

NorthIsle Copper & Gold Inc.

METALS & MINING

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All figures in US\$, unless otherwise noted.

Rating: Speculative Buy

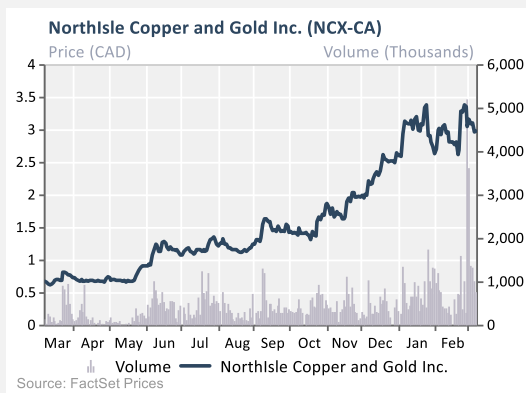
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12-Month Target: C\$5.25

unchanged

Price		C\$2.99
Ticker		NCX-T
FYE		31-Dec
Potential ROR (incl. dividend)		42%
Shares O/S	Basic (M)	329.5
	FD (M)	338.8
Market Cap	Basic (C\$M)	985.2
	FD (C\$M)	1,012.9
Net Debt (C\$M)		(154.3)
Enterprise Value (C\$M)		830.9
NAV/sh (FD)		C\$6.90

Resource Data	Measured	Indicated	Inferred
North Island Project			
Mln Tonnes	-	906	214
CuEq Grade	-	0.31%	0.28%
CuEq Mlbs	-	6,330	1,320



Source: FactSet, Company filings, Paradigm Capital Inc.

Company Description: NorthIsle Copper and Gold Inc. is a Vancouver based copper and gold explorer and developer focused on the flagship North Island Project located on the northern end of Vancouver Island in British Columbia, Canada. The property hosts a cluster of porphyry related targets well located near the former Island Copper operations with good access to port facilities and power.

Onward and Upward

Investment Thesis NorthIsle Copper and Gold Inc. have been systematically exploring a large cluster of porphyry related mineralized deposits on northern Vancouver Island since 2011. To date, three mineralized systems, Hushamu, Red Dog and Northwest Expo, have been extensively explored resulting in an updated NI-43-101 MRE announced in fall 2024. A positive PEA was released in February 2025 outlining a staged project starting with the gold-rich Northwest Expo and Red Dog deposits. What makes this project stand out from other B.C. copper deposits is that the first few years of production is heavily weighted to gold. The project also has the advantage of great infrastructure and significant exploration potential which can either enhance or extend the mine life.

Event

Following an exceptional 2025 which saw the share price appreciate +480%, NorthIsle continues to gain momentum in early 2026. The recent successful C\$115M equity financing was well received by the market and the company saw continued support by Wheaton Precious Metals Corp. which entered the registry in mid-2025. With the balance sheet in excellent shape, management can focus on delivering on derisking milestones, critical for the advancement of the North Island project preparing to enter the Environmental Assessment (EA) process this year. Importantly, the company was recently selected by B.C.'s Ministry of Mining and Critical Minerals to work with the Critical Minerals Office. One of only four projects that has been recognized by the province, selection by the Office is expected to improve co-ordination among parties to support efficient entry into and navigation through the permitting process.

Highlights

- Enhancing the Profile |** Inclusion in B.C.'s Critical Minerals Office (CMO) validates our view of the quality of the North Island copper-gold project. Selection to work with the CMO's co-ordinated permitting support process has been limited to only four projects that have sufficiently demonstrated strength of working relationships with local First Nations, geological potential, project readiness and potential economic impact. We view this as an excellent endorsement for potential financiers around permitting the North Island project on Vancouver Island. The company notes it hosted a celebration to mark the event (attended by the Honourable Jagrup Brar, Minister of Mining and Critical Minerals) and now has entered agreements with all three First Nations (Quatsino First Nation, Kwakiutl First Nation, and Tlatlasikwala First Nation) whose territories cover 100% of the mineral tenure of the North Island project, establishing formal framework to support continued engagement.
- Preparing to Enter EA Process |** We look for drill results from the northwest corridor to be incorporated in an integrated resource update in Q2 as well as initial results from the Pre-feasibility Study (PFS) metallurgical testwork program. In H2 we look for results from the extension drilling as well as regional targets and for an integrated PFS incorporating the expanded resource to be delivered in Q4. With baseline work and geotechnical studies underway, and support from the CMO, NorthIsle expects to be in position to file the Initial Project Description in H2, entering the EA process.

