of stock options and restricted share units	13	3,592,134	1,366,325	(757,520)	-	608,805
Share-based payments	13	-	-	1,305,442	-	1,305,442
Loss and comprehensive loss		-	-	-	(13,483,659)	(13,483,659)
DECEMBER 31, 2025		293,729,987	89,610,840	4,809,229	(55,052,214)	39,367,855

Northisle Copper and Gold Inc.

Notes to the Consolidated Financial Statements
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1. NATURE OF OPERATIONS

Northisle Copper and Gold Inc. (together with its subsidiary, "Northisle" or the "Company") is a Canadian exploration stage company which is focused on the exploration and development of its North Island Project on Vancouver Island.

The Company is incorporated in British Columbia, Canada. Its head office is located at 1400 – 1040 West Georgia Street, Vancouver, British Columbia.

The nature of the Company's operations requires significant expenditures for the acquisition, exploration, and evaluation of mineral properties. To date, the Company has not generated any revenue from mining operations and is considered to be in the exploration stage. The Company's operations have been primarily funded from equity financings. The Company will continue to require additional funding to maintain its ongoing exploration and evaluation programs, property maintenance payments, and operations.

2. BASIS OF PRESENTATION

a) Compliance with International Financial Reporting Standards

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These financial statements were approved for issue by the Company's Board of Directors on April 20, 2026.

b) Critical accounting judgments, estimates and assumptions

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

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

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

Critical accounting judgments are judgments about the application of accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting

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judgments include the expected economic lives of equipment and the identification of potential indicators of impairment for exploration and evaluation assets.

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to mineral property interests. If any such indicator exists, then an impairment test is performed by management. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable; and (iv) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. As at December 31, 2025, management identified no impairment indicators and consequently, impairment testing was not required.

c) Consolidation

These consolidated financial statements include the accounts of the Company and its 100% controlled subsidiary, North Island Mining Corp. (collectively, the "Company"). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant inter-company transactions and balances have been eliminated upon consolidation.

3. ACCOUNTING POLICIES

The Company's material accounting policies are outlined below:

Cash equivalents

Cash equivalents include short-term liquid investments that are cashable or readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value.

Foreign currency translation

The reporting currency and functional currency of the Company and its subsidiary is the Canadian dollar. In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the statement of loss.

Financial instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value, plus transaction costs if the financial instrument is not subsequently measured at fair value through profit and loss.

Financial assets are measured subsequently at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit and loss ("FVTPL") based on the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Financial assets which are investments in equity instruments are measured subsequently at FVTPL unless they are

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not held for trading and are designated as FVOCI. Financial liabilities are measured subsequently at amortized cost, except for derivatives and certain other specified exceptions measured FVTPL.

The Company classifies its financial instruments as follows:

<u>Financial instrument</u>	<u>Classification under IFRS 9</u>
Cash	Amortized cost
Reclamation deposit	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial instruments classified as amortized cost are measured at amortized cost using the effective interest method. Financial assets measured at amortized cost are subject to a loss allowance for expected credit losses resulting from default events that are possible within 12 months after the reporting date, or an allowance for lifetime expected losses where credit risk has increased significantly since initial recognition. Changes in the amount of expected credit losses are recognized as an impairment gain or loss in profit and loss.

Financial assets are derecognized when the contractual rights to the cash flows expire, for certain transfers, or when there is no reasonable expectation of recovering the financial asset. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurements are determined based on quoted prices when these are available or other appropriate valuation methods. Gains and losses on investments in equity instruments designated as FVOCI are recognized in other comprehensive income until they are derecognized. Dividends from these investments are recognized in the statement of loss.

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

- Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

Exploration and evaluation assets and exploration expenditures

Direct costs related to the acquisition of mineral properties held or controlled by the Company are capitalized on an individual property basis until the property is put into production, sold, abandoned, or determined to be impaired. Administration costs and exploration costs are expensed as incurred. When a property is placed into commercial production, capitalized costs will be depleted using the units-of-production method.

