



NORTHISLE COPPER AND GOLD INC.

ANNUAL INFORMATION FORM

For the year ended December 31, 2021

Dated April 21, 2022, as amended June 8, 2022

TABLE OF CONTENTS

1	PRELIMINARY NOTES	3
1.1	Financial Statements.....	3
1.2	Currency.....	3
1.3	Cautionary Statement Regarding Forward-Looking Information.....	3
1.4	Cautionary Note to All Investors Concerning Economic Assessments That Include Inferred Resources	5
2	CORPORATE STRUCTURE.....	5
2.1	Name, address and incorporation	5
2.2	Intercorporate Relationships.....	6
3	GENERAL DEVELOPMENT OF THE BUSINESS	6
3.1	Overview of the Company.....	6
3.2	Business of the Company	6
3.3	Three-year History	7
4	RISK FACTORS	11
4.1	Risks Related to the Company.....	11
4.2	Risks Related to the Company's Securities	20
5	MATERIAL MINERAL PROJECTS	21
5.1	Description of Mining Properties – The North Island Project	21
5.2	Project Description, Location and Access	21
5.3	History.....	23
5.4	Geological Setting, Mineralization and Deposit Types	24
5.5	Property Geology and Mineralization.....	24
5.6	Exploration.....	25
5.7	Drilling	26
5.8	Data Verification	26
5.9	Mineral Processing and Metallurgical Testing	28
5.10	Mineral Resource and Mineral Reserve Estimates	29
5.11	Mineral Reserve Estimate.....	30
5.12	Mining Operations.....	31
5.13	Processing and Recovery Operations	31
5.14	Infrastructure	31
5.15	Permitting and Compliance Activities.....	32
5.16	Capital and Operating Costs.....	32
5.17	Exploration, Development, and Production.....	34
6	DIVIDENDS AND DISTRIBUTIONS	35
6.1	Summary	35
7	DESCRIPTION OF CAPITAL STRUCTURE.....	36
7.1	Common Shares	36
7.2	Options	36
7.3	Warrants	37
7.4	Restricted Share Units	37
7.5	Deferred Share Units	37
8	MARKET FOR SECURITIES	37
8.1	Trading Price and Volume.....	37
8.2	Prior Sales	38
9	ESCROWED SECURITIES	38
9.1	Summary	38
10	DIRECTORS AND OFFICERS	38
10.1	Name, Occupation and Security Holding	38
10.2	Directors' Terms of Office	40
10.3	Committees of the Board.....	40
10.4	Audit Committee	40
10.5	Corporate Governance, Compensation and Nominating Committee	42
10.6	Technical and Sustainability Committee Charter	42
10.7	Cease Trade Orders, Bankruptcies, Penalties or Sanctions.....	42

10.8	Conflicts of Interest	43
11	LEGAL PROCEEDINGS AND REGULATORY ACTIONS	43
11.1	Legal Proceedings	43
11.2	Regulatory Proceedings	44
12	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	44
13	TRANSFER AGENT AND REGISTRAR	44
14	MATERIAL CONTRACTS	44
15	INTERESTS OF EXPERTS	44
	Schedule "A" – Audit Committee Charter	A-1
	Schedule "B" – Corporate Governance, Compensation, and Nominating Committee Charter	B-1
	Schedule "C" – Technical and Sustainability Committee Charter	C-1
	Schedule "D" – Board Charter and Corporate Governance Guidelines	D-1

1 PRELIMINARY NOTES

In this Annual Information Form (“AIF”), “Northisle” or the “Company” refers to Northisle Copper and Gold Inc.

All information contained herein is as at December 31, 2021 unless otherwise stated.

1.1 Financial Statements

Northisle’s financial statements for the fiscal period ended December 31, 2021 were prepared in accordance with International Financial Reporting Standards.

This AIF should be read in conjunction with Northisle’s audited annual financial statements and notes thereto, as well as the management’s discussion and analysis for the year ended December 31, 2021. The financial statements and management’s discussion and analysis are available at Northisle’s website <https://www.northisle.ca/> or under Northisle’s profile on SEDAR at www.sedar.com.

1.2 Currency

All sums of money which are referred to in this AIF are expressed in lawful money of Canada, unless otherwise specified. References to “US\$” are to United States Dollars.

1.3 Cautionary Statement Regarding Forward-Looking Information

This AIF contains “forward-looking information” and “forward-looking statements” (referred to together herein as “forward-looking information”). Forward-looking statements and information 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 and information 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 AIF are made as of the date of the AIF include, but are not limited to:

- statements related to the North Island Project and the Company’s planned and future activities on the North Island Project;
- the Company’s goals regarding exploration and potential development of its projects;
- the anticipated timing and results of future exploration and drilling of the North Island Project and the Company’s assumptions and estimates used in its drill results, the interpretation of those results and its resource estimates;
- statements related to the Company’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 on reasonable terms to advance further 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 AIF.

Forward-looking statements are necessarily based upon a number of estimates and assumptions, including assumptions with respect to the factors below, that, which considered reasonably 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:

- significant uncertainty exists related to inferred mineral resources;
- mineral resource and reserve calculations are only estimates;
- actual capital costs, operating costs, production and economic returns may differ significantly from those described in the Amended 2021 PEA (as defined herein);
- resource exploration and development is a speculative business and the marketability of minerals acquired or discovered by the Company may be affected by risks beyond the control of the Company which cannot be accurately predicted;
- 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 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;
- the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business;
- 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;
- the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company;
- public health crises such as the COVID-19 pandemic may adversely impact the Company's business;
- the volatility of global capital markets over the past several years has generally made the raising of capital more difficult;
- inflation could have a material adverse impact on the Company's financial performance;
- compliance with environmental regulations can be costly;
- social and environmental activism can negatively impact exploration, development and mining activities;
- failure to maintain relationships with the communities in which the Company operates and other stakeholders may adversely affect the Company's business;
- the success of the Company is largely dependent on the performance of its directors and officers;
- the Company's operations may be adversely affected by First Nations land claims;
- the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business;

- the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company;
- the Company’s future profitability may depend upon the world market prices of copper and gold, which may be impacted by, amongst other factors, fluctuations in the demand for copper and gold;
- the Company’s compliance with reporting requirements as a reporting issuer may divert management attention from operations or require additional personnel to attend to, thereby increasing costs and expenses;
- the Company’s operations could be adversely affected by risks outside of the Company’s control, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions;
- failure to adequately meet infrastructure requirements could have a material adverse effect on the Company’s business;
- the Company’s projects now or in the future may be adversely affected by risks outside the control of the Company;
- the Company is subject to various risks associated with climate change;
- the Company’s IT systems (as defined herein) could be subject to network disruptions caused by a variety of sources which may adversely impact the Company’s operations;
- dilution from future equity financing could negatively impact holders of the Company’s securities; and
- other factors discussed under “Risk Factors”.

Certain of the risks and assumptions are described in more detail under the heading “Risk Factors” herein and in Northisle’s consolidated audited financial statements and MD&A for the year ended December 31, 2021.

The actual results or performance by Northisle could differ materially from those expressed in, or implied by, any forward-looking statements relating to those matters. 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.

1.4 Cautionary Note to All Investors Concerning Economic Assessments That Include Inferred Resources

Unless otherwise indicated, all reserve and resource estimates included in this AIF have been prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and the Canadian Institute of Mining, Metallurgy and Petroleum (“**CIM**”) classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

The Amended 2021 PEA (as defined herein) is preliminary in nature. It 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, and there is no certainty that the Amended 2021 PEA will be realized.

2 CORPORATE STRUCTURE

2.1 Name, address and incorporation

Northisle Copper and Gold Inc. was incorporated on August 3, 2011 under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). The Company’s head office is located at Suite 1200 – 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3, Canada. The Company’s registered office is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, P.O. Box 49314, Vancouver, BC V7X 1L3.

2.2 Intercorporate Relationships

The Company has one wholly owned subsidiary, North Island Mining Corp., which was incorporated under the BCBCA. This subsidiary holds the exploration tenements that comprise the North Island Copper and Gold Project (the “**North Island Project**” or the “**Project**”).

3 GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Overview of the Company

3.1.1 General

Northisle is a Vancouver based company whose mission is to become a leading sustainable mineral resource company for the future. Northisle owns the North Island Project, which is located near Port Hardy, British Columbia on a more than 34,000-hectare block of mineral titles 100% owned by Northisle stretching 50 kilometres northwest from the past producing Island Copper Mine which was operated by BHP Billiton. See “*Material Mineral Projects – North Island Project*”.

Northisle acquired the majority of the claims comprising the North Island Project (previously called the NorthIsle Project) during 2011 as a part of the plan of arrangement which resulted in the spin-out of Northisle from Western Copper and Gold as effected on October 17, 2011. The Company subsequently acquired the claims comprising the Red Dog Deposit as part of an option agreement entered into during January 2015 and has staked further adjacent claims during 2021 and 2022. See “*Material Mineral Projects – North Island Project*”.

3.2 Business of the Company

3.2.1 Principal Operations

The Company is a junior resources company engaged in the exploration, development and acquisition of mineral resource properties with a focus on commodities that will drive the future economy.

3.2.2 Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties. As a result of this competition, the Company may not be able to acquire attractive properties in the future on terms it considers acceptable. The Company may also encounter competition from other mining companies in efforts to hire experienced mining professionals. Increased competition could adversely affect the Company’s ability to attract necessary funding or acquire suitable properties or prospects for mineral exploration in the future. See “*Risk Factors – Competition and Mineral Exploration*”.

3.2.3 Specialized Skills and Knowledge

Various aspects of the Company’s business require specialized skills and knowledge. Such skills and knowledge include, but are not limited to, expertise related to mineral exploration, geology, drilling, permitting, metallurgy, logistical planning, and implementation of exploration programs, as well as legal compliance, finance and accounting. The Company relies upon various legal and financial advisors, consultants and others in the operation and management of its business. See “*Risk Factors – Dependence on Management and Key Personnel*”.

3.2.4 Cycles

The Company’s mineral exploration activities may be subject to seasonality due to adverse weather conditions including, without limitation, inclement weather, frozen ground and restricted access due to snow, ice or other weather-related factors. In addition, the mining and mineral exploration business is subject to global economic cycles effecting, among other things, the marketability and price of copper and gold products in the global marketplace.

3.2.5 Employees

The Company maintains a head office in Vancouver, B.C. and a site management, core storage and core cutting facility in Port Hardy on northern Vancouver Island, B.C. At December 31, 2021, the Company had a total of 7 employees, and

at the date of this AIF, the Company has 9 employees. The Company uses consultants with specific skills to assist with various tasks and relies extensively on consultants and contractors to carry on its business activities.

3.2.6 Environmental Protection

The Company is currently engaged in exploration activities on its North Island Project and such activities are subject to various laws, rules and regulations governing the protection of the environment. Corporate obligations to protect the environment under the various regulatory regimes in which the Company operates may affect the financial position, operational performance and earnings of the Company. A breach of such legislation may result in imposition of fines and penalties. Management believes all of the Company's activities are in material compliance with all applicable environmental legislation. See "*Risk Factors – Environmental Risks*".

3.2.7 Social or Environmental Policies

The Company is committed to conducting its operations in accordance with sound social and environmental practices and has adopted formal policies regarding sustainability, including health, safety, environment and corporate social responsibility. Northisle recognizes that the long-term sustainability and success of its business is dependent upon the protection of the environment and encouraging an environmentally responsible culture that promote environmental stewardship.

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

3.3 **Three-year History**

The following is a summary of how Northisle's business has developed over the last three completed financial years as of the date of this AIF.

3.3.1 Recent Developments

Corporate Changes

On April 11, 2022, the Company announced that it had hired Ian Chang as Vice President, Project Development effective April 19, 2022.

2022 Drilling at Hushamu Commenced

Northisle re-commenced drilling at Hushamu on March 13, 2022 following the completion of the exploration program at Macintosh. Drilling at Hushamu is targeted at converting inferred resources to indicated and will also include geotechnical and hydrogeological drilling in support of a pre-feasibility study on the project.

2022 Northwest Expo Resource Definition Program

On March 31, 2022, the Company issued a press release providing details of its plans to define an initial resource at the gold-rich Zone 1 at its Northwest Expo target. The program includes up to 3,300m of drilling with a target of defining a 40 – 50 million tonne resource following completion of wireless IP/magnetics survey to aid in drill targeting for resource definition. In addition, the Company will be initiating gold deportment and metallurgical testing studies and undertaking preliminary trade-off studies during 2022 which will evaluate the potential impact of inclusion of Northwest Expo on North Island Project economics. Northisle has also initiated preliminary environmental screening in the Northwest Expo area in order to continue engagement with First Nations, identify potential development constraints and opportunities,

and prepare for integration of the target area into the wider environmental and socio-economic baseline study being advanced on the North Island Project.

This program follows on a successful 2021 drill campaign at Northwest Expo which, in combination with historical drilling, identified an area of approximately 480m strike by 360m dip with an average width of 86m, including an intercept of 84.8m grading 1.2g/t Au Eq. in hole NW21-03.

2022 Macintosh Drilling

During the first quarter of 2022, Northisle completed a 3,579 metre drill program across 9 drill holes. The holes were targeted at testing multiple chargeability and magnetic anomalies underlying an extensive area of alteration. Assays from this drill program are expected during Q2 2022.

Amendments to the 2021 PEA

On June 8, 2022, Northisle announced that it filed an amended version of the 2021 PEA (as defined below) (the “**Amended 2021 PEA**”), which amended version was issued to address certain comments received from the British Columbia Securities Commission on the 2021 PEA. There were no changes to the conclusions, assumptions or outcomes of the resource estimates, or the technical or economic analysis in the Amended 2021 PEA as compared to the 2021 PEA, however, the format of certain disclosure was updated to provide clarity and to comply with NI 43-101. The results of the Amended 2021 PEA were initially announced on February 4, 2021. For a summary of the Amended 2021 PEA, please see “*Material Mineral Projects*” herein. The full text of the Amended 2021 PEA is available under Northisle’s SEDAR profile on www.sedar.com.

3.3.2 Significant Developments in 2021

Corporate Changes

On September 1, 2021, Nicholas Van Dyk was appointed Chief Financial Officer of the Company after the retirement of David Douglas. David Douglas continued on as Corporate Secretary.

On July 14, 2021, the Company appointed Robin Tolbert as Vice President, Exploration.

