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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED MARCH 31, 2020

May 29, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Quarter Ended March 31, 2020

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Nevada Copper Corp. (the "Company" or "Nevada Copper") has been prepared by management as of May 29, 2020. Information herein is provided as of May 29, 2020, unless otherwise noted. The following discussion of performance, financial condition and outlook should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2019 and 2018 ("consolidated financial statements") 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 ("interim financial statements") of the Company and the notes thereto for the three months ended March 31, 2020 and 2019 (prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting).

All amounts are expressed in US Dollars unless otherwise indicated. Additional information relevant to the Company's activities, including the Company's Annual Information Form dated May 15, 2020 (the "Annual Information Form"), can be found on SEDAR at www.sedar.com.

Greg French, PG is a non-independent Qualified Persons under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* , and has 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.

2020 HIGHLIGHTS, RECENT DEVELOPMENTS AND OUTLOOK

Q1 2020 Highlights

Underground Project. During Q1 2020, the Company continued the commissioning at its process plant for its Underground Project (defined below in "Description of the Business"). Milestones for the quarter include:

- Completed the transition to the new underground contractor, Redpath USA Corporation ("Redpath");
- Continued commissioning and optimization of the process plant;
- Completed the sinking of East North Vent Shaft for ventilation and secondary egress;
- Continued progress in sinking of Main Shaft to 34 feet above final depth;
- Completion of critical underground infrastructure such as temporary ventilation system, refuge chamber and fuel delivery system;
- Paste plant surface infrastructure completed;
- Stockpiling of over 73,996 tons of development ore on surface at quarter-end; and
- Commencement of pre-production concentrate sales.

Financing. Completion of significant refinancing package (see "Q1 2020 Financing Highlights" and "Liquidity, Cashflow and Financial Resources").

Recent Developments and 2020 Outlook

Underground Project

During Q1 2020, the Company continued the commissioning phase and optimization of the process plant performance and the ramp up of the Underground Project. However, on April 6, 2020 the Company announced the temporary suspension of its milling activities at the Project as a result of the restrictions imposed by government-mandated measures and other impacts of the COVID-19 pandemic (the "Suspension"). The Company currently expects a re-start of milling activities in Q3 2020, based on completion of its planned period of accelerated development, and subject to revision on an ongoing basis.

COVID-19, Temporary Suspension of Milling Activities and Impact on Operations

As a result of the COVID-19 pandemic, many measures have been, and continue to be, implemented by all levels of government in the United States, Canada and around the world in order to control the pandemic.

The Company's first priority is to protect the health and safety of its employees and contractors, and contingency plans have been implemented to ensure business continuity and protection of its mineral assets. Nevada Copper recognizes the serious nature of this pandemic and has adopted all measures that are mandated by Federal, State and local governments, and the Centres for Disease Control and Prevention. The Company developed a strategy and formed a task group for the continuous monitoring and management of the impact of COVID-19 on its business activities.

Due to the restrictions imposed by government-mandated measures and other impacts of the COVID-19 pandemic, on April 6, 2020, the Company announced that it had become necessary to implement the Suspension. As in many parts of the United States, Nevada has imposed stringent travel and workplace restrictions the nature of which may continue to evolve. These restrictions have resulted in significant operational delays and work constraints affecting the Company. Their continued impact without mitigation measures, especially during ramp-up of the Underground Project, have temporarily prevented the Company from continuing effective operations. General concern regarding the risks to the health of the Company's workforce, contractors and suppliers, the consequences of the working restrictions now in effect, and disruptions to the Company's supply chains, made it necessary for the Company to implement the Suspension.

The Suspension is subject to revision in response to ongoing and any further government-mandated measures related to the COVID-19 pandemic, including directives from the Governor of Nevada's Office. During the Suspension, essential mine services and activities are continuing that focus on completion of the Main Shaft and advancing lateral development, albeit at a reduced level, which is expected to both de-risk ramp-up upon mill restart and facilitate an increase in the production rate.

The Company has implemented various cost reduction initiatives to preserve liquidity and protect the Company during the Suspension, including:

- Furlough of all non-essential staff;
- Review of the Company's employment strategy;

- Staff reduction and a temporary reduction in salary for remaining staff;
- Closing of its Vancouver Office;
- Arrangements with key suppliers to provide further flexibility; and
- Agreement with Concord Resources Limited ("Concord") to defer deliveries and payments under the Working Capital Facility (as defined below) until after the expected restart of concentrate production.

The Company has implemented various health related measures at the Project including monitoring employees for symptoms, physical distancing to the extent possible and providing personal protective equipment as needed. The work currently continuing at the Project is done subject to these enhanced COVID-19 precautions and in accordance with related government-imposed health and safety rules, which have resulted in various significant operational constraints and work delays. Given the uncertainty around the severity and duration of the pandemic and the responses of governments and businesses, it is not possible for the Company to predict the full impact of COVID-19 on its operations at this time. It is not known what additional measures, if any, will be implemented by governmental authorities in the future and how long these measures will be in place. It is possible that changes to or ongoing compliance with existing government health and safety rules may make it difficult for efficient operations to continue.

It is also possible that further reduced working rates or temporary stoppages (as has been the case at other operations) could occur in the future, at any time, depending on how events unfold. As a result, the COVID-19 pandemic is expected to delay ramp-up at the Underground Project and it is possible that the Company may need to put the Underground Project temporarily into "care and maintenance" status, as has been done with many mining projects around the world.

While the impact of COVID-19 and the Suspension are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations, including the timing, duration and extent of the impact on the Company's ramp-up process and future production, cannot be reasonably estimated at this time. The COVID-19 pandemic has had a significant impact on the global economy and financial and commodity markets in general, including a significantly negative impact on copper prices. The full extent of the impact of the pandemic on the economy and commodity prices, including copper prices, is not known at this time. However, the COVID-19 pandemic is expected to have a material adverse impact on the Company's business, results of operations, financial position and cash flows in 2020.

Mine Development

As previously reported, the underground development is materially behind the original planned schedule due to numerous challenges experienced including:

- Earlier than expected ground water intrusion into the mine;
- Much lower than planned lateral development advance rates by the Company's previous mining contractor;
- An almost four-month delay to the scheduled completion of the East North Vent Shaft; and
- Impacts of the COVID-19 pandemic that severely impacted advancement of underground development.