The Company classifies its mineral properties as exploration and evaluation assets until technical feasibility and commercial viability of extracting a mineral resource are demonstrable. At this point, the exploration and evaluation assets are transferred to property and equipment. The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, such as the extent of established mineral reserves, the results of feasibility and technical evaluations, and the status of mining leases or permits.

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Proceeds received from the sale of royalties or government assistance programs are recognized as a reduction in the carrying value of the related exploration and evaluation assets when the proceeds are more likely than not to be received. If the value of the applicable property is less than the value of the amount received, the difference is recorded as a gain in the statement of loss in the period in which the payment is more likely than not to be received.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

Property and equipment

Property and equipment are depreciated using the straight-line method based on their estimated useful lives, which range from three to ten years. Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. The depreciation method, useful life and residual values of property and equipment are assessed annually.

Depreciation is recorded over the estimated useful lives of the assets on a straight-line basis:

Storage system	10 years
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Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance expense. The finance expense is charged to the statements of loss and comprehensive loss over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured at the present value of lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate

Impairment of non-financial assets

The Company's assets are reviewed for indication for impairment at each balance sheet date in accordance with IFRS 6 - Exploration and evaluation of mineral resources. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any). The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assignments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying value, the carrying value of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the statement of loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

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Share-based payments

The Company grants stock options, restricted share units ("RSUs") and deferred share units ("DSUs") of the Company to directors, officers, employees and consultants.

The Company uses the fair value method of accounting for options granted under its stock option plan. Share-based payments granted to directors, officers, employees and others providing similar services are measured at fair value, upon issuance, which is charged to the statement of loss over the applicable vesting period, with an offsetting credit to contributed surplus. The fair value of stock options is calculated using the Black-Scholes option pricing model and the fair value of RSUs and DSUs are determined based on the closing price of the shares on the day of grant.

The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. No amount is recognized for equity instruments that do not ultimately vest.

Cash received on the exercise of share options is recorded in share capital and the related compensation included in contributed surplus is transferred to share capital to recognize the total consideration for the shares issued.

Mineral Exploration Tax Credit ("METC")

The Company recognizes METC amounts as a reduction in mineral property expenditures on the statement of loss when the Company's METC application is approved by the relevant jurisdiction or when the amount to be received can be reasonably estimated and collection is reasonably assured.

Flow-through shares

The Company may from time to time issue flow-through common shares to finance its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company separates the flow-through common share into i) a flow-through common share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) capital stock. When the resource property expenditures are incurred, the Company derecognizes the flow-through premium liability and recognizes the reduction in flow-through premium liability as other income.

Income taxes

The provision for income taxes consists of current and deferred tax expense and is recorded in operations. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the period, adjusted for amendments to tax payable for previous years.

Deferred tax assets and liabilities are computed using the asset and liability method on temporary differences between the carrying amounts of assets and liabilities on the consolidated statement of financial position and their corresponding tax values, using the enacted or substantially enacted, income tax rates at each statement of financial position date. Deferred tax assets also result from unused losses and other deductions carried forward. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

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Income (loss) per share

The basic income or loss per share is computed by dividing the net income or loss by the weighted average number of common shares outstanding during the period. The diluted income or loss per share reflects the potential dilution from common share equivalents, such as the outstanding share purchase options and warrants, in the weighted average number of common shares outstanding during the year, if dilutive. Common share equivalents are excluded from the computation of diluted loss per share for the years presented as including them would be anti-dilutive.

4. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS**Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments**

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. Management is currently assessing the effect of these amendments on our financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. Management is currently assessing the effect of this new standard on our financial statements.

As of December 31, 2025, there are no other IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company.

Northisle Copper and Gold Inc.

