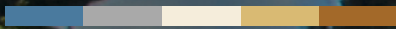




NORTHISLE
COPPER AND GOLD INC.

Inaugural Environmental, Social and Governance Report



Reporting Year 2022

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About this Report

This is the inaugural ESG report for Northisle Copper and Gold Inc. (“Northisle”). Northisle is reporting on the following guidelines:

CDP – Carbon Disclosure Project

GRI – Global Reporting Initiative Core

GRI – Global Reporting Initiative Comprehensive

GRI – Mining and Metals Supplement

ICMM – The International Council on Mining and Metals

ISS – ISS ESG Governance Quality Score

ONYEN – Institutional and Investor Questions

SASB – Sustainability Accounting Standards Board

SASB Modified

UGC – UN Global Compact

This Environmental, Social and Governance Report (“ESG”) Report is connected to Northisle’s performance and achievements between 01-01-2022 and 12-31-2022.

This ESG Report has been developed to detail our Environmental, Social and Governance related information undertaken by Northisle both corporately, and as it relates to our ownership and operation of the North Island Project. This inaugural ESG Report covers the reporting year 2022, and we are committed to developing regular updates to this Report to continue to document and monitor our continuous improvement. As we continue to advance the North Island Project in 2023, our aim is to continually refine and improve our governance structure and policies to benefit shareholders, key Indigenous groups and local communities.

Audit Status: Self-Declared

About Us

NorthIsle Copper and Gold Inc. (“NorthIsle”) is a Vancouver-based junior resource company with a vision to be Canada’s leading sustainable resource company for the future. Our mission is to deliver enduring value to all of our partners and stakeholders through the sustainable development of high-quality natural resource assets. Currently, we are focused on the development of the North Island Project on Northern Vancouver Island, British Columbia, Canada.

We are led by an experienced group of financial, geological and mining executives who have deep experience in the mining industry, and specifically in Canadian markets. We are further advised by an accomplished Board of Directors who are responsible for the stewardship of NorthIsle and

for the supervision of the management of the business and affairs of NorthIsle. Our mission is to deliver enduring value to all partners and stakeholders by sustainability developing high-quality natural resource assets. With a focus on responsible practices and measurable outcomes, we are committed to responsibly developing the North Island Project while upholding the highest standards of health, safety, environmental protection, and social responsibility. Through continued exploration, we aim to unlock the full potential of the region, identifying a multi-generational mining district that benefits rightsholders and stakeholders alike.

THE NORTH ISLAND PROJECT

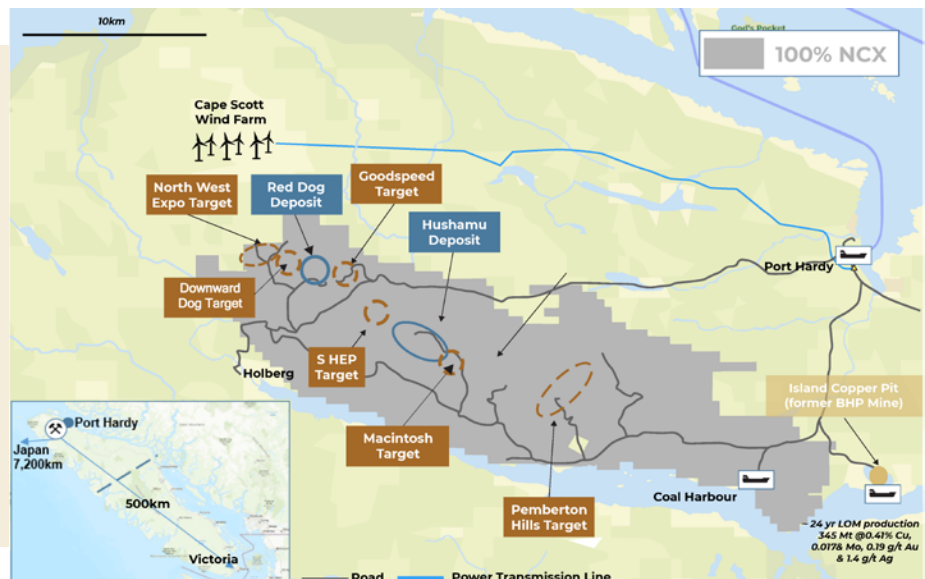
The North Island Project consists of a contiguous 50-by-8-kilometre block of 214 mineral claims covering an area of more than 34,000 hectares of mineral claims, adjacent and northwest of BHP Billiton’s now closed Island Copper Mine, 10km south of Port Hardy. NorthIsle’s mineral titles cover most of a Mesozoic-age porphyry copper and gold district and hosts a number of porphyry copper and gold occurrences at varying stages of development.

