



NORTHISLE COPPER AND GOLD INC. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023

The following management discussion and analysis of Northisle Copper and Gold Inc. ("Northisle" or the "Company") is dated April 23, 2024, and provides an analysis of the Company's results of operations for the year ended December 31, 2023.

This discussion is intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as certain forward-looking statements relating to its potential future performance. The information should be read in conjunction with Northisle's audited consolidated financial statements for the year ended December 31, 2023, and the notes thereto prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Northisle's accounting policies are described in Note 3 of the aforementioned audited consolidated financial statements. All of the financial information presented herein is expressed in Canadian dollars, unless otherwise indicated.

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

DESCRIPTION OF THE BUSINESS

Northisle is a mineral exploration company incorporated on August 3, 2011, in the Province of British Columbia, Canada. The Company's principal business activity is the exploration and development of its North Island Project (the "Project" or the "North Island Project") on Vancouver Island. The Project is situated between 15 and 40 kilometres southwest of Port Hardy and contains the Hushamu and Red Dog Deposits and at least five other partially explored copper-gold porphyry occurrences. The Company's common shares trade on the TSX Venture Exchange under the symbol NCX.

RECENT HIGHLIGHTS:

- On March 13, 2024, Northisle announced an initial mineral resource estimate at the Northwest Expo deposit ("Northwest Expo MRE"). The resource estimate included an Indicated Resource of 1.0Moz grading 0.80g/t Au Eq., and an Inferred Resource of 0.7Moz grading 0.68g/t Au Eq.
- On February 29, 2024, the Company announced recoveries of 90% gold and 80% copper at Northwest Expo.
- On January 17, 2024, Northisle announced intercepts of 96m grading 1.42g/t Au Eq. and 87m grading 1.46g/t Au Eq. at Northwest Expo.
- The Company released its inaugural Sustainability Report on December 28, 2023.
- On December 6, 2023, the Company announced the discovery of a new mineralized copper-gold porphyry system at what is now known as West Goodspeed, with drill results including 125m grading 0.49% Cu Eq.
- On November 27, 2023, Northisle announced that Phase 2 drilling at Northwest Expo extended the strike of the gold-enriched Zone 1 to 600m.

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- On October 23, 2023, the Company announced an exploration update which highlighted that a total of 19 drill holes for 8,491m had been completed across various targets at the North Island Project and additional drill holes were underway in a Phase 3 program at Northwest Expo.
- On September 27, 2023, Northisle announced the results of drill hole NW23-13 which intercepted 130m grading 1.65g/t Au and 0.33% Cu including 15m grading 3.42g/t Au and 1.15% Cu at Northwest Expo. The latter intercept included large clasts of quartz stockworked feldspar porphyry which suggests the existence of a porphyry source to the mineralization in an interpreted down-faulted block to the southeast of Zone 1 at Northwest Expo.
- On September 11, 2023, the Company announced initial drill results from its 2023 program at Northwest Expo including several mineralized intercepts within the gold-enriched Zone 1.
- On July 17, 2023, Northisle received a 5-year area-based permit covering the Pemberton Hills target area. This permit allows the company to conduct extensive exploration drilling on this very large, tilted copper-gold porphyry target where geophysical exploration has identified at least 14 potential drill targets.
- On May 25, 2023, Northisle announced it had received a 5-year area-based permit for the Northwest Expo and Red Dog / Goodspeed areas and had mobilized a drill for its 2023 exploration program. This program includes an initial 4,000 meters of drilling at the Northwest Expo target, and included a further 4,000 meters of drilling which is being allocated by management based on the results of drilling.
- In addition, the Company announced its 100%-owned subsidiary North Island Mining Corp. had signed an agreement with the Tlatasikwala First Nation which provides for collaboration between the parties in respect of the Company's exploration programs.

CORPORATE DEVELOPMENT

Private Placements & Warrant Exercise

On March 18, 2024, the Company announced that a total of 5,048,000 warrants issued on December 17, 2021 were being exercised by Michael Gentile and Pierre Beaudoin for gross proceeds of \$1,413,440.

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 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. The Company is exploring for critical minerals, including copper.

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

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

PROPERTY OVERVIEW AND DEVELOPMENT

The North Island Project

The Project is an advanced stage copper-gold porphyry project containing the Hushamu and Red Dog Deposits and six other partially explored mineral occurrences of porphyry deposit types containing copper-gold-molybdenum-rhenium situated along the "Northern Island Copper Belt" on Vancouver Island, British Columbia. The Project runs approximately 50km to the northwest of the reclaimed BHP Island Copper Mine. An updated National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") current technical report entitled "North Island Copper and Gold Project NI 43-101 Technical Report Preliminary Economic Assessment", was re-issued on May 27, 2022 with an effective date of February 4, 2021 and has been filed by the Company on www.sedar.com and its website at <https://northisle.ca>. Northisle has completed additional exploration work across the Project during 2021, 2022 and 2023.

2021 Preliminary Economic Assessment

The Company filed a report describing the results of the 2021 preliminary economic assessment (the "2021 PEA" or the "Report") on SEDAR+ on March 22, 2021. The 2021 PEA was subsequently re-filed on June 8, 2022 with augmented discussion of data verification, economic analysis and site visits by qualified persons following a voluntary disclosure review requested by the Company as it prepared for short-form prospectus eligibility in the first half of 2022. There were no changes to any of the factual information in the report. The 2021 PEA updates on the 2017 preliminary economic assessment for the Project, with the most significant changes being an update to metallurgical recoveries based on testing completed in 2020, as well as a change to the economic assumptions including metal prices and exchange rates.

The 2021 PEA confirms that the North Island Project is one of the most attractive copper-gold porphyry projects in Canada:

- Long mine life of 22 years with average annual production of 177 mm lbs Cu Eq. over the first 6 years, including 112 million lbs of copper, 112 koz of gold and 2.7 million lbs of molybdenum
- Base case metal prices of US\$3.25/lb copper, US\$1650/oz gold, US\$10/lb molybdenum and US\$1,256/kg rhenium
- Average annual after-tax free cash flow of \$321 million during the first 6 years and \$224 million over the life of the operation
- First quartile AISC of \$0.77/lb Cu (net of by-products) and \$2.01/lb Cu Eq. over first 6 years
- Attractive economics with \$1.1 billion After-tax NPV (8%) and 19% After-tax IRR
- Attractive payback of 3.9 years driven by modest capex of \$1.4 billion due to excellent infrastructure from historical mining and other industrial activity

In addition, the 2021 PEA confirmed that there were multiple opportunities to further improve the Project through optimization and exploration with prospective targets at Pemberton Hills, Red Dog and Hushamu.

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

Table 1: Key Performance Indicators for the 2021 PEA

	Production			AISC		After-tax Avg. Free Cash Flow	After-tax NPV (8%)	After-tax IRR	GHG Emissions (kg CO2e/lb)	
	Cu (mm lbs)	Au (koz)	Cu Eq. (mm lbs)	Cu (\$/lb)	Cu Eq. (\$/lb)	\$ mm	\$ mm	%	Cu	Cu Eq.
First 6 years average	112.1	111.8	177.5	\$0.77	\$2.01	321				
Life of mine average	95.9	99.9	155.9	\$0.90	\$2.14	224	1,059	19.0	0.66	0.41

The 2021 PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the project described in the 2021 PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The full Report can be found on SEDAR+ at www.sedarplus.ca under the Company's profile, or on the Company's website at <https://www.northisle.ca/north-island-project/technical-reports/>.

