



TEAMWORK. INNOVATION. EXECUTION.

Management's Discussion and Analysis
For the nine months ended September 30, 2019

NEVADA COPPER CORP.
Management's Discussion & Analysis
For the nine months ended September 30, 2019

Contents

General.....	- 3 -
Highlights.....	- 3 -
Description of the Business	- 3 -
Project Activities and Outlook.....	- 4 -
Financial Results.....	- 8 -
Liquidity, Cash Flow and Capital Resources.....	- 10 -
Summary of Quarterly Results.....	- 13 -
Transactions with Related Parties.....	- 13 -
Commitments and Contractual Obligations.....	- 14 -
Off-Balance Sheet Arrangements	- 14 -
Disclosure Controls and Procedures and Internal Controls over Financial Reporting	- 14 -
New Accounting Pronouncements.....	- 14 -
Critical Accounting Estimates	- 15 -
Risk Factors	- 17 -
Share Data.....	- 17 -
Forward-Looking Statements.....	- 17 -

General

This Management's Discussion and Analysis ("MD&A") of Nevada Copper Corp. (the "Company" or "Nevada Copper") has been prepared by management as of November 14, 2019. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2018 and 2017 and the notes thereto, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and the unaudited condensed interim consolidated financial statements of the Company and the notes thereto for the three and nine months ended September 30, 2019 and 2018 (prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34")). The information contained within this MD&A is current to November 14, 2019, unless otherwise stated.

All amounts are expressed in US Dollars unless otherwise indicated. Additional information relevant to the Company's activities, including the Company's current Annual Information Form dated March 29, 2019 (the "Annual Information Form"), can be found on SEDAR at www.sedar.com.

Robert McKnight, P.Eng, David Swisher, PE, and Greg French, PG are non-independent Qualified Persons under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"), and have approved the scientific and technical information in this MD&A.

Readers are cautioned that this MD&A contains forward-looking statements and that actual results may vary from management's expectations. See "Forward-Looking Statements" at the end of this MD&A and the various risk factors and other matters discussed in the Company's public disclosure at www.sedar.com.

Highlights

During the three months ended September 30, 2019 ("Q3 2019"), the Company continued construction of the underground mine (the "Underground Project") of the Pumpkin Hollow Copper Project (the "Project"):

Milestones include:

- Pre-commissioning of the grinding circuit of the process plant has commenced.
- 120 kV power line is completed and energized to site.
- The first Underground Project definition drilling program has confirmed high grade stope locations as per the resource model.
- Flow through ventilation has been established between the 2,850 and 2,770 levels.
- Over 93,000 tons of development ore has now been stockpiled on surface.

The Company is very pleased to report that concentrate production is planned to commence in Q4 2019. Construction of the processing plant is materially complete and on schedule. Approximately 95,000 tons of development ore has been mined and stockpiled on the run-of-mine pad ready to feed the processing plant. The Company's overall estimated construction costs to complete the Underground Project continue to be within the range announced in the Company's MD&A for Q2 2019.

Underground development continues to advance. It is anticipated that the development of the East North Vent Shaft will require an additional two months to complete. The existing 95,000 ton run-of-mine stockpile will continue to be added to and will be used to supplement feed from the Underground Project during the ramp-up period.

Description of the Business

Nevada Copper was incorporated on June 16, 1999 under the *Business Corporations Act* (Yukon). The Company was continued into British Columbia under the *Business Corporations Act* (British Columbia) on November 16, 2006. The Company's common shares (the "Common Shares") are listed on the Toronto Stock Exchange under the symbol "NCU". The principal asset of the Company is the 100%-owned Pumpkin Hollow Copper Property (the "Property"), which comprises both the Underground Project and the open pit project (the "Open Pit Project"), located in north-western Nevada, approximately 60 miles southeast of Reno, Nevada, near Yerington. The Property consists of approximately 23,200 acres of contiguous mineral rights including approximately 10,700 acres of private land and leased patented claims. The Property contains two adjacent but unconnected copper, gold and silver deposits separated

by approximately two miles. Since the Property was acquired by Nevada Copper in 2006, these deposits have been extensively drilled and have been the subject of several technical reports.

The Company has obtained all material permits and approvals for the development and operation of the Project (both the Underground Project and the Open Pit Project) that are required at this time. Certain of those permits and approvals may need to be renewed as a result of the passage of time and certain of those permits and approvals may need to be modified in order to accommodate design changes and other optimizations. It is also possible that the Company may determine that it requires additional supporting permits and approvals as the development of the Project advances, including due to the foregoing, as well as in the event of regulatory changes or developments. There can be no assurance that those renewals, modifications and other permits and approvals will be obtained on a timely basis, if at all. See “Risk Factors” in the Annual Information Form.

As described above, Nevada Copper is currently engaged in the development and construction of the Underground Project. The Company has obtained all material permits and approvals for the development and operation of the Underground Project that are required at this time, including construction of the concentrator and associated infrastructure. The Underground Project is currently under construction and is expected to commence production of concentrate in the fourth quarter of 2019 (“Q4 2019”).