On April 27, 2021, the Company appointed Michelle Tanguay as Head of Sustainability and Community Relations.

December 2021 Private Placement

On December 21, 2021, the Company completed a private placement financing and issued 10,096,000 units (each a “**Unit**”), at a price of C\$0.19 per Unit, to Michael Gentile and Pierre Beaudoin. Each Unit consists of one common share (a “**Common Share**”) of the Company and one half of one common share purchase warrant (each whole warrant a “**Warrant**”). Each Warrant is exercisable to acquire one Common Share at a price of C\$0.28 for a period of two years from the date of closing of the private placement, subject to acceleration under certain circumstances. Proceeds from the placement will be used for development and exploration expenditures for the North Island Project as well as general corporate purposes.

2021 Hushamu Drilling and Macintosh Surface Exploration

On November 23, 2021, the Company announced it had approved a surface exploration program including Terraspec clay mapping, wireless induced polarization and ground magnetometer geophysics totalling over 60 line kilometers, targeting Macintosh, Pemberton Hills, Northwest Expo, Red Dog and Goodspeed. The first target surveyed was Macintosh, at which numerous geophysical anomalies were identified and prioritized for drilling in early 2022.

In addition, on November 22, 2021, drilling at Hushamu commenced following receipt of a multi-year permit. Four holes totalling 1,985 metres were drilled, with assays pending as of the time of this AIF. Assays are anticipated during Q2 2022.

2021 Drilling at Northwest Expo and Red Dog

Drilling at Red Dog and Northwest Expo was completed during Q3 and Q4 2021 and concluded in October 2021. The drill program of 8 holes totalling 3,547.5 meters at Northwest Expo was targeted to test the northern extent of historical

geophysical anomalies as well as an area proximal to historical gold-rich intercepts. Assays of 2021 drilling, combined with historical drill results, subsequently confirmed the presence of a trend of gold-rich porphyry mineralization. Northisle is targeted the completion of an initial resource on this area by the end of 2022.

At Red Dog, a two hole drill program totalling 897 meters tested a geophysical anomaly to the northwest of the deposit, as well as the potential for a down-dropped extension of the deposit to the south. Based on an interpretation of the drill holes, additional geophysical work is planned before additional drilling takes place.

2021 Drilling at Pemberton Hills

The 2021 drill program at Pemberton Hills of four holes totalling 3,315 meters took place during the second quarter. The objective of the 2021 program was to test a porphyry copper-gold-molybdenum target beneath the aerially extensive lithocap present in the Pemberton Hills area and which has been the subject of various exploration programs by Northisle since 2017. The lithocap is an alteration zone comprised variably of kaolinite, dickite, smectite, pyrite and silica typically found above buried porphyry deposits.

While none of this year's drill holes penetrated the Pemberton Hills lithocap, despite testing it to a vertical depth of 966 metres, the results of the drilling are considered to be consistent with the existence of a hypothesized deeply buried, large porphyry system which is interpreted to be tilted.

During 2022, Northisle intends to complete a surface mapping, sampling and geophysics program to the north of the Pemberton Hills area which aims to survey a previously un-mapped area. The survey is intended to identify geophysical anomalies consistent with the existence of a large, buried porphyry system and will aid in the targeting of future drilling.

Filing of 43-101 Technical Report of 2021 PEA

On March 22, 2021, the Company announced that it had filed its independent technical report supporting the results of a Preliminary Economic Assessment (the “**2021 PEA**”) on the Company's North Island Project. The results of the 2021 PEA were initially announced on February 4, 2021. The 2021 PEA confirms that the North Island Project is one of the most attractive copper-gold porphyry projects in Canada:

- A long mine life of 22 years with average annual production of 177 mm lbs CuEq. over the first 6 years, including 112 mm lbs of copper, 112 koz of gold and 2.7mm lbs of molybdenum.
- Average annual after tax cash flow of \$321 million during the first six 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 Ce 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.
- Base case pricing assumptions of US\$3.25/lb copper, US\$1,650/oz gold, US\$10.00/lb molybdenum and \$1,256/kg rhenium.

The 2021 PEA has been developed with a focus on processing a target of 600MT of mineralized material within estimated mineable pit shells. The 2021 PEA contemplates an open pit mining operation which incorporates a 75,000 t/d concentrator and is anticipated to produce a high-quality copper concentrate with a significant gold by-product as well as a high-grade molybdenum concentrate. The 2021 PEA illustrates a significant improvement in the potential of the North Island Project as compared to previous studies. Improvements in estimated copper and gold recoveries resulted in an increase in copper and gold production, resulting in a significant increase in NPV and IRR, while all-in sustaining costs remain in the first quartile and initial capital is modest for a long-life and significant copper and gold asset.

March 2021 Private Placement

On March 17, 2021, the Company completed a private placement financing and issued 21,473,243 Common Shares for gross proceeds of approximately \$7,102,357. The issuance consisted of (i) 2,240,780 Common Shares at a price of C\$0.262 per Common Share (the “**NFT Offering**”); (ii) 11,329,472 Common Shares that qualify as “flow-through Common Shares” for purposes of the Income Tax Act (Canada) (the “**Tax Act**”) at a price of \$0.31 per Common Share

(the “**FT Offering**”); and (iii) 7,902,991 Common Shares that qualify as “flow-through Common Shares” for purposes of the Tax Act at a price of \$0.38 per Common Share (the “**Charity FT Offering**”). The proceeds from the FT Offering and the Charity FT Offering will be used to incur expenses that are eligible “Canadian exploration expenses” and “flow-through mining expenditures” within the meaning of subsection 66.1(6) and subsection 127(9) of the Tax Act, respectively, and will also be eligible for British Columbia’s 20% flow-through share tax credit. The net proceeds from the NFT Offering will be used to advance the North Island Project and for general working capital purposes.

Pemberton Hills

On February 4, 2021, the Company announced that it once again fully controls the prospective Pemberton Hills target at its North Island Project. The project had previously been optioned to Freeport-McMoRan Mineral Properties Canada Inc. (“**Freeport**”), who has provided notice of termination of their option after Northisle and Freeport were unable to agree to an extension on agreeable terms. Approximately \$2 million was spent by Freeport during the option period. The Company has allocated a budget of approximately \$1 million to test this target with a drill program which commenced in March, 2021.

3.3.3 Significant Developments in 2020

Corporate Changes

On December 29, 2021, David M. Douglas, Chief Financial Officer, did not stand for re-election to the board of directors (the “**Board**”) at the Company’s annual general meeting in order to maintain a majority of independent directors.

On November 16, 2020, the Company appointed Nicholas Van Dyk as Vice President, Corporate Development and Investor Relations.

On November 4, 2020, the Company announced the appointment of Kevin O’Kane as an independent non-executive director. The Company also announced that John McClintock, previous CEO of Northisle and current Vice President of Exploration, stepped down from the Board effective November 4, 2020 and was replaced by Sam Lee.

On October 5, 2020, the Company announced that the Board has appointed Sam Lee as President and CEO of Northisle.

November 2020 Private Placement

On November 2, 2020, the Company completed a non-brokered private placement financing of 24,607,678 Common Shares at a price of \$0.13 per Common Share, for total consideration of \$3,200,000. The proceeds were used by Northisle to complete the updated Preliminary Economic Assessment, advance exploration activities and for general working capital purposes.

Improved Recoveries at the North Island Project

On October 2, 2020, the Company announced significant improvement in gold and copper recoveries at the Red Dog Deposit, with copper and gold recovery rates increasing by 5% and 65%, respectively. The metallurgical tests also demonstrated the potential to recover silver and rhenium.

On September 1, 2020, the Company announced significant improvement in gold and copper recoveries at the Hushamu Deposit, with copper and gold recovery rates increasing by 17% and 24%, respectively. The metallurgical tests also demonstrated the potential to recover silver and rhenium.

The results of this test work was subsequently incorporated into the Amended 2021 PEA.

3.3.4 Significant Developments in 2019

November 2019 Private Placement

On November 14, 2019, the Company completed a private placement financing of 1,500,000 flow-through Common Shares at a price of \$0.08 per share, for total consideration of \$120,000. The proceeds were used by Northisle to finance additional metallurgical testing with the intent of improving recoveries.

Corporate Changes

On September 4, 2019, Brandon Macdonald did not stand for re-election to the Board.

Pemberton Hills Exploration

On April 3, 2019, the Company announced that it had commenced a Phase 2 exploration program on the Pemberton Hills property which consisted of approximately 24km of IP surveying, as well as geological, geochemical and clay studies designed to define drill targets.

3.3.5 Other Recent Events

COVID-19 Developments

The Company continues to have no material disruption to operations or supply chains as a result of the COVID-19 pandemic. Since the onset of COVID-19 in early 2020, the Company has continued to take extraordinary measures to mitigate the possible impact of COVID-19 on its workforce and operations. Some of these measures include: (i) eliminating all non-essential travel to and from the North Island Project; and (ii) reducing physical interaction throughout the organization as much as possible by moving to a work-from-home format. While current guidance provides for a measured return to in-person work, the Company continues to closely monitor the COVID-19 pandemic and is engaged in active operational and financial contingency planning to prudently manage the potential impact of the pandemic on its operations including the implementation of a Health and Safety Policy that requires that the Company comply with all applicable legislation and regulations that govern occupational health and safety requirements and promotes a safety culture that encourages people to proactively manage health and safety risks through education, instruction and training.

4 RISK FACTORS

The business and operations of Northisle are speculative due to the high-risk nature of its business, which is the exploration of mineral properties. The risks listed below are not the only risks and uncertainties that Northisle faces. Additional risks and uncertainties not presently known to Northisle or that Northisle currently considers immaterial may also materially impair its business. These risk factors could materially affect Northisle's business, financial condition and future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

If any of the following risks occur, Northisle's business, financial condition and operating results could be materially adversely affected.

4.1 Risks Related to the Company

4.1.1 Significant Uncertainty Exists Related to Inferred Mineral Resources

There is a risk that inferred mineral resources referred to in this AIF cannot be converted into measured or indicated mineral resources. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. However, there can be no certainty that this will be the case due to the risks associated with mineral exploration. See "*Cautionary Note to All Investors Concerning Economic Assessment That Include Inferred Resources.*"

4.1.2 Mineral Resource Calculations Are Only Estimates

Any figures presented for mineral resources in this AIF, the documents incorporated by reference herein and the Amended 2021 PEA are only estimates. There is a degree of uncertainty attributable to the calculation of mineral resources. Until mineral resources are actually mined and processed, the quantity of metal and grades must be considered as estimates only and no assurances can be given that the indicated levels of metals will be produced. In making determinations about whether to advance any of our projects to development, we must rely upon estimated calculations as to the mineral resources and grades of mineralization on our properties. The estimating of mineral resources is a subjective process that relies on the judgment of the persons preparing the estimates. The process relies on the quantity and quality of available data and is based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While we believe that the

mineral resource estimates for the North Island Project are well-established and reflect management's best estimates, by their nature mineral resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. There can be no assurances that actual results will meet the estimates contained in feasibility studies. As well, further studies are required. Estimated mineral resources may have to be recalculated based on changes in metal prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource estimates. The extent to which mineral resources may ultimately be reclassified as mineral reserves is dependent upon the demonstration of their profitable recovery. Any material changes in mineral resource estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. We cannot provide assurance that mineralization can be mined or processed profitably. Our mineral resource estimates have been determined and valued based on assumed future metal prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for copper, zinc, lead, gold and silver may render portions of our mineralization uneconomic and result in reduced reported mineral resources, which in turn could have a material adverse effect on our results of operations or financial condition. We cannot provide assurance that mineral recovery rates achieved in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. A reduction in any mineral resources that may be estimated by us in the future could have an adverse impact on our future cash flows, earnings, results of operations and financial condition. No assurances can be given that any mineral resource estimates for the North Island Project will ultimately be reclassified as mineral reserves. See "Cautionary Note to All Investors Concerning Economic Assessment That Include Inferred Resources."

4.1.3 Actual Capital Costs, Operating Costs, Production and Economic Returns May Differ Significantly From Those Described in the Amended 2021 PEA.

The Amended 2021 PEA for the North Island Project is at an early stage study that is preliminary in nature. There can be no assurance that the results described in the Amended 2021 PEA will be realized. The capital costs to take our projects into production may be significantly higher than anticipated. None of our mineral properties have an operating history upon which we can base estimates of future operating costs. Decisions about the development of the North Island Project ultimately be based upon feasibility studies. Feasibility studies derive estimates of cash operating costs based upon, among other things: anticipated tonnage; grades and metallurgical characteristics of the mineralized material to be mined and processed; anticipated recovery rates of metals from the mineralized material; cash operating costs of comparable facilities and equipment; and anticipated climatic conditions. Cash operating costs, production and economic returns, and other estimates contained in studies or estimates prepared by or for us may differ significantly from those anticipated by the Amended 2021 PEA and there can be no assurance that our actual operating costs will not be higher than currently anticipated.

4.1.4 Mineral Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and any development activities will result in any discoveries of commercial bodies of mineralized material. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

4.1.5 Geologic, Metallurgic, Engineering, Title, Economic and Financial Assessment May Be Materially Incorrect

The operations of mining properties or mining companies are based in large part on geologic, metallurgic, engineering, title, environmental, economic and financial assessments, which involve uncertainty. Such assessments may differ materially from actual results, which may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. These assessments include a series of assumptions regarding such factors as the mineralized material body geometries, grades, recoverability, regulatory and environmental restrictions, future prices of metals and operating costs, future capital expenditures and royalties and government levies which will be imposed over the producing life of the mineral reserves. There are numerous uncertainties inherent in estimating quantities of mineral resources and mineral reserves and projecting potential future rates of mineral production is subject to change and beyond the Company's control.

4.1.6 Competition and Mineral Exploration

The mineral exploration industry is intensely competitive in all of its phases and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new mineral properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

4.1.7 Additional Funding

The exploration and development of the Company's mineral properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the copper and gold industry in particular), the Company's status as a new enterprise with a limited history, the location of the Company's mineral properties, the price of commodities and/or the loss of key management personnel.

4.1.8 Acquisition of Additional Mineral Properties

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any material acquisition, other than as described in this AIF, and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired Company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other

intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

If the Company loses or abandons its interests in its mineral properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSX Venture Exchange (the "TSXV"). There is also no guarantee that the TSXV will approve the acquisition of any additional properties by the Company, whether by way of an option or otherwise, should the Company wish to acquire any additional properties.

