NEVADA COPPER CORP.

Management's Discussion and Analysis
For the six months ended June 30, 2018

Contents

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 August 13, 2018. This MD&A should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and notes thereto for the three and six months ended June 30, 2018. The financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as applicable to interim financial statements. The information contained within this MD&A is current to August 13, 2018.

All amounts are expressed in US Dollars unless otherwise indicated. Additional information relevant to the Company's activities 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.

Highlights

In Q2 2018, the Company:

- Made key director and senior executive appointments;
- Advanced pre-construction activities in the Pumpkin Hollow Undergroud Project;
- Made progress with the underground mining development contract and surface contruction lump sum EPC process with a conclusion anticipated to be made in Q3 2018
- Announcd results of its 2018 diamond drill program for the Pumpkin Hollow Open Pit Project
- Continued with the open pit optimisation study and the reassessment of its development options.

To further fund the above initiatives, the Company completed the following financing subsequent to Q2 2018:

- A public offering of 180,771,021 common shares at a price of CAD$0.60 per common share for gross proceeds of $82.5 million (CAD$108.5 million);
- Concurrent with the above offering, US$15 million of outstanding indebtedness was automatically converted into 32,885,000 common shares of the Company.

Description of Business

Nevada Copper Corp. (the "Company" or "Nevada Copper" or "NCU") was incorporated on June 16, 1999 under the Business Corporations Act (Yukon). The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "NCU". The principal asset of the Company is the 100%-owned Pumpkin Hollow copper project ("the Project") located in north-western Nevada, approximately ninety road miles southeast of Reno. The property consists of a contiguous 27 square mile land package comprising private lands, patented and unpatented mineral claims.

Nevada Copper is engaged in the development of the Pumpkin Hollow project. The Project is fully permitted for the underground mine project ("Underground Project"), the copper concentrator and associated infrastructure. The Company filed a technical report on SEDAR on January 9, 2018 ("the Technical Report"). The Technical Report discloses the proposed development of a 5,000 tons/day underground project at a preliminary feasibility ("PFS") level. This is the primary focus of the Technical Report. This Technical Report also includes feasibility-level information on the potential development of a large 70,000 tons/day mine at Pumpkin Hollow with feed mainly from the nearby open pit deposits, which is from the same Mineral Resources as accessed in the Underground Project. This is referred to within the Technical Report as the Integrated Project (the "Integrated Project").

The Integrated Project, that was originally disclosed in a NI 43-101 2015 Feasibility Study Technical Report ("2015 IFS") for which the scientific and technical information is materially unchanged, remained a viable development option as of the date of that report. However, the focus in 2018 is to advance the Underground Project and to assess a staged mining approach for a separate open pit mine development. Over time during 2018, these activities will gradually eliminate the Integrated Project as a development option for Pumpkin Hollow.

The Project is located entirely on private lands owned or controlled by Nevada Copper. No Federal permits are required for construction or operations.

Project Activities

Underground Project Activities

In preparation for a re-start of full-scale construction, the Company has advanced pre-construction activities through transitioning infrastructure from care and maintenance to active status, signing the underground pre-works contract, ordered long-lead underground mining equipment and made a number of key operations and site team hires.

Site preparation and pre-construction activities included:

- Ordering of new auxiliary hoist and main ventilation fans;
- Ordering of Galloway ropes and winches;
- Galloway structural refurbishment;
- Surface road upgrades and building site preparation;
- Testing of equipment, ventilation, and pumps; and
- In July, resumption of shaft sinking activities from 1,900 foot level toward 1990 foot level

In addition to the above, the Company has signed a pre-works contract with Cementation USA Inc. The scope of the contract allows for the preparation of the existing shaft and hoist infrastructure prior to the re-start of underground construction activities. Cementation USA Inc. was previously engaged by the Company in 2013 to commence shaft sinking and underground development and therefore has comprehensive, existing knowledge of the Underground Project.

The Company has initiated procurement of certain key long-lead items, including:
- SAG, Ball and Tower Mill's for the process plant;
- Letters of intent ("LOI") signed with Caterpillar Financial Services Corporation for a lease on certain Caterpillar underground mining equipment; and
- LOI signed with Epiroc, for a lease on certain underground mining equipment.

