



**Annual Information Form**  
("AIF")

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**For the Year Ended December 31, 2016**  
**Effective Date: March 29, 2017**

**NEVADA COPPER CORP.**

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## **INTRODUCTION**

In this Annual Information Form (“AIF”), the “Company”, the “Corporation”, “Nevada Copper”, “we”, “our” and “us” refer to Nevada Copper Corp. and its subsidiaries (unless the context otherwise requires). We refer you to the public disclosure documents of the Company, which may be found on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com), for more complete information than may be contained in this AIF. In this AIF, unless otherwise specified, all dollar amounts are expressed in United States Dollars (“US\$” or “\$”). Amounts expressed in Canadian dollars are indicated by “CAD\$”.

## **DATE OF INFORMATION**

Unless otherwise indicated, all information contained in this AIF of the Company is stated as at March 29, 2017.

## **FINANCIAL INFORMATION**

All financial information in this AIF of the Company is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

## **FORWARD-LOOKING STATEMENTS**

Certain of the statements made and information contained herein may contain forward-looking information within the meaning of applicable Canadian and United States securities laws. Such forward-looking statements and forward-looking information include, but are not limited to statements concerning: Nevada Copper’s plans at the Pumpkin Hollow Project; the likelihood of commercial mining; securing a strategic partner; expanding the mineral resources and reserves; possible future financings; and from any feasibility study referenced herein: the estimated metal production and the timing thereof; capital and operating costs, future metal prices and cash flow estimates derived from the foregoing.

Forward-looking statements or information relate to future events and future performance and include statements regarding the expectations and beliefs of management and include, but are not limited to, statements with respect to the estimation of mineral resources and reserves, the realization of mineral resources and reserve estimates, the timing and amount of estimated future production, capital costs, costs of production, capital expenditures, success of mining operations, environmental risks and other mining related matters. 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 include, but are not limited to, statements or information with respect to known or unknown risks, uncertainties and other factors which may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Forward-looking statements 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: general business and economic conditions; changes in commodity prices; the supply and demand for, deliveries of, and the level and volatility of prices of copper and other metals and minerals; changes in project parameters as development plans continue to be refined; the timing of the receipt and/or renewal of permits and other regulatory and governmental approvals for mining operations; costs of production, including labour and equipment costs; production and productivity levels; changes in credit market conditions and conditions in financial markets generally; the ability to obtain financing for the further development of the Pumpkin Hollow Project; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the availability of qualified employees and contractors; the impact of changes in Canadian-U.S. dollar and other foreign exchange rates on costs and financial results; changes in engineering and construction timetables and capital costs; market competition; the accuracy of reserve and resource estimates (including, with

respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based; changes in taxation rates; changes in environmental regulation; environmental compliance issues; other risks of the mining industry; and those factors discussed in the section entitled “Risk Factors” in this AIF. 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. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on Nevada Copper and the risks and challenges of its business, investors should review Nevada Copper’s annual filings that are available at [www.sedar.com](http://www.sedar.com).

The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Any forward looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

**NOTE TO UNITED STATES READERS  
REGARDING DIFFERENCES IN UNITED STATES AND  
CANADIAN REPORTING PRACTICES**

**Resource and Reserve Estimates**

Certain terms contained in this AIF have been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. The terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in SEC Industry Guide 7 under the United States Securities Act of 1933, as amended (the “Securities Act”). Under SEC Industry Guide 7 standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in certain restricted cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this AIF and the documents incorporated by reference herein contain descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States Federal securities laws and the rules and regulations thereunder.