4.1.9 Government or Regulatory Approvals

Exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Company. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

4.1.10 Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. Although Canada has a favourable legal and fiscal regime for exploration and mining, including a relatively simple system for the acquisition of mineral titles and relatively low tax burden, possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

4.1.11 Title Risks

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys on all of the claims in which it holds direct or indirect interests. The Company's properties may be subject to prior unregistered agreements or transfers or indigenous land rights, and title may be affected by unidentified or unknown defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the property to which such defect relates. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration, development or operating activities without reimbursement to the Company. Any such delays or stoppages could have a material adverse effect on the Company's business, financial condition and results of operations.

4.1.12 Laws and Regulation

The Company's exploration activities are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

4.1.13 Uninsured and Underinsured Risks

The Company faces and will face various risks associated with mining exploration and the management and administration thereof including those associated with being a public company. Some of these risks are not insurable; some may be the subject of insurance which is not commercially feasible for the Company. Those insurances which are purchased will have exclusions and deductibles which may eliminate or restrict recovery in the event of loss. In some cases, the amount of insurance purchased may not be adequate in amount or in limit.

The Company will undertake intermittent assessments of insurable risk to help ensure that the impact of uninsured/underinsured loss is minimized within reason. Risks may vary from time to time within this intermittent period due to changes in such things as operations operating conditions, laws or the climate which may leave the Company exposed to periods of additional uninsured risk.

In the event risk is uninsurable, at its reasonable and sole discretion, the Company may endeavor to implement policies and procedures, as may be applicable and/or feasible, to reduce the risk of related loss.

4.1.14 Public Health Crises such as the COVID-19 Pandemic

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the current COVID-19 pandemic. To date, there have been a large number of restrictions, business closures, quarantines and a reduction in various activities in a number of countries. The pandemic has resulted in travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial and other impacts cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for copper, gold and other minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, additional slowdowns or temporary suspensions of operations in geographic locations impacted by an outbreak, increased labor, transportation and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control. Any increase in the severity of the pandemic or future outbreaks of COVID-19, particularly if the number of COVID-19 cases in areas in which Northisle continues to rise, could have a material adverse effect on the Company's business, results of operations and financial condition.

4.1.15 Global Economy Risk

The volatility of global capital markets, including the general economic slowdown in the mining sector, over the past several years has generally made the raising of capital by equity or debt financing more difficult. The Company may be dependent upon capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility persist or if there is a further economic slowdown, the Company's operations, the Company's ability to raise capital and the trading price of the Company's securities could be adversely impacted.

COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse impact on global economic conditions, which may adversely impact: the market price of the Common Shares, the Company's operations, its ability to raise debt or equity financing for the purposes of mineral exploration and development, and the operations of the Company's suppliers, contractors and service providers.

In addition, as the Company's operations expand and reliance on global supply chains increase, the impact of significant geopolitical risk and conflict globally may have a sizeable and unpredictable impact on the Company's business, financial condition and operations. The ongoing conflict in Ukraine and the global response to this conflict as it relates to sanctions, trade embargos and military support has resulted in significant uncertainty as well as economic and supply chain

disruptions. Should this conflict go on for an extended period of time, expand beyond Ukraine, or should other geopolitical disputes and conflicts emerge in other regions, this could result in material adverse effects to the Company.

4.1.16 Inflation

The Company's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations. The Company's inability to manage costs may impact, among other things, future development decisions, which could have a material adverse impact on the Company's financial performance.

4.1.17 Environmental Risks

The Company's activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities.

4.1.18 Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the nature landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operations, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

4.1.19 Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition.

In addition, the COVID-19 pandemic may cause the Company to have inadequate access to an available skilled workforce and qualified personnel, which could have an adverse impact on the Company's financial performance and financial condition.

4.1.20 First Nations

Consultation with First Nations groups is required of the Company in the environmental assessment, subsequent permitting, development, and operation stages of its proposed projects. Certain First Nations groups may oppose certain proposed projects at any given stage and such opposition may adversely affect the project(s) in question, the Company's public image, or the Company's share performance. Canadian law related to aboriginal rights, including aboriginal title rights, is in a period of change. There is a risk that future changes to the law may adversely affect the Company's rights to its Canadian projects.

Certain of the Company's mineral properties may now or in the future be the subject of First Nations rights. The legal nature of First Nations rights is a matter of considerable complexity. The impact of any such claim on the Company's material interest in the Company's mineral properties and/or potential ownership interest in the Company's mineral properties in the future, cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which the Company's mineral properties are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company will be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties. There is no assurance that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's mineral properties.

4.1.21 Claims and Legal Proceedings

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

4.1.22 Conflicts of Interest

Most of the Company's directors and officers do not devote their full time to the affairs of the Company. All of the directors and officers of the Company are also directors, officers and shareholders of other natural resource or public companies, and as a result they may find themselves in a position where their duty to another company conflicts with their duty to the Company. Although the Company has policies which address such potential conflicts and the BCBCA has provisions governing directors in the event of such a conflict, none of the Company's constituting documents or any of its other agreements contain any provisions mandating a procedure for addressing such conflicts of interest. There is no assurance that any such conflicts will be resolved in favour of the Company. If any such conflicts are not resolved in favour of the Company, the Company may be adversely affected.

4.1.23 Copper, Gold and Metal Prices

If the Company's mineral properties are developed from exploration properties to full production properties, the majority of its revenue will be derived from the sale and price of copper and gold. Therefore, the Company's future profitability will depend upon the world market prices of the copper and gold for which it is exploring. The price of copper and gold and other metals are affected by numerous factors beyond the Company's control, including levels of supply and demand, global or regional consumptive patterns, by government holders, metal stock levels maintained by producers and others, increased production due to new mine developments and improved mining and production methods, forward or short sales of copper and gold by producers and speculators, speculative activities related to the sale of metals, availability and costs of metal substitutes.

If the world market prices of copper and/or gold were to drop and the prices realized by the Company on copper and/or gold sales were to decrease significantly and remain at such level for any substantial period, the Company's business, financial condition, results of operations, cash flows and prospects would be negatively affected.

Moreover, metal prices are also affected by macroeconomic factors such as expectations regarding the availability and attractiveness of alternative investment vehicles, expectations of the future rate of inflation, interest rates and global and regional demand for, and supply of, copper and gold as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on copper gold prices.

4.1.24 Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration and there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

4.1.25 Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

4.1.26 Reporting Issuer Status

The Company is subject to reporting requirements under applicable securities law, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these requirements can increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company is required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight is required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any material acquisition, other than as described in this AIF, and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired Company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

4.1.27 Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of copper and gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

4.1.28 Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, skilled labour, fuel, power and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect its operations.

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

4.1.29 Climate Change Risks

The Company acknowledges climate change as an international and community concern and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of mineralized material and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

4.1.30 Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these

threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

4.2 Risks Related to the Company's Securities

4.2.1 Speculative Nature of Investment Risk

An investment in the Company's securities carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Company's securities may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

4.2.2 Price may not Represent the Company's Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the TSXV in the future cannot be predicted.

4.2.3 Securities or Industry Analysts

The trading market for the Common Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

4.2.4 Price Volatility of Publicly Traded Securities

The Common Shares are listed on the TSXV. Securities of mineral exploration and development companies, have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

The price of the Common Shares is also likely to be significantly affected by short-term changes in copper, gold or other mineral prices or in the Company's financial condition or results of operations. Other factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Northisle may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The market price of the Common Shares is affected by many other variables which are not directly related to the Company's success and are, therefore, not within Northisle's control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for the Common Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the price of the Common Shares volatile in the future, which may result in losses to investors.

4.2.5 Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. Northisle may sell additional equity securities in future offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance the Company's operations, development, exploration, acquisitions or other projects. Northisle cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per Common Share.

4.2.6 Dividends

To date, the Company has not paid any dividends on the outstanding Common Shares. Any decision to pay dividends on the Common Shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions. See "*Dividends and Distributions*".

4.2.7 TSXV Listing

The Company may fail to meet the continued listing requirements for the Common Shares to be listed on the TSXV. If the TSXV delists the Common Shares from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the Common Shares; a determination the Common Shares are a "penny stock" which will require brokers trading in the Common Shares to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the Common Shares; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

5 MATERIAL MINERAL PROJECTS

5.1 Description of Mining Properties – The North Island Project

The information in the summary that follows which is of a scientific or technical nature has been derived from, and in some instances is a direct extract from, the following technical report:

"North Island Copper and Gold Project Form 43-101F1 Technical Report Preliminary Economic Assessment" issued June 8, 2022, with an effective date of February 4, 2021, authored by Laurie Tahija, Q.P. MMSA, Daniel Roth, P. Eng., Brian Game, P. Geo, John Nilsson, P. Eng., Phil Burt, P. Geo. and Ben Wickland, P. Eng., all of whom are qualified persons within the meaning of this term in NI 43-101.

The information below does not purport to be complete and is based on and subject to all assumptions, qualifications and procedures that are set out only in the Amended 2021 PEA and is qualified in its entirety by the Amended 2021 PEA. Reference should be made to the full text of the Amended 2021 PEA, a copy of which is available under the Company's profile on SEDAR at www.sedar.com. Capitalized terms used but not otherwise defined in this summary have the same meaning as those given to such terms in the Amended 2021 PEA.

5.2 Project Description, Location and Access

5.2.1 Location and Access

The North Island Project is located on northern Vancouver Island, British Columbia, Canada in the Nanaimo Mining Division, approximately 20 km south of Port Hardy. The Project area is located approximately at latitude 50° 40' North

and longitude 127° 45' West and stretches 50 km northwest of the past producing Island Copper Mine along the northern shore of Holberg Inlet.

The Project area is accessible by way of an extensive network of radio-controlled logging roads. The Hushamu Deposit is accessed from Port Hardy by a paved road to Coal Harbour and then well-maintained logging roads that include the Coal Harbour Main Road, the Wanokana Road and the Hushamu Main Road, which extends to the mouth of the Hushamu Valley. Lesser used N and NW sections of the Hushamu Main Road lead to Hushamu Lake and Hepler Creek. The top of Hushamu Mountain is accessed via Clesklagh Road and the decommissioned CL130 Road. The Red Dog Deposit is accessible from Port Hardy by the Holberg Road to a point about 45km from Port Hardy where forestry access road NE 62 leads northward to the property. Several now recently re-opened forestry roads provide access to historical drill sites on the property. Tide water is 15km away by road at Holberg.

5.2.2 Mineral Tenures, Surface Rights and Royalties

The Project is a more than 34,000-hectare contiguous block of 210 mixed legacy and cell mineral claims 100% owned by North Island Mining Corp., a wholly owned subsidiary of the Company. Expiration and renewal dates range from November 15, 2022 to May 23, 2032. To maintain the claims in good standing with respect to the British Columbia Government, certain annual cash payments (cash in lieu of work) or equivalent exploration expenses in on-the-ground exploration work must be applied to the claims (supported by assessment reports in the case of exploration work).

By virtue of the *Mineral Tenure Act* of the Province of British Columbia and their property purchase agreement, the Company has the right to access the land it legally owns for the purposes of conducting mineral exploration. The Project claims are located on Crown land and the surface rights are unencumbered, notwithstanding any ongoing First Nations treaty negotiations.

The Company, through North Island Mining Corp., owns 100% of the claims forming the Project. A portion of the claims underlying the project (historically known as the Expo claims) are subject to a 10% net profit royalty now owned indirectly by Royal Gold, Inc., and a \$1 million cash payment is payable to Sirit Inc. within 60 days of a production decision on these claims. In addition, certain other claims (historically known as the Apple Bay claims) require an \$800,000 payment (in cash or shares) to be made to Electra Gold Ltd. in the event of a production decision on those claims. In addition, the 16 claims that comprise the Red Dog property are subject to a 3% Net Smelter Returns Royalty, of which 2% can be repurchased for a one-time \$2,000,000 payment.

There are no additional royalties, back-in rights, payments or other agreements and encumbrances to which the property is subject.

5.2.3 Environmental Liability, Permits, Bonds and Other Significant Risk Factors

Exploration activities to date have been undertaken in accordance with the appropriate British Columbia regulations and no existing environmental liabilities are apparent on the property.

To conduct exploration work on the Project, Northisle must obtain permits from the BC Ministry of Energy, Mines and Petroleum Resources. Northisle has received all necessary permits to conduct the mineral exploration to date. Forestry tenures and logging roads cover much of the property and are held and managed by two divisions of Western Forest Products Ltd.

The Project is located within an overlap area of the separately claimed traditional territories of the Quatsino First Nation (the “**Quatsino**”), the Kwakiutl First Nation (the “**Kwakiutl**”) and the Tlatlasikwala First Nation (the “**Tlatlasikwala**”). Each respective First Nation is the best source for detailed information about its traditional territory.

The Company has initiated discussions and maintains an ongoing dialogue with the Quatsino, the Kwakiutl and the Tlatlasikwala, as well as other First Nations and communities in proximity to the project. The Company has and continues to actively employ and support local First Nations individuals and businesses. The Quatsino own the majority of the surface rights and remaining infrastructure of the past producing Island Copper mine.

5.3 History

5.3.1 Hushamu

In 1962, the British Columbia Department of Mines and the Geological Survey of Canada jointly flew an airborne magnetic survey covering the northern part of Vancouver Island. This survey delineated a belt of north-westerly-trending magnetic highs north of Holberg and Rupert Inlets. The results prompted an exploration rush, mostly focused on skarn-type iron deposits.

Prior to Northisle's involvement, exploration at Hushamu was conducted by Utah Construction and Mining Co. ("**Utah**"), BHP, Moraga Resources Ltd. ("**Moraga**"), Jordex Resources Inc., Lumina Copper Corp., Western Copper Corp. and IMA Exploration Inc. from 1965-2008. Work completed by these companies included soil geochemical surveys, prospecting, geological mapping, ground and airborne geophysical surveys, core drilling, resource estimation and preliminary metallurgical work.

In the fall of 2011, Western Copper through a plan of arrangement, created Northisle Copper and Gold Inc. in order to advance the property. During 2011-2012, Northisle re-logged the historical core from Hushamu, carried out additional drilling to better define the northern and southern limits, completed approximately 12 km of induced polarization survey over the projected northwest extension of mineralization and generated an updated NI 43-101 resource calculation.

