



**Northisle Copper and Gold Inc.**

**Condensed Interim Consolidated Financial Statements  
For the three and nine months ended September 30, 2024**

(Unaudited, Expressed in Canadian dollars)

**NOTICE TO READER:**

These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors. These statements have been prepared by and are the responsibility of the Company's management. This notice is being provided in accordance with National Instrument 51-102 - Continuous Disclosure Obligations

**Northisle Copper and Gold Inc.**

Condensed Interim Consolidated Financial Statements  
(unaudited – prepared by management)

(Expressed in Canadian dollars)

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		September 30, 2024	December 31, 2023
		\$	\$
<b>ASSETS</b>			
	Note		
Cash and cash equivalents		3,374,670	7,541,672
Other assets		202,164	251,403
<b>CURRENT ASSETS</b>		<b>3,576,834</b>	<b>7,793,075</b>
Reclamation deposits		182,175	182,175
Equipment		2,670	10,678
Right of use asset	3	175,352	-
Mineral property interests	4	10,016,000	10,016,000
<b>ASSETS</b>		<b>13,953,031</b>	<b>18,001,928</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		1,605,796	725,401
Flow-through premium liability	5	93,311	652,206
Current portion of lease liability	6	59,422	-
<b>CURRENT LIABILITIES</b>		<b>1,758,529</b>	<b>1,377,607</b>
Non-current portion of lease liability	6	122,040	-
<b>LIABILITIES</b>		<b>1,880,569</b>	<b>1,377,607</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	47,264,894	44,339,707
Contributed surplus		4,128,601	4,346,995
Deficit		(39,321,033)	(32,062,381)
<b>SHAREHOLDERS' EQUITY</b>		<b>12,072,462</b>	<b>16,624,321</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>13,953,031</b>	<b>18,001,928</b>

Nature of operations 1

**Approved by the Board of Directors**

Keena Hicken-Gaberria (signed) Director

Martino Di Ciccio (signed) Director

**Northisle Copper and Gold Inc.**

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**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

	Three Months Ended September 30,		Nine Months Ended September 30,	
Note	2024	2023	2024	2023
	\$	\$	\$	\$
Mineral property expenditures	3,574,826	2,123,022	5,803,608	3,700,594
Filing and regulatory fees	15,625	652	71,169	63,547
Office and administration	174,534	24,789	268,142	82,106
Professional fees	5,280	13,696	70,177	25,318
Rent and utilities	18,161	12,670	31,561	32,770
Share-based payments	9,10 292,117	153,715	706,235	474,162
Shareholder communication and travel	74,338	75,924	380,692	344,724
Wages and benefits	10 196,413	182,745	646,751	527,031
<b>CORPORATE EXPENSES</b>	<b>4,351,294</b>	<b>2,587,213</b>	<b>7,978,335</b>	<b>5,250,252</b>
Foreign exchange loss	4,607	-	4,348	2,311
Interest income	(30,818)	(50,756)	(165,136)	(150,566)
Flow-through premium recovery	(362,567)	(928,568)	(558,895)	(1,606,272)
<b>LOSS AND COMPREHENSIVE LOSS</b>	<b>3,962,516</b>	<b>1,607,889</b>	<b>7,258,652</b>	<b>3,495,725</b>
Basic and diluted loss per share	0.02	0.01	0.03	0.02
Weighted average number of common shares outstanding	238,358,477	212,923,936	233,703,467	201,022,997

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**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the nine months ended September 30,