On January 30, 2020, the Company's subsidiary Nevada Copper, Inc. ("NCI") terminated its construction contract with Cementation USA Inc. ("Cementation") and the Company announced that NCI had engaged Redpath to implement the Company's ramp up strategy for the Underground Project. This change in the underground mining contractor required mobilization and time for Redpath to gain familiarity with existing assets and infrastructure, which resulted in a delay to the Underground Project changeover.

The Company blasted its first stope during the latter half of January 2020. The Company intends to continue mining of the higher-grade stopes and driving development to access additional planned stopes as it executes on its revised 2020 mine plan.

In the East Main Shaft area, activities have included advancement of the main centralized ramp, connection between the 2850 and 2770 levels, East Main Shaft bottom access ramp, stope access lateral development, stope development and mining, definition drilling, establishment of temporary maintenance shops, ventilation raises and advancement of borehole paste and cement delivery systems. In the East North Ventilation Shaft area, advances have been made in preparation for installation of exhaust ventilation infrastructure including air lock doors and a fan bulkhead that will provide flow through ventilation throughout the mine.

Other activities in the quarter include the installation of the underground fuel delivery system and refuge chamber, completion of the temporary ventilation system to support the ramp-up of production and the deepening of the Main Shaft to 34 feet above its final depth. The mine administration building is also complete. The paste plant surface infrastructure has been completed and the paste plant itself is under construction and is expected to be available when needed in H2 2020.

The COVID-19 restrictions imposed by the State of Nevada has had both a direct and indirect impact on the Company's operations since the quarter-end. The number of personnel allowed at any one time in the shaft's conveyance system has been limited, materially impacting productivity in the underground works. The Company also experienced increased lead times and challenges in its supply chain.

As a result of these restrictions and other challenges relating to the COVID-19 pandemic, the underground development plan is being revised. A critical path schedule focused on completion of the Main Shaft deepening and furnishing was developed to enable Main Shaft haulage in H2 2020. It is expected that this will accommodate a re-start of the process plant in Q3, 2020 from stockpiled material.

Processing Plant

Progress was made in the quarter at the processing plant with full mechanical completion. All circuits are energized. SAG and ball mills, flotation circuits, thickeners, concentrate filter presses are being commissioned and operated. Initial mill operations at the Underground Project commenced on December 16, 2019 with surface stockpiles of development ore being fed to test the various circuits in the process facility. During Q1 2020, processing of a combination of development and stoping ore continued to allow for further testing and optimization of process circuits and limited amounts of low grade pre-production concentrate were produced and delivered. Efforts to improve performance and optimize all circuits of the plant continued during the quarter, however, the mill has not yet produced at forecast levels.

Commissioning of the mill continued through to early April until the Suspension was put in place. Ramp up of operations is expected to re-commence during the third quarter of 2020, subject to revision based on government mandated measures and other impacts relating to the COVID-19 pandemic, progressing towards a target steady state 5,000 ton's per day ("tpd') of ore feed to the process facility. Once re-started, it is expected that the process plant will continue to improve performance in recent achievements by increasing throughput to 230 tons per hour (representing approximately 85% of design throughput) and improving recoveries above 90% and concentrate grades above 25%.

The concentrate shipping arrangements are in place with a concentrate truck-to-rail transload facility established at a site east of Reno, Nevada with access to the Union Pacific mainline in the Tahoe Reno Industrial Centre. Concentrates will be shipped by rail to US west coast ports for bulk shipment.

As a result of the previously disclosed mine delays resulting in the need to terminate Cementation USA, the gross value of saleable concentrate delivery during Q1 2020 was substantially below original estimates. Throughout Q1 2020, the Company made repayments under the Working Capital Facility in cash instead of the intended concentrate deliveries due to the reduced volumes of concentrate production.

All processing activities were temporarily suspended following the company's April 6, 2020 announcement of the Suspension. The mill is being kept on standby and steps have been taken to retain critical staff and to maintain the plant in a state of operational readiness for its re-start. During April 2020, the Company notified Concord of a force majeure, which can last to a maximum of 180 days, under its Offtake Agreement and Working Capital Facility with Concord and in May 2020 it agreed a temporary suspension of deliveries to Concord together with a corresponding delay in cash payments that would have been payable in the absence of deliveries to September 2020. (see *Liquidity, Cashflows and Financial Resources* section). The Company cannot make further draws under the Working Capital Facility during the Suspension. Deliveries under the Working Capital Facility are forecasted to resume prior to this September 2020 deadline. Following the re-start of production, the Company will be required to resume making monthly repayments and will have the ability to make draws under the Working Capital Facility, subject to applicable conditions.

The steps taken and improvements described above, are expected to result in increased concentrate production on re-start of the milling operation, which should allow the Company to deliver and sell increasing volumes of concentrate that meet the applicable specification requirements of the offtake agreements and alleviate the need for the Company to make repayments for draws under the Working Capital Facility in cash.

While management expects continued improvement to underground development and the operation of the processing plant on its re-start as described above, significant risks remain to sustaining and accelerating progress in these areas , which include risks relating to the impact of the current COVID-19 pandemic on the operations, both from an operational and broader market perspective.

Open Pit Project

Subject to availability of adequate funding, the Company plans to upgrade the current PFS study relating to the Open Pit Project to the feasibility study ("FS") level. During the quarter, several proposals were received for the completion of the FS and are being evaluated. The FS will seek to refine and optimize the PFS development plan, narrow cost estimates, and evaluate areas for further cost improvements and value enhancements. Planning for additional drilling and value engineering continues.

Exploration

Initial reconnaissance drilling in the Tedeboy area adjacent to the Project that was intended to provide information on structural geology has intercepted significant copper grades with porphyritic signatures. Drilling has occurred within 2 km from the Underground Project. The porphyry system signatures are important, as the existing underground and open pit deposits are skarn/IOCG-style deposits, the source of which could be an as-yet undiscovered porphyry system. The results of a recently completed aeromagnetic survey and continued surface reconnaissance will direct activities in the future in order to further advance high-potential targets from this work, as well as to provide a broader understanding of the geophysical results from known deposits across Nevada Copper's land package.