Furthermore, the Interim Services and Procurement Agreements signed with Sedgman Limited in Q1 2018 were in place during the negotiation and finalization of ongoing EPC contract discussions in order to continue detailed engineering design and procurement of long-lead items for the surface process plant.

The Company also continued under a technical services contract with Mining Plus for pre-construction mine design work and key areas of detailed engineering. The scope also includes the facilitation and administration of the ongoing tender process to appoint an underground mining contractor.

Drilling has continued on site, focused on select underground geotechnical targets intended to provide additional information for detailed mine planning, including the location of the secondary vent shaft, and to further de-risk the commencement of underground development and mining.

Open Pit Development Activities

Concurrent with the above developments in the Underground Project, drilling continued on high value open pit targets an initial 10,000-meter surface drilling campaign is focused on high-value targets which Nevada Copper believes have significant upside potential, including:

- Expanding areas of high-grade mineralisation primarily in the North deposit; and
- Converting waste and inferred material into proven and probable reserves.

The Company announced results to date of the above program:

- Multiple new zones of mineralization encountered: 20 drill holes completed to-date, with all holes encountering multiple zones of mineralization. Importantly, newly discovered mineralization sits within the existing open pit shell design and may convert areas that have been classified as waste into ore. This has the potential to further reduce waste stripping ratios and enhance project economics.
- Mineralization expanded in Northern Extension Zone: New zones of mineralization encountered in the Open Pit Northern Extension. Hole NC18-04 intersected multiple zones of copper mineralization, including 38.2 meters true thickness averaging 1.11% copper.
- Core Zone expanded to west: Drilling to the west of the currently defined limit of the North Pit ore body has intersected new mineralization in areas adjacent to the North Pit Core Zone currently classified as waste, and could indicate a further extension of the ore body to the west

In Q1 2018 , the Company has engaged two leading global mining engineering companies, Golder Associates and Sedgman, to evaluate the opportunity to significantly enhance the economics of an open pit project development. The concept study is focused on the potential for a reduced-capital, staged-development approach focused initially on the high-grade North Pit.

To date, the results of the study indicate:

- Focus on phased development approach: The ongoing work targets a reduced-capital, higher-return initial open pit phase.
- Increased mining grades: The engineering work targets a first phase of the Open Pit with potential mined grades of approximately 0.55% over a long mine life.
- Reduced waste stripping: Additional pit shell engineering design work would prioritize project returns over scale, including a reduced stripping ratio which if successful would allow for significant improvements to pre-production capital and related operating costs.
- Reduced capital: The ongoing work targets a reduced initial production scale of approximately 30,000 to 40,000 tonnes per day and a smaller mining fleet, with the objective of significantly reducing capital expenditures to around half of the amount contemplated in the existing technical study.
- Growth optionality retained: It is intended that the first phase of the Open Pit would not sterilize remaining mineral resources, and that optionality would be retained over a second phase extension and potential expansion.
- Further upside being defined: The success of the ongoing 2018 drill program has the potential to provide further upside to the work completed to-date.

Based on the above progress, the Company is working to prepare a study for release in the coming months.

Corporate Developments

CEO Appointment

In Q2 2018, Matthew Gili was appointed as President and Chief Executive Officer of the Company effective May 1, 2018. Mr. Gili has over 20 years of experience in the mining industry, having served in a variety of senior executive roles at Barrick and Rio Tinto. During his 15-year career with Rio Tinto, his appointments included Chief Operating Officer and Vice President of Resource Strategy for the Oyu Tolgoi project in Mongolia, Managing Director of Palabora Mining Company in South Africa, and Mine Manager at Greens Creek, Alaska.

Prior to joining Nevada Copper, he was with Barrick Gold corporation for the last five years.

Director Appointments

In Q2 2018, Matthew Gili, Tom Albanese, Ernie Nutter and Justin Cochrane were appointed to the Board of Directors at the Company's Annual General Meeting held on May 4, 2018.