On April 16, 2019, the Company filed a new technical report for the Project entitled “*NI 43-101 Technical Report: Nevada Copper Corp., Pumpkin Hollow Project, Open Pit and Underground Mine Prefeasibility Study (PFS)*” with an effective date of January 21, 2019 (the “New Technical Report”) which, among other things, incorporates the results of the Company’s previously-announced 2018 drilling program and evaluates: (a) the Underground Project currently under construction, and (b) a standalone, staged, open pit mine development at a preliminary feasibility study (“PFS”) level. The New Technical Report supersedes all prior technical reports in respect of the Project.

Project Activities and Outlook

Construction Update

The construction of the Underground Project is now at an advanced state and remains on schedule for first concentrate production in Q4 2019.

Milestones include:

- Pre-commissioning of the grinding circuit of the process plant has commenced.
- 120 kV power line is completed and energized to site.
- The first Underground Project definition drilling program has confirmed high grade stope locations as per the resource model.
- Flow through ventilation has been established between the 2,850 and 2,770 levels.
- Over 93,000 tons of development ore has now been stockpiled on surface.

East Main Shaft

- Total lateral development to date has now advanced 8,900 feet on both levels.
- The 3,000 central ramp has reached the 3,000 level.
- The 2,850 and 2,770 level stope development access headings continue to make good progress in preparation for future stope operations.
- The 2,850 to 2,770 connecting ramp is advancing well.
- The second round of definition drilling has started and is progressing well.
- Ventilation enhancements continue to be a focus until the East North Vent Shaft is established.
- Intermediate maintenance shops have been established on both the 2,850 and 2,770 levels.
- The paste borehole drilling is completed and the paste/cement reticulation line is installed.

East North Vent Shaft

As of today, the East North Vent Shaft has advanced over 1,350 feet from surface and is now within 215 feet of intersecting the Alimak raise. Advance rates have accelerated after successfully moving through some known poor ground area. The Alimak has completed the planned vertical work and is now finishing up the 3,000 level station.

Surface Works

The surface infrastructure and processing equipment continues to advance to plan as follows:

- Grinding area is mechanically complete
- Power has been introduced into grinding and flotation
- Tailings radial stacker is completed
- Coarse ore radial stacker is completed
- Area 10 grizzly station has started
- Concentrate and tailings thickeners completed
- Filter press mechanical works have been completed and all plates loaded in the frames
- Water and air pipework completed
- Paste borehole is completed

Exploration Activity Update

The Company previously announced plans for an exploration program in 2019 totalling \$3 million at the Project. The bulk of the program has been deferred to 2020 in order to allow the Company to focus on the construction of the underground mine. The revised 2019 program is anticipated to total \$0.2 million, and has the following goals:

- *On land newly-staked in 2019:* The Company will conduct mapping, shallow drilling and airborne geophysics. The exploration areas including “Tedeboy” and East targets where areas of both porphyry and skarn-style copper mineralization have been identified at surface.

The work plan deferred to 2020 is anticipated to include:

- *Open Pit exploration:* Drill-test open extensions to the Open Pit ore body and follow up on successful 2018 results; and
- *Open Pit advancement:* Infill drill the in-pit Inferred Resource material with the objective of increasing resource tonnage and grades.

Open Pit Update

The Open Pit Pre-feasibility Study in respect of the Open Pit Project included in the New Technical Report (the “Open Pit PFS”) demonstrates enhanced economics for the Open Pit Project as the Company continues to advance the project towards an ultimate construction decision. The Open Pit PFS continues to apply the Company’s philosophy of phased development and low-capital intensity growth. The Open Pit Project has all the material permits and approvals for mine construction and operations that are required at this time.

The Open Pit PFS proposes development of the Open Pit Project independently from the Company’s Underground Project currently under construction. The Open Pit Project was studied with a phased approach with an initial 37kstd mining rate, with later expansion to 70kstd. This phased development plan for the Open Pit Project yields a substantially lower upfront capital cost compared to previous studies. This plan is aligned with the Company’s philosophy of focusing on capital efficiency and maximizing economic returns by staged development and a similar “margin-over-tons” philosophy that has been used to optimize the Underground Project.

The Open Pit PFS utilizes data gathered over the recent years on drilling, metallurgy, environmental design, with a focus on delivering maximum project value and economic returns. The proposed project plan in respect of the Open Pit Project includes additional drilling in areas that have mineralization open within the pit boundary that are currently Inferred Resources¹, as well as areas where the boundary of mineralization remains open.

Open Pit PFS Highlights:

¹ References to Inferred, Indicated and Measured Resources are based on the Canadian Institute of Mining (CIM) definitions.