Northwest Expo Mineral Resource Estimate (MRE)

The information of a scientific or technical nature contained in the summary that follows has been derived from the Northwest Expo MRE, which was prepared by Sue Bird, P. Eng. of Moose Mountain Technical Services and announced by the Company on March 13, 2024.

Reference should be made to the full text of the Northwest Expo MRE in the press release of the Company dated March 13, 2024, a copy of which is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

The Company has determined that a 2021 PEA update is not required for the North Island Project as a result of the Northwest Expo MRE. Should the Company complete an updated 2021 PEA on the North Island Project in the future, the Northwest Expo MRE will be included.

On March 13, 2024, the Company announced initial indicated mineral resource and inferred mineral resource estimates for the Northwest Expo deposit at the North Island Project. The Northwest Expo MRE includes a total of 32 diamond drill holes totalling 14,333 meters drilled by Northisle and previous operators from 2005 through the end of 2023, of which 20 holes totalling 9,367 meters were completed by the Company between 2021 and 2023.

A confining shape for the interpolations at the Northwest Expo deposit was made using the alteration type modeling shapes provided by the Company, the logged alteration/lithologies and the metal grades. Capping of assays was implemented at 10gpt for Au and 1% for Cu. Outlier restriction of composites during interpolation was also implemented with values above 2gpt Au and above 0.40% Cu essentially capped beyond a 10m distance from the composite. Compositing has been done by three-meter intervals honoring the domain boundary for each element. Three meters was selected because it is the length of the longest assays. Values less than 1.5 m were added to the composite above to avoid small composite lengths. Ordinary Kriging interpolations were used for both Au and Cu interpolations.

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Resource classification was based on the distance between drillholes with criteria based on the variography using the following process: (i) all interpolated blocks are initially classified as inferred mineral resources; (ii) blocks are upgraded to indicated if the average distance to the two nearest drillholes is less than 65 meters; and (iii) blocks were then examined and those near surface were downgraded to inferred mineral resources due to lack of near-surface drilling and extrapolation in this area. A small number of blocks of isolated indicated mineral resources were downgraded to inferred and of isolated inferred upgraded to indicated to ensure continuity of classification.

The table below summarizes the Northwest Expo MRE and shows the robustness of the deposit based on the sensitivity of the mineral resource estimate to cut-off grade. The base case cut-off grade of 0.18g/t AuEq covers the estimated processing and general and administrative costs:

Table 2: Northwest Expo Resource Estimate at a 0.18g/t Au Eq. Cut-off

Indicated Resource					
AuEq Cut-off (gpt)	Tonnes	AuEq (gpt)	Au (gpt)	Cu (%)	NSR (C\$/t)
0.18	40,310,000	0.799	0.672	0.113	55.44
0.3	37,450,000	0.841	0.708	0.119	58.40
0.4	33,960,000	0.892	0.750	0.126	61.90
0.5	29,595,000	0.957	0.806	0.134	66.43
0.6	25,318,000	1.026	0.866	0.143	71.25
0.7	21,283,000	1.097	0.927	0.152	76.22
Inferred Resource					
AuEq Cut-off (gpt)	Tonnes	AuEq (gpt)	Au (gpt)	Cu (%)	NSR (C\$/t)
0.18	30,612,000	0.676	0.567	0.093	46.75
0.3	25,113,000	0.771	0.649	0.105	53.38
0.4	21,534,000	0.841	0.711	0.113	58.27
0.5	18,000,000	0.918	0.778	0.122	63.64
0.6	14,576,000	1.005	0.855	0.132	69.73
0.7	11,990,000	1.082	0.922	0.142	75.13

Notes

- Tonnages have been rounded to the nearest 1,000 tonnes. Numbers may not add due to rounding.
- Classification is compliant with the CIM Definition Standards (2014).
- The base case Northwest Expo MRE has been confined by a "reasonable prospects of eventual economic extraction" shape using the following assumptions:
 - metal prices of US\$1800/oz gold, US\$3.50/lb copper, exchange rate of 0.75 USD:CAD;
 - metallurgical recovery of 91% gold, 73% copper in the chlorite-magnetite-silica and 89% gold, 88% Cu in silica-clay-pyrite and all other material. Weighted average recoveries of 88% Au and 76% Cu;
 - payable metal of 99.9% gold and 99% Cu offsite costs (transport, smelter treatment and refining) of C\$10/oz gold, and C\$0.07/lb copper; and
 - processing cost of C\$10.00 and general, and administrative costs of C\$2.50/t milled;
 - mining cost of C\$3.00/t mined and 48 degree pit slopes; and
 - the 100% price case pit shell is used for the confining shape.
- The resulting NSR = $(Au * US\$76.765/g * Recovery + 22.042 * (Cu * US\$4.617/lb * Recovery)) / 0.75$.
- The specific gravity of the mineral resource is variable by lithology between 2.61 and 2.77.

6. It is assumed that with continued exploration, most of the inferred resources could be upgraded to an indicated resource category.
7. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
8. The effective date of this estimate is March 1, 2024.
9. For further information, see press release dated March 13, 2024.

The Northwest Expo MRE included the results of all drilling completed to date on Northwest Expo Zone 1, by Northisle and previous operators. The Northwest Expo MRE included a total of 32 drill holes totally 14,333m from 2005 through the end of 2023. Northisle and other operators have drilled additional holes in other parts of Northwest Expo, which have informed the general understanding of the geology of the area and assist in guiding future exploration. Details of the drill results can be found in Northisle's press releases found on SEDAR+ at www.sedarplus.ca or the Company's website. The coordinates of all drill holes were reported in Table 2 of the Northisle January 17, 2024 press release detailing the first portion of Phase 3 drill results: <https://bit.ly/nwexpophase3part1>

Future exploration at Northwest Expo will be focused on infill of the Northwest Expo MRE with an emphasis on the higher grade portions of the pit in order to increase confidence in the resource. In addition, the company has identified several targets for the potential causative intrusion for the higher grade mineralization found in Northwest Expo Zone 1, and will be systematically testing these targets in 2024.

