

# Northisle Copper and Gold Inc. (NCX-V)

## Robust Copper-Gold Project Taking Shape In British Columbia

Northisle Copper and Gold is advancing its 100%-owned **North Island Project**, a large copper-gold deposit located on Vancouver Island in BC, Canada (fig2). A February 2025 PEA outlined a staged open pit mine capable of delivering ~80MMlbs of copper and 140,000oz of gold annually over a 29-year minelife.

### Investment Highlights:

- Potential to create a new mid-tier gold-copper producer (+300Koz/yr eqAu or +150MMlb/yr eqCu)
- Brownfield area of north Vancouver Island should be permittable
- PEA only included 67% of current total resource on the property
- Staged development plan (40,000tpd growing to 80,000tpd) makes North Island project financeable (in our opinion).
- PEA suggests attractive Capital Intensity (<US\$12,000/t of installed annual copper production)
- At current spot prices / our LT commodity price assumptions, North Island is slightly more levered to gold than copper over the minelife (10m revenues using our LT forecasts are gold-53%, copper-41%, and molybdenum-7%).



**Upcoming Catalysts:** NCX has 9,400 metres of drilling awaiting assay from its 2025 exploration programme. We expect an active drill and metallurgical programme in H1/26, leading to an updated resource estimate and the completion of a prefeasibility study (PFS) for North Island by the end of 2026.

**Valuation:** Our fair value assessment of a potential mining operation at North Island suggests that Northisle shares represent an attractive investment opportunity at current price levels. We believe further studies are likely to generate improved economics for North Island and create additional value for shareholders. As a result, we are initiating coverage of Northisle Copper & Gold with a \$5.00 target price and a **BUY** rating.

### Initiating Coverage

BUY	C\$5.00		
Recent/Closing Price	C\$3.02		
12-month Target Price	C\$5.00		
Potential Return	66%		
52 Week Price Range	C\$0.39 - C\$3.28		
<b>Estimates</b>			
<b>YE: Dec 31</b>	<b>FY24</b>	<b>FY25E</b>	<b>FY26E</b>
Revenue (\$MM)	\$0	\$0	\$0
Cash Flow (\$MM)	(\$12)	(\$10)	(\$8)
<b>Valuation</b>			
P/CF	n.m.	n.m.	n.m.
NAV	C\$6.69		
P/NAV	0.5x		

### Stock Data (C\$MM)

Shares O/S (MM)	292
Mgmt/Insiders	12%
Market Cap	\$639
LT Debt (Corporate)	\$0
Working Capital	\$35
Enterprise Value	\$604

### Reserves & Resources

2P Reserves	-	Blb eqCu
M+H Resources	3.1	Blb eqCu
M+H Resources	3.7	Blb eqCu

### About the Company

Northisle is focused on the advancement of its copper-gold projects on Vancouver Island in BC. A 2025 PEA outlined a phased development of an open pit mine capable of delivering +150MMlb/yr of eqCu (+300Koz/yr eqAu)

All prices in C\$ unless otherwise stated

### Stock Performance



## Investment Thesis...Emerging Mid-Tier Producer

In our view, NorthIsle C&G has above average potential to successfully transition into a mid-sized gold-copper producer at North Island in BC.

## Valuation Methodology

Our favored valuation method for base and precious metals producers is a price-to-net-asset-value (P/NAV) multiple based on a discounted cash flow (DCF) model constructed using our estimates of the parameters of existing or potential mining operations. Our long-term price assumption starting in 2029 are US\$4.50/lb for copper and US\$3,250/oz for gold.

Future year cash flows are then discounted using a base rate of 5%, to which a risk premium is added, depending on the overall political risk the company's assets are exposed to. NorthIsle's asset exposure to BC is considered low risk, thus no premium is added, however until we see the next economic study we employ a higher 8% discount rate.