Valuation & Conclusion

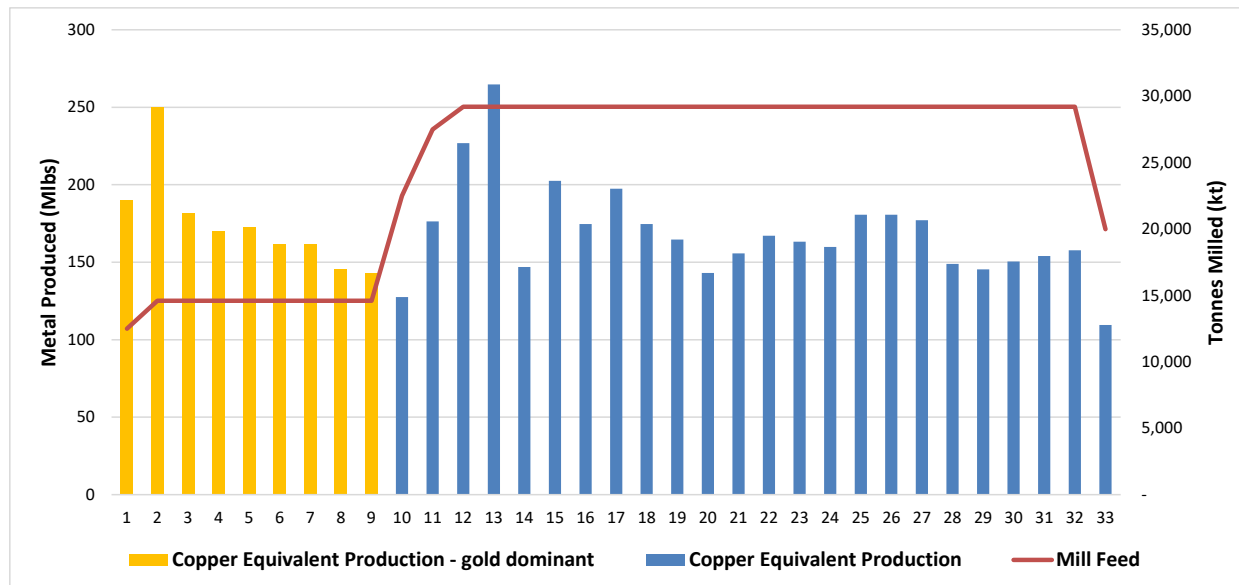
We maintain our C\$5.25 target, based on a 0.75x multiple applied to our NAV12%, and Speculative Buy recommendation. Our base-case project NAV valuation of C\$2.2B reflects an extension to the Phase 1 mine plan of four years, includes a 10% capital and operating cost inflation factor, and is updated to incorporate our \$5.00/lb Cu and \$3,500/oz Au long-term price forecasts. We highlight that derisking the North Island project with the pending resource update and added visibility on the Phase 1 mine plan enhancements could increase our NAV by ~30%+. We also note the North Island project is also attractively levered to commodity prices and applying spot copper and gold to our current base case NAV12% would increase ~70%+ (Figure1).