Mr. Albanese is currently a Director of Franco-Nevada Company. He was previously Chief Executive Officer and a Director of Vedanta Resources plc and Vedanta Limited from 2014 to 2017. Mr. Albanese was Chief Executive Officer of Rio Tinto plc from 2007 to 2013, and previously served on the Boards of Ivanhoe Mines Limited, Palabora Mining Company and Turquoise Hill Resources Limited. Mr. Albanese holds a Master of Science degree in Mining Engineering and a Bachelor of Science degree in Mineral Economics both from the University of Alaska Fairbanks.

Mr. Nutter is a highly regarded mining analyst, formerly with one of the world's largest money managers, Capital Group, from 2004 until his retirement in 2017. Prior to this, he spent over 13 years with the Royal Bank of Canada (RBC) where he was Managing Director of RBC Capital Markets, Director of RBC's Global Mining Research team and former Chairman of RBC Dominion Securities' (now RBC Capital Markets) Strategic Planning Committee. Mr. Nutter holds a Bachelor of Science degree in Geology from Dalhousie University.

Mr. Cochrane is currently President and COO of Cobalt27 with over sixteen years of royalty and stream financing, M&A and corporate finance. He previously served as Executive VP and Head of Corporate Development for Sandstorm Gold Ltd. Prior to Sandstorm, Mr. Cochrane was a Vice President with National Bank Financial Inc., having spent 9 years in their investment banking group. Mr. Cochrane is a CFA charterholder and graduated from the University of British Columbia with a Bachelor of Commerce with honours with a major in Finance.

Outlook

With the second stage of financing completed, the Company will continue the advancement of engineering and construction of the Underground Project with the focus on the following activities:

1.) Underground mine development:
    - complete the main shaft to its final depth and equip the shaft for haulage of materials;
    - sink a secondary shaft for ventilation and emergency egress; and
    - start lateral underground development and establishment of the initial necessary underground infrastructure and stope development to allow for sustained mining operations.
2.) Surface plant and infrastructure development:
    - complete detailed engineering of the process plant;
    - paste plant and tails dewatering facilities; and
    - the associated surface earthworks, electrical and other infrastructure.
3.) Determining and ordering long lead-time processing equipment and other equipment.

The expenditure program above will continue throughout 2018. Subject to the completion of a subsequent equity offering and other financings, the Company anticipates that initial production from the Underground Project will be in the second half of 2019.

In addition, additional drilling and engineering optimisations of the Open Pit Project will include:
- definition and extension drilling on the North deposit; and
- engineering and scoping level economic evaluations related to a reduced-tonnage, higher grade mine design as compared with that contemplated by previous studies.

This program is expected to be completed by Q4 2018.

Pumpkin Hollow Project

The Pumpkin Hollow Property (the "Pumpkin Hollow Property" or "the Property")is the principal mining asset of the Company. The Property, located approximately 60 miles southeast of Reno Nevada near Yerington, consists of approximately 17,500 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 the subject of several previous technical reports.

The eastern-most ("Eastern Area") deposits are too deep for open pit mining and modelling by previous engineering studies has presented them as being amenable to mining by underground methods. The western-most ("Western Area") deposits are larger and shallower, and modelling by previous engineering studies has presented them as being amenable to mining by open pit methods.

In July 2015, a Technical Report feasibility study was completed and filed on SEDAR. This 2015 study evaluated the development of a 70,000 short tons per day (stpd) mine with open pit and underground mining of both deposits, providing mill feed to single large concentrator ("2015 IFS"). The technical and scientific information in the 2015 study is materially unchanged and relevant and remains as one of the viable development options (cases) for the Property.

In early 2017 Nevada Copper retained Sedgman Canada Limited (SDM) and Mining Plus Pty Ltd (MP) to complete a Prefeasibility Study ("PFS") for a 5,000 stpd that evaluates a potential underground copper mine, processing plant and associated infrastructure, accessing the Eastern Area underground deposits. This PFS was disclosed as "Case A" in a Technical Report filed on SEDAR in December 2017 and as amended in January 2018. This Technical Report which supercedes and replaced all previous technical reports, also disclosed the 2015 IFS as "Case B".