- Further improved the estimated project economics versus previous studies²:
 - Project internal rate of return (“IRR”) increased to 23% pre-tax (21% post-tax)
 - Net present value (“NPV”) 7.5% of \$1,042 million pre-tax (\$829 million post-tax)³
 - Earnings before interest, tax, depreciation and amortization (“EBITDA”)⁴ \$252 million per annum life of mine average (excluding ramp-up period)
 - Peak annual copper production of 111,000 tonnes (244 million lbs)
 - Copper grades of 0.69% Cu-eq. over first five years
 - C1 Cash Costs of \$1.73/lb net of by-product credits
 - Continued focus on low operational risk, including traditional mining methods and dry stack tailings
 - Life of mine over 19 years

- Demonstrated scope for deposit expansion:
 - The 2018 drilling has successfully extended the deposit, to the north and west (the North pit shell and demonstrated further expansion potential in multiple directions)
 - Open pit Inferred Resources⁵ have increased as a result of the new resource estimate
 - As previously announced in connection with the 2019 exploration program, further drilling is planned to test the full extent of the open pit deposit and to seek to upgrade Inferred Resources⁶ for inclusion in the mine plan in respect of the Open Pit Project

- Favourable upfront cost, simplified build and phased expansion:
 - Initial capex of \$672 million
 - Low capital intensity of \$9,544/annual tonne⁷ Cu-eq.⁸ production
 - Phased production growth comprising an initial production scale of 37kstp⁹ with expansion to 70kstp and flexibility over timing of expansion
 - Potential to fund ongoing development work and construction through future cash flows from the stand-alone Underground Project

- Attractive combined economics in respect of the Property (both stand-alone Underground Project and stand-alone Open Pit Project)¹⁰:
 - Combined IRR of 24% pre-tax (22% post-tax)
 - Combined NPV of \$1,320M pre-tax (\$1,062M post-tax)
 - Combined Cu-eq production of 150,000 tonnes (330 million lbs) per annum at peak production.

² Source: New Technical Report. For additional information, please see the New Technical Report, which is available on SEDAR at www.sedar.com.

³ Utilizes analyst consensus long-term copper price of \$3.20/lb.

⁴ EBITDA is a Non-IFRS measure. For more information please see the New Technical Report, which is available on SEDAR at www.sedar.com.

⁵ References to Inferred, Indicated and Measured Resources are based on the Canadian Institute of Mining (CIM) definitions.

⁶ References to Inferred, Indicated and Measured Resources are based on the Canadian Institute of Mining (CIM) definitions.

⁷ Based on 37kstp mill feed period of copper production, after ramp-up.

⁸ Cu-eq. calculated using prices with process recoveries based on pit location: Cu \$3.20/lb with 90% process recovery for North ore and 88% process recovery for South ore; Au \$1,325/Oz & 67.3% process recovery for both North and South ore; and Ag \$20.01/Oz & 56.3% process recovery for both North and South ore.

⁹ kstp = thousand short tons per day.

¹⁰ Economic input assumptions draw from the details provided throughout the New Technical Report for each stand-alone underground and open pit component of the Property. The assumed timeline for the Underground Project assumes production commencing in Q4 2019 and assumes Open Pit Project construction starting in 2021 with production ramping up in 2023. The results are based on a combination of production, revenue, costs and cashflows as in each stand-alone economic model. The “Combined NPVs” are the arithmetic sum of the individual case NPVs; however, the NPVs have differing start dates and will not match the NPV of the combined annual net cashflows.

Open Pit Mineral Resources

The Mineral Resource estimate in the Open Pit PFS is summarized below.¹¹ Mineral Resources are subdivided into classes of Measured, Indicated and Inferred, with the level of confidence reducing with each class, respectively. Mineral Resources are reported as in situ tonnage and are not adjusted for mining losses or mining recovery. The Mineral Resources reported are inclusive of those reported in Mineral Reserves. The reader is cautioned that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Confidence Category	Ore (Mst)	Average Ore Grades			Contained Metal		
		Cu (%)	Au (oz/st)	Ag (oz/st)	Cu (Mlbs)	Au (Koz)	Ag (Koz)
Measured Mineral Resources	134	0.561	0.002	0.064	1,508	255	8,593
Indicated Mineral Resources	419	0.417	0.001	0.051	3,492	623	21,185
Measured and Indicated Mineral Resources	553	0.452	0.002	0.054	5,000	879	29,778

Note: Effective date of Open Pit Mineral Resource is January 21, 2019.

Confidence Category	Ore (Mst)	Average Ore Grades			Contained Metal		
		Cu (%)	Au (oz/st)	Ag (oz/st)	Cu (Mlbs)	Au (Koz)	Ag (Koz)
Inferred Mineral Resources	28	0.358	0.001	0.040	197	37	1,088

CIM industry best practices were followed in the development of Mineral Resources:

- Totals may not total due to rounding.
- Cu Eq. calculated Mineral Resources were estimated at a cutoff grade of 0.12% Cu.
- Resources were contained within a pit shell produced using a Cu price of \$3.75/lb, Au \$1,343/Troy Oz and Ag at \$19.86/ Troy Oz.
- Includes North, South and South-East deposits.
- Excludes materials that are oxidized, transition or volcanics.
- Columns using prices / recoveries: Cu \$3.20/lb & 89.3%; Au \$1,325/Oz & 67.3%; and Ag \$20.01/Oz & 56.3%.

The updated resource model has resulted in an increased amount of Inferred Resource tonnage compared to previous resource estimates. This material may potentially be upgraded to Indicated Resources with further technical work, but there is no certainty that Inferred Resources will ever be upgraded.