	Note	2024	2023
Cash flows provided by (used in)		\$	\$
<b>OPERATING ACTIVITIES</b>			
Loss and comprehensive loss		(7,258,652)	(3,495,725)
Items not affecting cash			
Interest on lease obligation		7,170	-
Amortization		28,398	8,009
Flow-through premium recovery	5	(558,895)	(1,606,272)
Share-based compensation	9	706,235	474,162
		182,908	(1,124,101)
Non-cash working capital items			
Change in accrued interest		26,728	22,840
Change in reclamation bond		-	(18,755)
Change in other assets		22,511	515,344
Change in accounts payable and accrued liabilities		880,395	120,296
		929,634	639,725
<b>OPERATING ACTIVITIES</b>		<b>(6,146,110)</b>	<b>(3,980,101)</b>
<b>FINANCING ACTIVITIES</b>			
Warrant exercise	8	1,413,440	-
Private placement	7	-	2,002,935
Issuance costs	7	-	(34,171)
Stock option and restricted share unit exercise	9	587,118	103,750
Lease payments	6	(21,450)	
<b>FINANCING ACTIVITIES</b>		<b>1,979,108</b>	<b>2,072,514</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(4,167,002)</b>	<b>(1,907,587)</b>
Cash and Cash Equivalents – Beginning		7,541,672	5,887,004
<b>CASH AND CASH EQUIVALENTS - ENDING</b>		<b>3,374,670</b>	<b>3,979,417</b>

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**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

	Note	Number of Shares	Share Capital \$	Contributed Surplus \$	Deficit \$	Shareholders' Equity \$
<b>DECEMBER 31, 2022</b>		<b>199,794,604</b>	<b>36,635,672</b>	<b>3,718,110</b>	<b>(26,713,769)</b>	<b>13,640,013</b>
Private placement	7	12,139,000	2,002,935	-	-	2,002,935
Private placement issuance costs	7	-	(34,171)	-	-	(34,171)
Exercise of stock options and restricted share units	9	990,332	232,603	(128,853)	-	103,750
Share-based payments	9	-	-	474,162	-	474,162
Loss and comprehensive loss		-	-	-	(3,495,725)	(3,495,725)
<b>SEPTEMBER 30, 2023</b>		<b>212,923,936</b>	<b>38,837,039</b>	<b>4,063,419</b>	<b>(30,209,494)</b>	<b>12,690,964</b>
Private placement	7	14,873,100	6,420,078	-	-	6,420,078
Private placement issuance costs	7	-	(298,554)	-	-	(298,554)
Flow-through premium	5	-	(652,206)	-	-	(652,206)
Exercise of stock options and restricted share units	9	317,451	33,350	(58,193)	-	(24,843)
Share-based payments	9	-	-	341,769	-	341,769
Loss and comprehensive loss		-	-	-	(1,852,887)	(1,852,887)
<b>DECEMBER 31, 2023</b>		<b>228,114,487</b>	<b>44,339,707</b>	<b>4,346,995</b>	<b>(32,062,381)</b>	<b>16,624,321</b>
Exercise of warrants	8	5,048,000	1,413,440	-	-	1,413,440
Transfer of warrant value	8	-	415,900	(415,900)	-	-
Exercise of stock options and restricted share units	9	5,366,740	1,095,847	(508,729)	-	587,118
Share-based payments	9	-	-	706,235	-	706,235
Loss and comprehensive loss		-	-	-	(7,258,652)	(7,258,652)
<b>SEPTEMBER 30, 2024</b>		<b>238,529,227</b>	<b>47,264,894</b>	<b>4,128,601</b>	<b>(39,321,033)</b>	<b>12,072,462</b>

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

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024

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(Expressed in Canadian dollars)

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### **1. NATURE OF OPERATIONS**

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

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

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

### **2. BASIS OF PRESENTATION**

#### **a) Compliance with International Financial Reporting Standards**

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by International Accounting Standards Board ("IFRS Accounting Standards"). The condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards.

The accounting policies and basis of presentation applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2023, except as noted below.

#### **Leases**

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

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

These financial statements were approved for issue by the Company's Board of Directors on November 12, 2024.

**Northisle Copper and Gold Inc.**

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024

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**b) Critical accounting judgments, estimates and assumptions**

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

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

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

Critical accounting judgments are judgments about the application of accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the expected economic lives of equipment and the identification of potential indicators of impairment for exploration and evaluation assets.