The mining plans, capital and operating costs, metallurgical resouveries, financial assumptions, Mineral Resources and Mineral Reserves and economic results of Cases A and B are disclosed in the Technical Report filed in SEDAR in Janaury 2018 and are qualified in their entirety by the Technical Report. Readers should rely upon the Technical Report for further details and assumptions made.

<u>Case A</u>

The primary purpose of Case A is to disclose the PFS information regarding the feasibility of advancing the Pumpkin Hollow Property through mining the Eastern Area at 5,000 stpd using underground mining techniques. This project is referred to as Case A ("Case A").

<u>Case B</u>

In 2015, TetraTech prepared a Feasibility Study ("2015 IFS") on an "Integrated" 70,000 stpd process plant and associated infrastructure, an average of 63,500 stpd of mill feed was from an open pit mine, with the remaining 6,500 stpd from an underground mine. This integrated project is described in a NI 43-101 report issued on July 9, 2015. This "Integrated Project" is referred to as Case B ("Case B"). The scientific and technical information and assumptions contained in the 2015 NI 43-101 report relating to Case B have not changed to any material degree and Case B remains a relevant and viable development option for the Property as at the date of that report.

The Pumpkin Hollow Property encompasses both the Case A and Case B development options referred to as Projects. Both Case A and Case B projects have been fully permitted since Nevada Copper desired retention of optionality for the Pumpkin Hollow Property development.

Technical Report Economic Results Summary

<u>*Case A*</u>

Base Case

Base case metal prices employed the mean of analyst's consensus prices for copper gold and silver from 2017 to 2021, thereafter the prices were held constant. These base case metals prices are shown in the table below:

Table 1-1: Base Case Metal Prices

		2017	2018	2019	2020	2021	2022+
Consensus Copper Prices	$/lb	$2.62	$2.66	$2.83	$3.05	$3.14	$3.20
Consensus Gold Prices	$/oz	$1,254	$1,268	$1,276	$1,285	$1,284	$1,325
Consensus Silver Prices	$/oz	$17.31	$18.21	$18.77	$19.40	$19.53	$20.01
Source: Consensus Economics Inc. - August 2017							

In addition to the base case prices, the economics were also examined with alternate metals price scenarios with copper prices lower and higher than current spot prices as shown below. Gold and silver prices were held constant at the levels show due to their low importance relative to copper. All prices were held constant.

Table 1-2: Alternate Metal Price Scenarios

		Low	High
Copper	$/lb	$2.60	$3.50
Gold	$/oz	$1,300	$1,300
Silver	$/oz	$17.00	$17.00

The economic analysis of the Case A development at a copper price of $3.00/lb, results in an after tax Net Present Value as a discount rate of 5% (NPV5%) of $247 million; an Internal Rate of Return of 22.9% and a capital payback period of 4.9 years. The life of the mine is 13.1 years. Other metal price sensitivity cases are summarized below.

Table 1-3: Comparison of economic analysis

		Low Case	Base Case	High Case
Copper Price	$/lb	$2.60	Consensus**	$3.50
Gold Price	$/oz	$1,300	Consensus**	$1,300
Silver Price	$/oz	$17	Consensus**	$17
		US$M	**US$M**	**US$M**
Net Smelter Revenue*, after royalty	LOM	$1,582	$1,941	$2,150
Operating Margin	LOM	$518	$876	$1,085
Operating Margin	Avg/Yr	$40	$67	$83
Undiscounted Net Cashflow	Pre-tax	$224	$582	$791
NPV 0%	After-tax	$212	$496	$658
NPV 5%	Pre-tax	$108	$356	$510
NPV 5%	After-tax	$100	$301	$421
IRR	Pre-tax	13.4%	27.2%	36.8%
IRR	After-tax	12.8%	25.2%	33.6%
Payback - years	After-tax	6.50	4.75	4.00

* Note: Net revenues less smelter charges, concentrate transport and site operating costs.
** Consensus prices as shown on Table 1-12

<u>*Case B*</u>

The Case B development option is at a Feasibility level of study and the cost estimates and economics are prepared on a quarterly basis for the calendar years for production years 1 -4 and annually thereafter. Based upon design criteria presented in this report, the level of accuracy of the estimate is considered ±15%.