Figure 1: Northwest Expo Surface Alteration and Drill Holes

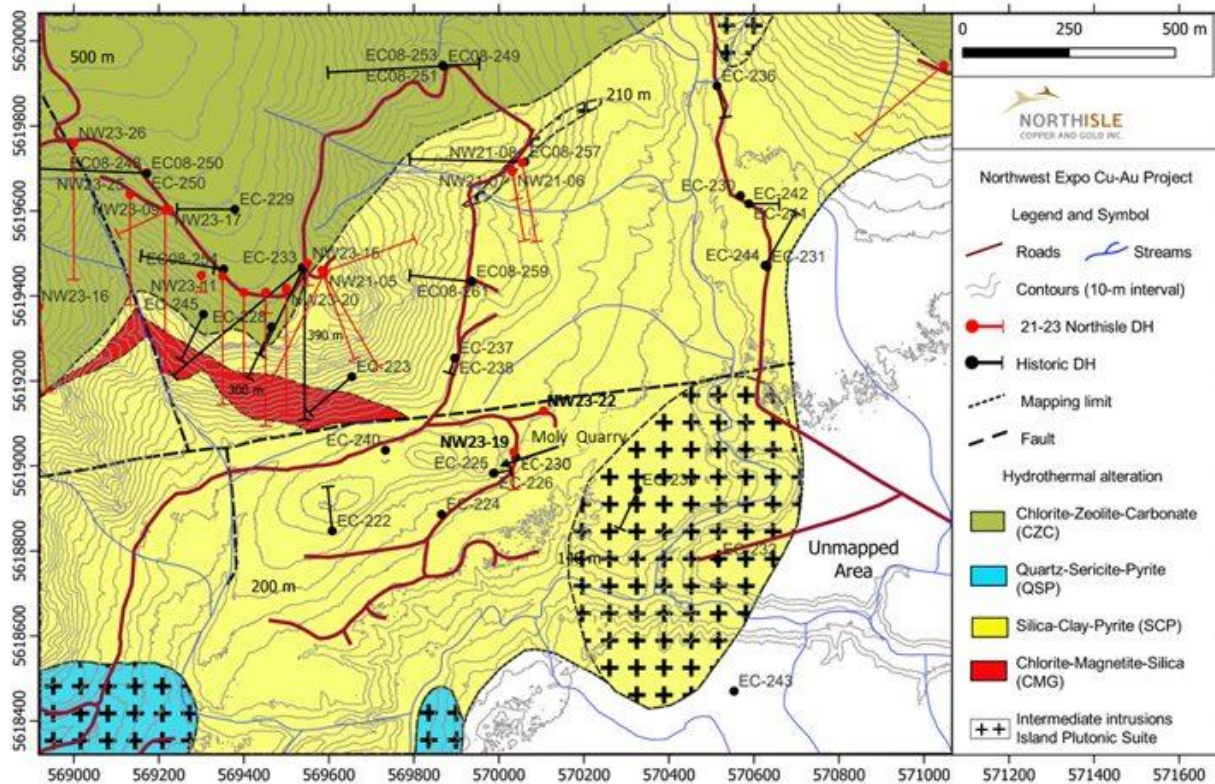
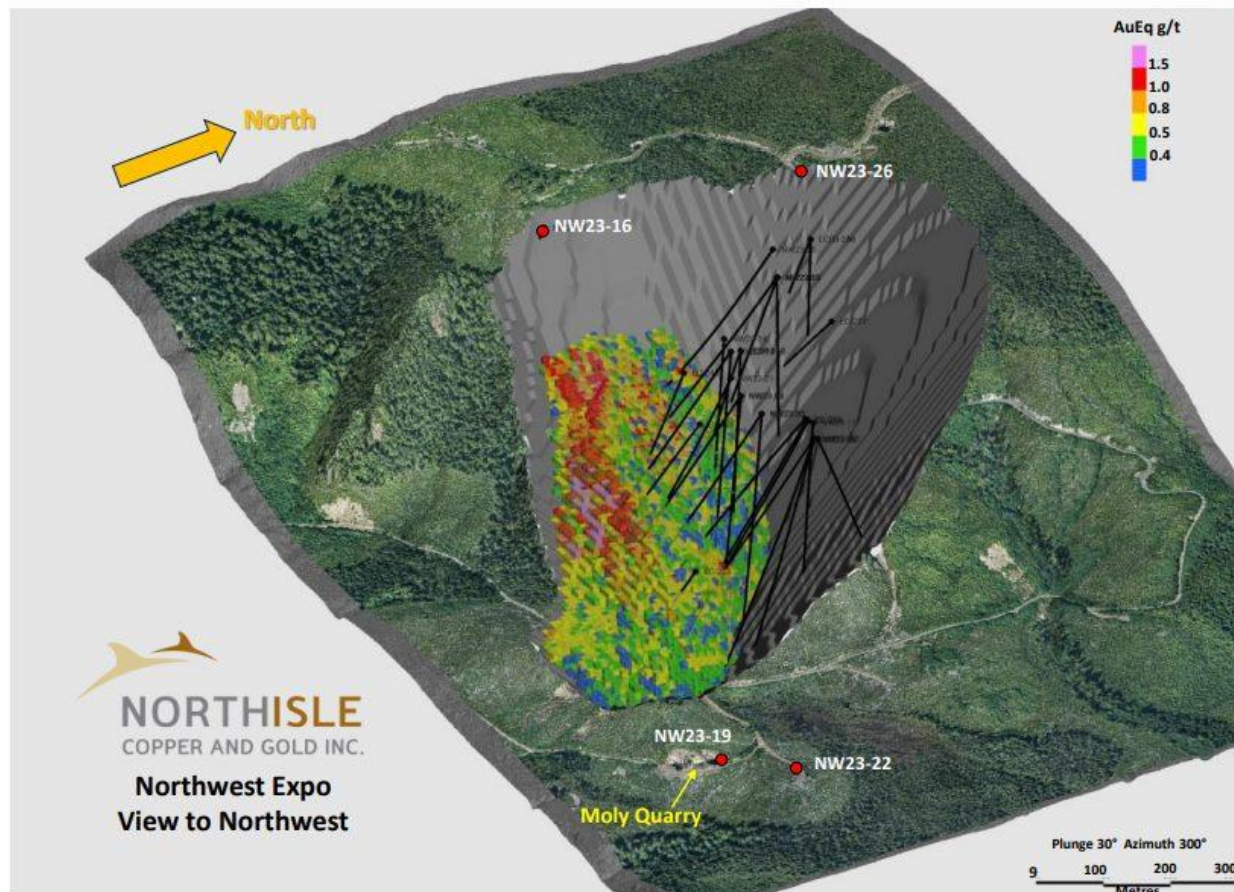


Figure 2: Northwest Expo Resource Shell and Block Model Showing Grades



Hushamu and McIntosh Drilling

Ten planned drill holes at Hushamu were completed in 2021-2022, totalling 4,934 metres. Drilling at Hushamu was paused to allow the drill to test several targets at McIntosh. The holes completed during late 2021 and early 2022 were targeted at filling in an under-drilled volume to the southwest of the resource and intercepted mineralization consistent with that found elsewhere in the Hushamu Deposit. The objective of that drilling program was to test areas near the defined resource with potential for increasing the global resource. Assays from 2021 and 2022 drilling at Hushamu have indicated that the potential exists to upgrade the grade in certain under-drilled areas of the resource within the conceptual pit outline considered during the 2021 PEA. In addition, HU22-06 demonstrated that mineralization extends more than 180m beyond the modelled pit shell. Additional in-fill drilling is required, with the objective of elevating approximately 100 million tonnes of in-pit Inferred Resources to Indicated as well as additional step-outs adjacent to the 2021 PEA pit shell. See the Company's press release dated August 5, 2022 (<https://bit.ly/hushamu2022>) for more details.