Open Pit Mineral Reserves

The tons, grades, and classification of the Mineral Reserves estimate in the Open Pit PFS mine plan are tabled below.¹²

Confidence Category	Ore (Mst)	Average Ore Grades			Contained Metal		
		Cu (%)	Au (oz/st)	Ag (oz/st)	Cu (Mlbs)	Au (Koz)	Ag (Koz)
Proven Mineral Reserves (North)	75.4	0.65	0.002	0.070	983	151	5,302
Proven Mineral Reserves (South)	31.3	0.36	0.002	0.045	223	48	1,420
Proven Mineral Reserves (North + South)	106.6	0.57	0.002	0.063	1,206	199	6,722
Probable Mineral Reserves (North)	147.4	0.48	0.001	0.055	1,407	215	8,086
Probable Mineral Reserves (South)	131.7	0.37	0.002	0.049	977	203	6,458
Probable Mineral Reserves (North + South)	279.1	0.43	0.001	0.052	2,384	419	14,544
Proven and Probable Mineral Reserves	385.7	0.47	0.002	0.055	3,590	617	21,266

Note: Effective date of Open Pit Mineral Reserve is January 21, 2019.

- *CIM industry best practices were followed in the development of the Mineral Reserve.*
- *Inferred Mineral Resource was considered waste for the open pit reserve estimate.*
- *The cutoffs: 0.129% Cu for the North Pit and 0.132% Cu for the South Pit are based on the copper processing recoveries (90% for the North Pit, 88% for the South Pit) and costs. Dilution was assumed 5% and mining recovery of 98%.*
- *Calculations used price forecast/recoveries: Cu \$2.75/lb & described above, Au \$1,343/toz & 67%, and Ag \$19.86/toz & 56%.*
- *[A selling cost of \$0.55/lb] was applied to the Cu in concentrate to account for NSR. No selling costs were applied to Au or Ag. NSR and CuEq calculations.*

¹¹ For additional information, please see the New Technical Report, which is available on SEDAR at www.sedar.com.

¹² For additional information, please see the New Technical Report, which is available on SEDAR at www.sedar.com.

Financial Results

(in thousands of US dollars except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Expenses				
Consulting and remuneration	\$128	\$171	\$479	\$1,565
Public company expenses	382	456	1,421	1,682
Office expenses (Administration)	38	428	236	933
Professional fees	279	1,069	1,118	1,839
Depreciation expense	11	-	31	-
Stock-based compensation	(44)	130	1,561	1,872
	(794)	(2,254)	(4,846)	(7,891)
Interest income	19	621	846	949
Interest and finance expenses	16	-	(20)	(991)
Derivative fair value change	2	201	127	(1,545)
Other income (expense)	-	-	27	(549)
Debt extinguishment gain (loss), net	-	-	1,294	(7,737)
Foreign exchange loss	7	(413)	(89)	(854)
	44	409	2,185	(10,727)
Net loss and comprehensive loss	\$(750)	\$(1,845)	\$(2,661)	\$(18,618)
Loss per Common Share				
Basic and diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.04)

For the three months ended September 30, 2019, the Company reported a net loss of \$0.8 million (or \$0.00 basic and diluted loss per Common Share) compared to a net loss of \$1.8 million for the corresponding period in 2018 (or \$0.00 basic and diluted loss per Common Share).

The \$1 million decrease in net loss period to period is driven by:

- \$1.3 million decrease in consulting and remuneration, public company, office and professional fee expenses related to Company's restructuring initiatives in 2018;
- \$0.2 million decrease in stock based compensation related to the stock options vested in Q3 2018; and
- \$0.6 million decrease in interest income due to higher cash balances in 2018 compared to the same period in 2019.

For the nine months ended September 30, 2019, the Company reported a net loss of \$2.7 million (or \$0.0 basic and diluted loss per Common Share), as compared to a net loss of \$18.6 million for the corresponding period in 2018 (or \$0.04 basic and diluted loss per Common Share).

The \$15.9 million decrease in net loss is primarily driven by the Company's refinancing and restructuring initiatives in 2018, including the following:

- \$7.7 million was recorded as a debt extinguishment loss as a result of the refinancing of the long term debt facility with Red Kite (the "Red Kite Loan Facility") in 2018 compared to a \$1.3 million debt extinguishment gain related to the extinguishment of the Red Kite Loan Facility in 2019;
- \$1.6 million was recorded as a derivative fair value loss in 2018, as compared to a gain of \$0.1 million in 2019 as a result of recognizing a new embedded derivative liability in the refinanced Red Kite long-term loan that had a fair value of \$0.8 million as at September 30, 2018, and \$1 million was recorded as a derivative fair value loss on the convertible derivative option in the Company's convertible debt facility with Pala prior to its conversion to Common Shares;

- a \$1.1 million decrease was recorded in consulting and remuneration, from \$1.6 million in 2018 to \$0.5 million in 2019, primarily due to the payment of termination benefits under an employment contract of a senior officer in 2018; and
- a \$1 million decrease in interest and finance expenses related to loans that were extinguished in 2018.

