TEAMWORK. INNOVATION. EXECUTION.

Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2019

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of United States dollars)
(Unaudited – Prepared by Management)

	March 31, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	**$62,756**	$108,055
Accounts receivable	**80**	140
Prepaid expenses	**69**	123
Deferred financing fees	**1,084**	-
	63,989	108,318
Restricted cash	**5,733**	4,453
Mineral properties, plant, and equipment (note 3)	**429,234**	363,224
Total Non-Current Assets	**434,967**	367,677
Total Assets	**$498,956**	$475,995
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**$32,144**	$19,258
Stock-based compensation liabilities – current portion (note 7e)	**220**	212
Current portion of long-term debt (note 4)	**809**	28
Total Current Liabilities	**33,173**	**19,498**
Stock based compensation liabilities - long term portion (note 7g)	**998**	-
Long term debt (note 4)	**96,340**	89,759
Stream deferral (note 4d)	**74,707**	72,613
Asset retirement obligation	**1,822**	1,822
Total long-term liabilities	**173,867**	164,194
Total Liabilities	**207,040**	183,692
Shareholders' Equity		
Share capital	**402,802**	402,802
Other equity reserve	**31,918**	29,937
Accumulated other comprehensive loss	**(3,578)**	(3,578)
Deficit	**(139,226)**	(136,858)
Total Shareholders' Equity	**291,916**	292,303
Total Liabilities and Shareholders' Equity	**$498,956**	$475,995

Commitments and contractual obligations (note 8)
Subsequent events (notes 8 and 10)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board on May 10, 2019:

(Signed) "Matthew Gili", Director **(Signed) "Lucio Genovese", Director**

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in thousands of United States dollars except per share amounts which are in United States dollars)
Three months ended March 31, 2019 and 2018
(Unaudited – Prepared by Management)

	March 31, 2019	March 31, 2018
Expenses		
Consulting and remuneration	**$153**	$1,088
Public company expenses	**523**	417
Office expenses	**222**	131
Professional fees	**527**	239
Business development	**-**	42
Depreciation expense	**9**	-
Stock-based compensation (note 7d, 7e and 7g)	**1,557**	27
	(2,991)	(1,944)
Interest income	**556**	141
Interest and finance expenses	**-**	(28)
Derivative fair value (loss) gain (note 4b,4ciii and 7f)	**100**	(2,159)
Other income (expense)	**27**	(549)
Debt extinguishment loss (note 4ciii)	**-**	(7,737)
Foreign exchange loss	**(60)**	(325)
	623	(10,657)
Net loss and comprehensive loss	**$(2,368)**	$(12,601)
Loss per common share		
Basic and diluted	**$(0.00)**	$ (0.05)
Weighted average number of common shares outstanding	**661,933,584**	240,853,108

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in thousands of United States dollars)
Three months ended March 31, 2019 and March 31, 2018
(Unaudited – Prepared by Management)

	Share Capital					
	Number of Shares	**Amount**	**Other Equity Reserve**	**Accumulated Other Comprehensive Loss**	**Deficit**	**Total**
Balances, December 31, 2017	93,178,482	$161,354	$26,476	$(3,578)	$(111,916)	$72,336
IFRS 9 adjustment (note 4cii)	-	-	-	-	(4,885)	(4,885)
Warrant revaluation	-	-	(35)	-	-	(35)
Stock-based compensation	-	-	27	-	-	27
Shares issued (note 7b)	256,410,256	102,902	-	-	-	102,902
Share issue costs (note 7b)	-	(4,196)	-	-	-	(4,196)
Convertible debt conversion (note 4b)	95,561,944	52,657	-	-	-	52,657
Comprehensive loss	-	-	-	-	(12,601)	(12,601)
Balances, March 31, 2018	**445,150,682**	**$312,717**	**$26,468**	**$(3,578)**	**$(129,402)**	**$206,205**

	Share Capital					
	Number of Shares	**Amount**	**Other Equity Reserve**	**Accumulated Other Comprehensive Loss**	**Deficit**	**Total**
Balances, December 31, 2018	661,933,584	$402,802	$29,937	$(3,578)	$(136,858)	$292,303
Stock-based compensation (note 7d)	-	-	1,981	-	-	1,981
Comprehensive loss	-	-	-	-	(2,368)	$(2,368)
Balances, March 31, 2019	**661,933,584**	**$402,802**	**$31,918**	**$(3,578)**	**$(139,226)**	**$291,916**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of United States dollars)
Three months ended March 31, 2019 and March 31, 2018
(Unaudited – Prepared by Management)