The Company continues to evaluate its extensive mineral landholdings at and around Pumpkin Hollow, including drilling and/or trenching, where appropriate, and will look for opportunities to increase its landholdings at the appropriate time. The Company continues to prioritize advancing its high-priority targets in accordance with cash availability.

Q1 2020 FINANCING HIGHLIGHTS

During the quarter, the Company entered into a comprehensive financing package to strengthen its financial position, which was comprised of the following components that all closed on March 27, 2020 (collectively, the "Refinancing Transactions):

- A package of transactions with Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag Bermuda"), Triple Flag Precious Metals Corp. ("TFPM") and an affiliate thereof involving:
    - An amendment to the Company's stream agreement with Triple Flag Bermuda, dated December 21, 2017 and amended on May 31, 2019 (the "Stream Agreement") that provides for the amount of gold and silver deliverable to Triple Flag Bermuda to be increased from 90% to 97.5% and the ongoing payment by Triple Flag Bermuda to be reduced from 10% to 5% of the then current spot price) (the "Second Stream Amendment");
    - New net smelter return royalty agreements over the Open Pit Project and Tedeboy area exploration property (collectively, the "Royalty Agreements");
    - The issuance to TFPM of 15 million warrants to purchase common shares of the Company ("Common Shares") at an exercise price of C$0.225;
    - An aggregate of $20 million received by the Company on March 27, 2020 pursuant to the Royalty Agreements and a $10 million payment made to the Company on May 1, 2020 pursuant to the Second Stream Amendment;
    - An additional $5 million is to be paid to the Company pursuant to the Second Stream Amendment through the reinvestment of 50% of the value of metal deliveries received by Triple Flag Bermuda under the Stream Agreement; and
    - A right to a contingent payment of $5 million upon commercial production commencing at the Tedeboy area pursuant to the royalty agreement in respect of the Tedeboy area.
- A Convertible loan facility (the "Convertible Loan") with Pala Investments Limited ("Pala"), the Company's largest shareholder, in the principal amount of $30 million, bearing interest of 14% per annum which extended and replaced the credit facility provided to the Company by Pala that was entered into on November 29, 2019 (the "2019 Credit Facility"). Pala may, at any time, and from time to time, convert all or a portion of the Convertible Loan, including any accrued interest thereon, into Common Shares at a price per common share which is the lower: (a) of C$0.1575 (the "Current Market Price"); and (b) a 5% premium to the five-day VWAP of the common shares on the TSX over the period ending on April 1, 2020, with a minimum conversion price of C$0.12. The Convertible Loan may be prepaid by the Company in full at any time, subject to payment of a premium of 15% in year 1, 10% in year 2, 8% in year 3 and 5% in year 4. The Convertible Loan is also repayable subject to a make whole amount upon certain change of control events. Pala is entitled to a restructuring and extension fee of 8% of the principal amount of the Convertible Loan which shall be added to the principal amount of the Convertible Loan.
- A backstop agreement among Pala, the Company and Triple Flag Bermuda (the "Backstop"), providing for up to $20 million to be provided by Pala which is available for the Company to call on if required until December 31, 2021 if it is unable to raise capital from other sources.

- Pala provided an advance of $2.2 million as pre-funding prior to the closing of the Refinancing Transactions, pursuant to the terms of an unsecured promissory note (the "Promissory Note"). The proceeds from the Promissory Note were used by the Company for the continued operation and construction of the Underground Project prior to the funding under the other Refinancing Transactions described below. This promissory note was repaid in full on March 30, 2020, with Pala waiving all interest due under the Promissory Note.
- Amendments to the Company's $115 million credit agreement, dated May 6, 2019, provided by KfW IPEX-Bank (the "KfW IPEX-Bank Facility"), providing for an aggregate of $12.2 million in payment deferrals through the re-sculpting of certain amortization and debt service reserve account payments (the "KfW IPEX-Bank Facility Amendment").
- The Company entered, together with Pala, into indemnity agreements with a surety in connection with the issuance of a lien bond in the amount of $21 million, to the extent required in order to remove any liens that may be recorded on the Property by a previous contractor.
- The Company entered, together with Pala, into indemnity agreements with a surety in connection with the issuance of a bond up to a maximum of $10 million to secure payment terms of the Company's new underground contractor.
- See "Liquidity, Cash Flow and Capital Resources" for further details relating to the Refinancing Transactions.

DESCRIPTION OF BUSINESS

Nevada Copper is a mining company whose principal asset is the 100%-owned Pumpkin Hollow Copper Property (the "Property"). The Property is located in northwestern Nevada and consists of approximately 23,200 acres of contiguous mineral rights including approximately 10,700 acres of private land and leased patented claims.

Past exploration on the Property defined two adjacent but unconnected copper, gold and silver deposits separated by approximately two miles. The two deposits are referred to separately as the "Underground Project" and the "Open Pit Project" (collectively, the "Project").

The Company has obtained all material permits and approvals for the development and operation of 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. See "Risk Factors" in the Annual Information Form.

The Company completed construction of the processing plant for the Underground Project and is now in the commissioning stage. Completion of commissioning and ramp up of Underground Project operations is continuing during 2020 towards the planned nominal steady state production rate of 5,000 tpd.

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 "Technical Report") which, among other things, incorporates the results of the Company's previously-announced 2018 drilling program and evaluates: (a) the Underground Project, and (b) a standalone, staged, development of the Open Pit Project at a PFS level. The Technical Report supersedes all prior technical reports in respect of the Project.

MANAGEMENT CHANGES

On May 8, 2020 the Company announced the departure of Matt Gili as President & Chief Executive Officer and as a director of the Company and the appointment of Evan Spencer as interim President and Chief Executive Officer with immediate effect. Mr. Spencer brings substantial experience in the transition of mines from construction phase to production and, in particular, optimizing production ramp-up and operating costs. He has held senior roles with Western Mining Corporation, Placerdome, Barrick Gold, Kagara, Goldfields of South Africa and Aditya Birla Minerals, and also oversaw the ramp-up and production of the Ban Phuc nickel mine. Mr. Spencer is also Chairman at Kasbah Resources.

