

VANCOUVER, British Columbia, Sept. 13, 2017 (GLOBE NEWSWIRE) -- [Northisle Copper and Gold Inc.](#) (TSX-V:NCX) (“Northisle” or the “Company”) is pleased to announce the results of its Preliminary Economic Assessment (“PEA”), prepared by M3 Engineering & Technology Corp., for its 100% owned North Island Copper and Gold Project located in northern Vancouver Island British Columbia (“Project”). The results of the PEA demonstrate the potential technical and economic viability of the Project constructed as an open-pit mine, with a concentrator processing nominally 75,000 tonnes per day.

PEA HIGHLIGHTS:

- After tax NPV 8% of CAD \$550.4 million, 14.3% IRR, 22-year mine life
- Life of Mine (LOM) metal production of 1.8 billion pounds of copper, 1.7 million ounces of gold and 55 million pounds of molybdenum
- Annual production of 82 million pounds of copper, 79 thousand ounces of gold and 3 million pounds of molybdenum
- Initial capital costs of CAD \$1.34 billion plus sustaining capital of \$139 million
- Direct cash cost of production per pound of copper net of gold, molybdenum and pyrite concentrate is CAD \$1.17

“We are very pleased with the results of our maiden PEA,” said Jack McClintock, President of Northisle. “This PEA shows the Project can be built and operated with excellent returns based on conservative metal prices. There are a number of areas of potential improvements that could improve the Project further including advanced metallurgical studies to improve metal recoveries, evaluating higher production rates, evaluating the use of the Island Copper pit for tailings disposal and evaluating the potential for rhenium credits in the molybdenum concentrate. There remains excellent potential to add tonnes to our resource base. Drilling this summer demonstrated that our Hushamu deposit remains open for a significant expansion of its resource. In addition, there are several partially explored copper – gold exploration targets, any one of which could contribute significantly to the resource base of the Project.”

PEA BASE CASE ECONOMIC RESULTS

Parameter	Unit	Base Case
Capital Cost	CAD\$	\$1,344 million
Sustaining Capital	CAD\$	\$139 million
NSR	CAD\$/ore tonne	\$17.61
Average Op Cost/tonne	CAD\$	\$8.66
After tax Net Revenue	CAD\$	\$2,349 million
After tax NPV 8%	CAD\$	\$550 million
After tax IRR and pay back		14.3% and 5.1 years
Metal Price Cu	US\$ per pound	\$3.10
Au	US\$ per ounce	\$1,300
Mo	US\$ per pound	\$9.00
Pyrite concentrate	US\$ per tonne	\$86
Exchange rate	US\$ / CAD\$	0.75

PEA SUMMARY PRODUCTION STATISTICS

Category	Units	LOM
Tonnes Milled	Mt	600
Average grade	Cu %	0.18
	Au gpt	0.24
	Mo %	0.008
Tonnes produced Py	MT	14.1
Throughput	tpy	75,000
Mine Life	years	22
Net Cash Cost*	CAD\$	\$1.17

**Net direct cash costs that represent the cash cost incurred at each processing stage from mining through to recoverable metal delivered to market less net by-product credits. Direct cash costs cover mining, ore freight and milling costs, mine site administration and general expenses, concentrate freight, smelting and smelter general and administrative costs, marketing costs (freight and selling).*

INITIAL CAPITAL EXPENDITURES (CAD\$ MILLIONS)

Mine	\$149.2
Pre-Production	\$125.6
Process	\$1,024.9

Owner's Cost	\$44.5
Total	\$1,344.2

OPERATING COSTS

The mine operating costs were calculated to average CAD\$ 2.02 per tonne moved.

Area	Unit Cost (CAD\$/t moved)
Drilling	0.13
Blasting	0.27
Loading	0.27
Hauling	0.67
Support	0.54
Mine General	0.14
Total Cost	2.02

The process operating costs were calculated to average CAD\$ 4.88/tonne ore.

Area	CAD\$/tonne ore
Salaries & Wages	0.54
Power	1.55
Liners	0.34
Grinding Media	1.06
Reagents	0.85
Maintenance Parts & Repairs	0.44
Supplies & Services	0.10
Total Cost	4.88

MINING

Preliminary mine designs have been developed for Red Dog and Hushamu deposits based upon Indicated and Inferred Resources. Resource models were imported to Minesight® mine planning software where a Lerchs Grossman algorithm was applied to an NSR model to determine possible pit limits.

The mine plan was developed to mine Red Dog concurrently with Hushamu in the early years of the mine life until Red Dog Resources were depleted. The assumed processing rate is 75,000 t/d. The overall mining rate peaks at 64 million t/a in the initial years averaging 54 million t/a over the first 12 years of the total mine life of 22 years. The effective strip ratio after stockpile reclaim was 0.72:1.

The mine will be a conventional truck and shovel operation with electrified pit operations at Hushamu. Waste rock will be placed during construction and operation within the Tailings Management Facility (TMF). A low-grade stockpile will be located at the pit rim on the northwest side of Hushamu. An overburden stockpile will be located adjacent to the low-grade stockpile for use in reclamation of the TMF at the end of the mine life.

The total resources processed in the conceptual mine plan are shown in the following Tables.