The nearby town of Port Hardy, British Columbia, is the main distribution centre for the north end of Vancouver Island.

All parts of the North Island Project are accessible from Port Hardy through a network of pre-existing highways and gravel logging roads.

Significant infrastructure exists in the project area. This includes a marine load-out facility at the past producing Island Copper Mine, one of BC’s largest wind farms, and multiple high voltage power lines which connect the north end of the Island to the provincial power grid.

MAP OF
COMPANY’S
ASSETS



CEO Message

INAUGURAL ESG REPORT: OUR COMMITMENT TO RESPONSIBLE MINING

Dear Stakeholders,

I am thrilled to present our inaugural Environmental, Social, and Governance (“ESG”) Report, a milestone that reflects our dedication to responsible mining and mineral exploration practices. As the CEO of NorthIsle, I am proud to share our commitment to sustainable development and our progress in integrating ESG principles into our operations.

At NorthIsle, we recognize that the mining industry plays a vital role in shaping economies and communities. With this, we recognize the importance of prioritizing environmental stewardship, social well-being, and good governance practices. Our ESG Report aims to highlight our progress and commitments in these areas in relation to our North Island Project and corporate activities.

This inaugural ESG Report represents the beginning of our journey towards sustainability. We recognize that we have more work to do, and we are committed to continuous improvement. We will set ambitious targets and develop robust strategies to achieve them. By leveraging innovation, collaboration, and responsible resource management, our goal is to make a positive and lasting impact on the environment, society, and our industry.

I invite you to explore this ESG Report, which outlines our performance, achievements, and challenges. Your feedback and suggestions are invaluable as we strive for transparency and accountability.



Sincerely,

Sam Lee, President & CEO

Reporting Period Performance

NORTHISLE'S PATH TOWARDS SUSTAINABILITY

1

Contribute to the reduction in Carbon Emissions

- Access to clean BC power makes a low carbon emission mine conceivable
- Copper is driving the green energy revolution and is critical for expanded electrification infrastructure and innovation

2

Connecting with our Communities

- Commitment to supporting First Nations and community objectives
- Generate employment and business opportunities for the people of Northern Vancouver Island while ensuring we safeguard the land for future generations
- Membership with the BC Regional Mining Alliance, a regional partnership incorporating meaningful participation by indigenous nations, government and development companies in BC

3

Make the Footprint Smaller

- Right size project while maximizing economics
- Potential to ship pyrite — leaving less behind
- Potential to leverage existing nearby infrastructure

2022 HIGHLIGHTS



Inaugural Agreement signed with Quatsino First Nation supporting key Project activities



Creation of a Joint Implementation Committee with the Quatsino to augment existing BC Government permitting and referrals processes



Enhanced management and Board capability and diversity



\$7 million financing using critical minerals FT credit

“This agreement represents a good first step and sets a strong foundation for our relationship with Northisle. We look forward to working with Northisle to further explore how we can work together to create a stronger future for our Nation today, and for the generations to follow, while standing firm in our duty as stewards of the land. The recognition of Quatsino Rights embedded in the agreement will allow us to work together to continue to evaluate Northisle’s mineral projects within Quatsino Territory”.

Tom Nelson, Quatsino Chief

Environmental Performance



At NorthIsle, we understand that environmental stewardship is a fundamental pillar of responsible mining, and we recognize the significance of integrating sustainable practices from the outset.

To that end, we have developed several foundational policies to detail our commitments to minimizing the impact on and conserving the quality of the natural environments in areas where we operate. The long-term sustainability and success of our business is dependent upon good stewardship in both the protection of the environment and the efficient management of the exploration and extraction of mineral resources.

We have also established a Technical and Sustainability Committee of the Board of Directors specifically to review and monitor the sustainability (including health, safety, environment and corporate social responsibility) policies and activities of NorthIsle.

This section of our ESG report provides insight into our environmental performance, strategies, and initiatives. We strive to balance our exploration activities with the preservation and protection of biodiversity, natural resources, and the overall health of the environment. Our approach is guided by rigorous environmental assessments, adherence to regulatory requirements, and a commitment to continuous improvement.