## DEFINITIONS

<b>Reserves:</b>	<b>Mineral Reserve:</b> The economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.
	<b>Proven Mineral Reserve:</b> The economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
	<b>Probable Mineral Reserve:</b> The economically mineable part of an Indicated, and in some circumstances a Measured Mineral Resource, demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
<b>Resources:</b>	<b>Resource:</b> A concentration or occurrence of natural material of intrinsic economic interest in or on the Earth's crust in such form and quantity and such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
	<b>Measured Mineral Resource:</b> That part of a mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
	<b>Indicated Mineral Resource:</b> That part of a mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
	<b>Inferred Mineral Resource:</b> That part of a mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

## **CORPORATE STRUCTURE**

### **Name, Address and Incorporation**

Nevada Copper was incorporated under the *Business Corporations Act* (Yukon) on June 16, 1999 under the name “African Venture Corporation”. The articles of the Company were amended on July 26, 1999 to change the name of the Company to “Astron Resources Corporation” and were further amended on November 16, 2006 to change the name to Nevada Copper Corp. The Company was continued into British Columbia under the *Business Corporations Act* (British Columbia) on November 16, 2006 and adopted new articles. The Company has an authorized share capital of an unlimited number of common shares without par value.

The Company’s principal corporate office and the registered office are located at 200 Granville Street, Suite 1238, Vancouver, British Columbia, V6C 1S4, telephone number 604-683-8992.

In October, 2013, the Company changed its financial year end from June 30 to December 31. The Company’s common shares trade on the Toronto Stock Exchange in Canada under the symbol “NCU”.

### **Intercorporate Relationships**

The Company currently has the following wholly-owned subsidiaries: Nevada Copper, Inc. (“NCI”) (formerly Pumpkin Copper Inc.), incorporated February 2, 2006 in Nevada, USA; 0607792 B.C. Ltd. (“607792 BC”) (formerly 607792 British Columbia Ltd.), which was incorporated on May 26, 2000 in British Columbia, dissolved on February 4, 2008 and restored in British Columbia on June 22, 2010; and Lion Iron Corp., incorporated in Nevada, USA, on June 4, 2012. Nevada Copper, Inc. is the Manager of and holds a 100% interest in the following subsidiaries: NC Farms LLC, formed in the State of Nevada on March 13, 2014 and NC Ditch Company LLC, formed in the State of Nevada on April 8, 2014.

607792 BC was acquired by the Company pursuant to a reverse take-over transaction with the shareholders of 607792 BC which was completed on August 15, 2006. 607792 BC held all the rights under an option agreement (the “PHC Option”) dated December 1, 2005 with RGGGS Land & Minerals, Ltd., LP (“RGGGS”) in respect of an option to enter into a lease with RGGGS in and to certain fee land and patented lode mining claims (the “Fee Land and Patented Claims”) which comprise a portion of the Pumpkin Hollow Property (the “Property”, the “Project” or “Pumpkin Hollow”) situated in Lyon County, Nevada. On May 4, 2006, 607792 BC exercised its rights under the PHC Option and entered into a lease agreement (the “Lease Agreement”) with RGGGS in respect of the exploration and development of the Fee Land and Patented Claims comprising part of the Property, details of which are further described below.

NCI was a wholly-owned subsidiary of 607792 BC and staked certain additional unpatented Federal lode mining claims (the “Unpatented Claims”) which comprise a portion of the Property. 607792 BC assigned all of its interest in and to the Lease Agreement to the Company prior to its dissolution on February 4, 2008 and upon the dissolution of 607792 BC, NCI became a direct wholly-owned subsidiary of the Company. In July 2009 the Company assigned the Lease Agreement to NCI.

## **GENERAL DEVELOPMENT OF THE BUSINESS**

### **Three Year History**

Nevada Copper owns 100% of the Pumpkin Hollow Copper Development Property located in Nevada, United States. Pumpkin Hollow is a large advanced stage development copper property with Mineral Reserves and Resources including copper, gold, silver, as well as an iron magnetite resource (*see – Mineral Properties*).

The Company’s activities during the last three years have included:

- On February 26, 2015, the Company announced the completion of the production sized shaft at the Project to the main 1,900 foot haulage level at the Eastern underground development.
- In July of 2015, the Company publicly filed a feasibility study in respect of the Project titled “NI 43-101 Technical Report – Integrated Feasibility Study – Pumpkin Hollow Copper Project – Yerington, Nevada,

USA” effective as of April 15, 2015 (the “Integrated Feasibility Study” or “IFS”). This Integrated Feasibility Study contemplates the construction of a 70,000 ton per day (stpd) copper concentrator and associated adjacent open pit and underground mining operations, with an average of 63,500 stpd of mill feed coming from the open pit mine and the balance, 6,500 stpd, coming from the underground mine.