**Fig 1 Net Asset Value (NAV) Breakdown: NorthIsle Copper & Gold**

	<u>Discount</u>		<u>Value</u>	<u>Per Share (C\$/sh)</u>		
	<u>Rate</u>	<u>Ownership</u>	C\$MM	<u>2026E</u>	<u>2027E</u>	<u>2028E</u>
North Island (BC)	8%	100%	\$3,027	\$6.62	\$6.89	\$7.44
<b>OPERATING ASSETS</b>			<b>\$3,027</b>	<b>\$6.62</b>	<b>\$6.89</b>	<b>\$7.44</b>
Working Capital			\$35	\$0.08	\$0.05	\$0.05
LT Debt (corporate only)			\$0	\$0.00	\$0.00	\$0.00
<b>CORPORATE ASSETS</b>			<b>\$35</b>	<b>\$0.08</b>	<b>\$0.05</b>	<b>\$0.05</b>
<b>NET ASSET VALUE</b>			<b>\$3,062</b>	<b>\$6.69</b>	<b>\$6.94</b>	<b>\$7.49</b>

Source: Beacon Securities' estimates

In Fig. 1 we provide forward-looking NAV/sh estimates to show how the company's NAV is forecast to change over the next few years. For mid-tier producers, we employ a target range of 0.50-1.50x P/NAV. For NorthIsle, the early stage (PEA only) we employ a target P/NAV multiple of 0.60x. Applying this target multiple on our 2026 NAV estimate suggests a fair value of \$4.00/sh.

On a forward-looking P/CF multiple basis, we forecast NorthIsle could generate CFPS of US\$1.54/sh in FY2031 (our estimated initial year of operation) at North Island. Discounting back to 2026 at 20% p.a. and applying our target multiple of 6.0x P/CF, which is the towards the lower end of our 5x-12.5x target range for mid-tier producers, suggests a fair value of \$6.00/sh. Using the fair values outlined above, and an equal weighting between P/NAV, and P/CF metrics generates our 12-month target price of \$5.00/sh.

## Company Description

### North Island Project (BC)

The 100%-owned project is located at the northern end of Vancouver Island, west of the town of Port Hardy (fig2). NorthIsle has controlled the property since listing as a public company in 2011. There is a 1% net smelter royalty (nsr) on the property.