Pumpkin Hollow Project Expenditures

Project costs capitalized for the nine-month period ended September 30, 2019 on the Property consist of the following:

<i>(Expressed in thousands of US dollars)</i>	Sept. 30, 2019	2019 Expenditures	Dec. 31, 2018	Sept. 30, 2018	2018 Expenditures	Dec. 31, 2017
Property payments	\$1,961	\$-	\$1,961	\$1,961	\$-	\$1,961
Advance royalty payments	5,076	450	4,626	4,261	1,098	3,163
Water rights	2,532	94	2,438	2,435	185	2,250
Drilling	42,302	-	42,302	42,715	1,558	41,157
Geological consulting, exploration & related	8,459	-	8,459	10,579	2,656	7,923
Feasibility, engineering & related studies	26,905	1,587	25,318	22,585	1,223	21,362
Permits/ environmental	13,109	615	12,494	11,921	277	11,644
East deposit underground project						
Underground access, hoist, head frame, power, & related	173,343	67,004	106,339	90,785	11,884	78,901
Engineering procurement	121,650	76,517	45,133	26,725	16,175	10,550
Surface infrastructure	13,405	7,609	5,796	4,529	725	3,804
Site costs	26,425	6,533	19,892	18,964	3,620	15,344
	435,190	160,409	274,758	237,460	39,401	198,059
Depreciation	2,429	1,679	750	715	25	690
Asset retirement obligation	5,091	4,182	909	-	-	-
Capitalised interest	64,393	6,940	57,453	54,364	6,405	47,959
Stock-based compensation	7,979	2,076	5,903	5,467	969	4,498
Stream accretion	9,153	6,540	2,613	-	-	-
Total Development Costs	\$524,212	\$181,826	\$342,386	\$298,006	\$46,800	\$251,206

For the nine-month period ended September 30, 2019, the Company incurred \$181.8 million of Project-related expenditures compared to \$46.8 million during the same period in 2018. The \$135 million increase reflects the Company's full scale construction and procurement activities during 2019. The focus during the comparative period in 2018 was primarily related to commencement of drilling activities, engineering design work, site preparation and construction pre-works activities.

Liquidity, Cash Flow and Capital Resources

Financial Condition

(Expressed in thousands of US dollars)

	September 30, 2019	December 31, 2018
Cash and cash equivalents	\$14,579	\$108,055
Other current assets	1,657	263
Other assets	2,114	4,453
Mineral properties, plant, and equipment	545,226	363,224
Total assets	\$563,576	\$475,995
Accounts payable and accrued liabilities	\$26,046	\$19,258
Stock-based compensation liabilities	116	212
Working capital facility	10,428	-
Current portion of long term debt	3,961	28
Current liabilities	40,551	19,498
Stock based compensation liabilities – long term portion	783	-
Long term debt	116,228	89,759
Stream deferral	79,153	72,613
Asset retirement obligation	6,004	1,822
Total liabilities	242,719	183,692
Shareholders' Equity	320,857	292,303
	\$563,576	\$475,995

Liquidity

As of September 30, 2019, the Company had a cash balance of \$14.6 million, excluding restricted cash. The Company's working capital (current assets less current liabilities) as at September 30, 2019 was negative \$24.3 million compared to working capital of \$88.8 million as at December 31, 2018. The decrease in the Company's working capital in 2019 was due to the continued full scale construction and procurement activities at the Underground Project. The Company has access to both the Equity Stand by Facility and the Working Capital Facility to complete the construction of the Pumpkin Hollow Underground Project in Q4 2019.

However, during the upcoming 6 to 12 month period the Company needs to prepare for exposure to both the current low copper price environment and the normal technical risks associated with ramp-up, in addition to the impact of certain construction delays. The Company is in advanced negotiations to secure additional debt funding from its major shareholder to mitigate these risks. A binding term sheet (see *Project Progress and New Financing Arrangements below*) has been received and is being reviewed by the independent directors of the Board. However, there can be no certainty that an agreement will successfully be concluded.

The Company continuously assesses its cash requirements and sources of funds in order to optimize its financing strategy. The Company is actively seeking additional financing and is confident that it will be successful in operating the Pumpkin Hollow Underground with all interest and principal debt repayments made as required.

Cash Flows

During the nine-month period ended September 30, 2019, cash used in operations was \$4.4 million as compared to cash provided by operations of \$7.1 million during the same period in 2018.

Cash used in investing activities during the nine months ended September 30, 2019 was \$136.4 million as compared to cash provided by investing activities of \$14.4 million in the same period in 2018. The increase was primarily due to construction and procurement activities at the Underground Project in 2019.

The \$26 million increase in long-term debt was primarily due to the KfW IPEX-Bank Facility (as defined below) and the recognition of lease liabilities in 2019 as a result of the adoption of IFRS 16 *Leases* effective January 1, 2019. See “New Accounting Pronouncements”.