- In December 2014, Congressional legislation directing the sale of 10,059 acres of Federal land (the “Yerington Land Conveyance”) was signed into law by the President of the United States. In August 2015, the Yerington Land Conveyance was completed by the Bureau of Land Management (“BLM”), resulting in the transfer by deed of surface and mineral rights covering 10,059 acres by the BLM to the City of Yerington (the “City”). In October 2015, the City conveyed, by deed, surface and mineral rights for 9,040 acres of those conveyed lands to NCI. The combined existing and conveyed private lands owned or controlled by the Company total 11,597 acres. As a result, the entire project described in the Technical Report is now located on private land and can be constructed and operated under Nevada State permits. Subsequent to the completion of the Yerington Land Conveyance, there remains approximately 6,830 acres of additional U.S. unpatented mineral claims located on Bureau of Land Management (BLM) administered Federal lands that are controlled by Nevada Copper.
- As a result of the Yerington Land Conveyance, the Project, as described in the Integrated Feasibility Study, can be developed under state regulations without federal environmental permits and National Environmental Policy Act requirements. Additionally, the Special Use Permit from Lyon County is no longer needed or applicable. On October 12, 2015, the City approved a Master Plan Amendment and zoned all of the lands encompassing the Project as described in the Integrated Feasibility Study to M1-Industrial, which is the least restrictive zoning class that allows industrial development, including mining. As a result, as of October 2015, all Project approvals and permits for operations as contemplated in the Integrated Feasibility Study have been received.
- In April 2015 signed a Memorandum of Understanding with a large international steel company to assess opportunities to exploit Pumpkin Hollow’s significant iron ore resource.
- On December 30, 2014, the Company closed a \$200 million senior secured loan facility (the “Red Kite Loan Facility”) and copper concentrate off-take agreement (the “Red Kite Offtake Agreement”) with an affiliate of RK Mine Finance (“Red Kite”). The Red Kite Loan Facility replaced the Company’s previous loan facility entered into on March 28, 2013 (the “Previous Facility”). The Previous Facility was a \$200 million senior secured loan facility and also involved an associated copper concentrate off-take agreement, which remains in effect. The Red Kite Off-Take Agreement was subsequently terminated.
- In August, 2014, the Company closed a \$20 million bridge loan facility (the “Pala Bridge Facility”) with Pala Investments Limited (“Pala”). The initial term of the facility was four months, with up to two additional two month extensions. The Pala Bridge Facility was subsequently amended to a convertible subordinated Loan Facility on the terms set out below (*see below “Amendment of Red Kite Loan Facility and Termination of Red Kite Off-Take Agreement”*).
- During 2016, the Company incurred \$19 million of exploration, development and engineering expenditures on the Property. The accumulated capitalized mine development costs as at December 31, 2016 was \$230 million.
- Since the resource estimate contained in the Integrated Feasibility Study, an additional 41 infill holes, totaling 54,571 feet, were drilled in the deposits at the Project, focusing on grade improvement and resource conversion. 31 holes were drilled in the Western deposits and 10 holes in the East deposit. The drill program focused on enhancing the mineralized zones within the current mineral reserve, especially in areas planned for mining in the early years. Results of infill drilling were substantially in accordance with anticipated grades based on the resource model used in the Integrated Feasibility Study, and will be integrated into an updated resource model and future mine planning. *For more information, see “Description of Business – Mineral Properties – Exploration Activities”.*