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to mineral property interests. If any such indicator exists, then an impairment test is performed by management. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable; and (iv) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. As at September 30, 2024, management identified no impairment indicators and consequently, impairment testing was not required.

**c) Consolidation**

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

**Northisle Copper and Gold Inc.**

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**3. RIGHT-OF-USE ASSET**

The Company leases vehicles under a lease agreement which expires on May 15, 2028. The leased vehicles have been recorded as a Right-of-Use Asset and are amortized over the life of the lease (See Note 6).

<b>Right-of-use Asset</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Carrying Amount</b>
<b>DECEMBER 31, 2023</b>	-	-	-
Additions	195,742	20,390	175,352
<b>SEPTEMBER 30, 2024</b>	<b>195,742</b>	<b>20,390</b>	<b>175,352</b>

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

	North Island Property \$
December 31, 2022 and 2023	10,016,000
Changes during the period	-
<b>SEPTEMBER 30, 2024</b>	<b>10,016,000</b>

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

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

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

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

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**b) Mineral Property Expenditures**

For the nine months ended September 30,	2024	2023
	\$	\$
Amortization of equipment	19,135	8,009
Community engagement	198,882	313,174
Engineering	416,635	74,027
Exploration and camp support	4,811,775	2,892,639
Environmental and permitting	118,890	195,245
Salary and wages	238,291	217,500
<b>TOTAL</b>	<b>5,803,608</b>	<b>3,700,594</b>

**5. FLOW-THROUGH PREMIUM LIABILITY**

The flow-through premium liability balance as at September 30, 2024, of \$93,311 (December 31, 2023 – \$652,206) arose in connection with the flow-through share offering the Company completed on December 21, 2023. The reported amount is the remaining balance of the premium from issuing the flow-through shares. The flow-through premium is recognized in the statement of loss based on the amount of qualifying flow-through expenditures incurred by the Company.

The Company is committed to incurring on or before December 31, 2024, qualifying Canadian exploration expenses as defined under the Income Tax Act, Canada ("Qualifying CEE") in the amount of \$5,996,886 with respect to the flow-through share financing completed on December 21, 2023. None of the Qualifying CEE will be available to the Company for future deduction from taxable income. As at September 30, 2024, the Company has remaining commitment to incur Qualifying CEE of \$857,978.

On June 23, 2022, the Company completed a flow-through share financing and recorded a flow-through liability of \$3,516,873 and committed to incur Qualifying CEE in the amount of \$7,000,450. As at December 31, 2023, the Company had incurred all committed expenditures and no longer had a flow-through premium liability associated with this flow-through share financing.

Accordingly, the Company recognized a flow-through premium recovery of \$362,567 and \$558,895 during the three and nine months ended September 30, 2024 respectively (\$928,568 and \$1,606,272 during the three and nine months ended September 30, 2023, respectively).

**Northisle Copper and Gold Inc.**

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**6. LEASE LIABILITY**

On May 15, 2024, the Company entered into a vehicle lease agreement for three pickup trucks with a 48-month term and monthly payments of \$4,951.85 for the 48-month term. The vehicle lease agreement has a purchase option of \$125,000 at the conclusion of the 48-month term.

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

	<b>SEPTEMBER 30, 2024</b>	<b>DECEMBER 31, 2023</b>
Additions	195,742	-
Lease payments	(21,450)	-
Interest expense	7,170	-
	181,462	
Less: current portion of lease liability	(59,422)	-
<b>Non-current portion of lease liability</b>	<b>122,040</b>	<b>-</b>

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

<b>YEAR</b>	<b>SEPTEMBER 30, 2024</b>
2024	14,856
2025	59,422
2026	59,422
2027	59,422
2028	19,807
Total minimum lease payments	212,929
Less imputed interest	(31,467)
Total lease obligation	181,462
Current portion of lease obligation	(59,422)
<b>Non-current portion of lease liability</b>	<b>122,040</b>