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5. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
	-	-
Cash held in bank accounts	3,744,853	1,166,401
Cash equivalents	28,759,500	8,310,000
DECEMBER 31, 2025	32,504,353	9,476,401

Cash equivalents were held in cashable guaranteed investment certificates with the interest rate of 2.45% and 2.55%.

6. EQUIPMENT

	Cost	Accumulated Depreciation	Carrying Amount
DECEMBER 31, 2024	182,156	(182,156)	-
Additions	307,655	(9,685)	297,970
DECEMBER 31, 2025	489,811	(191,842)	297,970

7. RIGHT-OF-USE ASSET

The Company leases vehicles under a lease agreement which expires on May 15, 2028. The leased vehicles have been recorded as a Right-of-Use Asset and are amortized over the life of the lease (See Note 9).

The Company entered into a new lease agreement for a site office located at Port Hardy. The lease has a non-cancellable term of two years commencing on October 1, 2025, with monthly rental payments of \$16,000.

Right-of-use Asset	Cost	Accumulated Depreciation	Carrying Amount
DECEMBER 31, 2024	195,742	(32,624)	163,118
Additions	350,262	(92,718)	257,543
DECEMBER 31, 2025	546,004	(125,342)	420,662

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8. MINERAL PROPERTY INTERESTS**a) Mineral property costs**

	North Island Property \$
December 31, 2023 and 2024	10,016,000
Changes during the period	-
DECEMBER 31, 2025	10,016,000

The North Island Copper Gold Project (the "Project") consists of a contiguous block of mineral claims located on northern Vancouver Island in British Columbia, Canada. The claims include the Hushamu, Red Dog and Northwest Expo copper gold porphyry deposits, as well as numerous additional identified porphyry exploration targets and occurrences.

Certain claims (historically known as the Expo claims) are subject to a 10% net profits interest royalty currently held by Royal Gold, Inc. Should a production decision be made on the Expo claims, the Company is required to make a cash payment of \$1,000,000 to Sirit Inc., or its successors, within 60 days of the production decision.

Certain other claims underlying the Project are known as the Apple Bay claims. Should a production decision be made regarding the Apple Bay claims, the Company is required to pay \$800,000 in cash or in shares to Electra Gold Ltd., or its successors ("Electra"). The payment method is at the election of the Company. Electra maintains a limited right to explore the Apple Bay claims for non-metallic minerals subject to certain conditions including approval by Northisle.

Claims underlying the Red Dog deposit are subject to a combined 3% net smelter return royalty, of which up to 2% can be repurchased at the option of the Company at any time for a cash payment of US\$1,000,000 for each 1% repurchased.

b) Mineral Property Expenditures

For the year ended December 31,	2025	2024
	\$	\$
Amortization of equipment	102,404	43,302
Claims costs	-	500
Community engagement	479,240	335,782
Engineering	1,586,621	730,458
Exploration and camp support	10,216,590	5,772,678
Environmental and permitting	412,417	162,779
Salary and wages	504,715	360,205
Mineral property exploration tax credit	(204,863)	(16,593)
TOTAL	13,097,124	7,389,111

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9. FLOW-THROUGH PREMIUM LIABILITY

The flow-through premium liability balance as at December 31, 2025, of \$2,476,497 (December 31, 2024 – \$2,311,412) arose in connection with the flow-through share offering the Company completed on December 5, 2024 and August 8, 2025. The reported amount is the remaining balance of the premium from issuing the flow-through shares. The flow-through premium is recognized in the statement of loss based on the amount of qualifying flow-through expenditures incurred by the Company.

The Company is committed to incurring on or before December 31, 2025, qualifying Canadian exploration expenses as defined under the Income Tax Act, Canada ("Qualifying CEE") in the amount of \$7,000,056 with respect to the flow-through share financing completed on December 5, 2024. None of the Qualifying CEE will be available to the Company for future deduction from taxable income. As at December 31, 2025, the Company had incurred all committed expenditures and no longer had a flow-through premium liability associated with this flow-through share financing.