	March 31, 2019	March 31, 2018
Cash flows used in operating activities		
Loss for the period	**$(2,368)**	$(12,601)
Adjustments for:		
Derivatives fair value change (note 4b and 4ciii)	**(100)**	2,159
Debt extinguishment loss (note 4ciii)	**-**	7,737
Stock-based compensation	**1,557**	27
Unrealized foreign exchange loss (gain)	**14**	375
Interest income	**(556)**	(141)
Depreciation and accretion expense	**9**	13
	(1,444)	(2,431)
Changes in non-cash working capital items:		
Amounts receivable	**60**	(46)
Prepaid expenses	**54**	904
Accounts payable and accrued liabilities	**602**	(2,816)
Net cash used in operating activities	**(728)**	(4,389)
Cash flows used in investing activities		
Interest received	**556**	141
Cash moved to restricted cash, net	**(1,280)**	518
Development costs for mineral properties and purchase of plant and equipment	**(42,749)**	(4,599)
Net cash used in investing activities	**(43,473)**	(3,940)
Cash flows from financing activities		
Issuance of common shares	**-**	102,500
Long-term debt repayment (note 4ciii)	**-**	(42,035)
Pala Bridge Loan draw (repayment) (note 4a)	**-**	(3,500)
Share issuance costs incurred	**-**	(2,585)
Deferred share issuance costs (note7b)	**-**	(1,200)
Deferred financing fees (note 10)	**(1,084)**	-
Transaction costs for debt refinancing (note 4ciii)	**-**	(135)
Interest paid	**-**	(37)
Net cash provided by (used in) financing activities	**(1,084)**	53,008
Effect of exchange rate changes on cash and equivalents	**(14)**	(375)
Increase (decrease) in cash and cash equivalents	**(45,299)**	44,304
Cash and cash equivalents, beginning of the period	**108,055**	385
Cash and cash equivalents, end of the period	**$62,756**	$44,689
Non-cash investing and financing activities:		
Depreciation capitalized in mineral properties, plant, and equipment	**$170**	$60
Convertible debt conversion (note 4b)	**$-**	$52,657
Non-cash share issuance costs – shares issued	**$-**	$402
Stock-based compensation included in mineral properties	**$390**	$-
Mineral properties, plant, and equipment in accounts payable and accrued liabilities change	**$29,871**	$-
Rights of use assets acquired under finance lease (note 3)	**$5,338**	$-
Accretion on stream deferral (note 4d)	**$2,094**	$-
Interest capitalised in mineral properties, plant and equipment	**$2,502**	$2,696

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

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1. General Information and Nature of Operations:

Nevada Copper Corp. is the parent company of its consolidated group (the "Company" or "Nevada Copper"). The Company was incorporated on June 16, 1999 under the Business Corporations Act (Yukon) and was continued into British Columbia under the Business Corporations Act (British Columbia) on November 16, 2006. Nevada Copper is incorporated and domiciled in Canada, and its registered office is at Suite 598, 999 Canada Place, Vancouver, British Columbia, V6C 3E1. The Company is an exploration and development stage mining company engaged in the identification, acquisition, exploration and development of copper and other mineral properties located in the United States and elsewhere. Its primary focus is the development and construction of the mining project at their Pumpkin Hollow Property (the "Property") in Western Nevada, USA.

2. Significant Accounting Policies:

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements (except for the adoption of IFRS 16 Leases – note 2c). These condensed consolidated interim financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2018, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Lion Iron Corp. (inactive), 607792 British Columbia Ltd. (inactive) and Nevada Copper, Inc. ("NCI") incorporated in Nevada, United States. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All significant intercompany transactions and balances are eliminated on consolidation.

These condensed consolidated interim financial statements are presented in United States dollars ("USD"), which is the Company's functional currency. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Foreign currency translation differences are recognized in operations.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on May 10, 2019.

b) Use of judgments and estimates

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated audited financial statements as at the year ended December 31, 2018 aside from the below.

c) Recent accounting pronouncements:

Leases (IFRS 16), effective for annual periods beginning on or after January 1, 2019, provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17 Leases and its associated interpretive guidance. Significant changes were made to lessee accounting with the distinction between operating and finance leases removed and assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets).

The Company adopted IFRS 16 on January 1, 2019 using the modified retrospective transition approach, which does not require restatement of prior period financial statements. The reclassifications and adjustments arising from the new leasing standard are therefore recognised in the opening balance sheet on January 1, 2019.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 6%.

Operating lease commitments disclosed as at December 31, 2018	$2,217
Add: finance lease liabilities recognized at December 31, 2018	304
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(356)
Lease liability recognised as January 1, 2019	**$2,165**

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at December 31, 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	March 31, 2019	January 1, 2019
Mobile mining equipment	**$4,538**	$1,460
Properties	**705**	705
Total Long-Term debt	**$5,243**	$2,165

The mobile mining equipment is amortized over 5 years and the leased properties is amortised over the life of the lease.

The change in accounting policy affected the following items in the statement of financial position on January 1, 2019

- right-of-use assets – increase by $2,165
- lease liabilities – increase by $2,165

There was no net impact on retained earnings on January 1, 2019

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

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3. Mineral Properties, Plant and Equipment:

	Mineral Properties Development Costs	Plant & Equipment	Rights of Use Assets	Deposits	Total
Cost:					
As at Dec. 31, 2017	$251,206	$1,128	$-	$84	$252,418
Additions	91,180	178	-	20,477	111,835
As at Dec. 31, 2018	$342,386	$1,306	-	$20,561	$364,253
Additions	58,368	-	5,338	2,482	66,188
As at Mar. 31, 2019	**$400,754**	**$1,306**	**5,338**	**$23,043**	**$430,441**
Accumulated depreciation:					
As at Dec. 31, 2017	$-	$969	$-	$-	$969
Additions	-	60	-	-	60
As at Dec. 31, 2018	$-	$1,029	-	$-	$1,029
Additions	-	83	95	-	178
As at Mar. 31, 2019	**$-**	**$1,112**	**95**	**$-**	**$1,207**
Net book value:					
As at Dec. 31, 2018	$342,386	$277	$-	$20,561	$363,224
As at Mar. 31, 2019	**$400,754**	**$194**	**$5,243**	**$23,043**	**$429,234**

Project costs capitalised for the three months ended March 31, 2019 on the Property consists of the following:

	March 31, 2019	Q1 2019 Additions	Dec. 31, 2018	2018 Additions	Dec. 31, 2017
Property payments	**$1,961**	$-	$1,961	$-	$1,961
Advance royalty payments	**4,926**	300	4,626	1,463	3,163
Water rights	**2,485**	47	2,438	188	2,250
Drilling	**42,302**	-	42,302	1,145	41,157
Geological consulting, exploration & related	**8,459**	-	8,459	536	7,923
Feasibility, engineering & related studies	**26,089**	771	25,318	3,956	21,362
Permits/environmental	**12,707**	213	12,494	850	11,644
East deposit underground project					
Underground access, hoist, head frame, power & related	**127,655**	21,316	106,339	27,438	78,901
Engineering procurement	**71,147**	26,014	45,133	34,583	10,550
Surface infrastructure	**7,560**	1,764	5,796	1,992	3,804
Site costs	**21,618**	1,726	19,892	4,548	15,344
	326,909	52,151	274,758	76,699	198,059
Depreciation	**920**	170	750	60	690
Asset retirement obligation	**909**	-	909	909	-
Capitalised interest	**59,975**	2,522	57,453	9,494	47,959
Stock-based compensation	**7,334**	1,431	5,903	1,405	4,498
Stream accretion (note 4d)	**4,707**	2,094	2,613	2,613	-
Total	**$400,754**	$58,368	$342,386	$91,180	$251,206

4. Debt:

	March 31, 2019	December 31, 2018
Current portion of long term-debt:		
Pala Bridge Loan (a)	**$-**	**$-**
Current portion of convertible debt (b)	**-**	**-**
Current portion of convertible debt - derivatives (b)	**28**	**28**
Current portion of lease liability (e)	**781**	**-**
Total current portion of long term-debt	**809**	**28**
Long term debt (c)	**92,160**	**89,759**
Lease liability (e)	**4,180**	**-**
Total Long-Term debt	**$97,149**	**$89,787**

a) Bridge loan:

During Q1 2018, the Company repaid the entire $3,500 owing under the short term bridge loan (the "Pala Bridge Loan") that was advanced by Pala Investments Limited ("Pala"), a significant shareholder of the Company, during October 2017, plus interest of $37, upon completion of the Offering (note 7b).

b) Convertible debt:

	Loan facility	Deferred financing fees	Total
December 31, 2017	$38,232	($1,747)	$36,485
Interest accrued	224	-	224
Conversion	(38,456)	1,747	(36,709)
December 31, 2018	$-	$-	$-

	Convertible Derivative	Warrants Derivative	Total
December 31, 2017	$10,986	$749	$11,735
Change in fair value	1,336	(721)	615
Conversion	(12,322)	-	(12,322)
December 31, 2018	$-	$28	$28
Change in fair value	-	-	-
Conversion	-	-	-
March 31, 2019	$-	$28	$28

On January 19, 2018 ("Conversion Date"), a convertible facility provided by Pala on June 3, 2016 (the "Facility") was converted into shares at a conversion price of $0.50 CAD per share. The Facility balance, including interest, at the time of conversion was $38,456 ($47,781 CAD). This resulted in the issuance of 95,561,944 shares to Pala.

The Facility of $38,456, the deferred financing fees of $1,747 and the fair value of the convertible derivative obligation of $15,948 at the Conversion Date were all reclassified to share capital resulting in an increase in share capital of $52,657.

Interest expense of $958 was also incurred upon conversion.

The warrants relating to the Facility remain outstanding. The value related to the change in conversion price has been treated as part of the deferred financing cost of Pala agreeing to backstop certain financing (note 7b). Pala has also been granted the continuation of certain rights it held pursuant to the Facility, including the right to nominate up to three members of the Board, subject to Pala maintaining certain share ownership thresholds, and the right, as long as Pala holds 15% of the outstanding shares, to participate in future equity offerings on a pro rata basis.

c) Long term debt:

	Loan facility – amortised cost	Deferred financing fee	Derivative	Total
Balance at December 31, 2017*	$131,759	$-	$66	$131,825
IFRS 9 adjustments (ii)	4,885	-	-	4,885
Balance at January 1, 2018	136,644	-	66	136,710
Interest, accretion and other adjustments to refinancing	391	-	(66)	325
Refinancing (iii)	(42,035)	(135)	914	(41,256)
Balance after refinancing	95,000	(135)	914	95,779
Interest and accretion expense	8,704	-	-	8,704
Conversion to shares (iii)	(15,000)	-	-	(15,000)
Change in fair value	-	-	276	276
Balance at December 31, 2018	$88,704	$(135)	$1,190	$89,759
Interest and accretion expense	2,501	-	-	2,501
Accretion expense	-	-	(100)	(100)
March 31, 2019	$91,205	$(135)	$1,090	$92,160

i) Red Kite Loan Facility: Original Terms

On December 30, 2014 and amended September 2015, January 2016, April 2016, May 2016, and March 2017, the Company entered into a loan agreement with EXP T1 Ltd, an affiliate of RK Mine Finance ("Red Kite"), pursuant to which Red Kite agreed to make a $200,000 senior secured loan facility (the "Loan") available to the Company (the "Red Kite Loan Agreement"). The Company borrowed a total of $110,000. The balance of the Loan, or new additional loan amounts, may be drawn down by the Company, subject to the Company achieving certain milestones relating to the development of the Company's Pumpkin Hollow Copper Project (the "Project").

The Loan is fully and unconditionally guaranteed, on a joint and several basis, by the Company's existing and future subsidiaries and secured by all current and future assets of the Company. The loan is collateralized against the Company's assets, including the shares of the Company's subsidiary which holds the Property.