In 2014, the Company drilled four holes at Hushamu to test an induced polarization chargeability anomaly in an undrilled area immediately northwest of the known deposit, and one hole to collect a metallurgical sample from the main deposit in an area where earlier drill-holes are widely spaced. Two of the 2014 drill holes are not part of the current block model.

In 2017, the Company drilled five holes at Hushamu including three holes to test an area of the Hushamu Deposit previously determined to be low-grade mineralization based on three widely spaced vertical historical holes. Another hole was drilled to test for continuation of copper, gold, and molybdenum mineralization to the southeast of the known deposit but was abandoned prematurely due to driller error. A single hole was drilled in the northern portion of the Hushamu Deposit to collect a metallurgical sample of the two main alteration types in the deposit. The 2017 holes have been included in the current block model.

In 2021, the Company drilled four holes at Hushamu targeted at in-filling an under-drilled volume to the northwest of the existing deposit. Additional drilling is underway during Q2 2022 at Hushamu, with the objective of upgrading Inferred resources to Indicated. There is no recorded production from the Hushamu Deposit.

5.3.2 Red Dog

The Red Dog Deposit is a geochemical find, having been first detected by a regional program in 1962. Follow-up on a 1962 anomaly during the 1966 field season led to the discovery of mineralization in the bed of a creek. Prior to Northisle's involvement, exploration at Red Dog was conducted by Westcoast Mining and Exploration, City Services Ltd., the Westminex Group, Utah, Crew Capital Corp. and Moraga from 1966-1991. Work completed by these companies included soil geochemical surveys, prospecting, geological mapping, ground geophysical surveys, core drilling and a preliminary scoping study.

In March 2015, Northisle optioned the Red Dog property and in April 2015 conducted a limited program of soil and rock geochemical sampling and reconnaissance geological mapping. In September 2015, a second program of geological mapping was conducted on the property by Northisle.

From July to August 2016, a diamond drilling program, totaling 1,112 m in seven holes was conducted by Northisle. Most of the drilling was directed at the Red Dog Zone in order to verify historical copper-gold mineralization and to provide data for a NI 43-101 compliant resource estimation.

In 2017, Northisle attempted one drill hole to test for deeply buried copper, gold and molybdenum porphyry mineralization south of the Red Dog Deposit. The hole was lost prematurely and did not reach the target depth.

In 2021, Northisle drilled one drill hole to the northwest of Red Dog to test a geophysical anomaly, and one hole to the south of Red Dog to test for deeply buried copper, gold and molybdenum porphyry mineralization. Neither hole

intercepted economic mineralization. A geophysical survey is planned for 2022 in order to better understand this area. There is no recorded production from the Red Dog Deposit.

5.4 Geological Setting, Mineralization and Deposit Types

5.4.1 Local and Regional Geology

Vancouver Island is comprised of Upper Paleozoic to Lower Mesozoic rocks of Wrangellia – a tectonostratigraphic terrane that occurs discontinuously northwards as far as Alaska. This terrane was amalgamated to the Alexander Terrane of the Alaskan Panhandle (together comprising the Insular Superterrane) by Late Carboniferous time. Subsequently, these terranes were accreted to North America between the Middle Jurassic and the Mid-Cretaceous. Thus, Vancouver Island records an early allochthonous history, and a later history with commonality to the North American margin.

The pre-accretion history of Wrangellia is represented by the Paleozoic Sicker Group and the Middle Triassic Karmutsen Formation. The Sicker Group comprises marine Devonian to Early Permian volcanic and sedimentary rocks that host VMS deposits such as Myra Falls. The Karmutsen conformably overlies the Sicker Group and comprises basaltic and minor basaltic and minor sedimentary rocks that underlie about 50% of Vancouver Island. This unit is up to 6,000 m thick. The Karmutsen is conformably overlain by the Quatsino Formation of limestone consistent with a period of quietude following impingement of a mantle plume.

The Bonanza Arc formed along the length of Vancouver Island during accretion of Wrangellia. Owing to later tilting, products of this arc from various crustal depths are all preserved. These include the Westcoast Crystalline Complex, Island Intrusions and the Bonanza Group volcanic rocks. Ages for these rocks range from ca 190 to 169 Ma. Intrusive rocks of the Island intrusions are responsible for porphyry copper mineralization on Vancouver Island.

The topography of the West Block of the Hushamu Property is characterized by north and northwest trending ridgelines with broad intervening valleys that typically contain small streams or rivers. Elevations range from sea level, at Holberg Inlet to 720 m above sea level. Ridges typically reach 100 to 300 m above valley floors. The Hushamu Deposit is situated in a northwest trending valley with Hushamu Lake in the valley bottom. The deposit occurs under the lake and the hillside of Hushamu Mountain south of the lake. The highest peak at Hushamu Mountain is 690 m.

The Red Dog property area is characterized by moderate relief on the order of 360 m between valley bottoms and hill tops. Slopes are generally moderate although some areas of the west and east slope of Red Dog Hill are precipitous. The main Red Dog mineralization crops out on the summit of Red Dog Knoll at an elevation of 470 m.

5.5 Property Geology and Mineralization

5.5.1 Hushamu Deposit

The dominant rocks making up the Hushamu Deposit are from the early to mid-Jurassic Bonanza Group volcanics and the Mid-Jurassic Island Plutonic Suite. The five major lithological units in the vicinity of the deposit are: andesite, diorite, quartz-feldspar porphyry, hydrothermal breccia and late breccia. The massive andesite is the host to most of the alteration and mineralization. The dominant structures are northwest and northeast normal and strike slip faults. The dominant fault is referred to as the Hushamu Fault, which occupies the main valley at the north side of the deposit.

There are four main alteration styles in the Hushamu Deposit; silica-clay-pyrite (SCP), silica-clay-zunyite (SCZ), chlorite-magnetite (CMG), and propylitic. Phyllic and advanced argillic alterations have also been observed locally on the property but are not dominant.

Three mineralized zones have been recognized in the Hushamu Deposit; the Leached Zone, Supergene Zone and Hypogene Zone. The Leached Zone is typical of evolved porphyries, where the leached cap has not been removed by erosion and/or glacial processes. The rock is generally bleached and the majority of sulphide minerals have been removed. Copper has been completely to partially removed but molybdenite and gold remain. The Supergene Zone is characterized by very weak supergene enrichment of copper in the form of chalcocite +/- covellite near the base of the leach cap. The zone generally occurs from 60 m depth to 90 m below surface. In one hole, EC-187, supergene mineralization was noted at 200 metres depth in fractured rocks proximal to the West Fault. In the Hypogene Zone, copper mineralization occurs

as blebby and vein chalcopyrite and lesser bornite. The copper grade is highest in chlorite-magnetite altered volcanics with lesser copper in silica-clay-pyrite alteration.

5.5.2 Red Dog Deposit

Red Dog is underlain by andesitic to basaltic flows, tuff breccias and tuffs of the lower Jurassic-age Bonanza Group that have been intruded by four compositionally different intrusions that are part of the Jurassic-age Island Intrusions. The main intrusive phase associated with the Red Dog Deposit mineralization is the Rose Porphyry, a granite porphyry characterized by phenocrysts of orthoclase and rounded quartz eyes in a felsic groundmass. The dominant structures at Red Dog are normal south-facing faults having normal and/or strike slip movement resulting in a series of west-northwest blocks.

There are six main alteration types present at Red Dog. These are from oldest to youngest: Hornfels (H); Intermediate Argillic (CMG); Quartz-Magnetite Breccia (QMB); Advanced Argillic (SCP); Propylitic (PROP); and Zeolite-Carbonate.

The Red Dog Deposit occurs predominantly in an approximately 350-metre-long by 150-metre-wide west-northwest trending quartz-magnetite breccia localized in altered Bonanza Group rocks adjacent to quartz-feldspar porphyritic dykes. Chalcopyrite and pyrite as disseminations, blebs and fracture fillings are present in equal amounts in the breccia along with lesser amounts of molybdenite.

5.5.3 Deposit Types

The Hushamu and Red Dog Deposits host porphyry copper-gold-molybdenum mineralization similar in grade, and in the case of Hushamu size, to the past producing Island Copper Mine located approximately 30 km to the east. Over the life of the operation Island Copper produced 345 million metric tonnes of mineralized material with average grades of 0.41% copper, 0.017% molybdenum, 0.19 g/t gold and 1.4 g/t silver.

5.6 Exploration

5.6.1 Hushamu

Northisle took over exploration activities on the property in the fall of 2011. Since taking over the Project, Northisle (and Western Copper) completed a re-logging of 107 of the pre-2008 drill holes. This historic core had been in storage outdoors and many of the boxes were in poor condition. The process of re-logging first required careful re-establishing of core boxes' labels by determining the hole numbers, core box numbers, footage block depth, sample numbers, and sample starting and ending points. At all times during this process, the observations were corroborated and confirmed with the historical drill log geology and sample information. The re-labeled boxes were then organized and stacked in newly erected, covered, core racks in chronological order in preparation for re-logging and sampling. If unable to ascertain sufficient information to conclusively identify a hole, box, or sample interval, these boxes were not included in the re-log and not sampled. Approximately 75.6% of the historical samples were deemed suitable for re-sampling, amounting to some 5,800 re-samples.

The re-logging involved logging observations of rock type, alteration and mineralization. Re-sample intervals were then laid out remaining true to the original sample intervals. A new, unique sample number was assigned. The core was then photographed. The re-sampling involved cutting the remaining half core with a core saw to collect a quarter sample.

The re-logging program provided an opportunity to apply consistent logging descriptions to the somewhat varied, and sometimes conflicting, historical observations.

5.6.2 Red Dog

Northisle optioned the Red Dog property in 2015 and commenced work in the spring and fall of 2015, including programs of geological mapping and limited geochemical soil and rock sampling. Prior to Northisle's involvement, a considerable amount of exploration work and drilling had been carried out at Red Dog, dating back to 1966.

5.7 Drilling

As at February 4, 2021, a total of 232 holes (46,478 m) have been completed at the Project including 143 holes (32,877 m) at the Hushamu Deposit and 38 holes (6,382 m) at the Red Dog Deposit that were utilized in their respective resource calculations.

Core logging conducted by the Company encompassed lithological and geotechnical logging of recovered core which included description of mineralogy and major geographical features, simple RQD calculations, core recovery, structural data and specific gravity calculations. The information was input into a digital core logging platform (GeoSpark Logger). Drill collars were determined by either hand-held GPS, or by a surveyor using a differential GPS utilizing a base station and a rover.

Drill core generated by previous operators was halved by a jaw-type splitter and sampled by personnel from these operators predominantly at 10 ft (3.05 m) intervals, a sample interval appropriate for porphyry style mineralization. The Northisle drill core was halved using a core saw and sampled from top to bottom generally at 2 m intervals for HQ core and 3 m intervals for NQ core.

5.7.1 Sampling, Analysis and Security

Throughout the history of the drilling at Hushamu, geochemical analyses have been performed at Chemex Labs, and later ALS Chemex Laboratories Ltd. (“**ALS Chemex**”) and Bureau Veritas Commodities Canada Ltd. (“**BVL**”) mineral laboratories. All samples collected by Northisle in 2011, 2012 and 2014 were prepared and analyzed at ALS Chemex in North Vancouver, B.C., as the primary lab and duplicate samples were sent to Acme Analytical Labs Ltd. in Vancouver, B.C., as the secondary lab. All samples collected by Northisle in 2017 were prepared and analyzed by BVL in Vancouver, B.C.

Throughout the history of the drilling at Red Dog, geochemical analysis was done by either Chemex Labs or the Utah Mines Ltd. laboratory at the Island Copper Mine, or Acme Analytical Labs Ltd. In 2016, all samples collected by Northisle were prepared and analyzed by BVL in Vancouver, B.C., as the primary lab and duplicate samples were sent to ALS Chemex in North Vancouver, B.C., as the secondary lab.

Northisle core samples were placed in poly material sample bags with a uniquely-numbered sample tag and secured with nylon zip tags. Sample bags were then placed in rice bags. Sample shipments were palletized and shrink-wrapped and were transported directly by bonded transport from Northisle’s core logging facility to the appropriate lab in Vancouver.

Limited information is available on the sample preparation, analyses and security methods used on the property in work prior to Western Copper’s work in 2007. Conventional sample handling practices of the era were used on the property. No special security precautions were noted in the sampling, shipping, and analysis of the samples from the deposits. No irregularities were found in the historical data, and some check assays were performed.

There is limited available information on any quality assurance/quality control (“**QA/QC**”) programs for the work programs prior to Western Copper’s work in 2007. Northisle’s QA/QC program includes certified reference material (standards), duplicates and blanks. Northisle inserted suites of standards, blanks and duplicates into the core sample sequence every 20 samples.

In the opinion of the authors of the Amended 2021 PEA, the sampling methods, analytical procedures, security protocols and QA/QC protocols employed by Northisle during their 2012, 2014, 2016 and 2017 drilling programs are accepted industry practice and have produced samples of appropriate quality and reliability for the purposes of resources estimation. There is no reason to believe that either sampling integrity or security was jeopardized at any time during the sampling programs.

5.8 Data Verification

A number of data verification programs have been performed over the Project history, primarily in support of technical reports. No material errors or omissions were noted during these reviews.

All drill data is recorded directly into a computer in digital form. Data from third parties such as laboratories are generally supplied in digital and printed form. All data are verified by Northisle personnel and included in Northisle's diamond drill hole database, which was reviewed by the authors of the Amended 2021 PEA.

Data verification was carried out on both the Red Dog and Hushamu diamond drill hole databases and included a site visit to the property, verification of collar locations, elevations, downhole surveys as well as a comparison of assays between the digital database supplied by Northisle and the drill logs and/or assay certificates where available. The Northisle database contains a total of 204 holes (43,418 m) divided by deposits as: (i) Hushamu: 157 holes (35,800 m); and (ii) Red Dog: 47 holes (7,618 m). The database close-out date for the Amended 2021 PEA was November 25, 2020.