There was \$47.4 million in financing activities during the nine months ended September 30, 2019 compared to \$131.7 million in the same period in 2018:

- In 2019, the Company completed a public offering and concurrent private placement raising gross proceeds of approximately \$29.8 million through the issuance of 100,002,313 Common Shares at a price of CAD\$0.40 per share (the “Equity Offering”). In 2018, the Company completed equity offerings for aggregate gross proceeds of \$185.5 million, through the issuance of 437,181,277 Common Shares.
- In 2019, the Company, through its wholly owned subsidiary, Nevada Copper, Inc. (“NCI”), entered into a long-term, project finance senior debt facility with KfW IPEX-Bank supported by a loan guarantee issued by the Federal Republic of Germany through Euler Hermes (the “KfW IPEX-Bank Facility”) pursuant to which KfW IPEX-Bank agreed to fund up to \$115 million for construction and operating costs in respect of the Underground Project. The Company drew the KfW IPEX-Bank Facility’s total amount of \$115 million. Initial repayments are scheduled to start in January 2021 with a back-weighted repayment profile, with final payment due in July 2028. Amounts advanced under the KfW IPEX-Bank Facility accrue interest at a significantly favourable margin compared to the Red Kite Loan Facility. Interest accrued is payable every six months at July 31 and January 31 until the final principal payment on July 31, 2028.
- In 2019, the Company prepaid the \$80 million principal balance of the Red Kite Loan Facility plus accrued interest of \$12.5 million for a total of \$92.5 million. In 2018, the Company repaid \$42 million of the Red Kite Loan Facility and the entire \$3.5 million bridge loan that was advanced by Pala to the Company on November 14, 2017 from the proceeds of the January 2018 equity offering.
- During Q3 2019, the Company drew \$10.4 million from the working capital facility (the “Working Capital Facility”) provided by Concord Resources Limited (“Concord”). NCI entered into the Working Capital Facility for a maximum principal amount of \$35 million 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). There is no penalty or charge for repayment in respect of the Working Capital Facility. Subsequent to the end of Q3 2019, the Company drew an additional \$8.3 million from the Working Capital Facility.

Other Capital Resources:

Cost Overrun Facility

In connection with the KfW IPEX-Bank Facility, the Company provided a cost overrun facility to NCI for up to \$26.4 million (the “COF”), 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 was made available from the date of closing of the KfW IPEX-Bank Facility and will be available until the completion of the construction of the Underground Project. The COF was partially funded through \$15 million from the net proceeds of the Equity Offering, with the remainder to be backstopped by an equity standby facility provided by Pala (the “Equity Standby Facility”).

During Q3 2019, the Company drew \$13.8 million from the COF leaving \$1.2 million in restricted cash. Subsequent to the end of Q3 2019, the Company drew the remaining \$1.2 million of cash that was available under the COF.

In addition, as a condition to closing of the KfW IPEX-Bank Facility, KfW IPEX-Bank required 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 has agreed to compensate Pala for its

commitments under the corporate guarantee and pledge arrangement at a rate of 5% per annum of the remaining Guaranteed Amount.

Equity Standby Facility

As noted above, the COF is partially backstopped by the Equity Standby Facility provided by Pala for an amount up to \$11.4 million (the “Commitment Amount”) of the \$26.4 million 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 million of the COF has been drawn, which is now the case. 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 included an initial one time 2% implementation fee.

Offtake Arrangements

As a condition to the KfW IPEX-Bank Facility, NCI entered into a copper concentrate sales agreement with Aurubis AG and Aurubis Bulgaria AD (collectively, “Aurubis”) whereby NCI will deliver not less than 40,000 dry metric tonnes (“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” and collectively with the Aurubis Offtake Agreement, the “Offtake Agreements”) 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 a rail loadout facility located on the Union Pacific railroad mainline 22 km east of Reno.

Amendments to the Stream Agreement

In connection with the KfW IPEX-Bank Facility, the Company, NCI and Triple Flag Mining Finance Bermuda Ltd. (“Triple Flag”) amended the stream agreement entered into among the Company, NCI and Triple Flag on December 21, 2017 (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 Facility was increased from \$80 million to \$115 million or such lower amount outstanding from time to time, provided that if the amount of outstanding senior debt subsequently reduces below \$80 million, the maximum amount of senior indebtedness that the Company may incur will be limited to a maximum \$80 million; 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 was 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 was proportionately reduced from \$36 million to approximately \$15.4 million.

Project Progress and New Financing Arrangements

The copper price has underperformed market expectations and the level assumed in the Company’s plans over the past two quarters. In order to provide the Company with additional financial resources to navigate the current low copper price environment, to address the impact of the delay in East North Vent Shaft as well as to address normal technical risks associated with ramp-up, the Company announces that it has entered into a binding term sheet for a \$30 million unsecured credit facility (the “New Credit Facility”), which does not involve equity dilution to shareholders. The New Credit Facility is being arranged by Pala, the Company’s largest shareholder. The negotiation of the term sheet has been supervised on behalf of the Company by the independent members of the Company’s board of directors.

The term sheet provides for the following terms. The New Credit Facility would be available for an initial draw of \$15 million, and three additional draws of \$5 million each at the sole option of the Company, subject to the satisfaction of certain conditions, including for the additional draws Pala having syndicated the facility. The New Credit Facility would be a direct obligation of the Company and would not be guaranteed or secured by any of its subsidiaries. It would have a maturity date of September 30, 2021. The New Credit Facility would bear interest at 9% for the first 12 months of the term and 10% thereafter, subject to a 3% repayment fee, a 3% arrangement fee calculated on the total available funds and a 3% disbursement fee on amounts disbursed. There are no Common Shares, warrants or other convertible securities issuable in connection with the New Credit Facility. The New Credit Facility would replace in its entirety, Pala's \$11.4 million commitment under the Equity Standby Facility. Subject to regulatory approval, the Company expects that definitive agreements will be entered into by the end of November 2019 and drawings under the New Credit Facility will be available at the beginning of December 2019, although there can be no assurance that this will occur or that future draws will be available. In addition, the Company is continuing to explore other financing opportunities, including to replace the New Credit Facility and funding of the Open Pit Project, such as future debt or equity raisings or the granting of a royalty, stream or similar instrument.