Under the original terms of the Red Kite Loan Agreement, the Loan was to be repaid by December 31, 2020 with quarterly principal repayments commencing on December 31, 2017. The Loan could be repaid without penalty at any time prior to maturity. Amounts advanced under the Loan bear interest at the greater of three-month LIBOR and 1%, plus 10% until the commencement of commercial production where the amounts advanced under the Loan bear interest at the greater of three-month LIBOR and 1%, plus 7.5%.

Since inception through the period ended March 31, 2019, $59,976 (note 3) (2018 - $57,453) of interest was accrued and capitalised to mineral property development costs.

The Loan is carried at amortised cost on the consolidated statements of financial position. The Company has incurred $15,018 of transaction costs, on the total amount available under the Loan. A pro-rata portion of the transaction costs was recognised as part of the Loan based on the amount drawn. The remainder of the transaction costs have been accounted for as deferred financing costs in the amount of $8,260, which was written off during the year as part of the January 2018 refinancing.

In addition to, and related to, the Loan, the Company also entered into an off-take agreement with Red Kite for the sale of copper concentrates from the underground mine of the eastern underground deposits, which was repurchased by the Company in 2016.

An offtake agreement in relation to the underground deposits has been entered into for 25.5% of the concentrates produced from the eastern deposits. The off-take agreement includes concentrate pricing based on market terms.

ii) January 2018 refinancing

Concurrent with completion of the Offering (note 7b) on January 19, 2018, $42,035 was repaid to Red Kite from proceeds of the Offering. The refinancing reduced the Loan outstanding after the financing to $95,000 (the "Refinanced Loan"). $80,000 of the Refinanced Loan balance consists of two tranches ("RK Tranche 1" and RK Tranche 2") of $40,000 each. Subject to completion of another equity offering in 2018, Red Kite agreed to convert into shares a further $15,000 of the outstanding Refinanced Loan at a conversion price to be set based on the share price of that equity offering.

During the year ended December 31, 2018, the $15,000 above was converted into 32,885,000 common shares of the Company concurrent with the closing of the Second Offering (note 7c).

RK Tranche 1 has a seven-year term maturing on January 19, 2025; bearing interest at the greater of the three-month LIBOR and 1%, plus 8% payable quarterly. A two-year grace period has been obtained on cash interest payments wherein interest shall be capitalized to the loans. After the grace period, interest shall be paid quarterly together with the 20 quarterly principal repayments over a 5-year amortization period. The quarterly repayments shall be 1% of the outstanding balance for quarters 1 to 5; 5.25% from quarters 6 to 7 and 6.50% from quarters 8 to 20.

RK Tranche 2 has a nine-year term maturing on January 19, 2027, bearing interest at the greater of three-month LIBOR and 1%, plus 8.5% and a single repayment of principal and interest at maturity.

The Refinanced Loan has the same security terms as the original agreement and contains certain financial and non-financial affirmative and restrictive covenants similar to those found in a traditional bank financing. The Company is in compliance with these covenants as at March 31, 2019.

The Company may prepay the outstanding balance of RK Tranche 2. RK Tranche 1 could be repaid at any time following the repayment in full of RK Tranche 2. The prepayment option is available without premium or penalty, at any time prior to maturity. Each prepayment shall be in a principal amount at least equal to the lesser of $5,000 or the outstanding principal balance of the Refinanced Loan.

An embedded derivative liability relating to the interest rate floor and the prepayment option has been recognised. The embedded derivative fair value at inception was $914. The fair value of the embedded derivative liability is $1,090 at March 31, 2019. The change in value was recognised in the consolidated statement of operations as derivative fair value loss of $100 for the period ended March 31, 2019.

In accordance with IFRS 9, the Company concluded that the Refinanced Loan terms constituted an extinguishment of the initial Loan. Accordingly, the new Refinanced Loan was recorded at fair value and a $7,737 loss recognized in income for the difference between the carrying amount of the initial Loan and the Refinanced Loan.

d) Stream deferral

The Company and Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") entered into a metals purchase and sale agreement on December 21, 2017 (the "Stream Agreement") whereby Triple Flag committed to deposit $70,000 (the "Stream Deposit") against the future delivery by Nevada Copper of 90% of the gold and silver production equivalent from the underground mine (the "Underground Project") at the Project. The gold and silver production is to be calculated based on a fixed ratio of 162.5 ounces of gold and 3,131 ounces of silver for each 1 million pounds of copper in concentrate produced. The Company will receive an ongoing payment of 10% of the spot price for each ounce of gold and silver delivered to Triple Flag. The Company has a one-time option on March 31, 2020 to reduce the amount of gold and silver to be delivered under the Stream Agreement to 55% of the gold and silver production from the Underground Project (based on the fixed ratios noted above) by making a payment of $36,000 to Triple Flag, subject to certain adjustments. The Company and its subsidiaries have provided security for the performance of the obligations under the Stream Agreement over all of their respective assets.

The Company received the full amount of the $70,000 Stream Deposit on September 6, 2018 following the announcement of the decision to proceed with the construction of the Underground Project. The Company recorded the Stream Deposit as stream deferral and will recognize amounts in income as its performance obligations are satisfied. The amortization of the amount is calculated on a per unit basis using the estimated total number of silver and gold ounces expected to be delivered to Triple Flag over the life of the Underground Project.

In accordance with IFRS 15 revenue from contracts with customers, the Company identified a significant financing component related to the Stream Agreement resulting from a difference in the timing of the up-front consideration received and the expected future deliveries of metal. Interest expense on the stream deferral is recognized as a finance cost. The interest rate is determined based on the rate implicit in the Stream Agreement. $2,094 of accretion expenses was recognized during the three months ended March 31, 2019.

e) Lease liability

Lease liabilities are repayable in monthly instalments and are secured by equipment with a carrying value $4,961 (2018 - $Nil). The capital lease obligations bear fixed interest rates ranging from 6% to 8% and have maturity dates ranging from 2022 to 2048.