FINANCIAL RESULTS

(Expressed in thousands of United States dollars, except per share amounts)

	Three Months Ended March 31,	
(Expressed in thousands of US dollars, except per share amounts)	**2020**	2019
Expenses		
Consulting and remuneration	**$197**	**$153**
Public company expenses	**689**	**523**
Administration expenses	**73**	**222**
Professional fees	**1,195**	**527**
Stock-based compensation	**(132)**	**1,557**
Depreciation expense	**10**	**9**
	(2,032)	**(2,991)**
Interest income	**3**	**556**
Interest and finance expenses	**(5)**	**-**
Derivative fair value change	**(5,930)**	**100**
Other income (expense)	**-**	**27**
Debt modification gain	**794**	**-**
Debt modification loss,	**(4,906)**	**-**
Foreign exchange loss	**87**	**(60)**
	$(9,957)	**$(623)**
Loss and comprehensive loss	**$(11,989)**	**$(2,368)**
Loss per common share - Basic and diluted	**$(0.02)**	$ (0.00)

For the three months ended March 31, 2020, the Company reported a net loss of $12 million (or $0.02 basic and diluted loss per Common Share), as compared to a net loss of $2.4 million for the corresponding period in 2019 (“Q1 2019”) (or $0.00 basic and diluted loss per Common Share). The $9.6 million increase in net loss is primarily driven by the Company’s refinancing initiatives completed in Q1 2020, including the following:

- $4.1 million was recorded as a debt modification loss as a result of the refinancing of the 2019 Credit Facility and the KfW IPEX Bank Facility Amendment in Q1 2020
- $5.8 million was recorded as a derivative fair value loss in Q1 2020, as compared to a gain of $0.1 million in Q1 2019 as a result of recognizing a new embedded derivative liability in the convertible derivative option in the Convertible Loan that had a fair value of $12.7 million as at March 31, 2020; and
- $0.7 million increase in professional fees related to legal expenses incurred in connection with the Refinancing Transactions.

Pumpkin Hollow Project Expenditures

Project costs capitalised for the period ended March 31, 2020 on the Property consist of the following:

	March 31, 2020	Q1 2020 Additions	December 31, 2019	2019 Additions	December 31, 2018
Property payments	$1,961	$-	$1,961	$ -	$1,961
Advance royalty payments	5,376	150	5,226	600	4,626
Water rights	2,626	47	2,579	141	2,438
Drilling	42,302	-	42,302	-	42,302
Geological consulting, exploration & related	8,459	-	8,459	-	8,459
Feasibility, engineering & related studies	27,517	280	27,237	1,919	25,318
Permits/environmental	13,354	245	13,109	615	12,494
East deposit underground project					
Underground access, hoist, head frame, power & related	222,739	23,489	199,250	92,911	106,339
Engineering procurement	127,330	232	127,098	81,965	45,133
Surface infrastructure	27,560	7,003	20,557	14,761	5,796
Site costs	34,735	4,351	30,384	10,492	19,892
	513,959	35,797	478,162	203,404	274,758
Depreciation	5,070	1,420	3,650	2,900	750
Asset retirement obligation	4,984	-	4,984	4,075	909
Capitalised interest	73,775	6,609	67,166	9,713	57,453
Stock-based compensation	8,390	14	8,376	2,473	5,903
Stream accretion	12,715	1,737	10,978	8,365	2,613
Pre-production sales	(1,576)	(1,576)	-	-	-
Total	$617,317	$44,001	$573,316	$230,930	$342,386

For the three-month period ended March 31, 2020, the Company incurred $44 million of Project-related expenditures compared to $58.4 million during the same period in 2019. The $14.4 million decrease reflects the Company's full scale construction and procurement activities during Q1 2019. The focus during the current period was the completion of and commissioning of the processing facility, further advancement of the underground development and shaft infrastructure and advancement of surface infrastructure.

The Company began pre-production activities and sold copper concentrate produced during the period totaling $1.6 million.

LIQUIDITY, CASHFLOW AND FINANCIAL RESOURCES

Working capital (deficit) (Expressed in thousands of United States dollars)

	March 31, 2020	December 31, 2019
Current assets		
Cash and cash equivalents	**$10,323**	$1,041
Accounts receivable	**79**	73
Prepaid expenses	**225**	121
	10,627	1,235
Current liabilities		
Accounts payable and accrued liabilities (a)	**$47,965**	$31,304
Related party payable (b)	**7,300**	-
Stock-based compensation liabilities – current portion	**78**	209
Current portion of stream deferral (c)	**6,941**	11,317
Working Capital facility (d)	**22,292**	23,441
Current portion of lease liability	**5,283**	5,021
Other current liabilities	**2,199**	3,513
Total Current Liabilities	**92,058**	74,805
Working capital (deficit) (see liquidity discussion below)	**$(81,431)**	$(73,570)

a.) Included in accounts payable and accruals is approximately $13.5 million accrued for Cementation that is subject to litigation and a counterclaim by the Company for approximately $88 million and $8.5 million to Sedgman that is in arbitration to determine the final amount payable due to the Company's claim for late delivery of the plant
b.) $6.3 million of the $7.3 million related party debt was settled through the issuance of shares post quarter-end
c.) $6.9 million payments subject to future stream deliveries
d.) Revolving Working Capital Facility with monthly repayment and redraws subject to certain conditions

Liquidity

As at March 31, 2020, the Company had a cash balance of $10.3 million, excluding restricted cash. The Company's working capital (current assets less current liabilities) as at March 31, 2020 was negative $81.4 million compared to the working capital deficiency (current assets less current liabilities) of $73.6 million as at December 31, 2019. The negative working capital as at March 31, 2020 includes $48.4 million of accounts payable and accruals, $7.3 million in related party payables, $6.9 million of deferred consideration related to estimated stream deliveries in the next 12 months, which are conditional on concentrate deliveries, $22.3 million due under the revolving Working Capital Facility that could be redrawn subject to future deliveries and $5.3 million in lease payments. As at March 31, 2020, capital commitments due in the next twelve months are $10 million.

If adjusted for the disputed contractor accruals, non-cash related party payables, $6.9 million future stream delivery and $22.3 million revolving Working Capital Facility, current liabilities reduce by $58.5 million to $34 million with a corresponding increase in working capital.