On August 8, 2025, the Company completed a flow-through financing and recorded a flow through liability of \$3,328,997 and committed to incur, on or before December 31, 2026, qualifying Canadian exploration expenses as defined under the Income Tax Act, Canada ("2025 Qualifying CEE") in the amount of \$15,001,497. None of the Qualifying CEE will be available to the Company for future deduction from taxable income. As at December 31, 2025, the Company has remaining commitment to incur 2025 Qualifying CEE of \$11,159,867.

On December 21, 2023, the Company completed a flow-through share financing and recorded a flow-through liability of \$652,206 and committed to incur Qualifying CEE in the amount of \$5,996,886. As at December 31, 2024, the Company had incurred all committed expenditures and no longer had a flow-through premium liability associated with this flow-through share financing.

Accordingly, the Company recognized a flow-through premium recovery of \$3,163,912 during the year ended December 31, 2025 (\$681,370 during the year ended December 31, 2024).

10. LEASE LIABILITY

On May 15, 2024, the Company entered into vehicle lease agreements for three pickup trucks with a 48-month term and total monthly payments of \$4,952 for the 48-month term. The vehicle lease agreements have an aggregate purchase option of \$125,000 at the conclusion of the 48-month term.

On October 1, 2025, the Company entered into a new lease agreement for a site office located at Port Hardy. The lease has a non-cancellable term of two years commencing on October 1, 2025, with monthly rental payments of \$16,000 for the 24-month term.

At the date of recognition, the lease liability was measured at the present value of the lease payments that were not paid as at that date. The lease payments are discounted using an annual interest rate of 8.99%, which is the contracted rate applicable to the lease agreement. The continuity of the lease liability is presented in the table below.

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	DECEMBER 31, 2025	DECEMBER 31, 2024
Opening balance	170,603	195,742
Additions	350,262	
Lease payments	(107,422)	(36,306)
Interest expense	21,045	11,167
	434,488	170,603
Less: current portion of lease liability	(251,422)	(59,422)
Non-current portion of lease liability	183,066	111,181

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease are as follows:

YEAR	DECEMBER 31, 2025
2026	251,422
2027	203,422
2028	19,807
Total minimum lease payments	474,651
Less imputed interest	(40,163)
Total lease obligation	434,488
Current portion of lease obligation	(251,422)
Non-current portion of lease liability	183,066

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11. SHARE CAPITAL**a) Authorized share capital**

The Company is authorized to issue an unlimited number of common shares without par value.

b) Financing

On August 8, 2025, the Company completed a non-brokered private placement, issuing 4,762,000 common shares at a price of \$1.05 per common share for gross proceeds of \$5,010,105.

On August 8, 2025, the Company completed a brokered private placement, issuing 18,573,086 common shares at a price of \$1.05 per common share and 9,338,000 flow-through shares at \$1.61 per flow-through share for gross proceeds of \$34,503,237. Issuance costs related to the private placement totaled \$2,253,337. A flow-through premium liability of \$3,328,997 was recognized (Note 8).

On April 15, 2025, the Company completed a non-brokered private placement, issuing 250,000 common shares at a price of \$0.69 per common share for gross proceeds of \$172,500. Issuance costs related to the private placement totaled \$1,863.

On December 5, 2024, the Company completed a non-brokered private placement issuing 7,697,000 common shares at a price of \$0.38 per common share and 10,836,000 critical mineral charity flow-through common shares at a price of \$0.646 per common share for gross proceeds of \$9,918,076. Issuance costs related to the private placement totaled \$723,670. A flow-through premium liability of \$2,340,576 was recognized (Note 8).