Case B economics are summarised below based upon the inputs disclosed:

		Low Case	**Base Case**	High Case
Copper Price	$/lb	$2.85	**$3.15**	$3.75
Gold Price	$/oz	$1,200	**$1,200**	$1,200
Silver Price	$/oz	$18	**$18**	$18
	(In Millions of US Dollars)			
Net Smelter Revenue, after royalty		$10,768	**$11,990**	$14,434
Net Cash Flow	Pre-tax	$1,831	**$2,992**	$5,315
Net Cash Flow	After-tax	$1,584	**$2,514**	$4,249
Annual Net Cash Flow	Yr. 1-5 avg.	$204	**$262**	$366
Pre-tax Operating Margin*	Yr. 1-5 avg.	$300	**$380**	$540
NPV 5%	Pre-tax	$659	**$1,362**	$2,768
NPV 5%	After-tax	$534	**$1,100**	$2,155
IRR	Pre-tax	11.30%	**17.50%**	28.80%
IRR	After-tax	10.40%	**15.60%**	24.60%
Payback - years	Pre-tax	7.9	**4.2**	2.8
Payback - years	After-tax	8.2	**4.7**	3.2

Financial Results

(in thousands of US dollars except per share amounts)	**Three Months Ended June 30, 2018**	2017	**Six Months Ended June 30, 2018**	2017
Expenses				
Consulting and remuneration	**$306**	$134	**$1,394**	$282
Public company expenses	**736**	144	**1,153**	265
Office expenses	**374**	64	**505**	139
Professional fees	**531**	29	**770**	64
Business development	**31**	43	**73**	104
Stock-based compensation	**1,715**	(96)	**1,742**	25
	(3,693)	(318)	**(5,637)**	(879)
Interest income	**187**	2	**328**	8
Interest and finance expenses	**(963)**	(1,262)	**(991)**	(2,295)
Derivative fair value change	**413**	6,840	**(1,746)**	8,123
Other income	**-**	-	**(549)**	1
Debt extinguishment loss, net	**-**	-	**(7,737)**	-
Foreign exchange loss	**(117)**	15	**(441)**	23
Net loss and comprehensive loss	**$(4,173)**	$5,277	**$(16,773)**	$4,981
Income (loss) per common share				
Basic and diluted	**$(0.01)**	$ 0.06	**$ (0.05)**	$ 0.06

For the three months ended June 30, 2018. The Company reported a net loss of $4.2 million (or $0.01 basic and diluted loss per common share) compared to a net income of $5.3 million for the corresponding period in 2017 (or $0.06 basic and diluted earning per common share).

The $9.5 million increase in net loss period to period is driven by the Company's refinancing and restructuring initiatives in 2018:

- $0.4 million was recorded as a derivative fair value gain compared 2017 gain of $6.8 million relating to the derivatives of the Pala Convertible Debt
- $0.2 million increase in consulting and remuneration from $0.1 million in Q2 2017 to $0.3 million in Q2 2018 due to the payment of benefits under the employment contracts of certain senior officers during the period;
- $1.4 million increase in public company, office and professional fee expenses related to Company's restructuring initiatives; and
- $1.7 million increase is related to the stock options granted and vested during the period. No options were granted during the comparable period in 2017.

For the six months ended June 30, 2018, the Company reported a net loss of $16.8 million (or $0.05 basic and diluted loss per common share) compared to a net income of $5 million for the corresponding period in 2017 (or $0.06 basic and diluted earning per common share).

The $21.8 million increase in net loss period to period is driven by the Company's refinancing and restructuring initiatives in 2018:

- $7.7 million was recorded as a debt extinguishment loss as a result of the refinancing of the Red Kite long term debt (2017 - $Nil);
- $1.7 million was recorded as a derivative fair value loss (2017 gain of $8.1 million) as a result of recognizing a new embedded derivative liability in the refinanced Red Kite long-term loan that had a fair value of $0.9 million as at June 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 prior to its conversion to common shares;
- $1.1 million increase in consulting and remuneration from $0.3 million for the six month ended June 30, 2017 to $1.4 million for the six month ended June 30, 2018 due to the payment of benefits under the employment contracts of certain senior officers during the period;
- $0.5 million increase in other expenses resulting from a settlement of a claim related to an expired option agreement;
- $1.9 million increase in public company, office and professional fee expenses related to the Company's restructuring initiatives;
- $1.7 million increase related to the stock options granted and vested during the period. No options were granted during the comparable period in 2017; and
- The above increases were offset by the decrease in interest expense from $2.3 million during the six months ended June 30, 2017 to $1 million due to the conversion of the Convertible debt and the extinguishment of the Bridge Loan.