The Company's liquidity in Q1 2020 has been negatively impacted by a number of significant inter-related factors including:

- Delays in the mine development of the Underground Project;
- Delays in the commissioning of the process plant;
- Significantly reduced concentrate production and sales ;
- Low copper prices ; and
- Requirement to repay draws under the Working Capital Facility in cash rather than in concentrate deliveries as planned.

As discussed above, on April 6, 2020, the Company announced the Suspension as a result of the restrictions imposed by government-mandated measures and other impacts of the COVID-19 pandemic (see "Recent Developments and 2020 Outlook"). As a result of the Suspension, the Company is not generating any revenue through producing and selling copper concentrates. The Suspension is subject to revision in response to ongoing and any further government-mandated measures related to the COVID-19 pandemic, including directives from the Governor of Nevada's Office. During this period, essential mine services continue on site, including reduced underground mine development and other activities necessary to maintain the operation in a ready condition for the ramp back-up of activities as COVID-19 related impacts are ameliorated. The Company has implemented cost reduction initiatives to preserve liquidity and protect the Company during the Suspension.

The Company continues to closely consult with its senior project lender, KfW IPEX-Bank, in relation to the Suspension, and is working with all of its stakeholders to mitigate the impact of the Suspension. The Company expects that copper production will resume during the latter half of Q3 2020, subject to revision based on the impacts of the COVID-19 pandemic and other factors.

While it is expected to be temporary, the Suspension is expected to have a material adverse impact on the Company's business, results of operations, financial position, and cash flows in 2020.

During the quarter and thereafter, the Company entered into the following refinancing initiatives:

- KfW IPEX- Bank Facility Amendment providing for an aggregate of $12.2 million in payment deferrals;
- the Company and Concord agreed to delay repayments that would otherwise have fallen due under the Working Capital Facility until September 2020;
- Convertible Loan in the amount of $30 million, which extended and replaced the 2019 Credit Facility;
- Receipt of $30 million in respect of the Royalty Agreements and Second Stream Amendment, comprising of $20 million received on March 27, 2020 and $10 million received on May 1, 2020;Additional $5 million to be paid to the Company pursuant to the Second Stream Amendment

through the reinvestment of 50% of the value of metal deliveries received by Triple Flag Bermuda under the Stream Agreement;

- Backstop funding in the amount of $20 million ;
- Indemnity Agreement with a surety in the amount of $21 million (in place);
- Indemnity Agreement with a surety in connection with a bond up to a maximum of $10 million to secure payment terms of the Company's new underground contractor (in place);
- Payroll Protection Program loan provided by the United States federal government in the amount of $2.4 million that the Company received in April 2020.

Management believes that through the Company's cost reduction initiatives and the financing initiatives outlined above, the operations at the Project will be able continue. However, the full extent of the impact of the COVID-19 pandemic on the economy and commodity prices, including copper prices, is not known at this time. COVID-19 is expected to have a materially negative impact on the Company's finances and the full extent of the impact cannot be reasonably estimated at this time. The Company is also subject to operational risks associated with the commissioning and ramp up of the Underground Project. The ability of the Company to continue as a going concern, to realise the carrying value of its assets, and to discharge its liabilities when due, are dependent on results from operations, market conditions and the ability to obtain additional funding if required.

The ability of the Company to continue as a going concern, to realise the carrying value of its assets, and to discharge its liabilities when due, are dependent on results from operations, improved market conditions and the ability to obtain additional funding if required. There can be no assurance that these requirements will be achieved.

If the going concern basis was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities and these adjustments could be material.

Cash Flows

During the quarter ended March 31, 2020, cash used in operations was $2.3 million compared to $0.7 million during Q1 2019.

Cash inflow from investing activities during Q1 2020 was $0.6 million compared to an outflow of $43.5 million during Q1 2019. The inflow was primarily due to the Company receiving $20 million upon execution of the Royalty Agreement. , This cash inflow was offset by the $20.1 million in construction and procurement activities at the Underground Project in Q1 2020. This was lower compared to the $42.8 million incurred in Q1 2019 due to the ramp up on construction activities during that period.

Financing activity inflows totalled $10.9 million during Q1 2020 compared to an out flow of $1.1 million in Q1 2019: These financing activities in Q1 2020 are described in more detail below:

- the Company drew $22 million from the Working Capital Facility and repaid the $23.1 million balance outstanding at year end of which $1.6 million was in product delivery (pre-production sales) and $21.5 million was in cash;
- the Company drew $14.6 million under the 2019 Credit Facility ;
- the 2019 Credit facility was replaced by the Convertible Loan;

- the Company paid cash interest of $3 million pertaining to the interest payments in the KfW IPEX Bank Facility and the Working Capital Facility

Capital Resources and Q1 2020 Financing transaction:

During March 2020, the Company entered into the Refinancing Transactions, a comprehensive financing package to strengthen its financial position. Details of the Refinancing Transactions are described below. See the news releases dated March 27, 2020, March 30, 2020 and April 3, 2020 for additional details.

Stream Agreement Amendment and Royalty Financing

On March 27, 2020, the Company received $20 million in cash upon entering into the Second Stream Amendment and Royalty Agreements that provide for the following:

- Second Stream Amendment that provides for the amount of gold and silver deliverable to Triple Flag Bermuda to be increased from 90% to 97.5% and the ongoing payment by Triple Flag Bermuda to be reduced from 10% to 5% of the then current spot price) ;
- a 0.70% net smelter return royalty in respect of the Open Pit Project;
- a 2.00% net smelter return royalty in respect of the Tedeboy area exploration project; and
- related to the Second Stream Amendment and the Royalty Agreements, the issuance to TFPM of 15 million Common Share purchase warrants of the Company at an exercise price of C$0.225.

On May 1, 2020, a $10 million payment was made to the Company by Triple Flag Bermuda pursuant to the Second Stream Amendment. An additional $5 million is to be paid to the Company pursuant to the Second Stream Amendment through the reinvestment of 50% of the value of metal deliveries received by Triple Flag Bermuda under the Stream Agreement.

KfW IPEX-Bank Facility Amendment

On March 27, 2020, the Company entered into the KfW IPEX-Bank Facility Amendment that provides for an aggregate of $12.2 million in payment deferrals through the re-sculpting of certain amortization and debt service reserve account payments to maximize access to liquidity over a period of 18 months. The amendments include a deferral of scheduled principal payments for 18 months with the deferred amount being payable on a pro rata basis with the remaining instalments until the existing maturity date. They also include postponing the required funding date for the debt service reserve account for 18 months.