5. Related Party Transactions:

Pala is a related party to the Company as a result of its 36.5% (2018 – 36.5%) shareholding in Nevada Copper as at March 31, 2019. Additionally, three Pala executives are on the Company's Board of Directors as at March 31, 2019.

Subsequent to period end, Pala's shareholding increased to 41.3%.

During the period, $81 was incurred for technical and other services with Pala.

Subsequent to period end, the Company entered into the Equity Standby Facility with Pala (note 10).

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During the comparative period, the following transactions were entered into with Pala:

- Offering subscription (note 7b)
- Repayment of the Pala Bridge Loan (note 4a)
- Conversion of the Pala convertible debt (note 4b)
- Back stop fees of $1,800 (note 7b)

- Repayment of accounts payable outstanding at December 31, 2017 in the amount of $2,067 in respect of technical and other services rendered
- Interest paid or accrued $1,194

The Company has entered into management agreements with certain senior officers. In the event that there is a change of control, the Company may be required to pay severance payments ranging from six months to twenty-four months of salary for these senior officers. The amount of this contingent liability is $1,190 (2018 - $1,156) and is not recorded in the consolidated statements of financial position. During the period, $nil (2018 - $981) was paid to a senior officer pertaining to the management agreement.

During the period, $128 (2018 - $277) was incurred in director fees. As of March 31, 2019, accounts payable and accrued liabilities include director fees and expenses payable of $178 (2018 - $171).

Related party transactions are recorded at the amount paid or received as established by contract or as agreed upon by the Company and the related party.

6. Key Management Personnel Compensation:

The remuneration of the chief executive officer, chief financial officer, chief commercial officer, advisors and directors, being those persons having authority and responsibility for planning, directing, and controlling activities of the Company, are as follows:

	March 31, 2019	March 31, 2018
Change of control benefits (note 5)	**$-**	$981
Short-term employee benefits	**420**	524
Stock-based compensation	**1,670**	70
Total	**$2,090**	$1,575

7. Share Capital:

a) Authorised and issued:

The Company is authorised to issue an unlimited number of common shares without par value.

b) Offering

In January 2018, the Company completed an Offering ("the Offering") raising gross proceeds of approximately $102,902 ($128,205 CAD) through the issuance of 256,410,256 Special Warrants at a price of $0.50 CAD per Special Warrant. Within the Offering, an aggregate of 98,450,896 Special Warrants were issued to Pala on the closing date, for total subscription proceeds from Pala of $39,510 ($49,225 CAD). On the closing date, the Company paid Pala a backstop fee of $600 in respect of a backstop arrangement under which Pala agreed to backstop up to $30,000 in respect of the Offering, which backstop arrangement was not exercised by the Company.

Within the Offering, an aggregate of 88,200,000 Special Warrants were issued to Castlelake LP ("Castlelake"), for total subscription proceeds from Castlelake of $35,396 ($44,100 CAD), which resulted in Castlelake holding approximately 19.8% of the outstanding common shares on the exercise of Castlelake's Special Warrants into common shares. The Company also entered into an investor rights agreement with Castlelake dated January 19, 2018, which provides Castlelake with certain rights, including the right to nominate one member of the Board and the right to participate in further equity offerings of the Company, in each case subject to Castlelake maintaining certain minimum percentage share ownership thresholds.

The Special Warrants were converted to the Company's common shares effective March 7, 2018 once the Company filed a short form prospectus. Part of the proceeds from the Offering was used to repay the Pala Bridge Loan (note 4a) and a portion of the Loan (note 4c).

Share issuance costs of $4,382 were incurred in relation to the Offering, included in these costs was the equity backstop fee of $600 charged by Pala.

c) Second Offering

In July 2018, the Company completed a public offering ("the Second Offering") raising gross proceeds of approximately $82,750 ($108,463 CAD) through the issuance of 180,771,021 common shares at a price of $0.60 CAD per share. Share issuance costs of $8,926 were incurred in relation to the Second Offering. Included in these costs was the equity backstop fee of $1,200 charged by Pala and 2,684,131 common shares issued as consideration for services provided by an arm's length party.

An aggregate of 3.6 million shares were issued to Pala, for total subscription proceeds from Pala of $1,643 ($2,160 CAD).

Concurrent with the closing of the Second Offering, $15,000 of the Refinanced Loan automatically converted into 32,885,000 common shares of the Company, which were issued at $0.60 CAD per common share (note 4ciii)

d) Share Purchase Options:

	Number of Options	Weighted average exercise price $(CAD)
Outstanding December 31, 2018	23,422,500	$0.71
Granted	14,486,334	0.44
Outstanding March 31, 2019	**37,908,834**	**$0.61**
Exercisable March 31, 2019	**19,889,573**	**$0.63**

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan (the "Plan"), originally approved by the shareholders on November 16, 2007 and re-approved April 27, 2017, which complies with the rules and policies of the TSX. Under the Plan, the aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of ten years, and the term will be reduced to one year following the date of death of the Optionee. If the Optionee ceases to be qualified to receive options from the Company, those options shall immediately expire.

During the three months ended March 31, 2019, 14,486,334 options (2018 – 1,240,000) at a weighted-average exercise price of $0.44 CAD (2018 – $0.80 CAD) were granted to employees, consultants and directors exercisable for a period of five years (2018 – three years) with various vesting terms between nil and three years. The weighted-average fair value attributable to options granted in the period was $0.25 CAD.