Pumpkin Hollow Project Expenditures

Project costs capitalised for the six months ended June 30, 2018 on the Pumpkin Hollow Copper Development Property consists of the following:

(in thousands of US dollars)	**June 30, 2018**	**2018 Expenditures**	Dec. 31, 2017	**June 30, 2017**	2017 Expenditures	Dec. 31, 2016
Property payments	**$1,961**	$-	$1,961	**$1,961**	$-	$1,961
Advance royalty payments	**3,895**	732	3,163	**3,163**	-	3,163
Water rights	**2,388**	138	2,250	**2,112**	141	1,971
Drilling	**42,582**	1,425	41,157	**41,157**	-	41,157
Geological consulting, exploration & related	**9,705**	1,782	7,923	**7,923**	-	7,923
Feasibility, engineering & related studies	**22,674**	1,312	21,362	**20,568**	985	19,583
Permits/ environmental	**11,987**	343	11,644	**11,681**	100	11,581
East deposit underground project						
Underground access, hoist, head frame, power, & related	**82,415**	3,514	78,901	**78,329**	568	77,761
Engineering procurement	**13,262**	2,712	10,550	**10,550**	-	10,550
Surface infrastructure	**3,976**	172	3,804	**3,804**	-	3,804
Site costs	**18,195**	2,851	15,344	**14,607**	757	13,850
	213,040	14,981	198,059	**195,855**	2,551	193,304
Depreciation	**715**	25	690	**664**	27	637
Capitalised interest	**51,678**	3,719	47,959	**39,625**	7,641	31,984
Stock-based compensation	**5,160**	663	4,498	**4,498**	103	4,395
Total Development Costs	**$270,593**	$19,388	$251,206	**$240,642**	$10,322	$230,320

For the six month period ended June 30, 2018, the Company incurred $19.4 million of project expenditures compared to $10.3 million for the same period in 2017. The $9.1 million increase reflects the resumption of the advance royalty payments which was deferred in 2017, commencement of drilling activities, engineering design work and site preparation / pre-works activities. The focus during the comparative period ended June 30, 2018 was care and maintenance activities only.

Capitalised interest costs were $3.7 million for the period ended June 30, 2018 compared to the capitalised interest costs for the period ended June 30, 2017 of $7.7 million.

Summary of Quarterly Results

Selected consolidated financial information for the most recent eight financial quarters is as follows:

(In thousands of US dollars except amounts per share)	**2018 Jun 30**	**2018 Mar 31**	**2017 Dec 31**	**2017 Sep 30**	**2017 Jun 30**	**2017 Mar 31**	**2016 Dec 31**	**2016 Sep 30**
Working capital	29,335	41,923	(73,917)	(2,717)	(1,032)	2,114	2,435	4,566
Total assets	313,076	307,827	262,255	255,544	250,936	248,955	244,516	240,719
Development property	270,593	258,501	251,206	245,740	240,642	234,966	230,320	225,067
Total noncurrent liabilities	100,424	98,524	114,427	171,702	164,968	170,247	165,600	158,587
Shareholders' equity	204,481	206,205	72,336	80,784	83,906	76,112	76,408	80,324
Net profit (loss)	(4,173)	(12,601)	(8,448)	(3,122)	5,277	(296)	(4,842)	(1,356)
Net profit (loss) per share	(0.01)	(0.05)	(0.09)	(0.03)	0.06	(0.01)	(0.05)	(0.02)

Liquidity and Capital Resources

As of June 30, 2018, the Company had a cash balance of $37.2 million, excluding restricted cash. The Company's working capital as at June 30, 2018, was $29.3 million compared with a working capital deficit of $73.9 million as at December 31, 2017.