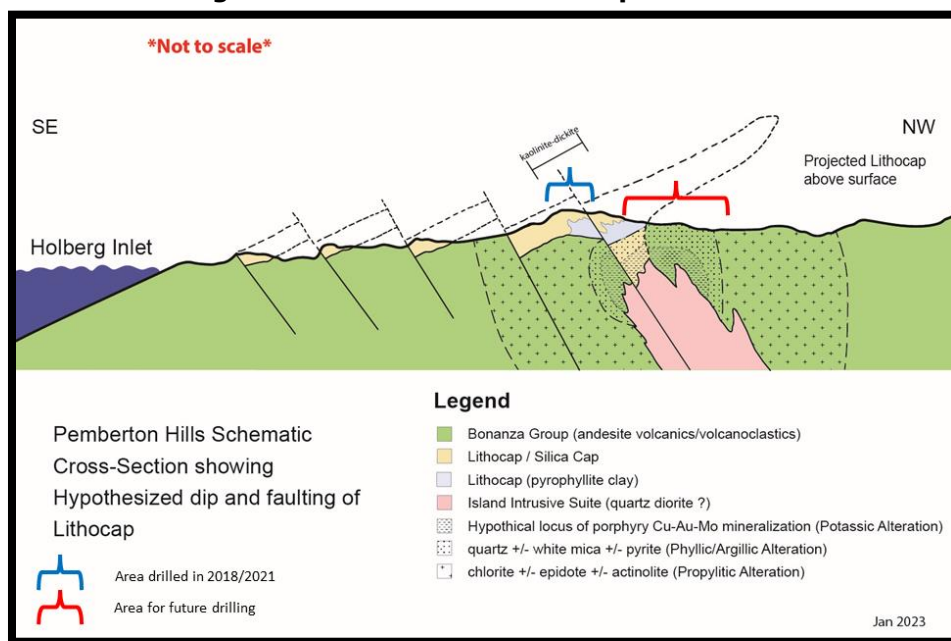
At McIntosh, immediately southeast of Hushamu, recent logging roads exposed a large area of previously unknown high-level porphyry alteration which was the target of a surface mapping program during 2021 and which identified an area 2.4km long by 1.5km wide. An IP/Mag survey was completed in late 2021 and drill tested during 2022 with nine holes totalling 3,589m. Drilling indicated that McIntosh may be an extension of the same alteration system identified at Hushamu with several untested target areas to the southwest.

In 2024, the Company plans to conduct surface exploration near Hushamu to test a new potential deposit model in order to better target future exploration near this deposit, with a goal to identify the location of the source intrusion for mineralization at Hushamu which is now interpreted to be primarily lithocap-hosted.

Pemberton Hills Exploration

At Pemberton Hills, the geological model has evolved significantly since 2021, when four drill holes were completed in the lithocap occurring at the top of the Pemberton Hills porphyry system, which is now interpreted to be tilted approximately 40 to 50 degrees to the southwest. See Figure 3 for a conceptual cross section of the system.

Figure 3: Pemberton Hills Conceptual Section



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

As a result, Northisle specified a target area for geophysics (see Figure 4), which was anticipated to help identified the key subsurface structures which might support the overall thesis. The completed survey included a total of 23.55 line-kilometers covering an area of 4.4 km by 2.2 km.

Figure 4: Pemberton Hills Plan Map with Drill Holes and Surface Alteration

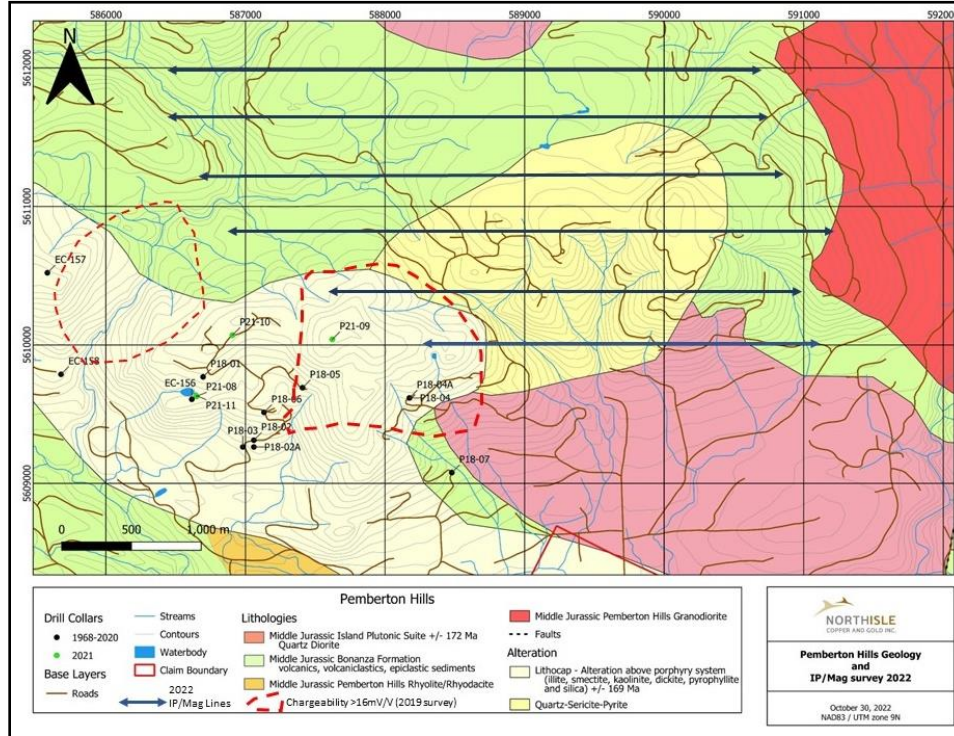
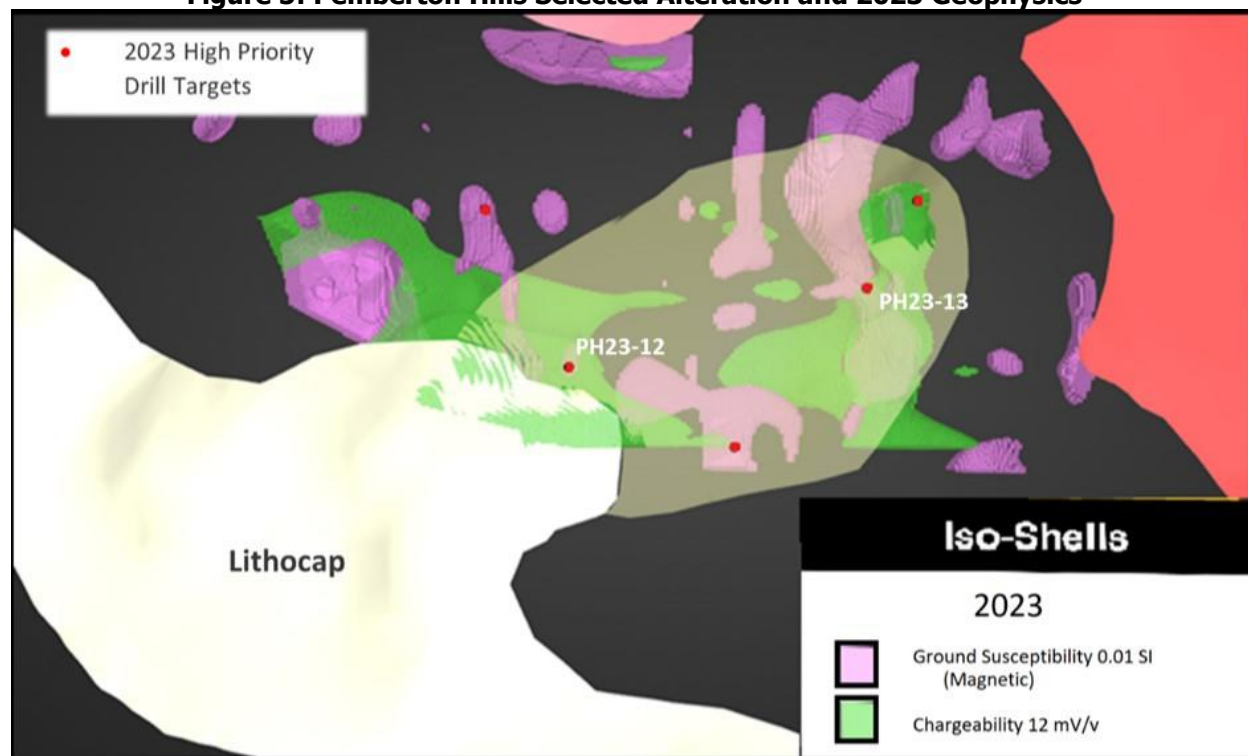