During the three months ended March 31, 2019, $1,981 (2018 - $27) in stock-based compensation was recorded for options granted to officers and employees, of which $624 (2018 -$27) was charged to operations.

The Company uses the Black-Scholes option pricing model to value stock options, which requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following weighted average assumptions were used:

	March 31, 2019	**March 31, 2018**
Risk free interest rate	2.05%	1.51%
Expected dividend yield	0%	0%
Expected stock price volatility	66.1%	69.1%
Expected life in years	4.9	3
Expected forfeitures	0%	0%

The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected volatility is based on the Company's historical share prices. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. Expected forfeitures are based on historical forfeitures of the Company's options.

The following table summarises the stock options outstanding and exercisable as at March 31, 2019:

	Outstanding		Exercisable	
Exercise price (in CAD)	Number outstanding	Weighted average remaining life (years)	Number outstanding	Weighted average remaining life (years)
$0.40 - $0.74	36,203,834	4.29	18,184,573	4.11
$0.75 - $1.00	1,120,000	1.88	1,120,000	1.88
$1.01 - $1.96	585,000	0.62	585,000	0.62
	37,908,834	**4.16**	**19,889,573**	**3.89**

e) Deferred share units:

	Number of DSUs
Outstanding December 31, 2018	875,340
Granted	-
Expired	-
Outstanding March 31, 2019	**875,340**

The Company established a DSU plan that allows directors to receive directors' fees in the form of DSUs. Directors receive cash upon the exercise of the DSU. DSUs may only be exercised when the holder ceases to be a director. Vesting terms are established by the directors at the date of grant. Settlement of DSUs is a cash pay-out based on the 5-day volume weighted average price 120 days after the director ceases to be a director.

Periodically, since 2013, directors have been granted DSUs, which replaced stock option grants and cash payments as a component of their compensation. All of the DSUs have vested. The current DSU payable amount is $220 (2018 - $212). The Corporation recognised a $8 gain for the period ended March 31, 2019 (2018 – $276 gain) in the consolidated statements of operations in relation to change in value of these DSUs.

f) Warrants:

	Number of warrants
Outstanding December 31, 2018	5,000,000
Exercised	-
Expired/cancelled	-
Outstanding March 31, 2019	**5,000,000**

As part of the Company's June 2016 equity offering, the Company issued 460,000 agent warrants. These warrants had an exercise price of CAD$0.60 per warrant and those not exercised expired on June 9, 2018. During the year ended December 31, 2018, the Company issued 442,750 shares pursuant to the exercise of warrants at CAD$0.60 per share for gross proceeds of $205.

In June 2016, the Company issued 2,500,000 warrants with an exercise price of CAD$1.20 per share to Pala in relation to the Facility and in March 2017, a further 2,500,000 warrants were issued with an exercise price of CAD$0.97 per share (note 4b). The change in value of the warrant derivatives was recognised in the consolidated statement of operations as derivative fair value gain of $nil for the period ended March 31, 2019 (2018 – $292). The fair value of the warrants derivative at March 31, 2019 and March 31, 2018 was measured using the Black-Scholes option pricing model with the following assumptions:

	March 31, 2019	**March 31, 2018**
Risk-free interest rate	1.68%	1.72%
Expected dividend yield	0	0
Expected stock price volatility	60.03%	60%
Expected life in years	0.6	1.6

g) Performance and Restricted Share Units

During the period, the Company established a Performance and Restricted Share Unit Plan that allows employees to receive short term and long-term incentive plan compensation in the form of performance share units ("PSUs") and restricted share units ("RSUs"). PSUs and RSU issued under the plan entitle the holder to a cash payment at the end of a three-year performance period equal to the number of RSUs or PSUs granted, adjusted for a performance factor and multiplied by the quoted market value of a common share of the Company

Under the plan, 4,359,466 PSUs and 5,368,258 RSUs were issued during the period. During the period ended March 31, 2019, $998 (2018 - $Nil) in stock-based compensation was recorded in relation to these units, of which $191(2018 - $Nil) was charged to operations and $807 (2018 - $Nil) was capitalised to development costs. The RSU/PSU payable amount is $998 (2018 -$Nil) which was classified as long term.

8. Commitments and Contractual Obligations:

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2019	**December 31, 2018**
Property, plant and equipment	$23,048	$22,910

Subsequent to period end, the Company entered into the following additional commitments:

- equipment lease commitments amounting to $2,003

9. Financial Instruments:

(a) Fair value measurements:

The carrying amounts for cash and cash equivalents, restricted cash, accounts payable and accrued liabilities, approximate fair values due to the immediate or short-term maturities of these financial instruments.

The following is a classification of fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value of the convertible debt embedded derivative, prior to conversion, was determined using Level 2. The fair value for Level 2 has been calculated using market-based inputs for risk free rate of return, volatility, and foreign exchange rates. The fair value of the long-term debt embedded derivative has been determined using Level 2. The fair value for Level 2 has been calculated using market-based inputs from Bloomberg on the risk-free rate from the USD swap curve and the credit spread of the loan.

(b) Financial risk factors:

The Company manages its exposure to financial risks, including foreign exchange risk and interest rate risk, based on a conservative framework to protect itself against adverse rate movements. All transactions undertaken are to support the Company's ongoing business and the Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company's Board of Directors oversees management's risk management practices by setting trading parameters and reporting requirements.

The Company's activities are exposed to financial risks: market risk (including currency exchange risk and interest rate risk), credit risk and liquidity risk.