**Fig 2 Location Map: North Island Project (BC)**

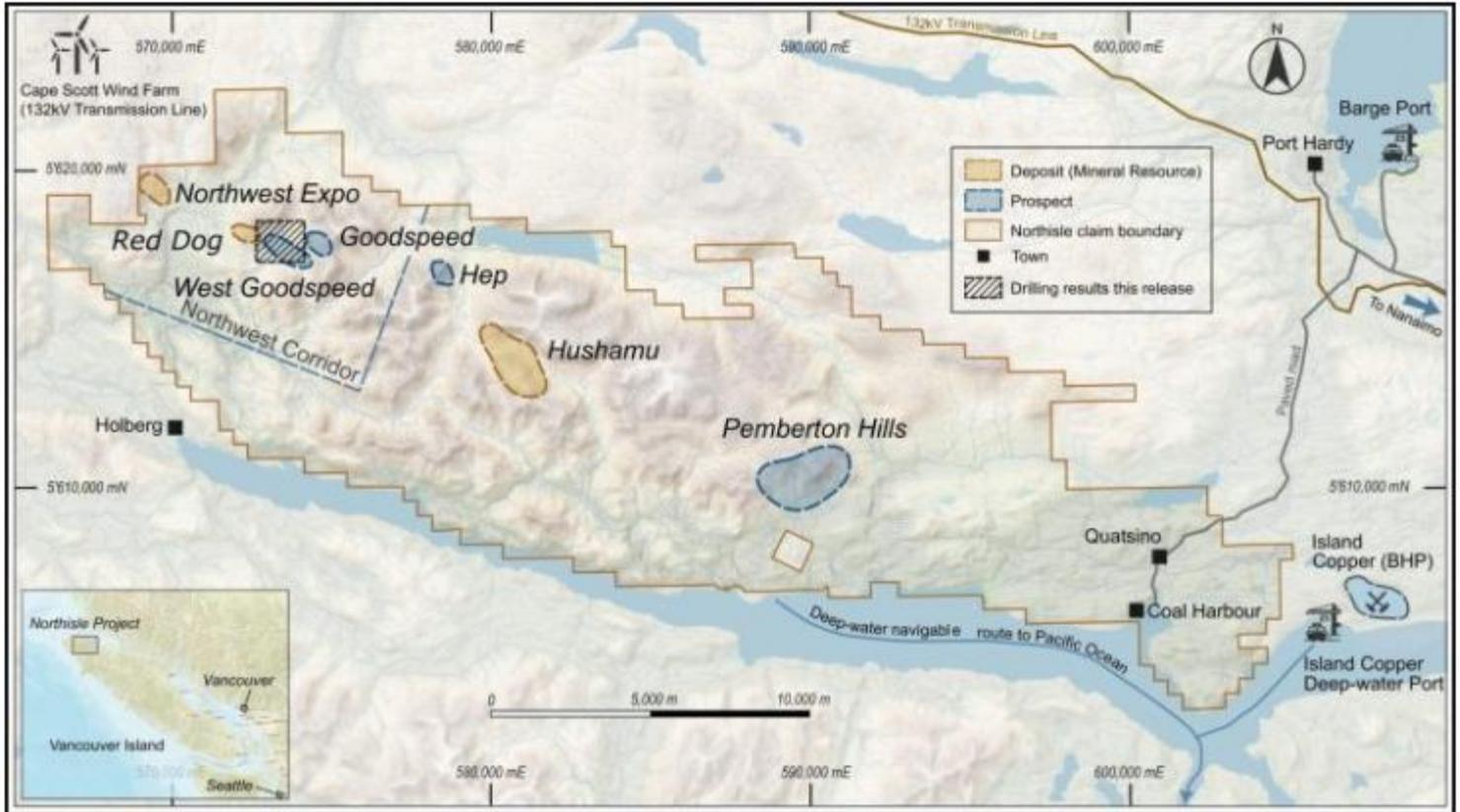


Source: company website

### Geology/Mineralization

North Island copper-gold mineralization is porphyry-related which associated hydrothermal alteration. Mineralization typically includes gold and copper, often with minor molybdenum and/or rhenium. The dominant copper mineral is chalcopyrite, but minor bornite, chalcocite, and covellite have been identified. Other sulphides present include pyrite and magnetite.

The **Hushamu**, **Red Dog**, and **NW Expo** are best characterized as Au-rich calc-alkalic porphyry type deposits. Mineralization consists of quartz stockworks, veinlets, disseminations and replacements within large hydrothermally altered systems.

**Fig 3 Project Location Map: North Island Project (Vancouver Island)**


Source: company reports

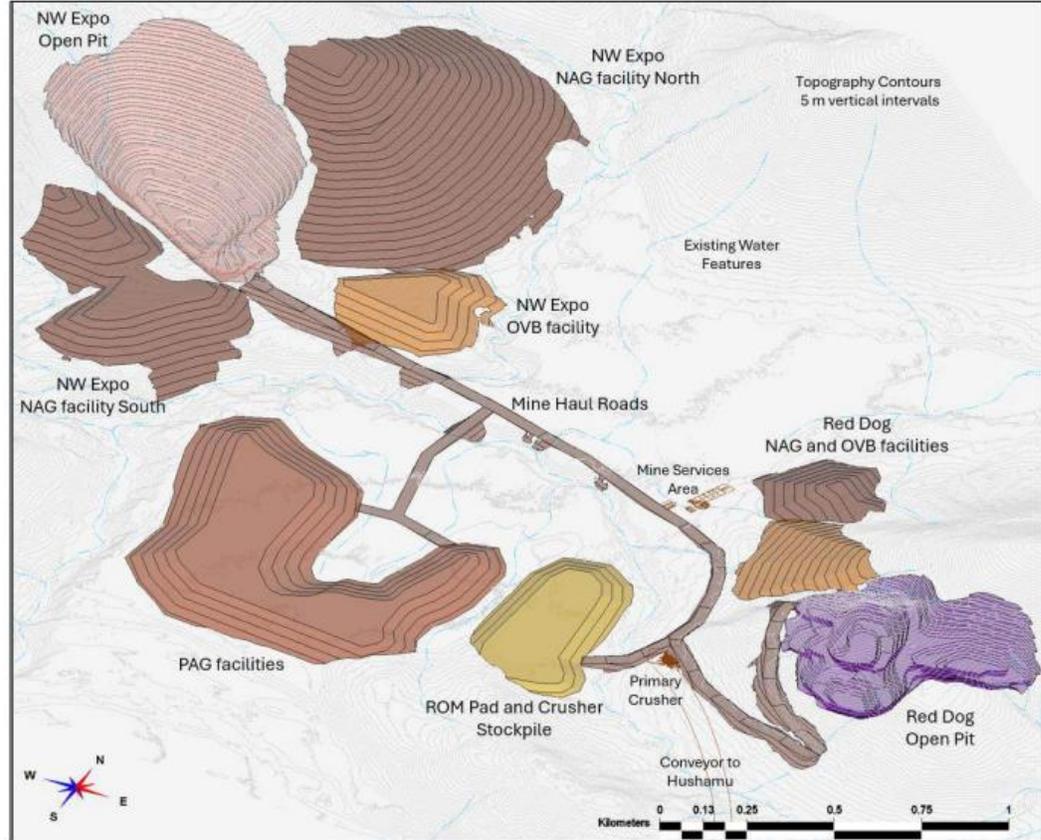
**Fig 4 Current Resources: North Island Project (BC)**