Pala Convertible Loan

On March 27, 2020, the Company entered into the Convertible Loan with Pala in the principal amount of $30 million, which extended and replaced the 2019 Credit Facility. The Convertible Loan has a four year term and bears interest at the rate of 14% per annum, payable quarterly in arrears. Pala may, at any time, and from time to time, convert all or a portion of the Convertible Loan, including any accrued interest thereon, into Common Shares at a conversion price of C$0.1575, the current market price at the time that the Convertible Loan was entered into (the “Conversion Price”). The Company has the option to pay interest in cash if permitted by the Company’s senior credit facilities. In the event the Company elects not to pay such interest in cash, Pala has the option to either: (i) receive the amount of such interest payment through the issuance of Common Shares based on the market price (as defined in the policies of the Toronto Stock Exchange (the "TSX")) of the Common Shares at the time of such interest payment; or (ii) add the amount of such interest payment to the then outstanding principal amount of the Convertible Loan (which shall thereafter accrue interest at the interest rate under the Convertible Loan), in which case such interest will either be repaid on maturity of the Convertible Loan or converted into Common Shares at the Conversion Price. The Convertible Loan is also repayable subject to a make whole amount, whereby Pala will receive the balance of all remaining interest amounts to the end of the full term of the Convertible Loan, upon certain change of control events.

The Convertible Loan may be prepaid by the Company in full at any time, subject to payment of a premium of 15% in year 1, 10% in year 2, 8% in year 3 and 5% in year 4. Pala is entitled to a restructuring and extension fee of 8% of the principal amount of the Convertible Loan which was added to the principal amount of the Convertible Loan.

The 2019 Credit Facility was repaid in full through the proceeds from the Convertible Loan. The Company had drawn the full $30 million available under the 2019 Credit Facility prior to it being repaid. All fees, interest and other expenses that accrued, were outstanding or became due as a result of the repayment of the 2019 Credit Facility in the aggregate amount of $3.4 million were satisfied through the issuance of an aggregate of 31,400,000 Common Shares to Pala on April 6, 2020, reflecting a price per Common Share equal to C$0.1575, the current market price at the time (the "Current Market Price").

Backstop Agreement

On March 27, 2020, Pala, the Company and Triple Flag Bermuda entered into the Backstop providing for up to $20 million of funding from Pala which is available, subject to certain conditions, for the Company to call when required until December 31, 2021 if it is unable to raise capital from other sources.

If funds are called by the Company under the Backstop, the obligations of the Company under the Backstop will be satisfied through the issuance of Common Shares, which Common Shares will be issued at a price to be agreed by the Company and Pala within the applicable pricing rules of the TSX, but if a price cannot be agreed will be based on the market price (as defined in the policies of the TSX) at the relevant time less a discount of 20%.

If the Backstop is called after December 31, 2020, and the obligations under any such call would require disinterested shareholder approval (which will exclude Pala and any other insiders that may participate in the Backstop) under the policies of the TSX, the Company must obtain such approval as a condition to completion of the call under the Backstop. The Company may also seek to obtain, any time after the date hereof, approval of disinterested shareholders to issue Common Shares pursuant to the Backstop after December 31, 2020. In the event such disinterested shareholder approval is not obtained, any amounts called under the Backstop for which such approval was sought will be in the form of subordinated unsecured debt which will have substantially the same terms as the 2019 Credit Facility. For certainty, any calls made by the Company under the Backstop prior to December 31, 2020 will not be subject to the shareholder approval requirements of the TSX.

Notwithstanding the foregoing, Pala may elect to fund its obligations under the Backstop through the issuance by the Company of convertible debt, which convertible debt will have a 3 year term to maturity, a conversion price of a 5% premium to the market price of the Common Shares (as defined by the policies of the TSX) at the time of issuance, no fees payable other than an interest rate of 12% and shall be prepayable by the Company at any time.

A fee was payable to Pala upon entering into the Backstop in an aggregate amount of $0.8 million, was paid through the issuance of an aggregate of 7,500,000 Common Shares on April 6,2020, reflecting a price per Common Share equal to the Current Market Price.

Pre-Funding Promissory Note

On March 18, 2020, Pala provided an advance of $2.2 million as pre-funding prior to the closing of the other Refinancing Transactions, pursuant to the terms the Promissory Note. The proceeds from the Promissory Note were used by the Company for the continued operation and construction of the Underground Project prior to the funding under the other Refinancing Transactions described below. The Promissory Note was paid in full on March 30, 2020, with Pala waiving all interest due under the Promissory Note.

Bonding Arrangements

On January 24, 2020, the Company entered, together with Pala, into indemnity agreements with a surety in connection with the issuance of a lien bond in an amount up to $21 million, to the extent required in order to remove any liens that may be recorded on the Property by the Company's previous contractor. On February 11, 2020, the Company entered, together with Pala, into indemnity agreements with a surety in connection with the issuance of a bond up to a maximum of $10 million to secure payment terms of the Company's new contractor. In connection with the foregoing agreements (collectively, the "Indemnity Agreements"), Pala undertook to guarantee the Company's obligations under the bonds. The Company entered into agreements with Pala pursuant to which the Company will indemnify Pala for any liabilities Pala suffers in connection with the bonding arrangements and pay to Pala an annual fee equal to 10% of the total amounts of the bonds for guaranteeing each of the bond obligations. In connection with the provision by Pala of the foregoing indemnities, $2.1 million of fees were satisfied through the issuance of an aggregate of 18,900,000 Common Shares to Pala on April 6, 2020, reflecting a price per Common Share equal to the Current Market Price.

PPP Loan

On April 17, 2020, the Company received a loan under the Payroll Protection Program ("PPP Loan") in the amount of $2.3 million. The Payroll Protection Program is one of the COVID-19 relief measures provided by the United States federal government. The program is intended to provide an incentive for businesses to keep their workers on the payroll. Under the program, loans proceeds can be used for specified purposes including payroll costs, interest on mortgages, rent, and utilities. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

Pursuant to the terms of the program, any amounts not forgiven accrue interest at a rate of 1% annually, are repayable in monthly principal and interest payments starting on November 17, 2020 to April 17, 2022. The PPP Loan is unsecured with no collateral, guarantees or financing fees.