COMPLIANCE WITH LAWS AND REGULATIONS

Report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by (GRI 2-27-a):

Number of instances for which fines were incurred:	0
Number of instances for which non-monetary sanctions were incurred:	0
Report the total number of fines for instances of non-compliance with laws and regulations that were paid during the reporting period (GRI 2-27-b):	0
Report the monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period (\$Million) (GRI 2-27-b):	0
Total number of fines for instances of non-compliance with laws and regulations that occurred in the current reporting period:	0
Total monetary value of fines for instances of non-compliance with laws and regulations that occurred in the current reporting period (\$Million):	0
Total number of fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods:	0
Total monetary value of fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods:	0

Environmental Performance



GREENHOUSE GAS EMISSIONS

GHG emissions calculations were based on fuel consumption for drilling equipment and light vehicle transportation during the reporting period. The GHG conversion factors used for this calculation are based on the environmental protection agency (“EPA”) guidelines.

Gross global Scope1 greenhouse gas (GHG) emissions to the atmosphere of the seven GHGs covered under the Kyoto Protocol (tonne CO₂-e) (SASB EM-MM-110a.1.1):

163

ENERGY MANAGEMENT

Total energy consumed in aggregate, in gigajoules (GJ) (hydrocarbons and electricity) (SASB EM-MM-130a.1.1):

2574

Calculations for total energy consumed were based on total fuel consumption and electricity usage during the reporting period.

WATER MANAGEMENT

Amount of water that was withdrawn from freshwater sources (in thousands of cubic meters) (SASB EM-MM-140a.1.1):

7151

Water used at the North Island Project is primarily used for drilling. As part of NorthIsle’s water management practices, water used to drill is filtered to eliminate suspended solids and then returned to the watershed.

WASTE AND HAZARDOUS MATERIAL MANAGEMENT

Total amount of tailings waste generated from mining activities by the entity during the reporting period (tonne) (SASB EM-MM-150a.1):

0

Percentage of tailings waste that was recycled during the reporting period (SASB EM-MM-150a.1):

0

NorthIsle did not produce any tailings waste as the company is not currently producing ore or managing any tailings facilities.

Social Performance

At NorthIsle, we know our success will be built on the well-being and prosperity of the communities in which we operate. We recognize the significance of social responsibility and the pivotal role it plays in creating a positive and lasting impact. By prioritizing local businesses and contractors and hiring locally, we strive to enhance community resilience and contribute to the creation of sustainable livelihoods. In 2022, we contributed over \$600,000 to the local community through direct and indirect contracts and more than a third of our employees are local and from Indigenous groups.

Our commitment to social responsibility began when we first acquired the property through active engagement with local communities, stakeholders, and Indigenous groups. We believe in the power of inclusive dialogue and transparent communication, which enable us to understand community needs, values, and aspirations. Through collaborative partnerships, we aim to create shared value, ensuring that our presence generates positive socio-economic opportunities for all.

We have prioritized Indigenous consultation at the onset of our development of the North Island Project by hosting meetings and presenting work plans to First Nation members, planning site tours for officials, and providing regular copies of all our permit applications and annual reviews for discussion and feedback.

Through these activities, we have learned that a portion of the North Island Project overlaps with the Quatsino/Quattishe Special Management Area, which the Quatsino have explained as “an area of critical importance to our people. It is the ‘gateway’ to our Territory and our ‘backyard’. Our current community is located within this area as well as the historic village we were relocated from in the 1970’s”¹. We understand the criticality of preserving First Nation traditional lands for community members and future generations and we intend to do so through ongoing consultation and collaboration with key First Nations.

The health and safety of our workforce and the communities in which we operate are paramount. Through consistent communication of our health and safety policy, we foster a culture of safety first and the well-being of all of our employees. A Mine Emergency Response Plan (MERP) has been developed in accordance with applicable laws and legislation to ensure that all field-staff are knowledgeable of various risks including: diamond drilling, mobile equipment/vehicles, lightning, slips, trips and falls, wildlife, fire and spills.

This section of our ESG report highlights our social initiatives, community engagement efforts, and the steps we are taking to foster inclusive growth and social progress.