	Tonnes (000 T)	Grade					Contained Metal					NSR (\$/T)
		Cu (%)	Au (g/t)	Mo (ppm)	Re (ppm)	Cu Eq. (%)	Cu mm lbs	Au 000s oz	Mo mm lbs	Re 000 lbs	Cu Eq. mm lbs	
<b>Indicated</b>												
Hushamu	777,749	0.16%	0.21	87	0.49	0.29%	2,663	5,326	149	847	5,034	23.00
Red Dog	83,129	0.18%	0.25	n/a	n/a	0.35%	336	679	0	0	650	33.14
Northwest Expo	45,044	0.11%	0.64	n/a	n/a	0.65%	108	933	0	0	646	54.15
<b>Total Indicated</b>	<b>905,922</b>	<b>0.16%</b>	<b>0.24</b>	<b>75</b>	<b>0.42</b>	<b>0.31%</b>	<b>3,107</b>	<b>6,939</b>	<b>149</b>	<b>847</b>	<b>6,330</b>	<b>25.48</b>
<b>Inferred</b>												
Hushamu	168,459	0.13%	0.16	66	0.40	0.23%	472	860	24	147	852	17.77
Red Dog	9,808	0.14%	0.18	n/a	n/a	0.26%	30	56	0	0	56	24.18
Northwest Expo	35,611	0.09%	0.53	n/a	n/a	0.53%	69	609	0	0	412	44.88
<b>Total Inferred</b>	<b>213,878</b>	<b>0.12%</b>	<b>0.22</b>	<b>52</b>	<b>0.31</b>	<b>0.28%</b>	<b>571</b>	<b>1,525</b>	<b>24</b>	<b>147</b>	<b>1,320</b>	<b>22.58</b>

Source: company reports

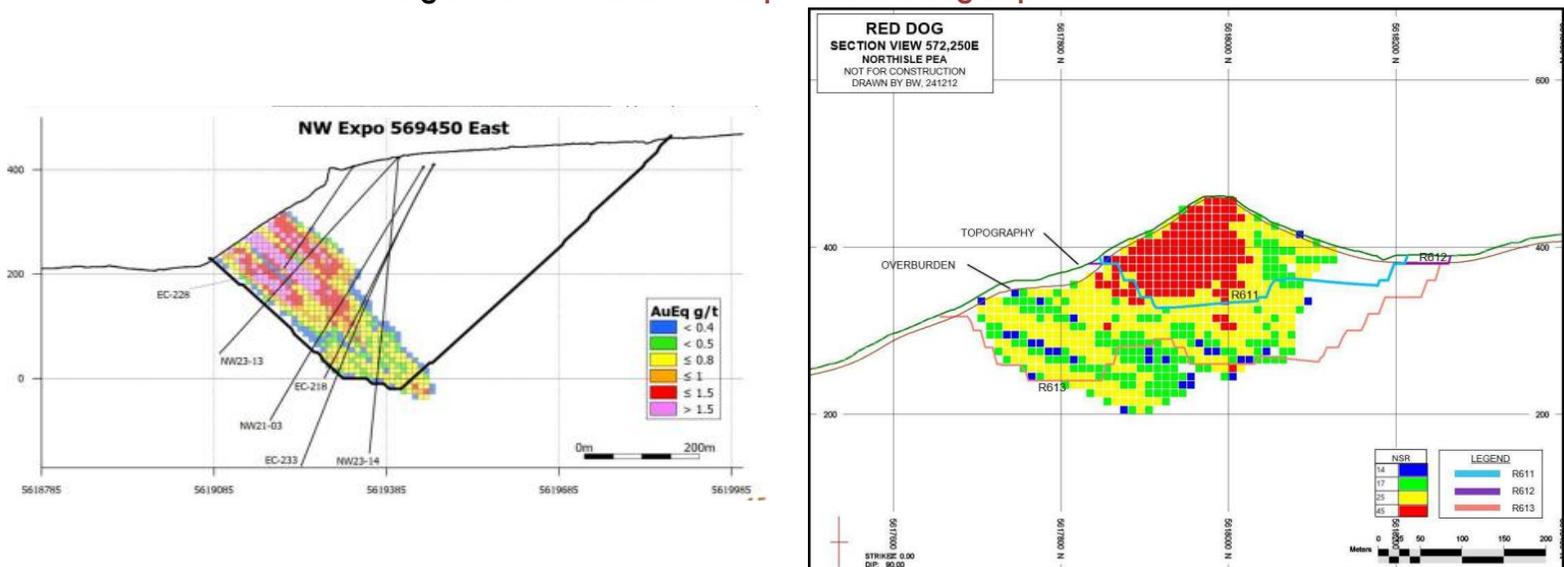
**Mining/Metallurgy:** the FEB 2025 PEA envisioned a staged development plan for North Island. An initial 40,000tpd open pit would start with ores from the **Northwest Expo** and **Red Dog** deposits during Yr1-5.