Co-author of the Amended 2021 PEA, Brian Game, P. Geo., conducted a site visit to the North Island Project on August 11-12, 2016. During the property examination, Mr. Game reviewed the chain of custody of the drill core from the drill rig to the core logging and sampling facility, which was deemed adequate. The author examined several mineralized core sections while visiting the core storage facility. It was noted that all core boxes were properly labelled and stored inside. Sample tags were still present in the boxes, and it was possible to validate sample numbers and confirm the presence of mineralization in half-core reference samples from the mineralized zones. The author examined three drill hole collars and confirmed the coordinates of the selected surface holes with hand-held GPS.

5.8.1 Red Dog

Collar locations for the 38 holes used in the Red Dog resource estimate were mostly defined by either Hand-Held GPS (20 holes) or Differential GPS (9 holes). The remaining 9 holes which were originally located by tape and compass survey were updated to UTM coordinates by georeferencing the original plan maps using the known GPS drill hole collar coordinates and estimating the collars. The authors ran a check on drill hole location accuracy confirming the coordinates of three selected 2016 surface holes using a handheld GPS during a 2016 site examination. Overall, the collar locations in the Red Dog database are considered accurate and reliable.

Few downhole surveys were taken for the 33 holes drilled prior to 2016. Seventeen of those holes were drilled vertically and were not surveyed. The remaining 16 holes were surveyed using acid tube. The Northisle holes drilled in 2016 were surveyed using a Reflex Easy Shot system at 30 metre intervals but were severely hampered by the presence of the quartz-magnetite breccia. The downhole survey information from drill logs was verified by the authors for the entire 2016 Red Dog database. The surveys for three of the 2016 holes could not be used and were eliminated from the database. Overall, the Red Dog downhole survey data in the Northisle database are considered accurate and reliable.

No original analytical certificates for the drilling done at Red Dog between 1968 and 1991 were available for review; however, assessment reports contain photocopies of drill logs with assays for the 1982, 1983, 1988 and 1990 drilling and photocopies of analytical certificates for the 1991 drilling. The digital assay database for all pre 1991 drill holes contains 1,959 assay records. As part of this study, the author's performed a review of the entire drill hole database against photocopied versions of the drill logs and assay records. The authors found 38 assays missing, four incorrect intervals (mostly imperial to metric rounding errors) and 28 incorrect assay values within the database, which were corrected in the database.

The digital database for the 2016 drilling by Northisle contains 554 assay records, including 446 core samples and 108 QA/QC samples. As part of this study, the authors performed a review of the entire drillhole database against original copies of the drill logs and assay records. The authors found no material errors within the database.

Minor errors of the type typically encountered in a project assay database were found and corrected. The authors consider the Red Dog assay database to be reliable and accurate.

5.8.2 Hushamu

Collar locations for each campaign differed by company. Collar locations for drill holes from 2005-2017 in the database were primarily located using handheld GPS with the exception of the 7 holes from the 2005 and 2008 campaign which utilized a precision differential GPS. Examination by the authors of the pre 2005 drill collar locations in the database compared to the original plan maps revealed one error. The coordinates for hole EC-124 was approximately 200m west of the map location. This hole was abandoned so has no effect on the database integrity. It should be noted that drill logs

for holes between 1968-1973 could not be located so verification of this data could not be carried out. Collar elevations were originally defined by a seemingly smoothed survey circa. 2005. Subsequently, an orthophotogrammetry survey was completed by Eagle Mapping in 2011. A DEM surface was created from this more accurate elevation data and all collars draped on the surface to update the elevations. Overall, the collar locations in the Hushamu database can be considered accurate and reliable.

Downhole survey data prior to 1995 is unknown. From 1995 to 2017, including all of the Northisle holes from 2012-2017, downhole surveys were conducted using a Reflex Easy Shot instrument at 30 metre intervals. Ten percent of the survey information from the 2012-2017 drill logs was verified in the database by the authors. Overall, the Hushamu downhole survey data in the Northisle database are considered accurate and reliable

The verified holes represent 12% of the assays in the Hushamu database. The assays in the database were examined against drill logs and the laboratory certificates where available. No errors were found in the assays, but 19 samples were found to have incorrect from-to values mainly due to rounding from imperial to metric. Minor errors of the type typically encountered in a project assay database were found and corrected. The authors consider the Hushamu assay database to be reliable and accurate.

5.8.3 Statement of Adequacy

There were no limitations on, or failure to conduct, the data verification outlined above. Overall, the authors of the Amended 2021 PEA believe that the data verification process demonstrates the validity of the data and protocols. The authors of the Amended 2021 PEA consider the Red Dog and Hushamu databases to be valid and of sufficient quality to be used for the mineral resource estimate herein.

5.9 Mineral Processing and Metallurgical Testing

Six metallurgical test programs have been conducted on zones of the Project. These programs have documented sample locations from the Hushamu and Red Dog zones. The testing was focused on global entities that represent two geological lithologies. Extensive variability or communication studies have not been performed.

The metallurgical testing has focused on a flotation process to recover a copper concentrate with by-product credits for gold and molybdenum. Cyanide leaching of some flotation streams has been investigated to enhance overall gold recoveries. Recent tests completed by SGS focused on improved recovery of copper, gold and pyrite concentrate.

The largest metallurgical testing programs have been performed on the Hushamu zone: ALS test program KM3409 and the BML test program BL0059. These programs culminated with locked cycle tests (LCT) to demonstrate concentrate grades and recoveries. The Red Dog zone testing was limited to rougher tests in the Bacon Donaldson work and rougher and cleaner tests in the BML 2017 program. The metallurgical tests completed by SGS in 2020 were performed on two samples from the Hushamu zone and one sample from the Red Dog zone. Locked cycle tests were completed on Hushamu and Red Dog composites to estimate the final copper cleaner concentrate grade and recovery. Results from the locked cycle tests were used to determine the expected metallurgical results.

At the current stage of development, bulk flotation with extensive regrinding provides the best metallurgical result. The following table displays locked cycle test results. Further process development is warranted to improve gold recovery and assess molybdenum concentrate production.

Expected Metallurgical Results Based on 2020 Testing

Deposit	Comp	Feed Grade Assays			PG	Con Grade			Recovery		
		Cu (%)	Mo (%)	Au (g/t)	µm K80	Cu (%)	Mo (%)	Au (g/t)	Cu (%)	Mo (%)	Au (%)
Hushamu	CMG	0.33	0.008	0.36	100	24	0.5	15.3	86	74	49
	SCP	0.36	0.009	0.40	100	27	0.5*	14.9	86	74*	43
Red Dog	Reddog	0.33	0.004	0.51	100	27	0.3	24.5	90	73	53

Deposit	Comp	Feed Grade Assays			PG	Con Grade			Recovery		
		Cu (%)	Mo (%)	Au (g/t)	µm K80	Cu (%)	Mo (%)	Au (g/t)	Cu (%)	Mo (%)	Au (%)

Note: Moly concentrate grade and recovery are estimated for SCP mineralized material based on previous testwork

The concentrate produced in the recent testing remained relatively low in deleterious elements. There were some elements that may attract some smelter penalties, specifically: arsenic, bismuth, selenium and fluorine.

5.10 Mineral Resource and Mineral Reserve Estimates

5.10.1 Mineral Resource Estimate

Mineral Resources are reported in accordance with NI 43-101. CIM Definition Standards for Mineral Resources and Mineral Reserves, May 2014 (CIM Definition Standards (2014)) were followed for Mineral Resource estimates.

Mineral Resource estimates for the Hushamu Deposit was updated by Burt Consulting Services with an effective date of February 4, 2021. The estimate was compiled using assay data from 148 drill holes (34,433 m), comprising 11,314 samples. Five main alteration domains (OVER, LEA, QFPP, SCP and CMG) were modeled from the drill data and used as estimation constraints. All other alterations outside of these domains were considered to be within the PRO alteration domain. The CMG, SCP and PRO domains exhibited similar copper statistics so were treated as one domain in the estimation. Grade capping was applied to the raw data, non-assayed sample intervals were given a zero value and 5 m downhole composites were created.

A block model was prepared constrained by an earlier pit model which encompassed nearly all of the drilling. The final model size was 2,500 m E, 2,300 m N and 765 m vertical. Block sizes were 20 m horizontal and 15 m vertical.

An inverse distance squared algorithm was used for block estimation of Cu, Au, Mo and Re using two search ellipsoids determined from a combination of the variogram results, historical estimations and a visual examination of the copper values. For the Indicated Resource Category, a minimum of four and a maximum of 16 composites were used to estimate each block using a 150 m x 75 m x 60 m horizontal search ellipsoid. A maximum of three composites per drill hole were allowed to estimate each block. The Inferred Resource Category used a horizontal search ellipsoid of 400 m x 200 m x 160 m. While a minimum of four and maximum of 16 composites were used to estimate each block, in this case, four composites were allowed per drill hole. Blocks were estimated for LEA and QFPP separately and SCP, CMG and PRO domains were estimated as one. Partial percentages were calculated for each block within each domain and used in the final volume calculations. Specific gravity for each domain was determined from 689 measurements.

The resource estimate assumptions, parameters and methods are summarized as:

- constrained within a historical pit shell and within two main modeled geologic domains, Leached Cap (LCAP) and a combined Chlorite-Magnetite (CMG)/ Silica-Clay-Pyrite (SCP)/ Propylitic (PRO);
- deposit continuity of approximately 1,400m x 600m x 125m is well established from drilling and geologic mapping;
- assays capped and composited downhole to 5m equal intervals;
- the block model block x, y, z size was 20m x 20m x 15m;
- block values were estimated using an inverse distance squared algorithm using 2 search ellipsoids 150m x 75m x 60m for an Indicated Resource and 400m x 200m x 160m for Inferred Resource;
- a range of estimates were reported at various copper cut-off values; the base case of 0.10% Cu was determined to be the base case for a large open pit mining operation.

The model was queried and tabulated for various cut-off copper values. The 0.10% Cu cut-off is as shown in the table that follows. The effective date of this resource is November 29, 2020. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Hushamu Resource Estimate at a 0.10% Cu Cut-off

Indicated Resource					
Domain	Tonnes x 10 ⁶	% Cu	ppm Au	% Mo	ppm Re
LEA	8.84	0.14	0.22	0.008	0.29
CMG-SCP-PRO	462.48	0.20	0.24	0.004	0.03
QFP	1.54	0.11	0.08	0	0
Total	472.85	0.20	0.23	0.008	0.35
Inferred Resource					
LEA	2.17	0.13	0.18	0.008	0.66
CMG-SCP-PRO	410.26	0.15	0.18	0.006	0.30
QFP	1.86	0.12	0.10	0.005	0.15
Total	414.29	0.15	0.18	0.006	0.29

Notes

1. Tonnages have been rounded to the nearest 1,000 tonnes so may not add up.
2. Classification is compliant with the CIM Definition Standards (2014).
3. It is assumed that with continued exploration, most of the Inferred Resources could be upgraded to an Indicated Resource category.
4. Bolded numbers indicate appropriate cut-off grades as per the Amended 2021 PEA.
5. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
6. The effective date of this estimate is November 29, 2020.

The Red Dog resource, effective March 14, 2017, is as follows:

Red Dog Resource Estimate at a 0.10% Cu Cut-off

Indicated Resource				
Cut-off (% Cu)	Tonnes	%Cu	ppm Au	%Mo
0.10	54,490,000	0.22	0.31	0.004
0.15	36,568,000	0.27	0.38	0.005
0.20	23,633,000	0.32	0.46	0.007
0.25	15,553,000	0.38	0.54	0.008
0.30	11,042,000	0.42	0.60	0.009
Inferred Resource				
Cut-off (g/t Cu)	Tonnes	%Cu	ppm Au	%Mo
0.10	2,979,000	0.17	0.25	0.002
0.15	1,774,000	0.20	0.30	0.003
0.20	848,000	0.23	0.33	0.003
0.25	107,000	0.28	0.36	0.007
0.30	27,000	0.33	0.39	0.009

Notes

1. Tonnages have been rounded to the nearest 1,000 tonnes so may not add up.
2. Classification is compliant with the CIM Definition Standards (2014).
3. It is assumed that with continued exploration, most of the Inferred Resources could be upgraded to an Indicated Resource category.
4. Bolded numbers indicate appropriate cut-off grades as per the 2017 report.
5. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

6. The effective date of this estimate is March 14, 2017.

5.11 Mineral Reserve Estimate

No mineral reserves were calculated in the Amended 2021 PEA.

5.12 Mining Operations

Preliminary mine designs have been developed for Hushamu and Red Dog Deposits based upon Indicated and Inferred Resources and a planned production schedule of 75,000 t/d to the concentrator over a 22-year mine life. The mine plan was developed to mine Red Dog concurrently with Hushamu in the early years of the mine life until Red Dog Resources were depleted.

The Hushamu open pit will be mined in four development phases initially providing 50,000 t/d while Red Dog will provide 25,000 t/d. Pit rim crushers will be located at both deposits with overland conveyors to the processing facilities.

The mine will operate four production drills, three hydraulic shovels and two-wheel loaders. The truck fleet will peak at eighteen 220 t class units. Waste rock from Hushamu will be placed in the tailings dam construction and within the Mine Waste Storage Facility (the "MWSF") to be covered with tailings and overburden capping.

5.13 Processing and Recovery Operations

The process plant designed for the Project consists of a conventional copper/molybdenum flotation process that has been used successfully by the mining industry for many years. Concentrates, copper/gold and molybdenum will be produced as saleable products.

The design basis for the processing plant was 75,000 t/d or 27,375,000 t/y at 93% availability. Design mineralized material grade to the process plant was estimated to average 0.18% copper, 0.24 g/t gold and 0.008% molybdenum with an overall estimated recovery of approximately 86% for copper, 47% for gold and 60% for molybdenum.

Mineralized material will be processed from the Hushamu and the Red Dog Deposits. Run-of-Mine (ROM) mineralized material from the Hushamu Deposit will be crushed and stored in a stockpile ahead of the process plant. ROM mineralized material from the Red Dog Deposit will be crushed and conveyed to the stockpile ahead of the process plant. Mineralized material from the mine will be delivered 24 hours per day. Mineralized material will be reclaimed from the stockpile and sent to a conventional SAG/Ball mill grinding circuit for processing to a size suitable for flotation.