Figure 5 shows the chargeability and coincident magnetic anomalies resulting from the geophysical survey. In context with quartz-sericite-pyrite alteration 1.5km wide by 2.5km long northeast of the lithocap, the anomalies are consistent with the reinterpretation and are typical of porphyry systems elsewhere. The researchers used clay mineral and pyrite analysis, whole rock trace element ratios plus alteration mineral trace element ratios and alteration mineral fertility assessments as key markers for vectoring towards the centre of hydrothermal upflow from the porphyry. These are consistent with the conclusion that Pemberton Hills is a large and highly attractive target for exploration.

Figure 5: Pemberton Hills Selected Alteration and 2023 Geophysics



Fourteen preliminary targets have been defined by coincident high IP chargeability and magnetic susceptibility within or adjacent to the mapped quartz-white mica-pyrite alteration zone. Two targets, being PH23-12 and PH23-13, were drilled in 2023 with results of this drilling pending.

2024 activities in this area will include surface mapping and sampling which, combined with the drill results, will aid in vectoring towards the source of this very large porphyry system.

Red Dog / Goodspeed

At Red Dog and Goodspeed, a geophysical survey totalling 15.79 line-kilometres was completed in late 2022 over an area of 3,500m by 850m from the Red Dog deposit (see Figure 6) extending east to Goodspeed. At Goodspeed, a stockwork of chlorite-magnetite alteration (CMG) containing chalcopyrite-bornite mineralization occurs at surface, and four historic, shallow drill holes intersected significant copper mineralization (see Table 3).

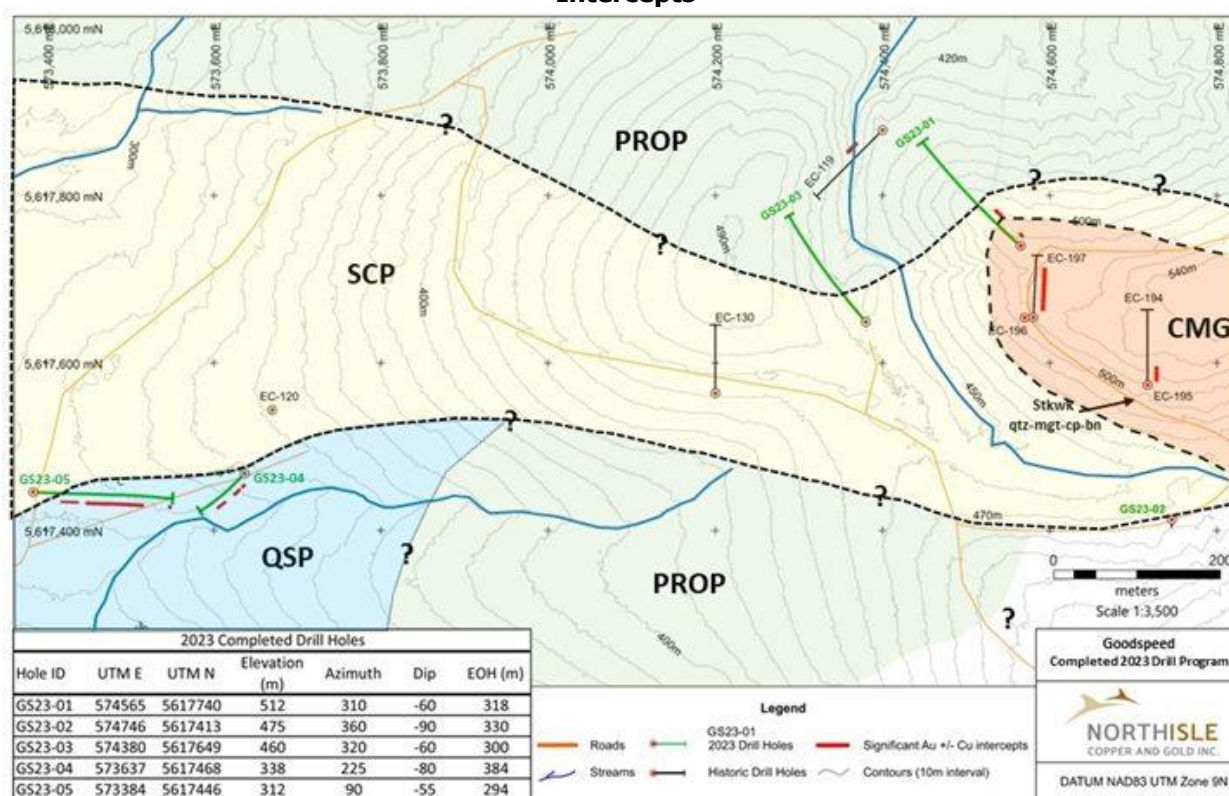
Alteration mapping at Goodspeed has outlined a large area of silica-clay-pyrite (SCP) alteration with a 500m by 350m core of CMG alteration containing quartz-magnetite stockwork veining and minor chalcopyrite-bornite mineralization. The CMG alteration and copper mineralization is analogous to other known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

Table 3: Selected Significant Intercepts from Historical Goodspeed Drilling

DDH	UTM_E	UTM_N	Azimuth	Dip	Length (m)	From (m)	To (m)	Intercept (m)	Copper (%)
EC-119*	574401	5617878	224	-45	157.3	45.72	70.1	24.38	0.30%
EC-194	574716	5617574	0	-45	126.5	6	30	24.0	0.135%
EC-195	574716	5617574	0	-90	49.4	9	36	27.0	0.188%
EC-196	574570	5617654	0	-90	134.7	12	27	15	0.16
EC-197	574570	5617654	3	-45	105.2	12	84	72.0	0.192%

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

Figure 6: Goodspeed Geology Showing Historic and 2023 Drilling and Significant Copper Intercepts



The Red Dog/Goodspeed 2022 geophysical survey confirmed a 2.5km eastward extending chargeability anomaly from Red Dog to Goodspeed which is consistent with the extent of the silica-clay-pyrite alteration observed at surface mapped in 2021. Fourteen first and second priority chargeability and magnetic anomaly targets were defined, of which eight were recommended for first phase drilling. Five of these were selected for drill testing in 2023 (GS23-01 through GS23-05) and have been completed in this area as shown in Figure 6 and Figure 7.

The results of these holes were released in December 2023, with multiple significant intercepts inviting further exploration of this prospective area.