**Fig 5 Plan and Cross-section: Northwest Expo Deposit (NW Expo)**



Source: company reports

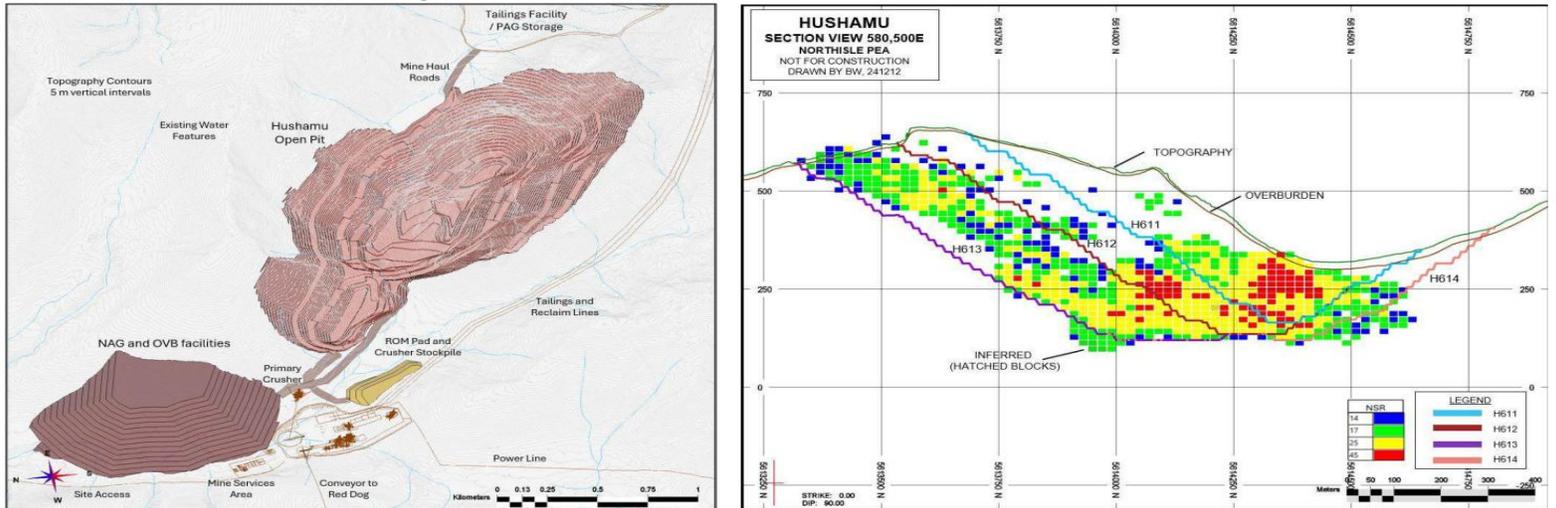
**Fig 6 Cross-sections: NW Expo and Red Dog Deposits**



Source: company reports

Year 6 would see an expansion to 80,000tpd that would coincide with the addition of the larger **Hushamu** open pit.

**Fig 7 3-D and Cross-sections: Hushamu Deposit**



Source: company reports

Conventional milling and processing of ores (flotation and cyanidation) would yield end products of gold doré and a gold-rich copper concentrate. Yr 6 expansion would include adding a molybdenum flotation circuit in the plant, generating a third revenue stream from the sale of a molybdenum concentrate.