12. WARRANTS

A summary of the Company's warrant activity is presented below:

	Number of warrants	Weighted average exercise price \$
DECEMBER 31, 2022 and 2023	5,048,000	0.28
Exercised	(5,048,000)	0.28
DECEMBER 31, 2024 and 2025	-	-

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13. EQUITY INCENTIVE PLANS**a) Stock Options Outstanding**

The Company has a stock option plan (the "Option Plan") that permits the grant of stock options for the purchase of up to 10% (less the number of outstanding RSUs and DSUs, defined below) of the issued and outstanding common shares of the Company to directors, officers, employees, and consultants. Stock options generally vest over a two year period from date of grant unless otherwise determined by the board of directors. As at December 31, 2024, the Company could issue an additional 14,205,214 stock options under the terms of the stock option plan.

A summary of the Company's stock activity is presented below:

	Number of Stock options	Weighted average exercise price \$
DECEMBER 31, 2023	15,146,433	0.22
Granted	502,000	0.48
Exercised	(5,223,000)	0.13
Expired	(628,000)	0.31
DECEMBER 31, 2024	9,797,433	0.28
Granted	1,965,000	0.81
Exercised	(2,525,533)	0.24
DECEMBER 31, 2025	9,236,900	0.40

In relation to the stock options, the Company recognized an expense of \$883,394 during the year ended December 31, 2025 (\$505,780 during the year ended December 31, 2024) in the statement of loss and comprehensive loss.

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Stock options outstanding and exercisable are as follows:

Expiry Date	Exercise Price	Number of Stock options outstanding	Average remaining contractual life (years)	Number of stock options exercisable
July 14, 2026	\$0.26	165,000	0.53	165,000
December 16, 2026	\$0.29	1,680,000	0.96	1,680,000
April 8, 2027	\$0.40	200,000	1.27	200,000
November 21, 2027	\$0.175	2,307,100	1.89	2,307,100
May 26, 2028	\$0.18	403,500	2.40	403,500
December 21, 2028	\$0.40	2,094,300	2.98	2,094,300
April 1, 2029	\$0.50	150,000	3.25	150,000
July 18, 2029	\$0.475	284,000	3.55	189,333
April 3, 2030	\$0.69	1,541,000	4.26	513,667
September 1, 2030	\$1.26	412,000	4.67	137,333
DECEMBER 31, 2025		9,236,900	2.54	7,840,233

During the year ended December 31, 2025, the Company granted 1,965,000 (year ended December 31, 2024 – 502,000) options to employees, directors and consultants. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model. The weighted average assumption and resulting fair values for the grants are as follows:

Inputs and assumptions	Year Ended December 31, 2025	Year Ended December 31, 2024
Exercise price	\$0.98	\$0.48
Market price	\$0.98	\$0.48
Expected life of options (years)	5.0	5.0
Expected stock price volatility	93%	109%
Average risk-free interest rate	2.52%	3.40%
Expected forfeiture rate	-	-
Expected dividend yield	-	-
FAIR VALUE PER OPTION GRANTED	\$0.69	\$0.37

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b) Restricted Share Units

The Company granted restricted share units ("RSUs") in accordance with the share unit plan approved at the Company's 2021 shareholders meeting. These RSUs vest in three equal tranches: Tranche one - on completion of 12 months from grant date, Tranche two - on completion of twenty-four months from the grant date and Tranche three - on completion of thirty-six months from grant date. These RSUs can be cash or equity-settled at the Company's discretion. The Company's RSUs are classified as equity instruments. This classification reflects the Company's stated policy of settling RSUs in ordinary shares, and the absence of a present obligation to settle in cash. RSUs are measured at the market price of the Company's shares on the date of grant. Under the share unit plan the Company has reserved an amount not exceeding 7,000,000 shares for the issuance of RSUs, deferred share unit ("DSUs"), and performance share units ("PSUs") and, when combined with the Option Plan, no more than 10% of the Company's outstanding shares on a rolling basis. A summary of the Company's RSUs outstanding and the changes for the periods then ended, is presented below:

	Number of shares issued or issuable on vesting
DECEMBER 31, 2023	1,468,168
RSUs Granted	433,800
RSUs Converted to common shares	(314,282)
RSUs Converted to cash	(339,917)
DECEMBER 31, 2024	1,247,769
RSUs Granted	623,000
RSUs Converted to common shares	(708,801)
DECEMBER 31, 2025	1,161,968

In relation to RSUs, the Company recognized an expense of \$345,150 during the year ended December 31, 2025 (\$274,612 during the year ended December 31, 2024) in the statements of loss and comprehensive loss. RSUs converted to cash during 2024 were solely for the purpose of settling payroll taxes on conversion.