Mineral Resources Included in the Mine Plan

Indicated Resources	ROM t x 1000	Cu %	Au g/t	Mo %
Hushamu Starter Pit	80,097.0	0.24	0.27	0.007
Hushamu Phase 1 Expansion	97,217.0	0.20	0.18	0.007
Hushamu Phase 1.5 Expansion	119,509.0	0.18	0.28	0.011
Hushamu Phase 2 Expansion	109,134.0	0.17	0.25	0.008
Red Dog	50,549.0	0.22	0.32	0.005
Total	456,506.0	0.20	0.25	0.008

Inferred Resources	ROM t x 1000	Cu %	Au g/t	Mo %
Hushamu Starter Pit	2,530.0	0.12	0.15	0.015
Hushamu Phase 1 Expansion	12,802.0	0.13	0.12	0.010
Hushamu Phase 1.5 Expansion	40,554.0	0.14	0.22	0.012

Hushamu Phase 2 Expansion	84,859.0	0.14	0.21	0.008
Red Dog	2,152.0	0.17	0.27	0.003
Total	142,897.0	0.14	0.20	0.009

INFRASTRUCTURE

The nearby town of Port Hardy is a main distribution centre for the north end of Vancouver Island. It has an airport with 3 daily flights to Vancouver, a hospital, schools and a college. All parts of the North Island Project are accessible from Port Hardy through a network of logging roads.

A marine load out structure and a 138 KVA BC Hydro substation exist at the reclaimed Island Copper Mine, approximately 27 km from the North Island mine site. One of BC's largest wind farm complexes is situated adjacent to the northwest end of the property and the 138 KV power line connecting the wind farm to the main BC power grid passes immediately north of the North Island Project.

ECONOMIC ANALYSIS

Economic evaluations were generated incorporating forecasts for metal prices using the long term (Base Case), the SEC price and Spot Price. The spot price case is from September 6, 2017.

Parameter	Unit	Base Case SEC		Spot Price
Copper	US\$ per lb	\$3.10	\$2.50	3.12
Gold	US\$ per oz	\$1300	\$1,213.12	1,333.10
Molybdenum	US\$ per lb	\$9.00	\$7.03	7.14
Pyrite	US\$ per tonne	\$86	\$86	\$86
Exchange rate		0.75	0.75	0.75
Economic Result (After tax)				
Net Revenue	CAD\$ M	2,349	1,339	2,342
NPV 8%	CAD\$ M	550	34	549
IRR	%	14.3	8.4	14.3
Pay back	Years	5.1	7.9	5.0

The Preliminary Economic Assessment ("PEA") is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would allow them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

OPPORTUNITIES TO ENHANCE VALUE

The Project opportunities include advanced metallurgical studies to improve copper, gold and molybdenum recoveries from current life of mine averages of 77.5% for copper, 38.4% for gold (in the copper concentrate) and 59.5% for molybdenum; optimize primary and rougher concentrate regrind sizes; determine the potential for rhenium credits in the molybdenum concentrate; evaluate the use of the Island Copper pit for tailings disposal in conjunction with a waste storage site to reduce overall CAPEX, OPEX, and societal risk; and to evaluate higher production rates of 85 to 90 ktpd. In addition, there are several partially explored copper – gold exploration targets, any one of which could contribute significantly to the resource base of the Project.

TECHNICAL REPORT

A National Instrument 43-101 (NI 43-101) compliant technical report entitled "North Island Project PEA" prepared by the following Qualified Persons will be filed by the Company within 45 days of this release on www.sedar.com:

- Laurie Tahija, of M3 Engineering – Recovery Methods
- Daniel Roth, P.Eng of M3 Engineering – Project Infrastructure; Capital and Operating Costs; Economic Analysis
- Brian Game, P.Geo – Principal of GeoMinEx Consultants – Geology, Exploration and Environmental
- Thomas W. Shouldice, P.Eng of TS Technical Services Ltd. – Mineral Processing and Metallurgical Testing
- Phil Burt, P.Geo – CEO of Phil Burt Consulting Services – Mineral Resource Estimates
- John Nilsson, P. Eng – Mining Methods
- Ben Wickland, P.Eng of Golder Associates Ltd. – Tailing Infrastructure

The Qualified Persons have reviewed and approved the scientific, technical, and economic information obtained in this news release.

COMPANY OVERVIEW

[Northisle Copper and Gold Inc.](#) is a Vancouver based junior resource company committed to the development of the North Island Project on Northern Vancouver Island. The North Island Project is a 33,149-hectare block of mineral titles 100% owned by Northisle stretching 50 kilometres northwest from the now closed Island Copper Mine of BHP Billiton, which is located 10 km south of Port Hardy. The North Island Project contains the Hushamu and Red Dog Deposits and five other partially explored copper-gold porphyry occurrences.

On behalf of [Northisle Copper and Gold Inc.](#)

“*John McClintock*”

John McClintock

President, CEO and Director

info@northisle.ca

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

This news release contains forward-looking statements. These forward-looking statements are based upon the reasonable beliefs of Northisle and its management as of the date of this news release; however, forward-looking statements involve risks and uncertainties and are based upon factors that may change and assumptions that may prove, with the passage of time, to be incorrect as a result of exploration and other risk factors associated with mineral exploration and development that are beyond the control of Northisle. Accordingly, undue reliance should not be placed upon such statements. If factors materially change or assumptions are materially incorrect, the actual results, performance or achievements of Northisle may be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Northisle does not undertake any obligation to update or revise any forward-looking statements to reflect new information, future events or otherwise, except as required by applicable law.