**Fig 8 FEB 2025 PEA: North Island Project**

**PEA HIGHLIGHTS – BASE CASE <sup>1,2</sup>**

	Phase 1	LOM
<b>Mine Life</b>	5	28.7
<b>Average Throughput Capacity (Mtpa)</b>	14.6	26.2
<b>Strip Ratio (waste:ore)</b>	1.43:1	0.81:1
<b>Copper Recovery</b>	86.7	80.1
<b>Gold Recovery</b>	83.1	62.3
<b>Annual Gold Production (kozAu)</b>	200	137
<b>Annual Copper Production (MlbCu)</b>	48	75
<b>Annual CuEq Production (MlbCuEq)</b>	151	157
<b>Development Capital (\$m)</b>	\$1,144	\$1,837
<b>Sustaining Capital (\$m)</b>	\$325	\$1,278
<b>Cash Costs (US\$/lb CuEq)</b>	\$1.49	\$2.04
<b>AISC (US\$/lb CuEq)</b>	\$1.83	\$2.41
<b>AISC Margin (%)</b>	56%	43%
<b>Annual Free Cash Flow (\$m)</b>	\$357	\$199
<b>Payback Period</b>	1.9 years	
<b>After-tax IRR (%)</b>	28.6%	
<b>After-tax NPV<sub>7%</sub> (\$m)</b>	\$1,996	

Source: company reports

## Investment Risks

### Commodity Prices

For mining operations, profitability and cashflow are materially dependent on the realized prices for the commodities produced. In the case of producers, the most important factor to economic viability is the assumption of future commodity prices.

### Geological/Technical

Even with operating assets, geological risk will remain, relating to how the actual mining results (grade, tonnage, recovery, etc.) compare to forecasted rates. We view this risk for NorthIsle to be similar to other development companies.

### Political

We consider BC to be among the lower risk jurisdictions for the mining industry, and do not expect our view to change in the foreseeable future.

### Financial

NorthIsle has sufficient funds on hand to carry out current workplans but will likely require additional funding later in 2026 to continue advancing its projects towards development.

## Summary/Conclusions

NorthIsle has shown initial positive economics for its North Island copper-gold project in BC with the 2025 PEA.

We consider NorthIsle shares to be undervaluing the potential of a new mid-tier gold-copper producer at North Island. **As a result, we are initiating coverage of NorthIsle Copper & Gold with a 12-month target price of \$5.00/sh and a BUY rating.**

## Appendix 1: Management/Directors

### **Sam Lee – President & CEO, Director**

Mr. Lee is a mining engineer with over 20 years' experience as a mining investment banker. He was appointed President and CEO in OCT 2020.

### **Nicholas Van Dyk – CFO**

Mr. Van Dyk has over 20 years of mining industry experience. He joined NorthIsle in NOV 2020 and was appointed CFO in 2021.

### **Kevin O'Kane – COO, Director**

Mr. O'Kane is a mining engineer with nearly 40 years of mining industry experience, including starting his career at BHP's Island Copper mine (situated next to NorthIsle property). He joined NorthIsle in SEP 2025.

### **Dr. Pablo Mejia Herrera – VP Exploration**

Mr. Herrera is a geologist with over 20 years of mineral exploration experience, most recently with Ero Copper (ERO-T, not rated). He joined NorthIsle in MAR 2025.

### **Robin Tolbert – Chief Geoscientist**

Mr. Tolbert is a geologist with over 40 years of mineral exploration experience. He joined NorthIsle in MAR 2025.

### **Ian Chang – VP Project Development**

Mr. Chang is a mining engineer with over 35 years of industry experience, including Orezone Gold (ORE-V, not rated), Lion One Metals (LIO-V, not rated), and Pretium Resources. He joined NorthIsle in APR 2022.

### **Cam Brown – Technical Advisor**

Mr. Brown is a mineral processing engineer with over 45 years of industry experience, including Western Copper & Gold (WRN-T, not rated) and Bechel Corporation. He joined NorthIsle in MAR 2025.