**Northisle Copper and Gold Inc.**

Notes to the Condensed Interim Consolidated Financial Statements

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

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

**b) Financing**

On December 21, 2023, the Company completed a non-brokered private placement issuing 1,511,400 common shares at a price of \$0.28 per common share, 1,883,200 critical mineral flow-through common shares at a price of \$0.35 per common share, 4,500,000 charity flow-through common shares at a price of \$0.448 per common share and 6,879,500 critical mineral charity flow-through common shares at a price of \$0.476 per common share for gross proceeds of \$6,420,078. Issuance costs related to the private placement totaled \$298,554. A flow-through premium liability of \$652,206 was recognized.

On March 6, 2023, the Company completed a non-brokered private placement issuing 12,139,000 common shares at a price of \$0.165 per common share for gross proceeds of \$2,002,935. Issuance costs related to the private placement totaled \$34,171.

**8. WARRANTS**

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

	<b>Number of warrants</b>	<b>Weighted average exercise price</b> \$
DECEMBER 31, 2022 and 2023	5,048,000	0.28
Exercised	(5,048,000)	0.28
<b>SEPTEMBER 30, 2024</b>	<b>-</b>	<b>-</b>

**Northisle Copper and Gold Inc.**

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

The Company has a stock option plan (the "Option Plan") that permits the grant of stock options for the purchase of up to 10% (less the number of outstanding RSUs and DSUs, defined below) of the issued and outstanding common shares of the Company to directors, officers, employees, and consultants. Stock options generally vest over a two year period from date of grant unless otherwise determined by the board of directors. As at September 30, 2024, the Company could issue an additional 10,748,820 stock options under the terms of the stock option plan.

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

	Number of Stock options	Weighted average exercise price \$
<b>DECEMBER 31, 2022</b>	<b>14,770,633</b>	<b>0.18</b>
Granted	2,578,800	0.37
Exercised	(1,025,000)	0.11
Forfeited	(78,000)	0.18
Expired	(1,100,000)	0.15
<b>DECEMBER 31, 2023</b>	<b>15,146,433</b>	<b>0.22</b>
Granted	502,000	0.48
Exercised	(5,223,000)	0.13
Forfeited	(275,000)	0.34
<b>SEPTEMBER 30, 2024</b>	<b>10,150,433</b>	<b>0.28</b>

In relation to the stock options, the Company recognized an expense of \$165,820 and \$389,132 during the three and nine months ended September 30, 2024, respectively (\$86,728 and \$276,421 during the three and nine months ended September 30, 2023, respectively) in the statement of loss and comprehensive loss.

The average share price relating to options exercised during the nine months ended September 30, 2024, was \$0.43 (nine months ended September 30, 2023 - \$0.17).

**Northisle Copper and Gold Inc.**

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Stock options outstanding and exercisable are as follows:

Expiry Date	Exercise Price	Number of Stock options outstanding	Average remaining contractual life (years)	Number of stock options exercisable
November 4, 2025	\$0.18	333,333	1.10	333,333
November 17, 2025	\$0.20	650,000	1.13	650,000
December 29, 2025	\$0.28	1,040,000	1.25	1,040,000
July 14, 2026	\$0.26	165,000	1.79	165,000
December 16, 2026	\$0.29	1,986,000	2.21	1,986,000
April 8, 2027	\$0.40	200,000	2.52	200,000
November 21, 2027	\$0.175	2,695,300	3.14	1,796,866
May 26, 2028	\$0.18	403,500	3.65	268,999
December 21, 2028	\$0.40	2,175,300	4.23	725,100
April 1, 2029	\$0.50	150,000	4.50	50,000
July 18, 2029	\$0.475	352,000	4.80	117,333
<b>SEPTEMBER 30, 2024</b>		<b>10,150,433</b>	<b>2.87</b>	<b>7,332,631</b>