(c) Market risks:

i) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Red Kite Loan Agreement (note 4c) currently provides for interest at LIBOR plus 8%-8.5% per annum, subject to a minimum interest rate of 9%-9.5%. Due to the capitalisation of borrowing costs and the minimum interest rate provision, and as long as LIBOR is less than 1%, the Company's sensitivity to a 1% decrease or increase in market rates of interest would have an immaterial effect on the Company's interest expense.

ii) Foreign currency risk:

The Company is exposed to currency fluctuations on its foreign currency monetary assets and liabilities. A significant change in the currency exchange rate between the U.S. dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

At March 31, 2019, the Company held $412 CAD (2018 - $364 CAD) in cash and cash equivalents in a company with a functional currency of United States dollars. At March 31, 2019, the Company had $703 CAD (2018 - $1,389 CAD) in accounts payable in a company with a functional currency of United States dollars.

A +/- 10% change in the Canadian exchange rate would have had an impact of approximately +/-$29 on loss for the period ended March 31, 2019.

(d) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, restricted cash, reclamation bond, and amounts receivable. The Company has reduced its credit risk by investing its cash and cash equivalents in high quality Canadian chartered banks. The Company's maximum exposure to credit risk is $68,569 as at March 31, 2019 (2018 - $112,648), being the carrying value of cash and cash equivalents, restricted cash and amounts receivable.

(e) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. During the year ended December 31, 2018, the Company received additional equity financing, debt refinancing and stream financing that together with access to potential funding, provides the Company with enough funds to meet its financial liabilities and future financial liabilities under its current commitments over the next twelve months ending March 31, 2020.

The Company is currently in the development stage and as result it is not yet generating revenue. The Company is reliant upon its existing cash and other sources of potential funding to:

1.) Complete construction of the Underground Project, and to take it into full production with positive steady state cashflow;
2.) Continue delineation drilling and advance engineering feasibility studies on the open pit development at the Project (the "Open Pit Project"); and
3.) Address other corporate costs.

The Company continuously assesses its cash requirements and sources of funds in order to optimize its financing strategy. The Board of Directors is confident that, based on its existing cash and financing sources and through access to additional debt and equity capital that may be available to it in the future, the Company should have access to sufficient funds to meet its requirements.

10. Subsequent Events

Subsequent to Q1 2019, the Company implemented the following financing arrangements:

KfW IPEX-Bank Facility

NCI, a wholly-owned subsidiary of the Company, and KfW IPEX-Bank have entered into a credit agreement whereby KfW IPEX-Bank has committed to fund $115,000 for construction and operating costs in respect of the Underground Project (the "KfW IPEX-Bank Facility"). Funding under the KfW IPEX-Bank Facility will occur following the repayment of the Red Kite Loan. The KfW IPEX-Bank Facility will accrue interest at a significantly favourable margin compared to the Red Kite Loan Agreement. Initial repayments are scheduled to start in January 2021 with a back-weighted repayment profile, with final payment due in July 2028. In the event that less than $15,000 of the COF (defined below) has been drawn as of completion of the Underground Project, an amount equal to the difference between $15,000 and the amount that has been drawn under the COF will be applied by NCI to repay principal under the KfW IPEX-Bank Facility. Each of the Company, NCI and each subsidiary of NCI will grant security in favour of the collateral agent under the KfW IPEX-Bank Facility over substantially all of their respective current and future assets, including all of the assets at the Underground Project and the Open Pit Project. Closing of the KfW IPEX-Bank Facility is conditional on, among other things, completion of a minimum equity contribution (to be funded via the Equity Offering (defined below)), entry into the Working Capital Facility (defined below), entry into the COF, and entry into of the offtake agreement with Aurubis (defined below), as detailed below.

Cost Overrun Facility

In connection with the KfW IPEX-Bank Facility, the Company will provide a cost overrun facility (the "COF") to NCI for up to $26,400, which may be drawn only once all other existing sources of funding have been utilized and if construction costs at the Underground Project exceed the current estimate. The COF will be made available from the date of closing of the KfW IPEX-Bank Facility until the completion of the construction of the Underground Project. The COF will be partially funded through $15,000 from the net proceeds of the Equity Offering, with the remainder to be backstopped by the Equity Standby Facility (defined below). In addition, as a condition to closing of the KfW IPEX-Bank Facility, KfW IPEX-Bank requires a corporate guarantee from Pala in respect of the COF amount (after reduction by the amounts funded from the proceeds of the Equity Offering) (the "Guaranteed Amount") and a pledge of certain of Pala's assets for the period until completion of the construction of the Underground Project. The Company will compensate Pala for its commitments under the corporate guarantee and pledge arrangement at a rate of 5% per annum of the remaining Guaranteed Amount.

Working Capital Facility.

As previously-announced on December 22, 2017, the Company entered into a marketing services agreement with Concord Resources Limited ("Concord") to source a working capital revolving facility. Following a competitive tender process, NCI has entered into a working capital facility with Concord (the "Working Capital Facility") for a maximum principal amount of $35,000 which provides for advances of up to 85% of the value of expected deliveries up to four months in advance of deliveries prior to commercial production at the Underground Project, and three months thereafter, on a revolving basis. Interest on advance payments will be payable at LIBOR plus 7.5% prior to commercial production at the Underground Project and LIBOR plus 5% thereafter, for a term of 3.5 years, unless terminated in accordance with the terms of any Offtake Agreement (as defined below). Funding under the Working Capital Facility is conditional on, among other things, funding under the KfW IPEX-Bank Facility, perfection of a first ranking pledge over concentrates produced by NCI and a third ranking pledge over the assets and shares of NCI. There is no penalty or charge for repayment in respect of the Working Capital Facility.