Figure 1: North Island Project – Potential Phase I Extension Scenarios

	Operating Scenarios					
	PEA Case		Phase I + 2 years		Phase I + 4 years PCI Base Case	
	Phase I	LoM	Phase I	LoM	Phase I	LoM
Life of Mine (Yrs)	5	29	7	31	9	33
Annual Payable Metal Produced						
Copper (mlb)	48	78	47	74	47	73
Gold (koz)	200	136	188	137	181	137
Commodity Price Basis - PCI LT Prices						
Copper (US\$/lb)	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Gold (US\$/oz)	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
After-tax NPV ₉ (US\$M)		\$2,624		\$2,718		\$2,764
After-tax NPV ₁₀ (US\$M)		\$2,005		\$2,065		\$2,094
After-tax NPV₁₂(US\$M)		\$1,556		\$1,597		\$1,617
Commodity Price Basis - Spot Prices						
Copper (US\$/lb)	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75
Gold (US\$/oz)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
After-tax NPV ₉ (US\$M)		\$4,420		\$4,549		\$4,628
After-tax NPV ₁₀ (US\$M)		\$3,427		\$3,507		\$3,555
After-tax NPV₁₂(US\$M)		\$2,701		\$2,754		\$2,786

* PCI NPV estimates include a 10% operating and cost inflation factor

Source: Company filings, Paradigm Capital Inc.

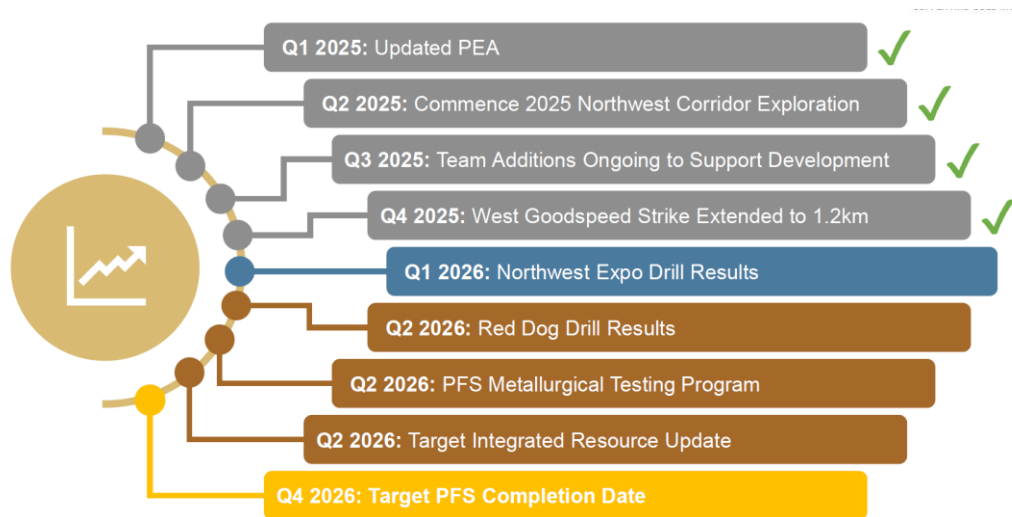
Figure 2: Our Preliminary Production Profile of North Island Project including Additional 4 Years of Phase 1


Source: Company filings, Paradigm Capital Inc.

Figure 3: Our Preliminary Production Profile of North Island Project including Additional 4 Years of Phase 1

Key project milestones for 2025 and 2026 include the following:

- **COMPLETED** – Updated Preliminary Economic Assessment on North Island Project
- **COMPLETED** – C\$39.5 million financing
- **COMPLETED** – BC Hydro Conceptual Review of Interconnection
- **COMPLETED** – Team additions and enhancements to support growth
- **COMPLETED** – Commencement of expanded baseline study program to support EA Readiness
- **COMPLETED** – Largest ever field program at North Island Project with 20,297 metres and 58 holes drilled
- **COMPLETED** – Confirmed mineralization at West Goodspeed over 1.2km strike
- **COMPLETED** – Identified copper-gold mineralization at the Cougar Target, between the Northwest Expo and Red Dog deposits
- **COMPLETED** – Infill drilling at Northwest Expo (pending assay results)
- **Q1 2026** – Assays from infill drilling at Northwest Expo
- **Q1 2026** – Infill drilling ongoing at Red Dog (pending assay results)
- **Q2 2026** – Initial Metallurgical test results for the North Island PFS
- **Q2 2026** – Assays from Red Dog infill drilling
- **Q2 2026** – Integrated resource update for the North Island Project
- **Q2 2026** – Commence extension drilling in Northwest Corridor
- **Q3 2026** – Target for initiation of early engagement on mine waste storage area
- **Q3 2026** – Initiate drilling at regional exploration targets
- **Q4 2026** – Results from drilling at regional exploration targets
- **Q4 2026** – North Island PFS results announced
- **H2 2026** – Commence BC Hydro System Impact Study
- **H2 2026** – Initial Project Description filed
- **Ongoing** – Continued positive engagement with indigenous rightsholders and local stakeholders
- **Ongoing** – Additional team additions to support further growth



Source: Company filings

Figure 4: Net Asset Value

	US\$M	C\$M	C\$/sh
Development Assets			
North Island Project (12% DCR)	\$1,617	\$2,183	\$6.44
Total	\$1,617	\$2,183	\$6.44
Other Assets			
Cash and Equivalents	\$114.3	\$154.4	\$0.46
Current Assets (net Cash)	\$0.6	\$0.8	\$0.00
Cash from Options & Warrants	\$2.8	\$3.7	\$0.01
Total	\$117.7	\$158.9	\$0.47
Total Assets	\$1,735	\$2,342	\$6.91
Liabilities			
Current Liabilities	\$3.9	\$5.2	\$0.02
Long-term Debt	\$0.1	\$0.1	\$0.00
Environmental	\$0.0	\$0.0	\$0.00
Total Liabilities	\$3.9	\$5.3	\$0.02
Net Asset Value	\$1,731	\$2,337	\$6.90
	US\$1.00 =C\$ (Long Term) \$1.35	Shares Outstanding	
	Copper Price (Long Term) \$5.00	Basic	329.5
	Gold Price (Long Term) \$3,500	Options & Warrants	9.3
		To Be Issued	0.0
		Fully Diluted*	338.8
*FD is based on current "in-the-money" securities			

Source: Paradigm Capital Inc.

DISCLAIMER SECTION

Company	Ticker	Disclosures
NorthIsle Copper & Gold Inc.	NCX-CA	2,3

Note: Please refer to above table for applicable disclosure numbers.

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- Paradigm Capital Inc. has assumed an underwriting liability for, and/or provided financial advice for consideration to the subject companies during the past 12 months.
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Stock Coverage History

Date	Target	Rating	Estimates
04-Feb-2026	\$5.25↑	Spec Buy	
04-Jan-2026	\$4.25↑	Spec Buy	FY25 EPS↑
28-Aug-2025	\$2.50↑	Spec Buy	
25-Mar-2025	\$1.45	Spec Buy	Initiating Coverage

Research Rating System

Paradigm Capital Inc. uses the following rating recommendation guidelines in its research:

Recommendation	Number of Companies	Percentage Breakdown	
Buy	64	58%	Buy – Expected returns of 10% or more over 12 months.
Spec. Buy	35	32%	Speculative Buy - Expected returns of 10% or more over the next 12 months on high-risk development or pre-revenue companies, such as junior mining and other early stage companies.
Hold	7	6%	Hold - Expected returns of less than +/- 10% over the next 12 months. Includes companies Under Review.
Sell*	2	2%	Sell - Expected returns of -10% or more over the next 12 months.
Total	108		

*Includes companies with a "Tender" recommendation

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Buy: Expected returns of 10% or more over 12 months.

Speculative Buy: Expected returns of 10% or more over the next 12 months on high-risk development or pre-revenue companies, such as junior mining and other early-stage companies.

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Sell: Expected returns of -10% or more over the next 12 months. .