- Since the effective date of the Integrated Feasibility Study, approximately 645 feet of lateral underground development has been completed at the Project.
- The Company has acquired water rights for use at the Project totaling 4,224 acre feet.
- During 2016, management maintained the Project's "construction ready" status. In addition, the Corporation continued discussions with potential strategic partners in order to position the project for future development. Financing discussions are ongoing and may end up taking the form of a joint venture partnership; refinancing of existing debt; additional project debt with, or without, associated offtake; Engineering, procurement, and construction management contracts with offtake provisions that bring associated low-cost Export Credit Agency financing; or combinations of the foregoing. These discussions are continuing and, as a fully-permitted large copper project in Nevada, the Corporation also has interest from the corporate mining sector.
- On February 11, 2016, the Company announced that it has entered into an agreement with NV Energy to conduct a study of the potential to develop a solar energy generation project on Nevada Copper's privately-owned land (the "Solar Study"). On June 1, 2016 the Company announced the completion of the Solar Study. The Solar Study has shown that Pumpkin Hollow has immediate solar potential on the Project lands that can be further expanded in the future. As a result of the positive outcome of the Study, Nevada Copper and NV Energy are discussing a strategic alliance to advance both near term development and long term expansion of solar opportunities in the future.
- On April 21, 2016, the Company entered into an amended and restated loan and security agreement with Pala, pursuant to which the Pala Bridge Facility was replaced with a convertible subordinated loan facility (the "Pala Convertible Loan Facility") and Pala funded a US\$5 million (Cdn\$6.6 million) additional advance thereunder. The effectiveness of the Pala Convertible Loan Facility was subject to receipt of shareholder approval, which was obtained on May 27, 2016, and the closing of the loan amendment and advancement of the further US\$5 million drawdown was completed on June 3, 2016.
- In June 2016, the Company completed an equity offering of common shares at a price of Cdn\$0.60 per common share (the "2016 Equity Offering"). The 2016 Equity Offering, which was qualified by a prospectus, was fully subscribed, including the full exercise of the 15% over-allotment option, resulting in total gross proceeds to the Corporation of Cdn\$4.6 million. The final prospectus for the 2016 Equity Offering was filed on June 3, 2016. At closing the Company issued 7,666,667 common shares in the 2016 Equity Offering, bringing the post-closing number of issued and outstanding common shares to 88,168,125.
- On March 10, 2017 the Company entered into a further amendment of the Pala Convertible Loan Facility pursuant to which, among other things, Pala advanced a further US\$5 million advance to the Company (the "2017 Advance"). As amended, all principal, interest, and fees on the 2017 Advance may be converted by Pala into common shares of the Company at a conversion price per share equal to the lesser of C\$0.90 (being a 15% premium to the 20 day volume-weighted average trading price at the agreement date) and 115% of subscription price of any common shares issued by the Company in any equity financing within six months of the loan amendment date. All other amounts outstanding pursuant to the Pala Convertible Loan Facility will be convertible by Pala into common shares of the Company at a conversion price of C\$0.69 per share. The maturity date of the Pala Convertible Loan Facility is December 31, 2018. Interest accrues on the Pala Convertible Loan facility at 12% per annum and will be paid at maturity. If the Pala Convertible Loan Facility is repaid for any reason before December 31, 2018, a 35% pre-payment fee will be payable by the Company. The Company's obligations under the Pala Convertible Loan Facility are secured against all the assets of the Company and its subsidiaries, which security is subordinate to Red Kite's security in respect of the Red Kite Loan Facility. Additionally, in consideration for the 2017 Advance, the Company paid Pala a US\$200,000 arrangement fee, and issued Pala 2.5 million warrants with a 3-year term and an exercise price at C\$0.97, being a 25% premium to the average 20-day VWAP closing market price of the common shares of the Company on February 24, 2017. The receipt of disinterested shareholder approval is required for the conversion features of this financing and will be voted on at the Company's Annual and Special Meeting of Shareholders on April 28, 2017.

- Additionally, on March 10, 2017, Nevada Copper successfully secured extensions to the loan maturities under its existing Red Kite Loan Facility and its loan facility with Pala until December 31, 2018 (*see below “Amendment of Red Kite Loan Facility and Termination of Red Kite Off-Take Agreement”*).

**Amendment of Red Kite Loan Facility and Termination of Red Kite Off-Take Agreement**

The original \$200 million Red Kite Loan Facility was executed on December 30, 2014 with amendments to this loan agreement announced on September 30, 2015, January 2, 2016, April 5, 2016, May 27, 2016 and March, 2017.