Offtake Arrangements

As a condition to the KfW IPEX-Bank Facility, NCI has entered into a copper concentrate sales agreement with with Aurubis AG and Aurubis Bulgaria AD (collectively, "Aurubis") whereby NCI will deliver not less than 40,000 dry metric tonne ("dmt") (+/- 5% at NCI's option) of copper concentrate per annum to Aurubis for a term linked to the KfW IPEX-Bank Facility (the "Aurubis Offtake Agreement"). In light of logistical challenges for deliveries from the Underground Project to Aurubis' smelters in Germany and Bulgaria, NCI and Concord may elect to deliver alternative clean copper concentrates acceptable to Aurubis pursuant to a swap agreement between NCI and Concord (the "Swap Agreement").

Drawdowns under the Working Capital Facility will be linked to deliveries to Concord under the Swap Agreement and a separate copper concentrate sales agreement with Concord (the "Additional Volumes Offtake Contract") for a term of 3.5 years, linked to the term of the Working Capital Facility. Under the terms of the Additional Volumes Offtake Contract, NCI will deliver not less than 30,000 dmt (+/- 10% at NCI's option) of copper concentrate and other uncontracted volumes from the Underground Project per annum to Concord. Both the Swap Agreement and the Additional Volumes Offtake Contract provide for NCI to deliver monthly shipments to Concord at the Wabuska rail loading station, located approximately 11 miles north of the Project.

The Aurubis Offtake Agreement, Swap Agreement and Additional Volumes Offtake Contract are collectively referred to as the "Offtake Agreements".

Equity Standby Facility

As noted above, the COF will be partially backstopped by an equity standby facility to be provided by Pala (the "Equity Standby Facility") for an amount up to $11,400 (the "Commitment Amount") of the $26,400 COF. The Commitment Amount will be reduced by the amount of any future offerings of common shares which may be completed by the Company. The Equity Standby Facility may be drawn by the Company to fund NCI's drawings under the COF after the first $15,000 of the COF has been drawn. If called by the Company, the Equity Standby Facility will, subject to certain exceptions, be drawn from time to time by way of subscriptions by Pala on a private placement basis for common shares at the current market price of the common shares at the time of the draw. The Equity Standby Facility carries an initial one time 2% implementation fee.

The KfW IPEX-Bank Facility, COF, Working Capital Facility, Offtake Agreements, and Equity Standby Facility are collectively referred to as the "Financing Arrangements".

$1,084 in deferred financing fees were incurred during the period in relation to the Financing Arrangement.

Equity Offering

On May 7, 2019, in connection with the transactions described above, the Company filed a preliminary prospectus supplement (the "Preliminary Prospectus Supplement") to its short form base shelf prospectus dated June 13, 2018 in connection with a public offering of common shares on an underwritten basis through a syndicate of underwriters (the "Public Offering"). Concurrently with the Public Offering, the Company intends to enter into subscription commitments with each of Castlelake and an institutional investor, respectively, whereby (i) Castlelake would subscribe for and purchase, on a private placement basis, approximately CAD$7,200 of common shares in order for Castlelake to maintain its pro rata ownership interest in the Company, and (ii) the institutional investor would subscribe for and purchase, on a private placement basis, approximately CAD$8,100 of common shares, in each case at the same price and on the same terms as the Public Offering (collectively, the "Private Placements"). Subject to obtaining regulatory approval, the closing of the Private Placements are conditional upon the closing of the Public Offering and are expected to occur at the same time.

The Public Offering, together with the Private Placements, is expected to raise total gross proceeds of approximately $30,000 before deducting underwriting commissions and expenses of the Public Offering and Private Placements.

Amendments to the Stream Agreement

In connection with the KfW IPEX-Bank Facility, the Company, NCI and Triple Flag have agreed, effective as of and conditional upon the drawdown under the KfW IPEX-Bank Facility, to amend the Stream Agreement (the "Stream Agreement") as follows: (i) in order to accommodate the maximum drawdown under the KfW IPEX-Bank Facility, the aggregate amount of senior indebtedness that the Company is permitted to incur upon the refinancing of the Red Kite Loan Agreement will be increased from $80,000 to $115,000 or such lower amount outstanding from time to time, provided that if the amount of outstanding senior debt subsequently reduces below $80,000, the maximum amount of senior indebtedness that the Company may incur will be limited to a maximum $80,000; and (ii) the Company's buyback option, exercisable on March 31, 2020, to reduce the amount of gold and silver to be delivered under the Stream Agreement will be reduced from 35% to 15% of the gold and silver production from the Underground Project (based on the fixed ratios of copper to gold and silver specified in the Stream Agreement) and the base amount payable by the Company (prior to applicable adjustments) to exercise such right will be proportionately reduced from $36,000 to approximately $15,400.

Conditions to the Financing Arrangements

Completion of the Financing Arrangements is subject to a number of conditions. In particular, drawdowns under the KfW IPEX-Bank Facility are conditional on completion of the Equity Offering, the entering into of the guarantee and collateral arrangements with Pala as described above, the issuance of the guarantee by the Federal Republic of Germany through Euler Hermes, and other customary matters. The effectiveness of each of the other Financing Arrangements are conditional upon the drawdown under the KfW IPEX-Bank Facility being completed contemporaneously. The Company expects that all conditions to funding of the KfW IPEX-Bank Facility will be satisfied within three to four weeks following closing of the Equity Offering. However, there can be no assurance that all such conditions to funding will be satisfied in this timeframe, or at all. Until such funding occurs, the other Financing Arrangements will not become effective and the Red Kite Loan Agreement will remain in place.