The increase in the Company's working capital during the period ended June 30, 2018 is due to the Equity Offering completed in January 2018 with gross proceeds of $102.9 million through the issuance of 256,410,256 common shares at a price of $0.50 CDN per share.

Concurrent with completion of the Offering above, $42 million was repaid to Red Kite from proceeds of the Offering. The refinancing reduced the Red Kite long-term debt outstanding to $95 million (the "Refinanced Loan"). $80 million of the Refinanced Loan balance consists of two tranches of $40 million each. Subject to completion of another equity offering in 2018 another $15 million of outstanding Refinanced Loan will be converted into shares at a conversion price to be set based on the price per the subsequent equity offering.

During the period, the Company also repaid the entire Pala Bridge Loan balance of $3.5 million including interest upon completion of the above Offering. In addition, the Pala Convertible debt Facility was converted into shares at a conversion price of $0.50 CAD per share. The Facility balance at the time of conversion was $38.5 million ($47.8 million CAD). This resulted in the issuance of 95,561,944 shares to Pala.

Subsequent to period end in July 2018, the Company completed a Second Offering ("the Second Offering") raising gross proceeds of approximately $82.5 million ($108.5 million CAD) through the issuance of 180,771,021 Common Shares at a price of $0.60 CAN per share.

The Company, and Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") have entered into a metals purchase and sale agreement dated December 21, 2017 (the "Stream Agreement") whereby Triple Flag has committed to fund a deposit of $70 million (the "Stream Deposit") against future sale and delivery by Nevada Copper of 90% of the gold and silver production from the underground of the Company's Project, calculated based on a fixed ratio of 162.5 ounces of gold for each 1 million pounds of copper in concentrate produced and 3,131 ounces of silver for each 1 million pounds of copper in concentrate produced. The Company will receive an ongoing payment of 10% of the spot price for each ounce of gold and silver delivered to Triple Flag. The Company has a one-time option on March 31, 2020 to reduce the amount of gold and silver to be delivered under the Stream Agreement to 55% of the gold and silver production from the underground project (based on the fixed ratios noted above) by making a payment of $36 million to Triple Flag, subject to certain adjustments. The Company and its subsidiaries have provided security for the performance of the obligations under the Stream Agreement over all of their respective assets. To date no monies have been received under this arrangement. Funding of the Stream Deposit is conditional on, among other things, a decision to proceed with construction of the underground project on a fully funded basis (excluding working capital).

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

1. Complete construction of the Pumpkin Hollow Underground Project, and to take it into full production with positive steady state cashflow;
2. Continue delineation drilling and advance engineering feasibility studies on the Pumpkin Hollow Open Pit Development Project; and
3. Address other corporate costs.

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

Transactions with Related Parties

Pala is a related party because as at June 30, 2018 it held 53.5% of Nevada Copper shares. Subsequent equity issuances in July 2018 reduced Pala's share ownership in the Company to 36.6% Additionally, two Pala executives, Evgenij Iorich and Stephen Gill, are on the Company's Board of Directors as at June 30, 2018.

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

- Offering subscription in the amount of $39.5 million ($49.2 CAD);
- Repayment of the Pala Bridge Loan in the amount of $3.5 million;
- Conversion of the Pala convertible debt into shares at a conversion price of $0.50 CAD per share. The Facility balance at the time of conversion was $38.5 million ($47.8 million CAD). This resulted in the issuance of 95,561,944 shares to Pala;
- Back stop fees of $1.8 million;
- Repayment of accounts payable of $2.1 million; and
- Interest paid or accrued of $1.2 million.

The Company has entered into management agreements with certain senior officers. In the event that there is a change of control, the Company may be required to pay severance payments ranging from three months to eighteen months of salary for these senior officers. The amount of this contingent liability is $0.6 million (2017 -$1.6 million) and is not recorded in the consolidated statements of financial position. Pala exercising their conversion rights under the convertible debt triggered the change in control clauses. During the period, $1 million was paid to a senior officer pertaining to this management agreement.

During the quarter, $0.2 million (2017-$Nil) was paid in director fees. As of June 30, 2018, accounts payable and accrued liabilities include director fees payable of $0.1 million (2017- $nil).