Table 4 below summarizes the significant intercepts from 2023 drilling in the Goodspeed area. GS23-04 and GS23-05 are within the newly identified West Goodspeed target and are within the bounds of a large magnetic anomaly as shown in Figure 7.

Table 4: Goodspeed Significant 2023 Intercepts

DDH	From (m)	To (m)	Interval (m)	Au Grade (g/t)	Cu Grade (%)	Mo Grade (%)	Re Grade (g/t)	Cu Eq. Grade (%)	Au Eq. Grade (%)
GS23-01	9.0	21.0	12.0	0.034	0.22	0.012	0.65	0.29	0.40
and	74.65	97.0	22.35	0.015	0.21	0.002	0.076	0.23	0.31
GS23-04	56.0	87.0	31.0	0.290	0.23	0.004	0.275	0.46	0.62
and	97.0	151.0	54.0	0.131	0.20	0.010	0.700	0.34	0.46
and	210.0	288.0	78.0	0.272	0.23	0.012	0.727	0.48	0.65
GS23-05	57.0	95.0	38.0	0.228	0.15	0.007	0.399	0.35	0.47
and	109.0	234.0	125.0	0.315	0.22	0.008	0.539	0.49	0.66
and	288.0	294.0(EOH)	6.0	0.133	0.17	0.017	1.477	0.35	0.47

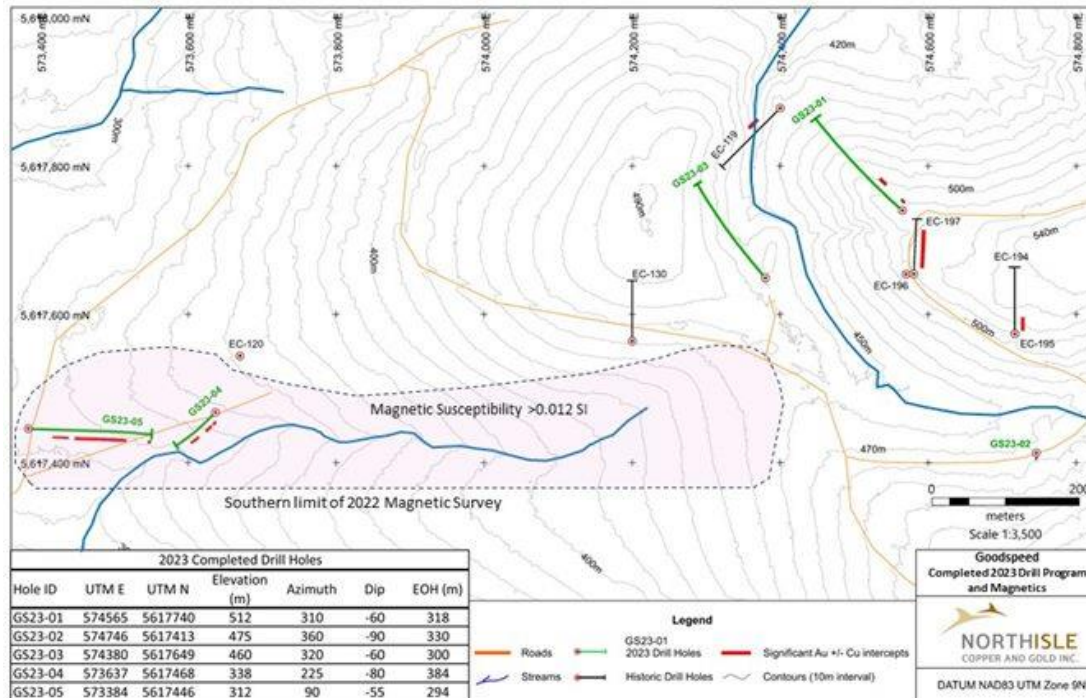
Copper and gold equivalent calculations based on the following metal prices which were used in the Company's 2021 PEA on the North Island Project:

Cu = US\$3.25/lb, Au = US\$1,650/oz, Mo = US\$10/lb, Re = \$1,256/kg. Calculations assume 100% recovery; totals may not add due to rounding.

Note on equivalent calculation:

Copper equivalent is determined by calculating total contained metal value/ tonne, dividing by the copper price, and then dividing the resultant number of pounds of copper by 2204.6. Gold equivalent is determined by calculating total contained metal value/tonne, dividing by the gold price, and then multiplying the resultant number of troy ounces of gold by 31.103. Analyzed metal equivalent calculations are reported for illustrative purposes only. The metal chosen for reporting on an equivalent basis is the one that contributes the most dollar value after accounting for assumed recoveries, which is expected to be gold for Northwest Expo and copper for the overall North Island Project.

Figure 7: Plan Map Showing Goodspeed Drill Holes and Magnetic Susceptibility Survey



Subsequent to completion of the Goodspeed drill program, as a result of observations of the alteration style and presence of chalcopyrite +/- hypogene chalcocite in GS23-04 and GS23-05, Northisle initiated a follow-up magnetic survey to determine the full extent of the magnetic anomaly to the south of these holes. This will potentially inform the extent of any possible magnetite bearing potassic alteration zone. Results of this survey are pending and will inform the next phase of exploration at this target area during 2024.

Northisle has reviewed the assessment reports from previous programs at Goodspeed. Check assays have not been carried out on this core; however, the mineralized lithologies described, as well as related assays results, are consistent with nearby holes drilled, logged and assayed by Northisle. Results of the previous programs at Goodspeed were first disclosed in the following reports:

- Bowen, B. (1974). Geophysical, and Drilling Report on the Expo Groups
- Bowen, B (1977). Drilling Report on the Expo Groups 2,4,5,6,7, Nanaimo Mining Division
- Baker, D. (2005). Geological, Geochemical, Geophysical and Diamond Drilling Report on the Hushamu Property, Volumes A, B, C