Summary of Quarterly Results

The following table sets forth selected unaudited quarterly financial information for each of the eight most recently completed quarters:

(In thousands of US dollars except per share amounts)

	2019	2019	2019	2018	2018	2018	2018	2017
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Working capital	(24,315)	17,320	30,816	88,820	133,810	29,335	41,923	(73,917)
Total assets	563,576	539,832	498,956	475,995	470,803	313,076	307,827	262,255
Development property (Project expenditure)	524,212	466,661	400,754	342,386	298,006	270,593	258,501	251,206
Total noncurrent liabilities	202,168	195,684	173,867	164,194	157,995	100,424	98,524	114,427
Shareholders' equity	320,8573	320,727	291,916	292,303	293,235	204,481	206,205	72,336
Net profit (loss)	(750)	457	(2,368)	(1,439)	(1,845)	(4,173)	(12,601)	(8,448)
Net profit (loss) per share	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.01)	(0.05)	(0.09)

Transactions with Related Parties

Pala is a related party in relation to the Company as a result of its 35.8% ownership interest in Nevada Copper as at September 30, 2019. Additionally, three Pala executives, Evgenij Iorich, Stephen Gill, and Phillip Day, sit on the Company's board of directors as at September 30, 2019.

During the nine months ended September 30, 2019, \$0.2 million was incurred for technical and other services with Pala. Pala granted the Company a credit related to share issuance costs in the amount of \$0.5 million for the Equity Offering in May 2019.

On May 6, 2019, the Company entered into the Equity Standby Facility with Pala.

The Company 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 \$1.4 million (2018 - \$1.2 million) and is not recorded in the consolidated statements of financial position. During Q1 2018, \$1 million was paid to a senior officer upon his departure from the Company.

In addition, during Q3 2019, \$0.5 million (2018 - \$0.5 million) was incurred in director fees. As of September 30, 2019, accounts payable and accrued liabilities include director fees and expenses payable of \$0.2 million (2018- \$0.4 million).

During the nine months ended September 30, 2019, 13,356,706 options were also granted to directors and officers.

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.

Commitments and Contractual Obligations

The Company has capital expenditures contracted for in the amount of \$12.6 million but not recognized as liabilities as at the date of this MD&A.

Cementation USA Inc. (“Cementation”), a principal contractor of the Company’s Underground Project, continues to work on development of the underground mine pursuant to the terms of the mining development contract, despite filing a claim on November 5, 2019 against the Company’s subsidiary NCI in the Second Judicial District of Nevada. The delay in the East North Vent Shaft has led to a dispute over unapproved change orders requested by Cementation. The complaint alleges breach of contract and various other claims related to the mining development contract for the Underground Project. NCI expects that the development of the underground mine will continue to advance despite the claim being filed. The parties are continuing to discuss options for resolution.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that are not disclosed in the “Contractual Obligations” section above.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting (“ICFR”). Any system of ICFR, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There were no material changes in the Company’s ICFR during the nine months ended September 30, 2019.

New Accounting Pronouncements

Certain recent accounting pronouncements have been included under Note 2c in the Company’s interim condensed consolidated financial statements for the nine-month period ended September 30, 2019.

IFRS 16, *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* (“IAS 17”) 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. 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%.

(in thousands of US dollars)

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 at the date of initial application	(356)
Lease liability recognized as at 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 recognized right-of-use assets relate to the following types of assets:

(in thousands of US dollars)	September 30, 2019	January 1, 2019
Mobile mining equipment	\$18,418	\$1,460
Properties	705	705
Total Long-Term debt	\$19,123	\$2,165

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 \$2.2 million
- lease liabilities – increase by \$2.2 million

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

Critical Accounting Estimates

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Although these estimates are based on management’s expectations for the likely outcome, timing and amounts of events or transactions, actual results could differ from those estimates. Areas requiring the use of management estimates include the determination of assumptions used in valuing stock-based compensation, valuation of and the determination of the remaining life of mineral property, plant and equipment, estimating future asset retirement obligations, estimating convertible debt, and estimating accrued liabilities.

The areas that require significant estimations or where measurements are uncertain are as follows:

i) Mineral reserve estimates

The Company estimates its ore reserves and mineral resources based on information compiled by Qualified Persons as defined in accordance with NI 43-101. Reserves are used in the calculation of depreciation, impairment assessment, and for forecasting the timing of payment of mine closure, reclamation, and rehabilitation costs. There are uncertainties inherent in estimating ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecasted prices of commodities, exchange rates, production costs, or recovery rates could have a material impact in the future on the Company’s financial position and results of operations.

ii) Stock-based compensation

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options and share purchase warrants granted. This model requires management to estimate the volatility of the Company’s future share price, expected lives of stock options and future dividend yields. Consequently, there is significant measurement uncertainty in the fair value of stock-based compensation expense reported.

iii) Discount rate of loans

The loans are initially recognized at fair value, calculated as the net present value of the liability based upon discount rate issued by comparable issuers and accounted for at amortised cost using the effective interest rate method.

iv) Provision for reclamation and remediation

The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment.