Working Capital Facility Repayment

On May 15, 2020, Concord agreed to defer the repayments that would otherwise have fallen due under the Working Capital Facility until September 2020. The Company may resume drawing advances under the Working Capital Facility once repayments resume, subject to applicable conditions. As a condition to the repayment deferral, Concord and the Company agreed that: (i) the outstanding Working Capital Facility balance will be reduced by rebasing to current copper, gold and silver prices (copper prices were lower on May 15, 2020 than when the advances were drawn); and (ii) Pala will post cash collateral of $1.2 million as security to remain in place until the rebasing amount has been paid by the Company to Concord. The rebasing amount was determined to be $3.2 million, and Concord has agreed for this amount to be paid in three instalments of $1 million on July 30, 2020, $1.1 million on August 15, 2020 and $1.1 million on August 30, 2020. Pala will charge a fee of 10% to the Company for posting the cash collateral.

SUMMARY OF QUARTERLY RESULTS

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

(Expressed in thousands of United States dollars, except per share amounts)

	2020 **Mar-31**	**2019** **Dec-31**	**2019** **Sep-30**	**2019** **Jun-30**	**2019** **Mar-31**	**2018** **Dec-31**	**2018** **Sept 30**	**2018** **June 30**
Working Capital (Deficiency)	(81,431)	(73,570)	(24,315)	17,320	30,816	88,820	133,810	29,335
Total Assets	661,244	608,720	563,576	539,832	498,956	475,995	470,803	313,076
Development Property (Project expenditure)	617,317	573,316	524,212	466,661	400,754	342,386	298,006	270,593
Total noncurrent liabilities	262,258	215,354	202,168	195,684	173,867	164,194	157,995	100,424
Shareholders' Equity	306,928	318,561	320,857	320,727	291,916	292,303	293,235	204,481
Net Profit (Loss)	(11,989)	(2,719)	(750)	457	(2,368)	(1,439)	(1,845)	(4,173)
Net Profit (Loss) per share	0.02	0.00	0.00	0.00	0.00	0.00	0.00	(0.01)

Financial results for the last eight quarters reflect the decrease in working capital as a result the decrease in cash and increase in accounts payable and accrued liabilities as the construction of the Pumpkin Hollow Underground Project progress. The Company's total assets as development property expenditures progress through the quarters. The Company's noncurrent liabilities and shareholder's equity increased as a result of debt and equity financings undertaken during the last eight quarters to fund the construction.

RELATED PARTY TRANSACTIONS

Pala is a related party to the Company as a result of its 35.8% (2019 – 35.8%) shareholding in Nevada Copper as at March 31, 2020. Additionally, three Pala executives are on the Company's Board of Directors as at March 31, 2019.

Subsequent to period end on April 6, 2020, Pala's shareholding increased to 41.3% as a result of the subsequent share issuances to Pala (see "Capital Resources and Q1 2020 Financing transactions").

During the quarter, the Company entered into the following transactions with Pala:

- $0.1 million (Q1 2019 -$0.1 million) was incurred for technical and other services
- Replacement of the 2019 Credit Facility with the Convertible Loan;
- The Backstop and
- The Indemnity Agreements

As at March 31, 2020, the Company owed Pala $7.3 million (2019 - $Nil) relating to the $0.8 million of fees under the Backstop, the $3.1 million fee in connection with the Indemnity Agreements and $3.4 million for interest and fees related to the replacement of the 2019 Credit Facility to the Convertible loan. On April 6, 2020, $6.3 million of the $7.3 million were paid through the issuance of 57,800,000 Common Shares.

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.

Certain key management personnel are entitled to termination without cause and change in control benefits. In the event of termination without cause, other than a change of control, these key management personnel are entitled to receive, among other things, an amount ranging from 75% to 100% of their annual base salary. In the event of a change of control, if a termination without cause is within 24 months following the change of control, these key management personnel are entitled to receive, among other things, an amount ranging from 150% to 200% of their annual based salary.

Subsequent to period end, the Company agreed to a $0.4 million payment to certain key management under the termination without cause benefits.

During the period, $0.1 million (2019 - $0.1 million) was incurred in director fees. As of March 31, 2020, accounts payable and accrued liabilities include director fees and expenses payable of $0.1 million (2019 - $0.2 million).

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

As at March 31, 2020, the Company had the following consolidated contractual obligations:
(Expressed in thousands of United States dollars)

		Payments due by period				
Contractual obligations	Total	1 year	2-3 years	4-5 years	5 years+
Accounts payable, accrued liabilities and relate party payables	$55,673	$55,673			
Construction contractual obligations	$10,000	$10,000	-	-	-
Working Capital Facility	$22,292	$22,292	-	-	-
Convertible Loan	$50,809	$3,515	$9,198	$38,095-	-
KfW IPEX Bank Facility	$135,421	$1,965	$14,269	$51,027	$68,160
Equipment leases	$26,154	$4,889	$12,811	$8,453	-
Asset Retirement obligation	$5,898	-	-	-	$5,898
Office lease	$84	$35	$49	-	-
Total USD obligations	$306,331	$98,370	$36,327	$97,576	$74,058
	CAD	CAD	CAD	CAD	CAD
Office lease	$228	$103	$125	$-	$-
Total CAD obligations	$228	$103	$125	$-	$-

LEGAL

On November 5, 2019, Cementation, which was the principal underground contractor of the Underground Project until January 30, 2020, filed a claim against NCI in the Second Judicial District of Nevada for breach of contract and other claims related to the mining development contract for the Underground Project. On January 30, 2020, after NCI terminated its contract with Cementation, NCI filed counterclaims against Cementation for breach of contract and declaratory relief. Cementation filed an amended complaint on April 10, 2020 alleging additional tort claims, which NCI responded to on April 24, 2020. Cementation also filed a motion for injunctive relief on May 13, 2020 relating to use of hoist software, which NCI opposed on May 27, 2020. The litigation relates to the progress and costs of construction development for the Underground Project. Damages claimed by Cementation are approximately $17 million, while damages claimed by NCI are approximately $88 million.