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c) Deferred Share Units

Only non-executive directors of the Company are eligible for DSUs. Each DSU vests over twelve months and is redeemed upon a director ceasing to be a director of the Company. These DSUs can be cash or equity-settled at the Company's discretion. The Company's DSUs are classified as equity instruments. This classification reflects the Company's past practice and stated policy of settling RSUs in ordinary shares, and the absence of a present obligation to settle in cash. RSUs are measured at the market price of the Company's shares on the date of grant. Under the share unit plan the Company has reserved an amount not exceeding 7,000,000 shares for the issuance of RSUs, DSUs, and PSUs. A summary of the Company's DSUs outstanding and the changes for the years then ended, is presented below:

	Number of shares issued or issuable on vesting
DECEMBER 31, 2023	1,132,200
DSUs Granted	212,000
DECEMBER 31, 2024	1,344,200
DSUs Granted	52,000
DSUs Converted to common shares	(357,800)
DECEMBER 31, 2025	1,038,400

In relation to DSUs, the Company recognized an expense of \$76,898 during the year ended December 31, 2025 (\$162,234 during the year ended December 31, 2024) in the statements of loss and comprehensive loss.

14. 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:

For the year ended December 31,	2025	2024
	\$	\$
Salaries and wages	1,173,158	977,302
Share-based payments	1,215,294	832,395
KEY MANAGEMENT COMPENSATION	2,388,452	1,809,697

Wages for certain officers of the Company are allocated to mineral property expenditures.

As at December 31, 2025, and 2024, the Company had no outstanding balances of receivables or payables with its directors or key management personnel.

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15. SEGMENTED INFORMATION

The Company's operations are in one segment: the acquisition, exploration and development of mineral resource properties. All interest income is earned in Canada and all assets are held in Canada.

The Company's Chief Operating Decision Maker ("CODM") is the Chief Executive Officer, who is responsible for allocating resources and assessing the performance of the Company's operations. The CODM reviews financial information on a consolidated basis for the purpose of making operating decisions and evaluating financial performance. Accordingly, the Company has determined that it has a single reportable segment.

16. INCOME TAXES**a) Rate Reconciliation**

The income tax expense or recovery reported by the Company differs from the amounts obtained by applying statutory rates to the loss and comprehensive loss. A reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is provided below:

For the year ended December 31,	2025	2024
Statutory tax rate	27.00%	27.00%
Loss before taxes	13,483,659	9,506,174
Income tax recovery calculated at statutory rate	3,640,588	2,566,667
Non-deductible/non-taxable expenditures	518,139	(62,997)
Non-deductible mineral property expenditures	(3,536,223)	(1,995,060)
Other taxable or deductible items	209,724	96,409
Effect of current period tax losses not recognized	(832,228)	(605,019)
INCOME TAX	-	-

b) Deferred income tax asset

The significant components of the Company's net deferred income tax asset are as follows:

As at December 31,	2025	2024
	\$	\$
Non-capital losses carried forward	3,807,615	2,787,005
Unused income tax credits and other deductible amounts	828,459	429,016
Total Unrecognized Deferred Tax Assets	4,636,074	3,216,021

Deferred tax assets have not been recognized as it is uncertain that the Company will have future taxable income against which they could be utilized. As at December 31, 2025, the expiry dates of the Company's unrecognized income tax losses and income tax credits are:

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	Amount	Expiry Date
Non-capital losses for income tax purposes	14,102,277	2034-2043
Non-refundable income tax credits	117,620	N/A

17. CAPITAL MANAGEMENT

The Company is a mineral exploration and development company focusing on advancing the North Island Project. Its principal source of funds is the issuance of securities. The Company considers capital to be equity attributable to common shareholders, comprised of share capital, contributed surplus, and deficit. It is the Company's objective to safeguard its ability to continue as a going concern so that it can continue to explore and develop its projects.