*January 2016 Amendment*

On January 2, 2016, Nevada Copper reached a further amendment to the Red Kite Loan Facility, pursuant to which Red Kite agreed not to exercise its rights and remedies under the Red Kite Loan Facility as a result of the non-completion by the Company of certain interim financing requirements. Under this January 2016 amendment, the Company had until April 15, 2016 to complete an alternative \$15 million financing (the “2016 Financing Requirement”). Additionally, the minimum working capital covenant under the Red Kite Loan Facility was reduced from US\$10 million to US\$5 million, and, subject to certain conditions, project construction drawdown conditions were extended by 12 months to December 31, 2017.

In connection with the initial entry into the Red Kite Loan Facility, the Company entered into the Red Kite Offtake Agreement pursuant to which Red Kite, assuming the full \$200 million drawdown, would have had the right to purchase up to 74.5% of the copper concentrates produced from the underground deposits at the Pumpkin Hollow Project. Red Kite's percentage offtake right was pro-rated based on the principal amount drawn under the Red Kite Loan Facility, and based on drawdowns at such time, Red Kite had the right to purchase 33.5% of copper concentrate production from the underground deposits. The Company purchased Red Kite's rights under the Red Kite Offtake Agreement for US\$10 million, which amount was funded by an additional draw under the Red Kite Loan Facility.

The offtake buy-back reduces the percentage of the offtake from the Pumpkin Hollow underground deposits allocated to third parties from 59% to 25.5%. Copper concentrates derived from the larger open pit deposits remain 100% uncommitted. The offtake buyback price will allow for lowered smelter charges and better copper price certainty on this portion of the concentrates while also providing improved financial returns upon commencement of commercial production.

*April 2016 Amendment*

The April loan amendments further improved the terms of the Red Kite Loan Facility as follows:

- reducing the required funding under the 2016 Financing Requirement to \$10 million from \$15 million;
- extending the outside date for fulfillment of the 2016 Financing Requirements to May 31, 2016 from April 15, 2016;
- reducing the working capital maintenance requirement to \$2 million from \$5 million; and
- extending the outside date of first commercial production to March 31, 2020.

*May 2016 Amendment*

The May 2016 loan amendments further improved the terms of the Red Kite Loan Facility as follows:

- Red Kite waived the existing defaults under the Red Kite Loan Facility and lifted the forbearance under which the Company has been operating;
- the requirement for the Company to fulfill the 2016 Financing Requirement was waived and the working capital covenant under the loan facility was amended such that the Corporation is required to maintain minimum working capital of \$100,000.
- Red Kite advanced to the Company an additional US\$3 million draw under the Red Kite Loan Facility.

### *March 2017 Amendment*

Under a March 2017 amendment to the Red Kite Loan Facility, monthly interest payments for March to June 2017, totalling approximately \$4.8 million, will be prepaid from proceeds of the 2017 Advance from Pala. Interest payments for the balance of 2017 and 50% of the 2018 monthly interest will be accrued. The milestone deadlines for project construction drawdown conditions to be satisfied and the date for first loan principal repayment have both been extended to December 31, 2018.

## **DESCRIPTION OF BUSINESS**

### **GENERAL DESCRIPTION**

The Company is an exploration and development stage mining company engaged in the identification, acquisition, exploration and development of copper and other mineral properties located in the United States and elsewhere. The Company's primary focus is the exploration and development of the Property which is located in western Nevada, approximately ninety kilometers straight line distance southeast of Reno, near the town of Yerington.

The Property is located within a contiguous 28.8 square mile land package held by the Company comprising:

1. Fee Land, including surface and mineral rights, owned directly by the Company (15.7 square miles),
2. Fee Land and Patented Claims, including surface and mineral rights, under lease with RGGGS pursuant to the Lease Agreement (2.4 square miles), and
3. Unpatented claims owned by the Company (10.7 square miles).

