

NorthIsle Copper and Gold (NCX CN)

North Island Cu-Au Porphyry Resource Tonnes Up + De-Risked via Significant Category Conversion; Overall +3bnlbsCu & +8mozAu

NorthIsle Copper and Gold Inc.
NCX CN

Site Visit – Multiple Completed

Price ¹	C\$	\$0.47
Shares on Issue	m	237.9
Market Cap	C\$m	\$110.6
Working Capital	C\$m	\$5.4
Total Debt	C\$m	-
Avg, Daily Volume	3mo	180,628
NAVPS	C\$/sh	\$6.66
P / NAV	x	0.07x

All figures in USD unless noted.

NCX vs GDXJ (rebased)



Source: FactSet

Michael Gray, MSc

+1 778 952 0978
michael.gray@agentiscapital.com



Jake Savage

+1 604 989 1269
jake.savage@agentiscapital.com



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Agentis Capital Mining Partners
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Event

Today, before market open, NCX reported an integrated updated mineral resource estimate (MRE) for the Hushamu, Red Dog and Northwest Expo (NW Expo) deposits on its district-scale North Island Cu-Au-Re-Mo project, northern Vancouver Island, BC, Canada (Fig 1). The stock was up +9.7% vs the GDXJ.

Impact – Incremental Positive

- **Large undeveloped Cu-Au asset with 3.7bnlbsCu + 8.5mozAu** – NCX has demonstrated a significant resource across three deposits and has now increased confidence in the resource via a 60% increase in Indicated category tonnage, driven by improved modelling techniques (incl accounting for the porphyry body tilt) and data density. We highlight a +39% increase in contained metal (CuEq basis) in the Indicated category, at -13% lower CuEq grade due to different cut-off criteria and also lower strip ratios (Fig 2). We look forward to analysing the details on the grade, tonnage and recovery changes in more detail as part the NI 43-101 technical report disclosure. NCX reported resources for its three deposits:
 - **Hushamu** – Indicated: 777.7mt at 0.16%Cu, 0.21g/tAu, 0.007%Mo, 0.49g/tRe (0.35%CuEq); Inferred: 168.5mt at 0.13%Cu, 0.16g/tAu, 0.005%Mo, 0.40g/tRe (0.27%CuEq)
 - **Red Dog** – Indicated: 83.1mt at 0.18%Cu, 0.25g/tAu (0.38%CuEq); Inferred: 0.14%Cu, 0.18g/tAu (0.27%CuEq)
 - **NW Expo** – Indicated: 45.0mt at 0.64g/tAu, 0.11%Cu (0.60%CuEq); Inferred: 35.6mt at 0.53g/tAu, 0.09%Cu (0.50%CuEq)
- **Metallurgical testing has sequentially de-risked North Island ahead of the planned updated PEA** – Although there is further work to conduct to characterize the Cu-Au-Mo-Re mineralization and flow sheet for the North Island deposits, NCX has been more conservative on copper recovery estimates for Hushamu. NCX completed a met testing program on nine drill holes from Hushamu and estimates 77.8% Cu recovery for CMG material and 75.4% recovery for SCP material to a 21% Cu concentrate (86% recovery in 2021 PEA). We note NCX has telegraphed a staged expansion scenario in the upcoming 1Q25 PEA with the gold-rich NW Expo mineralization as a starter mine. We note cyanide leaching of the Hushamu mineralization tailings was not considered due to low gold grades.

Key Catalysts

- **Drilling W Goodspeed & NW Expo results** (ongoing)
- **Updated North Island PEA** (1Q25)

Sum of Parts Analysis

- No change to our DCF_{7%} model at this time; however, we adjust for ITM dilutive securities. We derive a **\$1,282m sum of parts 12mo NAV (C\$6.66/sh)**, underpinned by our fully funded DCF_{7%} for the North Island project yielding an after-tax NPV_{7%} of \$1.2bn & 28% IRR (LT price deck \$2100Au, \$4.00Cu). NCX trades at 0.07x P/NAV, a steep discount to its Cu-Au developer peer avg of 0.46x P/NAV.

Fig 1 North Island project Sep 23/24 MRE as disclosed in the NCX news release of Oct 10/24. All three deposits are reported using a \$11.50/t NSR cut-off designed based on \$1,910Au, \$4Cu, \$21Mo and variable recoveries.