The Company manages its capital structure based on the funds available for its operations and makes adjustments for changes in economic conditions, capital markets and the risk characteristics of the underlying assets. To maintain its objectives, the Company may attempt to issue new shares, seek debt financing, acquire or dispose of assets or change the timing of its planned exploration and development projects. There is no assurance that these initiatives will be successful.

The Company monitors its cash position on a regular basis to determine whether sufficient funds are available to meet its short-term and long-term corporate objectives.

There has been no change in the Company's capital management practices during the period. The Company does not pay dividends. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

18. 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 and credit risk from financial instruments. Financial instruments consist of cash and equivalents, including guaranteed investment certificates, certain other assets, reclamation bonds and accounts payable and accrued liabilities.

a) 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 the short term. 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.

At December 31, 2025, the Company had cash and cash equivalents of \$32,504,353 (December 31, 2024 - \$9,476,401). The Company's financial liabilities consist of accounts payable and accrued liabilities and lease liabilities. All accounts payable and accrued liabilities are due within one year. Lease liabilities are due as per contractual obligations under the respective lease agreements.

The following table summarizes the maturity profile of the Company's financial liabilities:

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	< 1 year	1-3 years	>3years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,390,538	-	-	2,390,538
Lease liabilities	251,422	183,066	-	434,488
Total	2,641,960	183,066	-	2,825,026

The Company assessed its liquidity risk as low as at December 31, 2025 and 2024, as cash and cash equivalents are sufficient to meet obligations when they come due.

b) Credit risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash 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.

c) Market risk

The Company has assessed its exposure to market risk, including interest rate risk. Cash and cash equivalents consist of short-term guaranteed investment certificates bearing fixed interest rates. Accordingly, changes in market interest rates would not have a significant impact on the Company's cash flows.

19. SUBSEQUENT EVENTS

Subsequent to December 31, 2025, the Company closed a best efforts offering (the "Brokered Offering") and a non-brokered private placement (the "Non-Brokered Offering", and together with the Brokered Offering, the "Offerings"). The Brokered Offering consisted of (i) 35,016,700 common shares of the Company ("Common Shares") offered by way of a prospectus supplement at a price of \$3.05 per Common Share (the "Issue Price") for gross proceeds of \$106,800,935; and (ii) 1,050,000 Common Shares offered at the Issue Price on a private placement basis for gross proceeds of \$3,202,500. The Non-Brokered Offering consisted of 1,639,300 Common Shares offered at the Issue Price on a private placement basis for gross proceeds of \$4,999,865. The aggregate number of Common Shares issued pursuant to the Offerings was 37,706,000 for gross proceeds of \$115,003,300.

On April 7, 2026, the Company's Board of Directors has approved the issuance of 862,000 stock options pursuant to the Company's incentive stock option plan. The options provide for the purchase of an aggregate of 862,000 common shares of the Company at an exercise price of \$3.03 per share, which is the closing price for the common shares on the TSX Venture Exchange as of April 6, 2026. All of the options have a 5-year term and vest one third per year commencing on April 7, 2026.

In addition, the Board of Directors has approved the issuance of 304,000 restricted share units (the "RSUs"), pursuant to the Company's Share Unit Plan. The RSUs will vest one third per year commencing April 7, 2027.

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The Board of Directors has also approved the issuance of 7,000 deferred share units (the “DSUs”), pursuant to the Share Unit Plan. The DSUs will vest on April 7, 2027.