During the nine months ended September 30, 2024, the Company granted 502,000 (year ended December 31, 2023 – 2,578,800) options to employees, directors and consultants. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model. The weighted average assumption and resulting fair values for the grants are as follows:

Inputs and assumptions	Nine Month Ended September 30, 2024	Year Ended December 31, 2023
Exercise price	\$0.48	\$0.37
Market price	\$0.48	\$0.37
Expected life of options (years)	5.0	5.0
Expected stock price volatility	109%	100%
Average risk-free interest rate	3.40%	3.25%
Expected forfeiture rate	-	-
Expected dividend yield	-	-
<b>FAIR VALUE PER OPTION GRANTED</b>	<b>\$0.37</b>	<b>\$0.26</b>

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**b) Restricted Share Units**

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

	<b>Number of shares issued or issuable on vesting</b>
DECEMBER 31, 2022	1,133,300
RSUs Granted	749,300
RSUs Forfeited	(10,000)
RSUs Converted to common shares	(282,783)
RSUs Converted to cash	(121,649)
DECEMBER 31, 2023	1,468,168
RSUs Granted	433,800
RSUs Converted to common shares	(143,742)
RSUs Converted to cash	(148,757)
<b>SEPTEMBER 30, 2024</b>	<b>1,609,469</b>

In relation to RSUs, the Company recognized an expense of \$75,359 and \$206,658 during the three and nine months ended September 30, 2024, respectively (\$41,792 and \$122,776 during the three and nine months ended September 30, 2023) in the statements of loss and comprehensive loss.

**Northisle Copper and Gold Inc.**

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**c) Deferred Share Units**

Only non-executive directors of the Company are eligible for DSUs. Each DSU vests over twelve months and is redeemed upon a director ceasing to be a director of the Company. These DSUs can be cash or equity-settled at the Company's discretion. The Company has elected to classify the DSUs as equity-settled and as such, the DSUs are valued at the market price of the Company shares on the date of grant. Under the share unit plan the Company has reserved an amount not exceeding 7,000,000 shares for the issuance of RSUs, DSUs, and PSUs. A summary of the Company's DSUs outstanding and the changes for the years then ended, is presented below:

	<b>Number of shares issued or issuable on vesting</b>
DECEMBER 31, 2022	832,200
DSUs Granted	300,000
DECEMBER 31, 2023	1,132,200
DSUs Granted	212,000
<b>SEPTEMBER 30, 2024</b>	<b>1,344,200</b>

In relation to DSUs, the Company recognized an expense of \$50,938 and \$110,445 during the three and nine months ended September 30, 2024 (\$25,195 and \$74,765 during the three and nine months ended September 30, 2023) in the statements of loss and comprehensive loss.

**10. RELATED PARTY TRANSACTIONS****Management Compensation**

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Salary and Wages	196,250	196,250	660,955	588,750
Share-based payments	261,488	145,986	621,661	449,319
<b>MANAGEMENT COMPENSATION</b>	<b>457,738</b>	<b>342,236</b>	<b>1,282,616</b>	<b>1,038,069</b>

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024

(unaudited – prepared by management)

(Expressed in Canadian dollars)

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### **11. SEGMENTED INFORMATION**

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

### **12. CAPITAL MANAGEMENT**

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

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

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

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

### **13. FINANCIAL INSTRUMENT RISK**

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

#### **a. Liquidity risk**

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

#### **b. Credit risk**

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and reclamation deposits. These financial instruments are at risk to the extent that the institutions issuing or holding them cannot redeem amounts when they are due or requested. To limit its credit risk, the Company uses a restrictive investment policy. It deposits cash and cash equivalents in Canadian chartered banks as well as guaranteed investment certificates from Canadian chartered banks with a credit rating of R-1 (high) or equivalent. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents Northisle's maximum exposure to credit risk.