	Tonnes (kt)	Au (g/t)	Cu (%)	Mo (%)	Re (ppm)	Au (koz)	Cu (mlb)	Mo (mlb)	Re (koz)	CuEq (mlb)	CuEq (%)
Hushamu	777,749	0.21	0.16%	0.007%	0.49	5,326	2,663	149.0	12,352	5,986	0.35%
Red Dog	83,129	0.25	0.18%	-	-	679	336	-	-	693	0.38%
NW Expo	45,044	0.64	0.11%	-	-	933	108	-	-	598	0.60%
Indicated	905,922	0.24	0.16%	0.007%	0.42	6,938	3,107	149.0	12,352	7,276	0.36%
Hushamu	168,459	0.16	0.13%	0.005%	0.40	860	472	24.0	2,144	1,010	0.27%
Red Dog	9,808	0.18	0.14%	-	-	56	30	-	-	59	0.27%
NW Expo	35,611	0.53	0.09%	-	-	609	69	-	-	389	0.50%
Inferred	213,878	0.22	0.12%	0.005%	0.32	1,525	571	24.0	2,144	1,458	0.31%
Total	1,119,800	0.230	0.14%	0.006%	0.37	8,463	3,678	173	14,496	8,735	0.35%

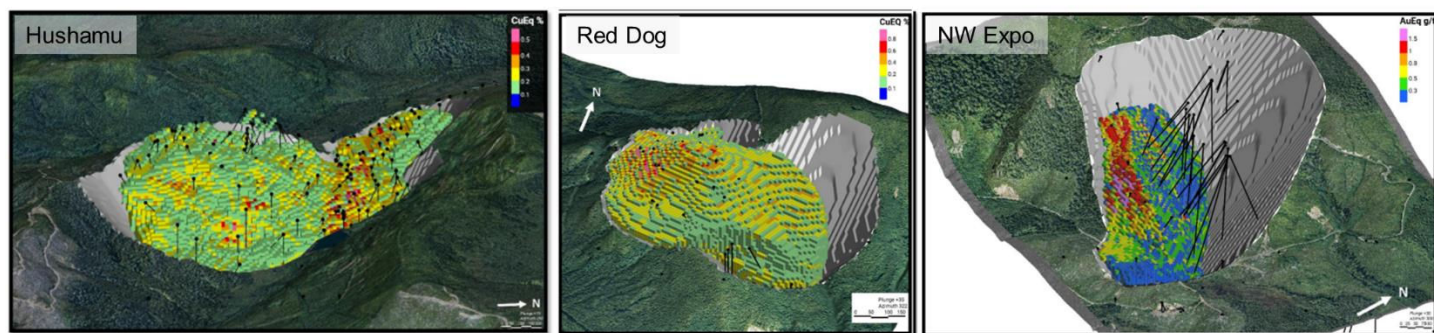
Source: Company disclosure; Agentis Capital research.

Fig 2 Delta changes for the North Island project Sep 23/24 MRE vs the previous 2020 Hushamu MRE, 2017 Red Dog MRE and 2024 NW Expo MRE.

	Tonnes (kt)	Au (g/t)	Cu (%)	Mo (%)	Re (ppm)	Au (koz)	Cu (mlb)	Mo (mlb)	Re (koz)	CuEq (mlb)	CuEq (%)
Hushamu	64%	(9%)	(20%)	9%	40%	52%	28%	79%	140%	43%	(13%)
Red Dog	53%	(19%)	(18%)	(100%)	-	25%	27%	(100%)	-	23%	(19%)
NW Expo	12%	(4%)	-	-	-	7%	8%	-	-	7%	(4%)
Indicated	60%	(9%)	(19%)	3%	40%	47%	26%	65%	125%	39%	(13%)
Hushamu	(59%)	(11%)	(13%)	10%	38%	(64%)	(66%)	(56%)	(43%)	(64%)	(12%)
Red Dog	229%	(28%)	(18%)	(100%)	-	134%	168%	(100%)	-	148%	(25%)
NW Expo	16%	(7%)	-	-	-	9%	10%	-	-	9%	(6%)
Inferred	(52%)	7%	(15%)	(7%)	17%	(49%)	(60%)	(56%)	(44%)	(54%)	(4%)
Total	10%	(3%)	(18%)	(0%)	31%	10%	(6%)	19%	55%	3%	(6%)

Source: Company disclosure; Agentis Capital research.

Fig 3 Block models for the Hushamu (left; looking W), Red Dog (middle; looking NNW) and NW Expo (right; looking NW) deposits that comprise the integrated North Island MRE.



Source: Company disclosure; Agentis Capital research.

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Company specific disclosure details

Company Name	Symbol	Disclosures
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<i>Defense Metals Corp.</i>	<i>DEFN CN</i>	1,4,7
<i>Founders Metals Inc.</i>	<i>FDR CN</i>	RESTRICTED
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<i>K92 Mining Inc.</i>	<i>KNT CN</i>	1,4,7
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<i>Scottie Resources Corp.</i>	<i>SCOT CN</i>	1,2,4
<i>Sitka Gold Corp.</i>	<i>SIG CN</i>	1,2,4,7
<i>Southern Cross Gold Ltd.</i>	<i>SXG AU</i>	1,4,7
<i>Western Alaska Minerals Corp.</i>	<i>WAM CN</i>	1,2,4,7

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