Flotation begins with bulk copper-molybdenum flotation to produce a bulk copper-molybdenum concentrate followed by the separation of molybdenum from copper in a molybdenum flotation circuit to produce a final copper/gold concentrate and a molybdenum concentrate. Pyrite from the bulk copper-molybdenum flotation rougher tails will be removed in a pyrite scavenger flotation cell to produce tailings with low sulfide content. The tailings will be classified using cyclones and the underflow recovered as sand for tailings dam construction and the overflow and remaining tailings will be sent to the MWSF. Pyrite scavenger flotation concentrate will be thickened and deposited sub-aqueously with the fine fraction of the pyrite scavenger flotation tailings in the MWSF.

Copper/gold concentrate will be filtered and loaded into highway haul trucks and transported to market. Molybdenum concentrate will be filtered, dried and packaged for transport to market.

5.14 Infrastructure

5.14.1 Power Supply

A new 36 km 138 kV power line will be constructed from an existing BC Hydro electrical substation in Port Hardy to feed the mine site. A new 28 km 34.5 kV powerline will be constructed for site distribution.

5.14.2 Water Availability

Water balance modelling results indicate that there is generally an excess of water generated at the mine facilities, particularly in the winter months. Discharge of excess water from the mine site, following treatment as necessary, will

be required. Make up water for process plant operations can be met without the need for water to be sourced from outside of the mine. Average annual site precipitation is 3.9 m.

5.14.3 Mine Waste Storage Facility

The proposed MWSF will be located in the Hushamu Valley immediately south east of the Hushamu Pit. The MWSF will include two cross valley dams located approximately 2.5 km apart. Each dam will include a till starter dam and will be raised by centreline method using cycloned tailings sand for the downstream shell, till for the core, and waste rock as upstream support. Final dam heights will be 195 m and 280 m. The total area of the facility will be approximately 6.4 km². The MWSF will store waste rock from the Hushamu pit and tailings as sand for dam construction, and as cyclone overflow and whole tailings between the dams. Waste rock and tailings between the dams will be submerged to control acid generation. The facility becomes a landform on closure.

5.14.4 Transportation and Logistics

The Port Hardy area of northern Vancouver Island where the Project is proposed for development is well-serviced by all-weather paved public highways to within about 30 km of the mine site. Access to the site from public highways will be from improved gravel woodlands operation roads. The Port of Nanaimo, which is a major general cargo and container port, is approximately 400 km from the Project site via public highways. There are a number of tug and barge operators that provide service to Port Hardy and Port McNeil that can be utilized to transport bulk materials and equipment to the Project.

5.15 **Permitting and Compliance Activities**

Reasonably available information on environmental, permitting, and social or community factors related to the Project is contained elsewhere in this summary. See “Project Description, Location and Access – Environmental Liability, Permits, Bonds and Other Significant Risk Factors.”

5.16 **Capital and Operating Costs**

5.16.1 Initial Capital Expenditures

The following table shows a summary of the initial capital expenditures for the Project.

Initial Capital Expenditures

Initial Capital Expenditures	CAD\$ Millions
Mine Equipment*	\$17.8
Pre-Production	\$130.9
Process Plant and Infrastructure	\$1,235.4
Owner’s Cost	\$57.9
Total	\$1,442.0

*Primary mining equipment is included in operating costs on a leased basis.

5.16.2 Operating Costs

The mine operating costs were calculated to average CAD\$2.11 per tonne moved based on all years of operation as well as pre-production. (Note that pre-production operating expenses are capitalized in the financial model.) Leased primary mine equipment will cost an additional CAD\$0.21 per tonne for leasing primary mining equipment.

Mine Operating Costs

Area	Unit Cost (CAD\$/t mined)
Drilling	0.13
Blasting	0.35
Loading	0.24
Hauling	0.69
Support	0.49
Mine General	0.21
Total Mining Cost (Excluding Equipment Lease)	2.11
Mine Equipment Lease	0.21
Total Cost	2.32

The process operating costs were calculated to average CAD\$5.52/tonne mineralized material.

Process Operating Costs

Area	CAD\$/tonne mineralized material
Salaries & Wages	0.50
Power	1.84
Liners	0.36
Grinding Media	1.03
Reagents	1.20
Maintenance Parts & Repairs	0.18
Supplies & Services	0.10
Total	5.52

5.16.3 Economic Analysis

The base case economic analysis indicates that the North Island Project has an after tax NPV at 8% discount rate of CAD\$1,059.4 million, after-tax IRR of 19.0% and a payback of 3.9 years. The following table shows the results of the base case economic analysis. Note that the preliminary economic assessment is preliminary in nature. It 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.

Base Case Economic Analysis

Parameter	Base Case Value
Copper Price (US\$/lb)	\$3.25
Gold Price (US\$/oz)	\$1,650.00
Molybdenum Price (US\$/lb)	\$10.00
CAD:USD Exchange rate	0.75
Discount Rate	8%
Avg. Annual Free Cash Flow (CAD\$M)	\$223.6

Parameter	Base Case Value
NPV (8%) (CAD\$M), after taxes	\$1,059.4
IRR	19.0%
Payback Period (years)	3.9

Sensitivity analyses are presented in the following table. The Base Case is the same for all sensitivity analyses listed.

Sensitivity Analysis After Taxes (in Millions of CAD\$)

Change in Metal Prices	NPV @ 8%	IRR %	Payback (yrs)
20%	\$1,833.7	26.5%	2.9
10%	\$1,447.2	22.8%	3.4
Base Case	\$1,059.4	19.0%	3.9
-10%	\$666.8	15.0%	4.9
-20%	\$265.4	10.8%	6.5
Change in Operating Cost	NPV @ 8%	IRR %	Payback (yrs)
20%	\$729.3	15.6%	4.7
10%	\$894.6	17.3%	4.3
Base Case	\$1,059.4	19.0%	3.9
-10%	\$1,223.4	20.7%	3.7
-20%	\$1,386.0	22.3%	3.5
Change in Initial Capital	NPV @ 8%	IRR %	Payback (yrs)
20%	\$874.9	15.7%	4.7
10%	\$967.5	17.2%	4.4
Base Case	\$1,059.4	19.0%	3.9
-10%	\$1,150.2	21.1%	3.6
-20%	\$1,238.9	23.6%	3.3

Additional sensitivities are shown in the table below.

Economic Evaluations

Parameter	Base Case	SEC**	Spot Price (02.02.2021)
Copper Price (US\$/lb)	\$3.25	\$2.84	\$3.51
Gold Price (US\$/oz)	\$1,650.00	\$1,491.97	\$1,835.60
Molybdenum Price (US\$/lb)***	\$10.00	\$10.25	\$10.03
CAD:USD Exchange rate	0.75	0.75	0.75
Average Annual Revenue (CAD\$M)	\$648.6	\$578.4	\$704.9
Economic Result (after tax)			
Avg. Annual Free Cash Flow (CAD\$M)	\$223.6	\$182.8	\$256.7
NPV (5%) (CAD\$M)	\$1,682.5	\$1,137.4	\$2,116.4
NPV (8%) (CAD\$M)	\$1,059.4	\$632.2	\$1,396.1
NPV (10%) (CAD\$M)	\$759.1	\$388.7	\$1,049.0
IRR	19.0%	14.7%	22.3%
Payback	3.9	5.0	3.5

Notes

*The base case price was based on 60% historical prices and 40% futures forecast prices. The historical price

is the 3-year trailing average. The source of futures pricing is, for gold, the Chicago Mercantile Exchange (CME Group) 24 months; for copper, the London Metals Exchange (LME) 24 months; and for molybdenum, the Platts Monthly website 15 months. All futures pricing is per the last day of the month for the period reported.

**The term, SEC pricing, refers to the 3-year trailing average for historical monthly pricing of the metal.

***Rhenium is a credit in the moly concentrate at a price of US\$1,256.00/kg for all cases.

5.17 Exploration, Development, and Production

The Project hosts significant bulk tonnage copper-gold-molybdenum porphyry style mineralization in the Hushamu and Red Dog Deposits. The Project is located in the politically stable province of British Columbia on northern Vancouver Island where perennial access and logistics are straightforward and relatively inexpensive. The region has a long and enduring history of exploration and open pit mining with the past producing Island Copper Mine located approximately 30 km to the east. The Company is contemplating further development of the Project, including the following action items, each as set out in the Amended 2021 PEA or subsequently contemplated by the Company:

- engage with First Nations, local communities, government and key project stakeholders to solicit meaningful and timely input on project development alternatives;
- drill additional holes to convert resources at the Hushamu Deposit from the Inferred to Indicated categories;
- continue metallurgical testing in advance of the Engineering Pre-Feasibility Study, using representative composite samples, to determine the process engineering design criteria for unit processes;
- develop the MWSF to a Pre-Feasibility level;
- evaluate the existing pit at the Island Copper Mine as a potential site to store tailings;
- undertake geotechnical assessments to provide detailed recommendations for open pit wall slope design criteria at the Pre-Feasibility level of study;
- evaluate technologies to reduce greenhouse gas emissions, including but not limited to, trolley-assisted haulage, and hydrogen fuel cell technology for haulage units;
- pursue additional permits for Project development, including environmental permits and additional environmental baseline surveys;
- conduct a power supply study to confirm the electrical power supply capability to the Project and the necessary modifications and upgrades;
- develop a conceptual design and costs to establish copper concentrate receiving, storage and loadout facilities on Holberg Inlet to ship product from the Project;
- review the proposed navigation route to establish and confirm the operating procedures, conditions and limitations for the shipping through the Quatsino Sound and Narrows;
- perform a marketing study for the products of the Project; and
- undertake exploration drilling at prospective target areas within the Project including Pemberton Hills, Red Dog South and NW Expo.

6 DIVIDENDS AND DISTRIBUTIONS

6.1 Summary

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Common Shares, and does not currently have a policy with respect to the payment of dividends or other distributions. The Company does not currently pay dividends and does not intend to pay dividends in the foreseeable future. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on numerous factors, including compliance with applicable laws, financial performance, working capital requirements of the Company

and such other factors as its directors consider appropriate. There can be no assurance that the Company will pay dividends under any circumstances. See “Risk Factors – Risks Related to the Company’s Securities – Dividends”.

7 DESCRIPTION OF CAPITAL STRUCTURE

7.1 Common Shares

The Company’s authorized share capital consists of an unlimited number of Common Shares without par value. As at December 31, 2021, there were 178,960,104 Common Shares issued and outstanding. As of the date of this AIF, there are 181,335,104 Common Shares issued and outstanding.

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive dividends as and when declared by the Board in respect of the Common Shares on a pro rata basis. The Common Shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Any alteration of the rights, privileges, restrictions and conditions attaching to the Common Shares under the Company’s Articles must be approved by at least two-thirds of the Common Shares voted at a meeting of the Company’s shareholders.

7.2 Options

Northisle has a stock option plan pursuant to which the Board may grant stock options (the “Options”) to any director, senior officer, management company, employee or consultant of the Company as the Board may determine, exercisable for of up to a maximum of 10% of the issued and outstanding Common Shares at the time of grant. Every Option granted is non-assignable and has a term not exceeding 10 years after the date of grant.

As of the date of his AIF, Northisle had the following Options outstanding:

Expiry date	Number Outstanding	Weighted Average Exercise Price	Number Exercisable
February 26, 2023	2,100,000	0.15	2,100,000
September 24, 2024	1,530,000	0.07	1,530,000
October 5, 2025	4,000,000	0.12	4,000,000
November 4, 2025	333,333	0.175	166,667
November 17, 2025	650,000	0.20	650,000
December 29, 2025	1,390,000	0.28	926,667
April 26, 2026	275,000	0.335	183,333
July 14, 2026	165,000	0.26	55,000
December 16, 2026	2,079,000	0.29	693,000
April 19, 2027	200,000	0.40	66,667
	12,722,333	\$0.18	10,371,334

7.3 Warrants

As of the date of this AIF, Northisle had the following Warrants outstanding:

<u>Expiry date</u>	<u>Number Outstanding</u>	<u>Weighted Average Exercise Price</u>	<u>Number Exercisable</u>
December 16, 2023	5,048,000	0.28	5,048,000
	5,048,000	\$0.28	5,048,000

7.4 Restricted Share Units

As of the date of this AIF, Northisle had the following restricted share units outstanding:

<u>Issue date</u>	<u>Number Outstanding</u>
December 16, 2021	285,000
March 30, 2022	496,000
Total	781,000

7.5 Deferred Share Units

As of the date of this AIF, Northisle had the following deferred share units outstanding:

<u>Issue date</u>	<u>Number Outstanding</u>
December 16, 2021	348,000
Total	348,000

8 MARKET FOR SECURITIES

8.1 Trading Price and Volume

The Common Shares currently trade on the TSXV under the symbol “NCX” and on the OTC under the symbol “NTCPF”. As of April 21, 2022 the closing price of the Common Shares was \$0.385 per Common Share on the TSXV.

The following table sets out the high and low sale prices and the volume of trading of the Common Shares on the TSXV on a monthly basis during the 12 months ended December 31, 2021, based on information available from Bloomberg:

TSX VENTURE EXCHANGE			
Month	Volume	High	Low
January 2021	2,728,501	0.40	0.26
February 2021	4,319,667	0.42	0.245
March 2021	2,763,487	0.315	0.25
April 2021	2,593,012	0.35	0.26
May 2021	2,608,205	0.35	0.25
June 2021	1,220,214	0.34	0.26
July 2021	1,130,444	0.29	0.23
August 2021	1,191,264	0.255	0.19
September 2021	1,297,160	0.23	0.16

October 2021	1,458,141	0.29	0.165
November 2021	1,079,767	0.23	0.18
December 2021	11,858,769	0.47	0.175

8.2 Prior Sales

The following table summarizes the issuances of securities that are convertible or exchangeable into Common Shares during the 12 months ended December 31, 2021:

Issue Date	Type of Security	Number Issued	Issue Price	Exercise Price	Description of Issuance
December 16, 2021	Warrant	5,048,000	0.19	0.28	Equity Financing
December 16, 2021	Option	2,079,000	0.29	0.29	Compensation options
December 16, 2021	RSU	285,000	0.29	*	Compensation units
December 16, 2021	DSU	348,000	0.29	*	Compensation units
July 14, 2021	Option	165,000	0.26	0.26	Compensation options
April 26, 2021	Option	275,000	0.335	0.335	Compensation options

* Convertible into Common Shares or equivalent cash value on vesting for no additional consideration.

9 ESCROWED SECURITIES

9.1 Summary

For the fiscal year ended December 31, 2021 there were no securities of Northisle subject to escrow or to a contractual restriction on transfer.