## Board of Directors

**Dale Corman** – Chairman, Canadian Mining Hall of Fame inductee (2022)

**Sam Lee** – see above

**Kevin O'Kane** – see above

**Jill Donaldson** – lawyer

**Keena Hicken-Gaberría** – accountant

**Alex Davidson** – geologist, Canadian Mining Hall of Fame inductee (2023)

## Appendix 2: Summary Financials

<b>Northisle Copper and Gold Inc.</b>				Beacon Securities Limited			
Symbol <b>NCX-V</b>				Share Price <b>\$3.02</b>			
Stock Rating <b>BUY</b>				Shares O/S (MM) <b>292.2</b>		Float (MM) <b>257.4</b>	
Price Target <b>\$5.00</b>				Mkt Cap (\$MM) <b>882</b>			
				Michael Curran, CFA (416) 507-3950			

INCOME STATEMENT		FY24	FY25e	FY26e
Revenues	C\$MM	-	-	-
Operating Costs	C\$MM	-	-	-
EBITDA	C\$MM	(18.4)	(10.5)	(8.5)
DD&A	C\$MM	0.2	0.2	0.2
EBIT	C\$MM	(18.6)	(10.7)	(8.7)
Interest Expense	C\$MM	(0.4)	-	-
EBT	C\$MM	(12.3)	(10.2)	(8.2)
Taxes/Recovery	C\$MM	-	-	-
Net Income (reported)	C\$MM	(18.2)	(10.7)	(8.7)
Non-Recurring Items/Other	C\$MM	5.8	-	-
Net Income (operating)	C\$MM	(13.1)	(10.2)	(8.2)
Shares o/s (wgt avg.)	MM	285.7	350.0	450.0
<b>EPS (operating)</b>	<b>\$/sh</b>	<b>(\$0.05)</b>	<b>(\$0.03)</b>	<b>(\$0.02)</b>
P/E Multiple	x	n.m.	n.m.	n.m.
Cash Flow (operating)	C\$MM	(12.1)	(10.0)	(8.0)
<b>CFPS</b>	<b>\$/sh</b>	<b>(\$0.04)</b>	<b>(\$0.03)</b>	<b>(\$0.02)</b>
P/CF Multiple	x	n.m.	n.m.	n.m.

Management		Other Directors	
<b>Sam Lee</b>	President & CEO, Director	Dale Corman - Chairman	
<b>Kevin O'Kane</b>	COO, Director	Jill Donaldson	
<b>Nicholas Van Dyk</b>	CFO & Corp. Secretary	Keena Hicken-Gaberria	
<b>Ian Chang</b>	VP Project Development	Alex Davidson	
<b>Dr. Pablo Herrera</b>	VP Exploration		
Options	Avg. Price	Warrants	Avg. Price
10.2	\$0.61	-	-

BALANCE SHEET				
Cash & Equivalents	C\$MM	7.7	2.7	44.7
Total Current Assets	C\$MM	8.1	3.1	45.1
PP&E & Mining Interests	C\$MM	3.1	2.9	2.7
Other	C\$MM	-	-	-
<b>Total Assets</b>	<b>C\$MM</b>	<b>11.2</b>	<b>6.0</b>	<b>47.8</b>
Current Liabilities	C\$MM	2.0	1.6	1.6
Long Term Debt	C\$MM	-	-	-
Other LT Liabilities	C\$MM	-	-	-
Total Liabilities	C\$MM	2.0	1.6	1.6
S/Holder Equity	C\$MM	9.2	4.4	46.2
<b>Total Liab. &amp; S/Holder Equity</b>	<b>C\$MM</b>	<b>11.2</b>	<b>6.0</b>	<b>47.8</b>
Working Capital	C\$MM	6.0	1.5	43.5

Recent Financings					
Date	Amount	Price	Type	Warrant	Expiry
AUG-2025	\$35.0	\$1.05	cs + ft@1.61	-	-
AUG-2025	\$5.0	\$1.05	all to Wheaton PM	-	-
DEC-2024	\$9.9	\$0.38	cs + ft@0.65	-	-



Source: company reports, Beacon estimates

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As at December 31, 2025	# Stocks	Distribution
Buy	65	76%
Speculative BUY	13	15%
Hold	2	2%
Sell	0	0%
Under Review	5	6%
Tender	1	1%
<b>Total</b>	<b>86</b>	<b>100%</b>

Buy Total 12-month return expected to be >15%  
 Speculative Buy Potential total 12-month return is high (>15%) but given elevated risk, investment could result in a material loss  
 Hold Total 12-month return expected to be between 0% and 15%  
 Sell Total 12-month return expected to be negative  
 Under Review No current rating/target  
 Tender Clients are advised to tender their shares to takeover bid or similar offer

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