



Northisle Copper and Gold Inc.

**Condensed Interim Consolidated Financial Statements
For the three and six months ended June 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

		June 30, 2024	December 31, 2023
		\$	\$
ASSETS			
	Note		
Cash and cash equivalents		5,815,365	7,541,672
Other assets		347,699	251,403
CURRENT ASSETS		6,163,064	7,793,075
Reclamation deposits		182,175	182,175
Equipment		5,339	10,678
Right of use asset	3	187,586	-
Mineral property interests	4	10,016,000	10,016,000
ASSETS		16,554,164	18,001,928
LIABILITIES			
Accounts payable and accrued liabilities		281,415	725,401
Flow-through premium liability	5	455,878	652,206
Current portion of lease obligation	3	59,422	-
CURRENT LIABILITIES		796,715	1,377,607
Lease obligations	3	132,658	-
LIABILITIES		929,373	1,377,607
SHAREHOLDERS' EQUITY			
Share capital	6	47,079,028	44,339,707
Contributed surplus		3,904,280	4,346,995
Deficit		(35,358,517)	(32,062,381)
SHAREHOLDERS' EQUITY		15,624,791	16,624,321
LIABILITIES AND SHAREHOLDERS' EQUITY		16,554,164	18,001,928

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 June 30,		Six Months Ended June 30,	
Note	2024 \$	2023 \$	2024 \$	2023 \$
Mineral property expenditures	1,651,533	1,044,246	2,228,782	1,577,572
Filing and regulatory fees	35,298	52,080	55,544	62,895
Office and administration	58,951	35,535	93,608	57,317
Professional fees	32,368	4,013	64,897	11,622
Rent and utilities	3,350	10,050	13,400	20,100
Share-based payments	8,9 226,942	165,853	414,118	320,447
Shareholder communication and travel	137,163	82,898	306,354	268,800
Wages and benefits	9 252,425	169,856	450,338	344,286
CORPORATE EXPENSES	2,398,030	1,564,531	3,627,041	2,663,039
Foreign exchange loss	(474)	-	(259)	2,311
Interest income	(57,704)	(30,008)	(134,318)	(99,810)
Flow-through premium recovery	(145,691)	(450,728)	(196,328)	(677,704)
LOSS AND COMPREHENSIVE LOSS	2,194,161	1,083,795	3,296,136	1,887,836
Basic and diluted loss per share	0.01	0.01	0.01	0.01
Weighted average number of common shares outstanding	233,732,109	212,902,134	231,462,748	199,540,107

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30,

	Note	2024	2023
Cash flows provided by (used in)		\$	\$
OPERATING ACTIVITIES			
Loss and comprehensive loss		(3,296,136)	(1,887,836)
Items not affecting cash			
Finance costs		2,932	-
Amortization		13,495	5,340
Flow-through premium recovery	5	(196,328)	(677,704)
Share-based compensation	8	414,118	320,447
		234,217	(351,917)
Non-cash working capital items			
Change in accrued interest		(50,179)	(40,967)
Change in reclamation bond		-	(18,755)
Change in other assets		(46,117)	387,559
Change in accounts payable and accrued liabilities		(443,986)	(39,657)
		(540,282)	288,180
OPERATING ACTIVITIES		(3,602,201)	(1,951,573)
FINANCING ACTIVITIES			
Warrant exercise	7	1,413,440	-
Private placement	6		2,002,935
Issuance costs	6		(34,171)
Stock option and restricted share unit exercise	8	469,048	103,750
FINANCING ACTIVITIES		1,882,488	2,072,514
INVESTING ACTIVITIES			
Lease payments		(6,594)	-
INVESTING ACTIVITIES		(6,594)	-
CHANGE IN CASH AND CASH EQUIVALENTS		(1,726,307)	120,941
Cash and Cash Equivalents – Beginning		7,541,672	5,887,004
CASH AND CASH EQUIVALENTS - ENDING		5,815,365	6,007,945

Northisle Copper and Gold Inc.

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Number of Shares	Share Capital \$	Contributed Surplus \$	Deficit \$	Shareholders' Equity \$
DECEMBER 31, 2022		199,794,604	36,635,672	3,718,110	(26,713,769)	13,640,013
Private placement	6	12,139,000	2,002,935	-	-	2,002,935
Private placement issuance costs	6	-	(34,171)	-	-	(34,171)
Exercise of stock options and restricted share units	8	990,332	232,603	(128,853)	-	103,750
Share-based payments	8	-	-	320,447	-	320,447
Loss and comprehensive loss		-	-	-	(1,887,836)	(1,887,836)
JUNE 30, 2023		212,923,936	38,837,039	3,909,704	(28,601,605)	14,145,138
Private placement	6	14,873,100	6,420,078	-	-	6,420,078
Private placement issuance costs	6	-	(298,554)	-	-	(298,554)
Flow-through premium	5	-	(652,206)	-	-	(652,206)
Exercise of stock options and restricted share units	8	317,451	33,350	(58,193)	-	(24,843)
Share-based payments	8	-	-	495,484	-	495,484
Loss and comprehensive loss		-	-	-	(3,460,776)	(3,460,776)
DECEMBER 31, 2023		228,114,487	44,339,707	4,346,995	(32,062,381)	16,624,321
Exercise of warrants	7	5,048,000	1,413,440	-	-	1,413,440
Transfer of warrant value	6	-	415,900	(415,900)	-	-
Exercise of stock options and restricted share units	8	4,683,740	909,981	(440,933)	-	469,048
Share-based payments	8	-	-	414,118	-	414,118
Loss and comprehensive loss		-	-	-	(3,296,136)	(3,296,136)
JUNE 30, 2024		237,846,227	47,079,028	3,904,280	(35,358,517)	15,624,791

Northisle Copper and Gold Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

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(Expressed in Canadian dollars)

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 1200 – 1166 Alberni 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. 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 August 12 2024.