10 DIRECTORS AND OFFICERS

10.1 Name, Occupation and Security Holding

The name, municipality of residence, positions held with the Company, and principal occupation within the five preceding years as at the date of this AIF each director and executive officer of Northisle are as follows:

Name and Residence	Position(s) and Office(s) with Northisle	Principal Occupation(s) During Past Five Years	Director Since	Number and Percentage of Common Shares Held
DALE CORMAN ⁽¹⁾⁽³⁾ British Columbia, Canada	Chairman and Director (Independent)	Previously a director at Spanish Mountain Gold Ltd. and Executive Chairman at Western Copper and Gold Corporation, a mineral exploration and development company	August 19, 2011	21,016,200 or 11.6%
IAN CHANG British Columbia, Canada	Vice President, Project Development	Previously Vice President Projects at Orezone Gold Corp. Previously Chief Development Officer at Lion One Metals Ltd. Each of the foregoing companies are mineral exploration and development companies	N/A	0 or 0%

Name and Residence	Position(s) and Office(s) with Northisle	Principal Occupation(s) During Past Five Years	Director Since	Number and Percentage of Common Shares Held
MARTINO DE CICCIO ⁽¹⁾⁽²⁾ London, United Kingdom	Director (Independent)	Currently Vice President, Strategy and Investor Relations at Endeavour Mining, a gold producer	February 6, 2018	0 or 0%
DAVID M. DOUGLAS British Columbia, Canada	Corporate Secretary	Former Chief Financial Officer of Northisle Director and Chief Financial Officer of Eastfield Resources Ltd. Director and Chief Financial Officer of Consolidated Woodjam Copper Corp. Director and Chief Financial Officer of Cariboo Rose Resources Ltd. All of the foregoing companies are mineral exploration and development companies.	October 17, 2011 until December 30, 2020	3,213,500 or 1.8%
SAM LEE ⁽³⁾ British Columbia, Canada	President, Chief Executive Officer and Director	Previously Managing Director and head of CIBC's Vancouver Mining Group	November 4, 2020	2,012,081 or 1.1%
KEVIN O'KANE ⁽²⁾⁽³⁾ British Columbia, Canada	Director (Independent)	Previously an Executive Vice-President and Chief Operating Officer at SSR Mining Inc. Previously Asset President Pampa Norte at BHP Billiton plc Currently a Director at SolGold plc, IAMGold Corp. (Interim Chair) and Almaden Minerals Ltd. All of the foregoing companies are mineral exploration and development or mining companies.	November 5, 2020	166,667 or 0.1%
ROBIN TOLBERT British Columbia, Canada	Vice President, Exploration	Previously Director and CEO Aida Minerals Corp., a mineral exploration and development company. Previously Director, RDF Energy Corp.	N/A	0 or 0%
NICHOLAS VAN DYK British Columbia, Canada	Chief Financial Officer	President of Revelation Financial Inc. Previously Vice President, Investor Relations and Corporate Development at Polaris Materials Corporation, an construction aggregate producer.	N/A	545,840 or 0.3%
LARRY YAU ⁽¹⁾⁽²⁾ British Columbia, Canada	Director (Independent)	Chief Executive Officer of Spanish Mountain Gold Ltd., a mineral exploration and development company.	February 11, 2014	700,000 or 0.4%

Notes:

(1) Member of the Audit Committee. Larry Yau is the Chairman of this committee.

- (2) Member of the Governance, Compensation and Nominating Committee. Martino De Ciccio is the Chairman of this committee.
(3) Member of the Technical and Sustainability Committee. Kevin O’Kane is the Chairman of this committee.

10.2 Directors’ Terms of Office

The term of office for each director of Northisle expires at the next annual general meeting of shareholders of the Company.

The members of Board committees are appointed by the Board as soon as possible following each annual general meeting of shareholders of the Company.

The officers of Northisle are appointed by the Board and hold office for such period and on such terms as the Board may determine.

10.3 Committees of the Board

The Board has established three committees; the Audit Committee (the “**Audit Committee**”), the Corporate Governance, Compensation and Nominating Committee (the “**CGCN Committee**”) and the Technical and Sustainability Committee (the “**Technical and Sustainability Committee**”) to assist the Board in carrying out its various oversight responsibilities.

Each committee has a written charter describing its purpose, organization, powers and responsibilities. The committee charters are reviewed annually to ensure they remain appropriate for the Company and are consistent with market practice and applicable law. Any changes to charters are reviewed by the relevant committee and the Board. The charters are available on the Company’s website. The full text of the Board Charter and Corporate Governance Guidelines is attached to this AIF as Schedule “D”.

The committees of the Board and the directors serving on each of the committees are described below:

10.4 Audit Committee

10.4.1 Overview

The Company has formed an Audit Committee comprised of Larry Yau (Chair), Dale Corman, and Martino De Ciccio, all of whom are “financially literate” as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Mr. Yau, Mr. Corman and Mr. De Ciccio are considered “independent” pursuant to NI 52-110.

The Audit Committee provides assistance to the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee.

The Audit Committee’s primary duties and responsibilities include: (i) assist the Board in fulfilling its financial oversight responsibilities; (ii) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the systems of internal controls regarding finance and accounting, the Company’s auditing, accounting and financial reporting processes; (iii) serve as a independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements; (iv) review and appraise the performance of the Company’s external auditors; and (v) provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

The full text of the Audit Committee Charter is attached to this AIF as Schedule “A”.

10.4.2 Relevant Education and Experience

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Larry Yau

Larry Yau is a Canadian Chartered Accountant with over 30 years of financial and business experience gained primarily in the mining and resource sectors. He is currently the Chief Executive Officer for Spanish Mountain Gold Ltd., an advanced gold exploration company based in British Columbia. He was previously Manager, Corporate Development, at Placer Dome Inc. until its acquisition by Barrick Gold Corp.

Dale Corman

Dale Corman has over 50 years' experience as a senior officer of public mining companies. His roles have required that Mr. Corman understand, review and approve financial statements.

Martino De Ciccio

Martino De Ciccio has over 13 years' experience as a senior officer of public companies and his roles have required that Mr. Ciccio understand, review and approve financial statements. Mr. De Ciccio earned a B.Com in Finance from McGill University. He is a Chartered Financial Analyst and a member of the CFA Institute.

10.4.3 Pre-Approval Policies and Procedures

The Audit Committee mandate requires that the Audit Committee pre-approve any retainer of the auditor of the Company to perform any non-audit services to the Company that it deems advisable in accordance with applicable legal and regulatory requirements and policies and procedures of the Board. The Audit Committee is permitted to delegate pre-approval authority to one of its members; however, the decision of any member of the Audit Committee to whom such authority has been delegated must be presented to the full Audit Committee at its next scheduled meeting.

10.4.4 Reliance on Certain Exemptions

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, pursuant to which the Company is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

10.4.5 External Auditor Service Fees by Category

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) were as follows:

<u>Financial Year Ending</u>	<u>Audit Fees⁽¹⁾</u>	<u>Audit Related Fees⁽²⁾</u>	<u>Tax Fees⁽⁴⁾</u>	<u>All Other Fees⁽⁴⁾</u>
December 31, 2021	\$83,648	\$Nil	\$2,675	\$Nil
December 31, 2020	\$28,800	\$Nil	\$6,000	\$Nil

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit Related Fees" include services that are traditionally performed by the auditor. These audit related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice include assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

On December 29, 2020, Northisle appointed PricewaterhouseCoopers LLP as the auditor of the Company.

10.5 Corporate Governance, Compensation and Nominating Committee

The CGCN Committee is responsible for: reviewing periodically the Company's Corporate Governance Guidelines, policies and practices and any other issues related to corporate governance and related risks, and make recommendations, if any, to the Board and to management; reviewing and assessing the effectiveness of the Company's programs, policies and standards; evaluating annually the functioning and effectiveness of the Board and its committees (including this CGCN Committee) and the contributions of the individual Directors; recommending nominees to fill vacancies on the Board; developing criteria and procedures for the identification and recruitment of candidates for election as Directors of the Company; advising the Board in connection with succession planning in respect of senior management, in particular, the Chief Executive Officer; evaluating periodically and making recommendations to the Board regarding the compensation and benefits for the Company's non-employee directors; reviewing annually the establishment and composition of the committees of the Board; assessing periodically the Company's Directors and officer's liability insurance coverage; making recommendations to the Board in relation to directors' orientation and continuing education program; apprising the Board promptly of significant developments in the course of performing the above duties; performing any other activities required by applicable law, rules or regulations, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate, consistent with its mandate and responsibilities.

The members of this CGCN Committee are: Martino De Ciccio (Chair), Kevin O'Kane and Larry Yau. The full text of the CGCN Committee Charter is attached to this AIF as Schedule "B".

10.6 Technical and Sustainability Committee Charter

The Technical and Sustainability Committee is responsible for: reviewing and monitor the sustainability (including health, safety, environment and corporate social responsibility) policies and activities of the Company on behalf of the Board in order to seek assurance that the Company is in compliance with applicable laws and that appropriate actions have been taken in regards any issues or incidents; ensuring that the Company's directors are kept abreast of their duties and responsibilities related to safety and sustainability matters; reviewing the assumptions and methodology underpinning the Company's mineral reserve and resource estimates and to recommend to the Board for approval the any statements of mineral reserves and resources; reviewing any technical reports, including the processes used to prepare such reports and to recommend to the Board for approval any technical report proposed to be filed by the Company; reviewing and monitoring technical matters on behalf of the Board (but not in replacement of the Board's jurisdiction to review and approve such matters), which include:

- significant proposed capital expenditures on development activities and other large capital projects;
- closure plan for any advanced development project; and
- exploration, geological, mining, metallurgical and other technical issues of significant concern.

As well as ensuring that an appropriate risk management process exists to identify, evaluate and manage technical, operational, health, safety, environmental and corporate social responsibility risks and to oversee required reporting and disclosure with respect to technical, operational, health, safety, environmental and corporate social responsibility matters.

The members of this Technical and Sustainability Committee are: Kevin O'Kane (Chair), Sam Lee and Dale Corman. The full text of the Technical and Sustainability Committee Charter is attached to this AIF as Schedule "C".

10.7 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, none of the Company's directors or executive officers is, as of the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (an "Order") that was issued while the director or executive officer was acting in the

capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the Company's directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder, except that David Douglas was formerly the Chief Financial Officer of Blackstone Ventures Inc. ("**Blackstone Canada**") (now known as "**Lattice Biologics Ltd.**"), a Canadian public company with its shares trading on the TSXV. In 2012, Blackstone Nickel AB ("**Blackstone Sweden**"), a foreign subsidiary of Blackstone Canada operating in Sweden and Norway, was assigned a Liquidator by the Swedish Government for failure to file a 2011 annual report. In 2013, the Liquidator assigned Blackstone Sweden into bankruptcy. At the time of bankruptcy, Mr. Douglas was a Director of Blackstone Sweden.

None of the Company's directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

10.8 Conflicts of Interest

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. See also "*Risk Factors – Conflicts of Interest*".

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any Board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

See also "*Risk Factors – Risks Related to the Company – The directors and officers may have conflicts of interest with the Company*".

11 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

11.1 Legal Proceedings

During the fiscal year ended December 31, 2021, the Company was not a party to, and its property was not the subject of, any legal proceedings and no such proceedings are known by the Company to be contemplated.

11.2 Regulatory Proceedings

During the fiscal year ended December 31, 2021, there were no penalties or sanctions imposed against, or settlement agreements with any court relating to securities legislation or with securities regulatory authority entered into by the Company or any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision.

12 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the directors and executive officers of the Company, only the following individual beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

Name of Shareholder	Number of Shares Held	Percentage of Issued and Outstanding Shares
Dale Corman	21,016,200	11.6%

Other than as disclosed in this AIF, or in the notes to the consolidated audited financial statements and MD&A for the year ended December 31, 2021, no director or executive officer of the Company, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of the outstanding Common Shares, and none of the respective associates or affiliates of any of the foregoing, had any material interest, direct or indirect, in any transaction with the Company or in any proposed transaction within the three most recently completed financial years or the current financial year of the Company that has materially affected or is reasonably expected to materially affect the Company.

13 TRANSFER AGENT AND REGISTRAR

Northisle's transfer agent and registrar for its Common Shares is Computershare. at its principal office located at 3rd Floor - 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9.

14 MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts to which Northisle or any of its subsidiaries are a party to or entered into for the fiscal period ended December 31, 2021 or the date of this AIF.

- (1) Red Dog Option Agreement dated February 11, 2015 between the Company, Tanya Robin Veerman and William Gordon Botel. The Company earned a 100% interest in the claims which contain the Red Dog Deposit by spending a total of \$375,000 on the property and agreeing to pay a 3% Net Smelter Return royalty (subject to a right to repurchase 2%).

Outside of the above, Northisle is not aware of any material contracts of the Company that were entered into (a) within the last financial year and up to the date of this AIF, or (b) before the last financial year but still in effect, and that is required to be filed under Part 12 of NI 51-102 or that would be required to be filed under 51-102 but for the fact that it was previously filed.

15 INTERESTS OF EXPERTS

Information of a scientific or technical nature in respect of the North Island Project is included in this AIF based upon the Amended 2021 PEA, with an effective date of February 4, 2021, authored by Laurie Tahija, Q.P. MMSA, Daniel Roth, P. Eng., Brian Game, P. Geo, John Nilsson, P. Eng., Phil Burt, P. Geo. and Ben Wickland, P. Eng., all of whom are Qualified Persons under NI 43-101.

To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned individuals and their firm do not beneficially own, directly or indirectly, any Common Shares.

16 THE COMPANY'S AUDITORS ARE PRICEWATERHOUSECOOPERS LLP ("PWC"), CHARTERED PROFESSIONAL ACCOUNTANTS, WHO HAVE PREPARED AN

INDEPENDENT AUDITOR'S REPORT DATED APRIL 21, 2022 IN RESPECT OF THE CORPORATION'S CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021 AND 2020 AND FOR YEARS THEN ENDED. PWC HAS ADVISED THAT THEY ARE INDEPENDENT WITH RESPECT TO THE CORPORATION WITHIN THE MEANING OF THE CHARTERED PROFESSIONAL ACCOUNTANTS OF BRITISH COLUMBIA CODE OF PROFESSIONAL CONDUCT.ADDITIONAL INFORMATION

Additional information relating to Northisle may be found on Northisle's website <https://www.northisle.ca/> or under Northisle's profile on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Northisle's securities and securities authorized for issuance under equity compensation plans, is contained in Northisle's Management Information Circular dated November 5, 2021 and in the Company's most recently completed MD&A dated April 21, 2022.