South HEP Target

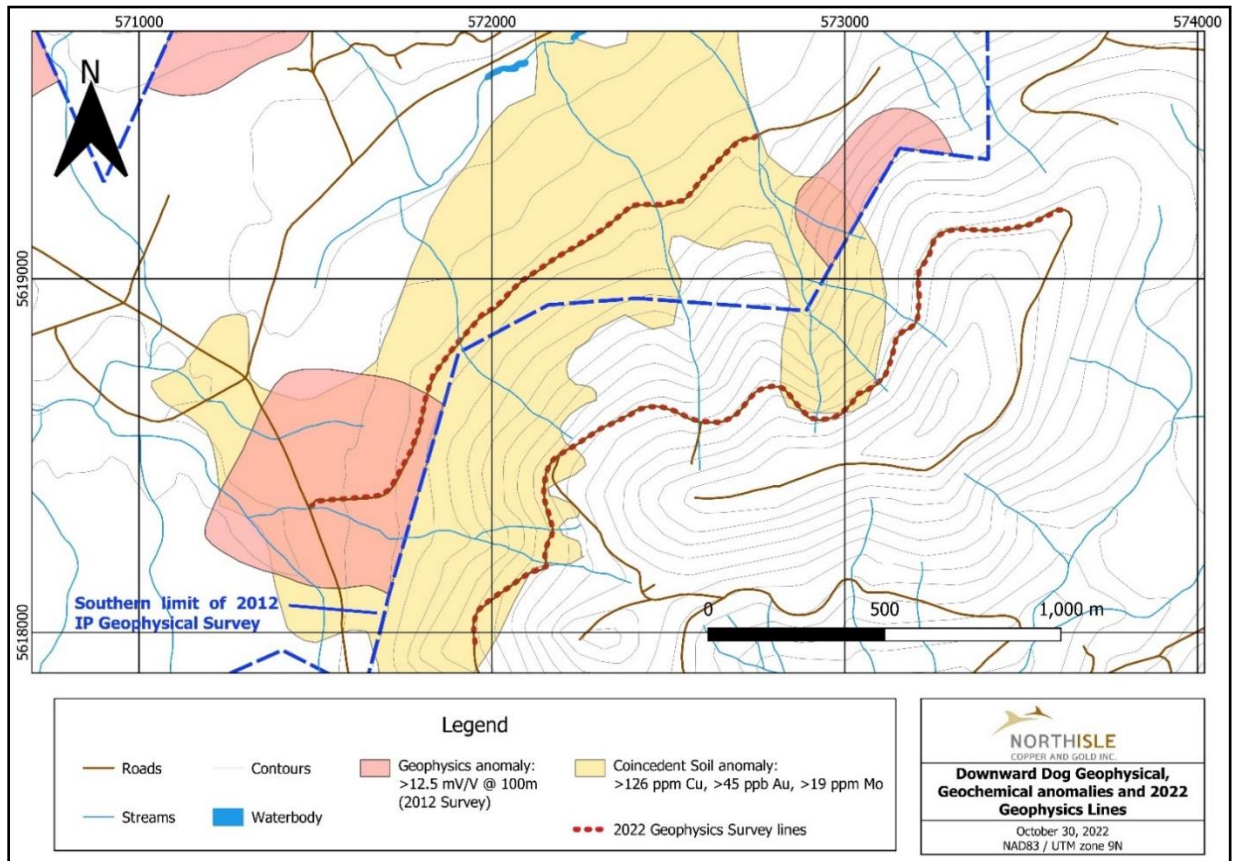
During aerial reconnaissance of the area in October 2021 a 500m wide area was exposed by three slides in a logged area 2.5km northwest of the Hushamu deposit that exhibited colour anomalies similar to SCP alteration observed on the Company's other deposits and targets. At the southern extent of a 2019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

Downward Dog Target

During analysis of historic IP geophysics and soil geochemistry it was observed that north and northeast of the Red Dog Deposit (see Figure 8) the south and southeast limit of a previous IP survey indicated >17.5 mV/V chargeability anomalies at 40m and 100m depths. A 2005 soil geochemistry survey in this area of no outcrop was found to exhibit coincident anomalies (95th percentile) of >128ppm Cu, >87ppb Au, >34ppm

Mo with a peripheral anomalous zone of >194ppm Zn. This coincident Cu, Au, Mo anomaly along with the peripheral zinc anomaly is typically seen above porphyry deposits. An IP/magnetics survey was carried out during Q4 2022 along two logging roads and has identified five preliminary targets for drill testing. No additional work was carried out on this target during 2023 and none is planned for phase 1 in 2024 as the Company focuses on exploration at the higher priority targets discussed above.

Figure 8: Downward Dog 2012 IP Anomaly, 2005 Soil Geochem Anomaly, 2022 IP / Mag



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Mineral Property Expenditures

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

	Year ended December 31, 2023	Year Ended December 31, 2022	Cumulative Property Expenditures
	\$	\$	\$
Amortization of equipment	10,678	59,850	167,312
Claims costs	-	824	42,402
Community engagement	308,977	315,571	736,645
Engineering	256,498	325,070	2,996,440
Exploration and camp support	4,467,941	4,362,233	16,219,489
Environmental and permitting	204,286	597,555	1,284,986
Salary and wages	290,000	230,000	990,301
Mineral property exploration tax credits	-	-	(544,016)
TOTAL	5,538,380	5,891,103	21,893,559

Cumulative property expenditures are from the date of incorporation on August 3, 2011 to December 31, 2023. This table does not include expenditures incurred by third party joint venturers.

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

RESULTS OF OPERATIONS

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Mineral property expenditures	1,837,786	1,564,797	5,538,380	5,891,103
Filing and regulatory fees	4,469	1,675	68,016	79,884
Office and administration	151,458	44,363	233,564	103,327
Professional fees	108,147	59,241	133,465	111,435
Rent and utilities	10,050	10,050	42,820	36,800
Share-based payments (note 7, 8)	341,769	321,882	815,931	776,015
Shareholder communication and travel	106,377	58,948	451,101	440,083
Wages and benefits (note 8)	193,751	172,624	720,782	743,733
CORPORATE EXPENSES	2,753,807	2,233,580	8,004,059	8,182,380
Foreign exchange loss	295	-	2,606	197
Interest income	(30,060)	(50,280)	(180,626)	(50,473)
Flow-through premium recovery	(871,155)	(717,731)	(2,477,427)	(1,468,738)
LOSS AND COMPREHENSIVE LOSS	1,852,887	1,465,569	5,348,612	6,663,366

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THREE MONTHS ENDED DECEMBER 31, 2023

Northisle incurred a loss and comprehensive loss of \$1,852,887 (\$0.01 per common share) for the three months ended December 31, 2023, compared to a loss of \$1,465,569 (\$0.01 per common share) over the same period in 2022. The scale and nature of the Company's activity has remained generally consistent throughout these periods, but a few items led to differences in the comparative figures, as follows:

During the three months ended December 31, 2023, mineral property expenditures increased by \$272,989 compared to the same period in 2022 as the Company was in the final stages of its 2023 drilling and exploration program which began in late May 2023.

Office and administration increased by \$107,095 during the three months ended December 31, 2023, compared to the same period in 2022 largely due to increased administrative costs associated with its flow-through financing.

Professional fees increased by \$48,906 during the three months ended December 31, 2023, compared to the same period in 2022 due to an increase in legal activity and other professional services.

Shareholder communication and travel increased by \$47,429 during the three months ended December 31, 2023, compared to the same period in 2022 as the Company continued to increase promotional activities and investor outreach.

During the three months ended December 31, 2023, the Company recorded a flow-through premium recovery of \$871,155 compared to a flow-through premium recovery of \$717,731 during the three months ended December 31, 2022. During the three months ended December 31, 2023, the Company was actively executing its 2023 drilling and exploration program which resulted in a higher flow through premium applicable compared to the three months ended December 31, 2022.

YEAR ENDED DECEMBER 31, 2023

Northisle incurred a loss and comprehensive loss of \$5,348,612 (\$0.03 per common share) for the year ended December 31, 2023, compared to a loss of \$6,663,366 (\$0.03 per common share) over the same period in 2022. The scale and nature of the Company's activity has remained generally consistent throughout these periods, but a few items led to differences in the comparative figures, as follows:

During the year ended December 31, 2023, mineral property expenditures decreased by \$352,723 compared to the same period in 2022. While the Company was actively completing its 2023 drilling and exploration program the field work was slightly less than compared to the year ended December 31, 2022.

Office and administration increased by \$130,237 during the year ended December 31, 2023, compared to the same period in 2022 largely due to increased administrative costs associated with its flow-through financing.

Interest income increased by \$130,153 during the year ended December 31, 2023, compared to the same period in 2022 due to an increase in interest bearing balances and the favourable interest rates.