On April 6, 2020, Sedgman USA Inc. (”Sedgman”) , the primary contractor for construction and commissioning of the processing plant at the Underground Project, filed a complaint against NCI in the Second Judicial Court for the State of Nevada (the “Court”). The parties have entered into a formal stipulation with the Court whereby the parties agreed to stay the litigation pending mediation proceedings. The dispute relates to Sedgman’s delay in the ramp-up of commissioning of the plant and the parties’ contractual obligations. The damages amount claimed by Sedgman is undetermined.

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.

Upon the declaration of the Pandemic in March 2020, the Company moved all the corporate office staff in Vancouver and Reno offsite to work from home. This change has required certain processes and controls that were previously done or documented manually to be completed and retained in electronic form. Despite the changes required by the current environment, there have been no significant changes in the Company's internal controls during the quarter ended March 31, 2020 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

OFF-BALANCE SHEET ARRANGEMENTS

Except for the bond commitments incurred in connection with the Indemnity Agreements , the Company has no off-balance sheet arrangements.

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. These areas of judgment and critical accounting estimates are consistent with those reported in the Company's audited l consolidated financial statements for the year ended December 31, 2019 and the accompanying Management's Discussion and Analysis, except as updated below:

a) Use of judgments and estimates

In preparing the accompanying 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 for the year ended December 31, 2019, except as described below.

Significant judgment was required in conjunction with arriving at the Company's accounting policies related to the Royalty Agreements and Second Stream Amendment, including the characterization of the transactions, whether control has been transferred on the underlying mineral interests and whether related services are distinct from the mineral interests. In addition, because the transactions were entered into concurrently, the Company's future statements of operations will also be affected by significant estimation related to the allocation of consideration to the various components of the transaction on the basis of stand-alone selling price.

COVID-19's current and expected impacts on the global economy are anticipated to be far-reaching. To date there have been significant stock market declines and volatility, significant volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people and some goods has become restricted. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on demand and prices for the commodities the Company produces, on the Company's our suppliers, on its employees and on global financial markets.

During the quarter ended March 31, 2020, the Company made efforts to safeguard the health of its employees, while continuing to operate safely and responsibly maintain employment and economic activity. These measures combined with commodity market fluctuations resulting from COVID-19 have affected the Company's financial results.

The Company performed an impairment test and determined that there was no impairment to its mineral property, plant and equipment as at March 31, 2020. There is heightened potential for impairments of these assets and possibly other assets over the balance of 2020. In the current environment, assumptions about future commodity prices, exchange rates, interest rates and customer credit performance are subject to greater variability than normal, which could in the future significantly affect the valuation of the Company's assets, both financial and non-financial. Short-term prices for copper has declined in the period preceding the end of the first quarter of 2020; however, given the relatively short duration of this market movement and, market participants' views of commodity prices over a longer horizon the long life of many of the Company's assets have remained largely unchanged. As an understanding of the longer-term impacts of COVID-19 on commodity, credit and equity markets develops, there is heightened potential for changes in these views over the balance of 2020.

The Company will continue to closely monitor the impacts of COVID-19 on its business. Should the duration, spread or intensity of the COVID-19 pandemic further deteriorate in 2020, there could be further potentially material and negative impact on the Company's operating plan, its liquidity and cash flows, and the valuation of its long-lived assets due to sustained decreases in metal prices, potential future decreases in revenue from the sale of its products and the profitability of its ongoing operations. Impacts from COVID-19 could lengthen the temporary shutdown of copper production at the Project. The Company's access to financing to support its ongoing operations may also be negatively impacted or delayed as a result of COVID-19.

b) Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including the impact of management's expectations for other future events such as the estimated impact of COVID-19 and related judgment and estimates mentioned above that are believed to be reasonable under the circumstances.

c) 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 relating to COVID-19 and related judgements and estimates mentioned above , 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 test to determine the recoverable amount of the Pumpkin Hollow mine assumes a restart of the process plant in the latter half of Q3 2020 for the purpose of the March 31, 2020 impairment test. Assumptions related to the re-commencement of operations are subject to revision based on impacts on the COVID-19 and other factors and may impact the recoverable amount of the Pumpkin Hollow mine in subsequent periods. In addition, any forecasted negative impacts of COVID-19 could have a continued material adverse impact to the value of the Project. as the full extent of the impact of the Pandemic on the economy and commodity prices, including copper prices is not known at this time. 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.

RISKS AND UNCERTAINTIES

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 in this MD&A and under the heading "Risk Factors" in the Company's Annual Information Form dated May 15, 2020 and are incorporated by reference here, which is available on SEDAR at www.sedar.com.

CAUTIONARY NOTE

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 specifically include, but are not limited to statements that relate to: Nevada Copper's plans at the Project; the impacts of the COVID-19 pandemic on the global economy and the Company, including the duration of the Suspension, the re start of copper production at the Underground Project and cost reduction measures; the resumption of repayments and draws under the Working Capital Facility; construction and ramp-up of production at the Underground Project and the expected timing and costs thereof; the ongoing exploration activities and the objectives and results thereof; the ongoing litigation with Nevada Copper's prior contractor and its engineering, procurement and construction ("EPC") contractor; and the other plans of Nevada Copper with respect to the exploration, development, construction and commercial production at the Project.

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 should not be read as guarantees of future performance and results. They are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and events 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: the state of financial markets; the impact of COVID-19 on the business and operations of the Company; history of losses; requirements for additional capital; dilution; adverse events relating to construction, development and ramp-up, including the ability of the Company to address underground development and process plant issues; 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; labour 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; the outcome of the litigation with Nevada Copper's prior contractor and EPC contractor; accidents; title matters; regulatory restrictions; increased costs and physical risks relating to climate change, including extreme weather events, and new or revised regulations relating to climate change; 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 risks discussed in the Company's Management's Discussion and Analysis in respect of the year ended December 31, 2019 and in the section entitled "Risk Factors" in the Company's Annual Information Form dated May 15, 2020. 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. The forward-information and statements are stated as of the date hereof. Nevada Copper disclaims any intent or obligation to update forward-looking statements or information except as required by law. Readers are referred to the additional information regarding Nevada Copper's business contained in Nevada Copper'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 filings that are available at www.sedar.com.

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