SCHEDULE “A”

NORTHISLE COPPER AND GOLD INC.

Audit Committee Charter

The Board of Directors (the “**Board**”) of Northisle Copper and Gold Inc. (the “**Corporation**”) has established an Audit Committee (the “**Committee**”). The mandate, structure, membership, responsibilities and specific duties of the Committee are described below.

1. Mandate

The Committee’s mandate is to assist the Board in:

- its oversight of the integrity of the Corporation’s financial statements;
- the Corporation’s compliance with legal and regulatory requirements and corporate policies and controls;
- the external auditor’s qualifications and independence; and
- the performance of the Corporation’s internal audit function.

2. Committee Structure

The Committee and its Chairperson shall be appointed by the Board.

The Committee shall be comprised of a minimum of at least three directors, each of whom the Board has determined are independent, considering applicable securities rules and regulations of stock exchanges.

Each member of the Committee shall be financially literate.

Quorum for any meeting shall be two members.

The Committee shall have a minimum of four meetings per year, to coincide with the Corporation’s financial reporting cycle. Additional meetings will be scheduled as considered necessary or appropriate.

Members of the Committee may be removed or replaced by the Board at any time, with or without cause.

A Committee member may resign at any time by providing notice in writing. Such resignation shall take effect upon receipt thereof or at any later time specified therein.

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

3. Responsibilities

In discharging its mandate, the Committee’s responsibilities shall include the following:

External Auditor

- a. Review with management and the external auditor risks of material misstatement due to fraud, and the processes and controls implemented by the Corporation to manage the risks.
- b. Make recommendations to the Board and the shareholders with respect to the retention or termination of the external auditor.
- c. Recommend to the Board for approval, all audit engagement fees and terms, as well as all non-audit engagements of the external auditor prior to the commencement of the engagement.
- d. Review with the external auditor the plan and scope of the audit engagement.

Financial Reporting

- e. Prior to the release of each quarterly and annual financial statements, review and discuss with management and the external auditor, the Corporation's financial statements and related management's discussion and analysis and press release.
- f. Review with management and the external auditor the accounting and reporting procedures and practices applied by the Corporation in preparing its financial statements.
- g. Review and discuss with the external auditor the results of its reviews and audit including any issues arising.
- h. Review and discuss such other relevant public disclosure containing financial information as the Committee may consider necessary or appropriate.

Internal Controls

- i. Review and discuss the effectiveness of the Corporation's internal controls over financial reporting.
- j. Review and discuss the responsibilities and effectiveness of the Corporation's internal audit function.

Risk

- k. Review and assess (i) the Corporation's policies with respect to risk assessment and risk management; (ii) the Corporation's major financial risk exposures; (iii) the steps management has taken to monitor and control such exposures, and (iv) the processes followed for assessment of internal controls over financial reporting.

Report to Board

- l. Apprise the Board promptly of significant developments in the course of performing the above duties, including reviewing with the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements or the performance of the external auditor or the internal audit function.
- m. Perform any other activities required by applicable law, rules or regulations, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate, consistent with its mandate and responsibilities.

SCHEDULE “B”

NORTHISLE COPPER AND GOLD INC.

Corporate Governance, Compensation, and Nominating Committee Charter

The Board of Directors (the “**Board**”) of Northisle Copper and Gold Inc. (the “**Corporation**”) has established a Corporate Governance, Compensation and Nominating Committee (the “**Committee**”). The mandate, structure, membership, responsibilities and specific duties of the Committee are described below.

1. Mandate

The Committee’s mandate is to assist the Board in:

- establishing the Corporation’s corporate governance policies and practices;
- identifying individuals qualified to become members of the Board;
- reviewing the composition and performance of the Board and its committees; and
- overseeing compensation matters for Chief Executive Officer and senior management.

2. Committee Structure

The Committee and its Chairperson shall be appointed by the Board.

The Committee shall be comprised of a minimum of three directors. A majority of the Committee shall be independent including, the Chair.

Quorum for any meeting shall be two members.

The Committee shall have a minimum of two meetings per year. Additional meetings will be scheduled as considered necessary or appropriate.

Members of the Committee may be removed or replaced by the Board at any time, with or without cause.

A Committee member may resign at any time by providing notice in writing. Such resignation shall take effect upon receipt thereof or at any later time specified therein.

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

3. Responsibilities

In discharging its mandate, the Committee’s responsibilities shall include the following:

- a. Review periodically, assess the effectiveness of, and make recommendations, if any, to the Board and to management on, the Corporation’s Corporate Governance Guidelines, policies and practices and any other issues related to corporate governance and related risks.
- b. Evaluate annually the functioning and effectiveness of the Board and its committees (including this Committee) and the contributions of the individual directors.
- c. Recommend nominees to fill vacancies on the Board. Develop criteria and procedures for the identification and recruitment of candidates for election as directors of the Corporation.
- d. Advise the Board in connection with succession planning in respect of senior management, in particular, the Chief Executive Officer.
- e. Evaluate periodically and make recommendations to the Board regarding the compensation and benefits for the Corporation's non-employee directors.
- f. Review annually the establishment and composition of the committees of the Board.

- g. Assess periodically the Corporation's directors and officer's liability insurance coverage.
- h. Make recommendations to the Board in relation to directors' orientation and continuing education program.
- i. Apprise the Board promptly of significant developments in the course of performing the above duties.
- j. Perform any other activities required by applicable law, rules or regulations, and take such other actions and perform and carry out any other responsibilities and duties delegated to it by the Board or as the Committee deems necessary or appropriate, consistent with its mandate and responsibilities.

4. Compensation Responsibilities

The independent members of the Committee shall be responsible for determining a framework for management compensation and within such framework, determine the remuneration package of the Chief Executive Officer including, where appropriate, bonuses, incentive payments, shares, share option grants and/or other equity incentives and confirm aspects of the individual remuneration packages of other members of senior management as recommended by the Chief Executive Officer including, where appropriate, incentive payments, shares, share option grants and/or other equity incentives.

SCHEDULE “C”

NORTHISLE COPPER AND GOLD INC.

Technical and Sustainability Committee Charter

The Board of Directors (the “**Board**”) of Northisle Copper and Gold Inc. (the “**Corporation**”) has established a Technical and Sustainability Committee (the “**Committee**”). The mandate, structure, membership, responsibilities and specific duties of the Committee are described below.

1. **Mandate**

The Committee’s mandate is to review and monitor the policies, activities and performance of the Corporation as they relate to:

- Exploration and mineral reserve and resource estimates;
- Development of the North Island Project; and
- Sustainability, including health, safety, environmental and corporate social responsibility

2. **Committee Structure**

The Committee and its Chairperson shall be appointed by the Board.

The Committee shall be comprised of a minimum of three directors.

Quorum for any meeting shall be two members.

The Committee shall have a minimum of two meetings per year. Additional meetings will be scheduled as considered necessary or appropriate.

Members of the Committee may be removed or replaced by the Board at any time, with or without cause.

A Committee member may resign at any time by providing notice in writing. Such resignation shall take effect upon receipt thereof or at any later time specified therein.

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

3. **Responsibilities**

In discharging its mandate, the Committee’s responsibilities shall include the following:

- a. review and monitor the sustainability (including health, safety, environment and corporate social responsibility) policies and activities of the Company on behalf of the Board in order to seek assurance that the Company is in compliance with applicable laws and that appropriate actions have been taken in regards any issues or incidents
- b. ensure that the Company’s directors are kept abreast of their duties and responsibilities related to safety and sustainability matters
- c. to review the assumptions and methodology underpinning the Company’s mineral reserve and resource estimates and to recommend to the Board for approval the any statements of mineral reserves and resources
- d. to review any technical reports, including the processes used to prepare such reports and to recommend to the Board for approval any technical report proposed to be filed by the Company
- e. to review and monitor technical matters on behalf of the Board (but not in replacement of the Board’s jurisdiction to review and approve such matters), which include:

- i. significant proposed capital expenditures on development activities and other large capital projects
 - ii. closure plan for any advanced development project
 - iii. exploration, geological, mining, metallurgical and other technical issues of significant concern
- f. to ensure that an appropriate risk management process exists to identify, evaluate and manage technical, operational, health, safety, environmental and corporate social responsibility risks
- g. to oversee required reporting and disclosure with respect to technical, operational, health, safety, environmental and corporate social responsibility matters.

SCHEDULE “D”

NORTHISLE COPPER AND GOLD INC.

Board Charter and Corporate Governance Guidelines

The following corporate governance guidelines have been approved by the Board of Directors (the “**Board**”) of Northisle Copper and Gold Inc. (the “**Corporation**”), and along with the charters of the committees of the Board, provide the framework for the governance of the Corporation.

1. Board Mandate

The Board is responsible for the stewardship of the Corporation and for the supervision of the management of the business and affairs of the Corporation. The mission of the Board is to oversee the Corporation’s efforts to create enduring value for all stakeholders.

The Board’s primary responsibilities are to:

- Identify and monitor the long-term business strategies of the Corporation;
- review and monitor the financial and operating results of the Corporation;
- recruit and evaluate the Chief Executive Officer (CEO) and senior management and review management succession planning
- assess principal risks facing the Corporation and implement systems to mitigate such risks; and
- oversee the development of the Corporation’s approach to corporate governance.

2. Board Composition and Director Qualification

The Board shall consist of a minimum of three and a maximum of seven directors, as determined from time to time in accordance with the Articles of the Corporation and applicable laws.

Directors are elected annually by the Corporation’s shareholders.

A sufficient number of directors must be independent as required by applicable laws, rules and regulations.

Directors may resign at any time upon notice in writing. Resignation will be effective upon receipt or as of a later time specified therein.

Between annual meetings, the Board may elect directors to serve until the next such meeting as permitted by the Corporation’s Articles and applicable laws. Directors so appointed by the Board will serve only until the next annual meeting unless re-elected by the shareholders at that time.

Nominees for membership on the Board will be recommended to the Board by the Governance, Compensation and Nominating Committee (the “**Governance Committee**”) based on the ability of such nominee to contribute to the Board’s mandate. In assessing candidates, the Committee will look at relevant experience, expertise, independence, commitment and availability, diversity, and personal and professional ethics, integrity and values.

3. Director Duties and Indemnity

All directors must exercise their business judgment to act in the best interest of the Corporation. Directors must be willing to devote sufficient time and effort to learn the business of the Corporation and the Board, and must ensure that other commitments do not materially interfere with service as a director. In discharging their obligations, directors are entitled to rely on management and the advice of the Corporation’s outside advisors and auditors, but must at all times have a reasonable basis for such reliance.

Directors should attend all Board meetings and meetings of Committees on which they serve, and spend the time needed, and meet as frequently as necessary to properly discharge their responsibilities.

Directors shall exercise their business judgment in a manner consistent with their fiduciary duties. In particular, directors are required to act honestly and in good faith, with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Directors are required to comply with all policies of the Corporation.

Directors should advise the Chair of the Governance Committee in advance of accepting an invitation to serve on the board of another public company.

The directors are entitled to have the Corporation purchase reasonable directors' and officers' liability insurance on their behalf, and to the benefits of indemnification to the fullest extent permitted by law and the Corporation's Articles and any indemnification agreements.

4. Director Orientation and Education

The Governance Committee and management will establish and oversee director orientation and continuing education programs. Director orientation and on-going training will include presentations by senior management to familiarize directors with the Corporation's strategic plans, its significant financial information, accounting and risk management issues, its compliance programs and corporate governance policies, its senior management and its internal and external auditors. All directors will avail themselves of educational opportunities as appropriate to enable them to perform their duties as directors.

Directors have full access to meet with senior management and employees of the Corporation.

The Board has the power, acting as a group or committee, to hire independent legal, financial or other advisors as it may deem necessary.

5. Compensation

The Corporate Governance, Compensation and Nominating Committee will make recommendations to the Board as to the form and amount of director compensation, including cash, equity-based awards and other director compensation. Directors' compensation will take into account market practices for comparable companies, and will reflect an appropriate balance between cash and equity.

6. Committees

The Board may establish such committees as it deems appropriate and delegate to them such authority permitted by applicable law and the Corporation's Articles.

Committee members will be appointed by the Board upon recommendation of the Governance Committee.

Each key committee will have its own charter. The charters will establish the purposes, goals and responsibilities of the committees as well as committee membership, structure, meetings and reporting to the Board.

The Chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings as well as determine the agenda of each meeting.

Each committee will regularly report to the Board.

The members of committees are entitled to receive such fees as the Board determines.

7. Board Meetings

The Board will hold a minimum of four meetings per year. Additional meetings may be held from time to time as necessary or appropriate.

Minutes of each Board and committee meeting will be kept and made available to the Board.

The Chairperson will establish the agenda with input from management and other directors.

The agenda and all materials that are important to the Board’s understanding of the business to be discussed for each meeting will be distributed sufficiently in advance of the meeting to provide a reasonable opportunity for review. Board members are required to review such materials before Board meetings to enable a full discussion at the meetings.

The independent directors shall hold *in camera* sessions (in the absence of non-independent directors and management) as needed.

8. Chairperson

The Board selects the Chairperson of the Board in the manner and upon the criteria that it deems best for the Corporation at the time of selection.

The Chairperson will be responsible for the leadership, management, development and effective functioning of the Board. The Chairperson will act in an advisory capacity to the CEO.

9. Succession

The Board shall review the Corporation’s succession planning with respect to the Chairperson, the CEO and other senior management.

10. Conflicts

Directors are required to disclose to the Board any financial interest or personal interest in any contract or transaction that is being considered by the Board for approval. The interested director should abstain from voting on the matter. Disclosed conflicts of interest will be documented in the minutes of the meeting.

The Corporation will not make any personal loans or extensions of credit to directors or senior management.

11. Annual Review

The Board will conduct an annual self-evaluation (“**Annual Review**”) to determine whether it and its committees are functioning effectively. The Governance Committee will establish a process for the Annual Review, which will include a solicitation of comments from all directors and a report to the Board on the results of this evaluation.