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.

Contractual Obligations

The following table sets forth the Company's known contractual obligations as at June 30, 2018:

(in thousands of USD)	Payments due by period				
Contractual obligations	Total	1 year	2-3 years	4-5 years	5 years+
Accounts payable and accrued liabilities	$7,500	$7,500	$-	$-	$-
DCU and DSU payable	406	406	-	-	-
Long-term debt	165,684	-	8,470	31,809	125,405
Total USD obligations	$173,590	$7,906	$8,470	$31,809	$125,405
	CAD	CAD	CAD	CAD	CAD
Office lease	$98	$98	-	-	-
Total CAD obligations	$98	$98	-	-	-

(*i*) The commitment in the table above is the obligation if the Company does not renew the Pumpkin Hollow property lease. The Company can pay quarterly instalments to the lessor if the lease is renewed.

(*ii*) These values reflect accrued interest through loan maturity.

Previously, the Company had entered into certain construction and engineering contracts relating to the construction of the underground shaft. Work incurred on these contracts were billed monthly and therefore are not listed as commitments. There are currently no material construction or engineering contracts in force.

Off-Balance Sheet Arrangements

The Company has no Off-Balance Sheet arrangements that are not disclosed in the Commitment section above.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate 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 six months June 30, 2018.

New Accounting Pronouncements

Certain recent accounting pronouncements have been included under Note 2c in the Company's June 30, 2018 unaudited interim consolidated financial statements.

The Company adopted the new IFRS 9 accounting standard that became effective as of January 1, 2018. Modifications to financial liabilities are treated differently under IFRS 9 as compared to IAS 39. The Company's Red Kite long-term debt has been modified 4 times since inception. Under IAS 39, the Company did not recognise a gain or loss at the date of modification of the loan as these prior modifications were not considered significant enough to constitute an extinguishment. Under IFRS 9, a gain or loss at the date of a modification would be recognized in profit or loss regardless of whether the change in terms are considered significant.

The Company has re-calculated the cash flows under each of the four prior amendments upon adoption of IFRS 9. This analysis resulted in a $4.9 million increase in the carrying value of the loan and a corresponding charge to accumulated deficit as at January 1, 2018.

The Company has not identified any other implications of the transition to IFRS 9.

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 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 following are areas where significant estimations or where measurements are uncertain are as follows:

i. Mineral property assets. The measurement and impairment of mineral properties are based on various judgments and estimates. These include the determination of the 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. 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.

iii. 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 stock-based compensation expense reported.

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

Risk Factors

Th Company and its future business, operations and financial condition are subject to various risks and uncertainties due to the nature of its business and the present stage of development of its mineral properties. Certain of these risks and uncertainties are under the heading "Risk Factors" under the Company's Annual Information Form dated March 28, 2018 which is available on SEDAR at www.sedar.com.

Share Data

Capital Structure as of August 13, 2018:

Common shares issued and outstanding:	659,249,453
Total stock options outstanding:	22,411,500
Total warrants outstanding:	5,000,000

Forward-Looking Statements

Certain of the statements made and information contained herein may contain forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning: the Company's ability to secure a strategic partner or other project financing arrangement, plans at the Pumpkin Hollow Project; the assumptions in the financial analysis prepared in connection with the Technical Report on the Pumpkin Hollow Project; the timing of granting of any future permits, estimated metal production and the timing thereof; the possibility of future iron magnetite revenues; the possibility of any solar development at the project; any metal pricing, capital and operating and cash flow estimates contained in the FS; and the access to financing and appropriate equipment and sufficient labour. Forward-looking statements or 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", "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 include, but are not limited to, statements or information with respect to known or unknown risks, uncertainties and other factors which may cause the actual industry 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 or 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; loss of its material properties; interest rates increase; global economy; no history of production; future metals price fluctuations, 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; legal and regulatory proceedings and community actions; title matters; regulatory restrictions; permitting and licensing; volatility of the market price of Common Shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; 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 28, 2018. Should one or more of these risks and uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information. The Company disclaims any intent or obligation to update forward-looking statements or information except as required by law, and you 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.