Northisle Copper and Gold Inc.

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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 June 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 April 30, 2028. The Company's right-of-use assets and future lease payments over the remaining term of the lease are:

Right-of-use Asset	Cost	Accumulated Depreciation	Carrying Amount
DECEMBER 31, 2023	-	-	-
Additions	195,742	8,156	187,586
JUNE 30, 2024	195,742	8,156	187,586

As at June 30, 2024, lease payments over the next 12 months total \$59,422, with remaining lease payments over the course of the lease amounting to \$168,363. The Statement of Financial Position reflects the discounted value of the lease payments totalling \$192,079.

4. MINERAL PROPERTY INTERESTS

a) Mineral property costs

	North Island Property \$
December 31, 2022 and 2023	10,016,000
Changes during the period	-
JUNE 30, 2024	10,016,000

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

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

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

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

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b) Mineral Property Expenditures

For the six months ended June 30,	2024	2023
	\$	\$
Amortization of equipment	6,901	5,340
Community engagement	51,342	134,790
Engineering	328,463	63,907
Exploration and camp support	1,607,751	1,112,943
Environmental and permitting	68,534	115,592
Salary and wages	165,791	145,000
TOTAL	2,228,782	1,577,572

5. FLOW-THROUGH PREMIUM LIABILITY

The flow-through premium liability balance as at June 30, 2024 of \$455,878 (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 June 30, 2024, the Company has remaining commitment to incur Qualifying CEE of \$4,191,697.

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 \$145,691 and \$196,328 during the three and six months ended June 30, 2024 respectively (\$450,728 and \$677,704 during the three and six months ended June 30, 2023, respectively).

Northisle Copper and Gold Inc.

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6. 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.

7. WARRANTS

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

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

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8. 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 June 30, 2024, the Company could issue an additional 8,898,554 stock options under the terms of the stock option plan.

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

	Number of Stock options	Weighted average exercise price \$
DECEMBER 31, 2022	14,770,633	0.18
Granted	2,578,800	0.37
Exercised	(1,025,000)	0.11
Forfeited	(78,000)	0.18
Expired	(1,100,000)	0.15
DECEMBER 31, 2023	15,146,433	0.22
Granted	150,000	0.50
Exercised	(4,540,000)	0.12
Forfeited	(275,000)	0.34
JUNE 30, 2024	10,481,433	0.27

In relation to the stock options, the Company recognized an expense of \$118,860 and \$223,312 during the three and six months ended June 30, 2024, respectively (\$105,786 and \$189,893 during the three and six months ended June 30, 2023, respectively) in the statement of loss and comprehensive loss.

The average share price relating to options exercised during the six months ended June 30, 2024, was \$0.42 (six months ended June 30, 2023 - \$0.17).

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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
September 4, 2024	\$0.07	350,000	0.18	350,000
November 4, 2025	\$0.18	333,333	1.35	333,333
November 17, 2025	\$0.20	650,000	1.38	650,000
December 29, 2025	\$0.28	1,340,000	1.50	1,340,000
July 14, 2026	\$0.26	165,000	2.04	165,000
December 16, 2026	\$0.29	2,019,000	2.46	2,019,000
April 8, 2027	\$0.40	200,000	2.77	200,000
November 21, 2027	\$0.175	2,695,300	3.39	1,796,866
May 26, 2028	\$0.18	403,500	3.91	268,999
December 21, 2028	\$0.40	2,175,300	4.48	725,100
April 1, 2029	\$0.50	150,000	4.76	50,000
JUNE 30, 2024		10,481,433	2.52	7,898,298

During the six months ended June 30, 2024 the Company granted 150,000 (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	Six Month Ended June 30, 2024	Year Ended December 31, 2023
Exercise price	\$0.50	\$0.37
Market price	\$0.50	\$0.37
Expected life of options (years)	5.0	5.0
Expected stock price volatility	170%	100%
Average risk-free interest rate	3.61%	3.25%
Expected forfeiture rate	-	-
Expected dividend yield	-	-
FAIR VALUE PER OPTION GRANTED	\$0.47	\$0.26

Northisle Copper and Gold Inc.

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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:

	Number of shares issued or issuable on vesting
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	(143,740)
RSUs Converted to cash	(148,758)
JUNE 30, 2024	1,609,470

In relation to RSUs, the Company recognized an expense of \$78,164 and \$131,299 during the three and six months ended June 30, 2024, respectively (\$35,145 and \$80,984 during the three and six months ended June 30, 2023) in the statements of loss and comprehensive loss.

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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:

	Number of shares issued or issuable on vesting
DECEMBER 31, 2022	832,200
DSUs Granted	300,000
DECEMBER 31, 2023	1,132,200
DSUs Granted	-
JUNE 30, 2024	1,132,200

In relation to DSUs, the Company recognized an expense of \$29,918 and \$59,507 during the three and six months ended June 30, 2024 (\$22,161 and \$50,045 during the three and six months ended June 30, 2023) in the statements of loss and comprehensive loss.

9. 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 June 30,		Six Months Ended June 30,	
	2024 \$	2023 \$	2024 \$	2023 \$
Salary and Wages	268,455	196,250	464,705	392,500
Share-based payments	202,207	157,453	360,173	303,332
MANAGEMENT COMPENSATION	470,662	353,703	824,878	695,832

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

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10. 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.

11. 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.

12. 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.