In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

The areas that require significant judgment or where measurements are uncertain are as follows:

i) Mineral properties, plant, and equipment and exploration and evaluation assets

The measurement and impairment of mineral properties, plant and equipment are based on various judgments and estimates. These include the determination of technical and commercial feasibility of these properties, which incorporates various assumptions for mineral reserves and/or resources, future mineral prices and operating and capital expenditures for the properties.

ii) Impairment review

The evaluation of asset carrying values for indicators of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, budgets, forecasts, and life of mine estimates. The determination of fair value less costs to sell and value in use requires management to make estimates and assumptions about expected production, sales volumes, commodity prices, mineral reserves, operating costs, taxes, restoration costs, and future capital expenditure. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may have an impact on the estimate of recoverable amount of the assets. In such circumstances some or all the carrying value of the assets may be impaired with the impact recorded in profit or loss.

iii) Taxation

Tax provisions are recognised to the extent that it is probable that there will be future outflow of funds to a taxation authority. Such provisions often require judgment on the treatment of certain taxation matters that may not have been reported to or assessed by the taxation authority at the date of these financial statements. Differences in judgment by the taxation authority could result in changes to actual taxes payable by the Company.

Deferred tax assets are recognised to the extent that certain taxable losses or deferred expenditures will be utilised by the Company to reduce future taxes payable. The amount of deferred tax assets recognised, if any, is based on objective evidence that the Company will generate sufficient future taxable income to utilise these deferred assets, as well as the expected future tax rates that will apply to these assets.

Changes to the Company's ability to generate sufficient taxable income or changes to enacted tax rates could result in the recognition of deferred tax assets or liabilities.

iv) Modification versus extinguishment of financial liability

Judgment is required in applying IAS 39 and IFRS 9 Financial Instruments: Recognition and Measurement to determine whether the amended terms of the loan agreements are a substantial modification of an existing financial liability and whether it should be accounted for as an extinguishment of the original financial liability.

v) Functional currency

The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

vi) Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operation expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

viii) Achievement of Production Phase

Once a mine reaches the operating levels intended by management, depreciation of capitalized costs begins. Significant judgment is required to determine when certain assets of the Company's reach this level. Management considers several factors including, completion of a reasonable period of commissioning and consistent operating results being achieved at a pre-determined level of design capacity.

Risk Factors

The Company and its future business, operations and financial condition are subject to various risks and uncertainties, including due to the nature of its business and the present stage of development of its mineral properties. Certain of these risks and uncertainties are described under the heading "Risk Factors" in the Company's Annual Information Form dated March 29, 2019, and are incorporated by reference here, which is available on SEDAR at www.sedar.com.

Share Data

Capital Structure as of November 14, 2019:

Common shares issued and outstanding:	761,935,897
Total stock options outstanding:	37,323,834
Total warrants outstanding:	2,500,000

Forward-Looking Statements

Certain of the statements made and information contained herein contain forward-looking information within the meaning of applicable Canadian and United States securities laws. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning: the entry of definitive agreements with respect to and availability of draws under the New Credit Facility, matters relating to the litigation with Cementation, the ongoing construction, commencement of production and ramp up at the Underground Project and the expected costs thereof, the expected interest cost savings associated with the KfW IPEX-Bank Facility, the ongoing exploration activities and the objectives and results thereof, and other plans of Nevada Copper with respect to the exploration, development, construction and commercial production at the Project. There can be no assurance as to whether or when the events described above will occur or whether or when the transactions described above will be completed or whether the terms thereof will remain as expected.

Forward-looking statements and information include statements regarding the expectations and beliefs of management. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "potential", "is expected", "anticipated", "is targeted", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements or information are subject to known or unknown risks,

uncertainties and other factors which may cause the actual results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Forward-looking statements and information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks and uncertainties relating to: history of losses; requirements for additional capital; dilution; adverse events relating to construction, development and ramp up; ground conditions; cost overruns relating to development completion and ramp up of the Underground Project; loss of material properties; interest rates increase; global economy; no history of production; future metals price fluctuations and the continuation of the current low copper price environment, speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labor disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade of mineralization or recovery rates may differ from what is indicated and the difference may be material; legal and regulatory proceedings and community actions; accidents, title matters; regulatory restrictions; permitting and licensing; volatility of the market price of the Common Shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry as well as those factors discussed in the section entitled “Risk Factors” in this MD&A and the Company’s Annual Information Form dated March 29, 2019. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. In particular, there can be no assurance regarding the entry into definitive agreements relating to or the availability of draws under the Unsecured Credit Facility or the results or outcome of the Company’s exploration program. The forward-looking statements and information are stated as of the date hereof (or as otherwise specified therein). The Company disclaims any intent or obligation to update forward-looking statements or information except as required by law. Readers are referred to the full discussion of the Company’s business contained in the Company’s reports filed with the securities regulatory authorities in Canada. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on Nevada Copper and the risks and challenges of its business, investors should review Nevada Copper’s annual filings that are available at www.sedar.com.

The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.