Social Performance



SCALE OF THE ORGANIZATION

Report the total number of operations (GRI 102-7):	1 Operation Globally
Report the total number of direct employees worldwide (exclude contractors) (GRI 2-7-a):	8
Report the total number of contract employees worldwide (GRI 2-7-b-ii):	44
Female employees and contractors as percentage of total employees and contractors:	25%
Male employees and contractors as percentage of total employees and contractors:	75%

TURNOVER

Total number of turnover (the number that left during the period):	1
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FIRST NATIONS EMPLOYMENT OPPORTUNITIES

Percentage of the facility's total workforce from the local community (GRI MM Supplement G4-EC6):	67%
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Social Performance



COMPLIANCE WITH LAWS AND REGULATIONS

Injuries - For all employees (GRI 403-9-a):

Rate of fatalities resulting from work-related injury:	0
Rate of high-consequence work-related injuries (excluding fatalities):	0
Rate of recordable work-related injuries:	1
Lost Time Injuries Rate (LTIR):	0

Identified hazards include, but are not limited to wildlife, heavy equipment, rotating drills, extreme temperatures, falls, respirable dust, vehicles, and entering unauthorized areas.

Average hours of health, safety, and emergency response training for (a) full-time/direct employees (SASB EM-MM-000.B EM-MM-320a.1.3):	5.5
Average hours of health, safety, and emergency response training for (b) contract employees (SASB EM-MM-000.B EM-MM-320a.1.3):	2.7

Social Performance

SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLE

Percentage of inferred, indicated and measured resources that are located in or near areas that are considered to be indigenous peoples' land (SASB Modified):

100%

Discuss practices and list procedures while operating in areas of conflict (SASB EM-MM-210a.3.3):

NorthIsle does not operate in areas of conflict

In 2023, NorthIsle is planning to conduct a Preliminary Field Reconnaissance (PFR) for the proposed drill sites to ensure that each location has been given clearance from certified archaeologists working alongside local First Nation members. The Chance Find Procedure that was developed in 2021 will continue to be utilized as part of the orientation package for new employees.

Number of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site (not controlled by company/unauthorized) (GRI MM Supplement MM8-2.2):

0

Disclose the total number of site shutdowns or project delays due to non-technical factors (SASBEM-MM-210b.2.1):

0



Governance

At NorthIsle, we believe strong governance practices are the foundation of a sustainable and successful company. We know the critical role that governance plays in earning the trust of our stakeholders and ensuring the long-term viability of our operations.

This section of our ESG report focuses on our governance

framework, and practices that guide our decision-making processes and promote transparency, integrity, and accountability. We are committed to upholding the highest standards of corporate governance, adhering to regulatory requirements, and continuously improving our governance structures.

GENERAL DISCLOSURE

The Company's Board of Directors is comprised of 5 members, and the following committees:



As part of the Governance Committee, Directors establish and oversee director orientation. Director orientation and ongoing training include presentations by senior management to familiarize directors with the Company'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.

Directors also have full access to meet with senior management and employees.

As a group or committee, the Board may hire independent legal, financial or other advisors as it may deem necessary.



Governance

BOARD COMPOSITION

Report the composition of the highest governance body and its committees by (GRI 102-22):

Number of executive members:	1
Number of non-executive members:	0
Number of independent members:	4

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

As part of its mission the Board must assess the principal risks facing the Company, implement systems to mitigate such risks, and oversee the development of the Corporation’s approach to corporate governance.



ETHICS AND INTEGRITY

Report net production from activities located in the countries with the 20 lowest rankings in Transparency International’s Corruption Perception Index (CPI) (Saleable tonne) (SASB EM-MM-510a.2.2):

0

ETHICS AND INTEGRITY FOR 2022

Total percentage of governance body members that have received training on anti-corruption:

0

Total percentage of employees that received training on anti-corruption:

0

NorthIsle’s Business Conduct and Ethics Policy sets out the principles and high standards to promote honest and ethical conduct to be followed by the directors, officers, employees and contractors.

In 2022, we unveiled our Indigenous People’s Policy, acknowledging that the principles articulated in The United

Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) are critical for the advancement of reconciliation with Indigenous Peoples and that NorthIsle has a role to actively participate in reconciliation.

REMUNERATION

The independent members of the Board are 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.

In 2022, remuneration criteria was not directly linked to economic, environmental, and social performance criteria, however this was an indirect factor in evaluating executive compensation.



NORTHISLE
COPPER AND GOLD INC.

ESG Scorecard

NORTHISLE COPPER AND GOLD INC.

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DISCLAIMER & FORWARD-LOOKING
STATEMENTS