During the year ended December 31, 2023, the Company recorded a flow-through premium recovery of \$2,477,427 compared to a flow-through premium recovery of \$1,468,738 during the year ended December 31, 2022.

LIQUIDITY AND CAPITAL RESOURCES

For the year ended December 31,	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
Operating activities	(6,514,527)	(7,230,555)
Financing activities	8,169,195	7,214,648
Investing activities	-	108,170
CHANGE IN CASH AND EQUIVALENTS	1,654,668	92,263
Cash and cash equivalents – beginning	5,887,004	5,794,741
CASH AND CASH EQUIVALENTS	7,541,672	5,887,004

Northisle had \$7,541,672 in cash and cash equivalents as at December 31, 2023, compared to \$5,887,004 in cash as at December 31, 2022. As at December 31, 2023, the Company had working capital of \$6,415,468 (December 31, 2022 - \$3,433,486) and adjusted working capital totaling \$7,067,674 after excluding the flow-through premium liability of \$652,206 (adjusted working December 31, 2022 - \$5,910,913 after excluding the flow-through premium liability of \$2,477,427).

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

Operating Activities

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

Financing Activities

During the year ended December 31, 2023, the Company received \$78,907 from the exercise of stock options and restricted share units. During the year ended December 31, 2022, the Company received \$451,250 from the exercise of stock options and restricted share units.

During the year ended December 31, 2023, the Company completed non-brokered private placements for gross proceeds of \$8,423,013. During the year ended December 31, 2022, the Company completed non-brokered private placements for gross proceeds of \$7,000,450.

Investing Activities

During the year ended December 31, 2022, the Company redeemed short term investments totaling \$108,170. There were no assets classified as short-term investments during the year ended December 31, 2023.

SELECTED ANNUAL FINANCIAL INFORMATION

The following annual information has been extracted from the Company's audited annual consolidated financial statements.

As at and for the year ended	31-Dec-23	31-Dec-22	31-Dec-21
	\$	\$	\$
Loss and comprehensive loss	5,348,612	6,663,366	5,225,910
Loss per share – basic and diluted	0.03	0.03	0.03
Cash, cash equivalents, and short-term investments	7,541,672	5,887,004	5,794,741
Total assets	18,001,928	16,716,425	16,643,150

Items that resulted in significant differences in the annual figures presented above are explained in the following narrative.

For the year ended December 31, 2023, the Company reported a loss and comprehensive loss of \$5,348,612. During 2023 the Company completed private placements totaling gross proceeds of \$8,423,013. As a result of the private placements, the Company executed its drilling and exploration program with a focus on its Northwest Expo, Macintosh and Pemberton Hills targets.

For the year ended December 31, 2022, the Company reported a loss and comprehensive loss of \$6,663,366. During 2022 the Company completed private placements totaling gross proceeds of \$7,000,405. As a result of the private placement, the Company was able to execute its drilling and exploration program with a focus on its Hushumu, Northwest Expo, Macintosh and Pemberton Hills targets.

For the year ended December 31, 2021, the Company reported a loss and comprehensive loss of \$5,225,910. During 2021 the Company completed private placements totaling gross proceeds of \$9,020,597. As a result of the private placements, the Company was able to complete the 2021 PEA and execute on its drilling and exploration program, as well as increase corporate activity.

SUMMARY OF QUARTERLY RESULTS

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

As at and for the quarter ended	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23
	\$	\$	\$	\$
Loss and comprehensive loss	1,852,887	1,607,889	1,083,795	804,041
Loss per share – basic and diluted	\$0.01	0.01	0.01	0.00
Cash and cash equivalents	7,541,672	3,979,417	6,007,945	7,195,485
Total assets	18,001,928	14,281,400	16,504,189	17,610,624
As at and for the quarter ended	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22
	\$	\$	\$	\$
Loss and comprehensive loss	1,465,569	994,184	2,099,352	2,104,261
Loss per share – basic and diluted	0.01	0.00	0.01	0.01
Cash and cash equivalents	5,887,004	7,391,167	9,122,759	4,072,653
Total assets	16,716,425	18,092,202	19,816,959	14,842,720

Mineral exploration and development is typically a seasonal business, and accordingly, the Company's administrative expenses and cash requirements will fluctuate depending upon the season. The Company's

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primary source of funding is through the issuance of common shares. When capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing on favourable terms, the Company's activity levels and the size and scope of planned exploration and development programs will also increase.

During the three months ended December 31, 2023, the Company's mineral property expenditures increased compared to the three months ended September 30, 2023, as the Company was in the final stages of its 2023 drilling and exploration program.

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

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

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

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

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

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		Year Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
President and Chief Executive Officer	68,750	68,750	275,000	275,000
Chief Financial Officer	55,000	55,000	220,000	220,000
Vice President, Exploration	42,500	42,500	170,000	170,000
Vice President, Project Development	30,000	30,000	120,000	85,000
Share-based payments	310,097	295,332	759,415	657,731
MANAGEMENT COMPENSATION	506,347	491,582	1,544,415	1,407,731

OUTSTANDING SHARE DATA

As at the date of this report, the Company has 233,384,421 common shares outstanding. The Company had no warrants outstanding and 14,881,133 stock options outstanding with exercise prices ranging from \$0.07 - \$0.50 per stock option. In addition, there are 1,736,634 restricted share units and 1,132,200 deferred share units to be settled by way of common shares issued from treasury.

CONTRACTUAL OBLIGATIONS

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

FINANCIAL INSTRUMENT RISK

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

Liquidity risk

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

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.

ADDITIONAL INFORMATION

Additional information is available for viewing at the Company's website at www.northisle.ca or on the Company's profile on the SEDAR+ website at www.sedarplus.ca.

NATIONAL INSTRUMENT 43-101 COMPLIANCE

Unless otherwise indicated, the Company has prepared the technical information in this MD&A ("Technical Information") based on information contained in the 2021 PEA, the Company's Annual Information Form for the year ended December 31, 2023 and news releases (collectively, the "Disclosure Documents")

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available under the Company's profile on SEDAR+ at www.sedarplus.ca. Each Disclosure Document was prepared by or under the supervision of a qualified person (a "Qualified Person") as defined in NI 43-101. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Technical Information in the MD&A has been prepared under the supervision of Robin Tolbert, P.Ge., VP Exploration of the Company and a Qualified Person as defined by NI 43-101.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" and "forward-looking statements" (referred to together herein as "forward-looking statements"). Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements are not historical facts. Forward-looking statements are used to describe management's future plans, objects and goals for the Company, and therefore involve inherent risks and uncertainties. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in such forward-looking statements.

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

- statements related to the Project and the Company's planned and future activities on the Project;
- the anticipated timing and results of future exploration and drilling of the Project and the Company's assumptions and estimates used in its drill results, the interpretation of those results and its resource estimates;
- statements related to the 2021 PEA and the Northwest Expo MRE;
- statements related to Northisle's ability to implement its business strategies associated with its mineral exploration and production;
- discussions of results from operations (including, without limitation, statements about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial), business prospects, future business plans and opportunities;
- expectations regarding the ability of the Company to raise capital and to continue its exploration and development plans on its properties; and
- statements as to management's expectations with respect to, among other things, the activities contemplated in this MD&A.

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

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

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

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