The Company's surface and mineral rights holdings as of March 29, 2017 are summarized below:

<b>Project Land Description</b>	<b>Mineral Rights held by NCI</b>			<b>Surface Rights held/controlled by NCI</b>		
	<b>acres</b>	<b>sq. miles</b>	<b>sq. km</b>	<b>acres</b>	<b>sq. miles</b>	<b>sq. km</b>
BLM land in Lyon County deeded to NCI (Includes ~ 80 acres of land where common materials (sand and gravel) are held by Nevada Department of Transport)	9,040.1	14.1	36.6	9,040.1	14.1	36.6
BLM land in Mineral County (surface & mineral) deeded to NCI	105.3	0.2	0.4	105.3	0.2	0.4
BLM land in Lyon County (mineral rights only ) Surface retained by City	913.8	1.4	3.7	0.0	0.0	0.0
<b>Total Deeded to NCI</b>	<b>10,059.2</b>	<b>15.7</b>	<b>40.7</b>	<b>9,145.4</b>	<b>14.3</b>	<b>37.0</b>
Private land currently held under lease (RGGGS Patented & Fee land)	1,537.8	2.4	6.2	1,537.8	2.4	6.2
BLM unpatented claims held by NCI outside conveyance area	6,830.0	10.7	27.6	0.0	0.0	0.0
<b>Total NCI Mineral and Surface Rights</b>	<b>18,427</b>	<b>28.8</b>	<b>74.6</b>	<b>10,683.2</b>	<b>16.7</b>	<b>43.2</b>

As at March 29, 2017, the Company had six full time employees based in Vancouver, British Columbia and eight full-time employees in Yerington, Nevada. From time-to-time the Company has previously employed up to 50 additional staff, contract personnel and consultants at the project site, including drilling crews.

RGGGS is the title holder on the patented and fee title land. The Company, through its predecessor, entered into a lease option from RGGGS in December, 2005. The Company carries out business at the Property through its 100% wholly-owned subsidiary, NCI, a Nevada corporation.

On May 4, 2006, the Company exercised its option to lease the Property from RGGGS and entered into the Lease Agreement for the exploration and development of the Property ("RGGGS Lease"). The term of the RGGGS Lease is for ten years, renewable for up to three more additional ten-year terms for a total of 40 years. Upon execution of the Lease Agreement, the Company paid a non-recoverable bonus payment to RGGGS of \$50,000.

Under the terms of the RGGGS Lease and during the period from May 4, 2007 to May 4, 2011, the Company has made lease payments totaling \$600,000. Also, under the terms of the RGGGS Lease, the Company was required to incur exploration and development expenditures of at least \$4,000,000 during the first three years and minimum expenditures of at least \$500,000 per year. In addition, the Company was required to incur a further \$4,000,000 of additional exploration and development expenditures during the fourth through the sixth year. These obligations have been fully met.

Starting on the sixth anniversary date, RGGGS was entitled to receive advance royalty payments of \$600,000 per year. These advance royalty payments, which are made quarterly and started in April 2012, are recoverable from future royalties payable to RGGGS (see description of royalty below). The first advance royalty payment of \$150,000 was paid in April 2012 and these advance royalty payments have been made quarterly thereafter. Cumulative advance royalty payments made total US\$2,250,000 to December 31, 2015 and are creditable against any future royalties payable to RGGGS.

After the initial ten-year term, the Company must have paid US\$3,000,000 in production royalties and minimum royalty payments to RGGGS, or, unless waived by RGGGS, must pay the difference between US\$3,000,000 and what has been paid, in order to be able to extend the Lease Agreement for an additional ten-year term. By the end of the initial 10 year lease term in May 2016, the Company had paid \$3,200,000 in total payments to RGGGS including \$2,550,000 in advance royalty payments.

Pursuant to the terms of the RGGGS Lease the Company notified RGGGS of its intention to extend the lease for the period May 5, 2016 to May 2026. This notice has been acknowledged and accepted by RGGGS.

After the second ten-year term, the Company can extend the Lease Agreement for two additional ten-year terms if it has made \$10,000,000 in production royalties and minimum royalty payments to RGGGS in the previous term or if it pays to RGGGS the difference between \$10,000,000 and what was actually paid during the previous term.

The Company must pay RGGGS a net production royalty on copper obtained from Fee Land and Patented Claims comprising the Property which are described in the Lease Agreement. The royalty rate is 4% on copper when the copper price is less than \$1.00 per pound, a 5% net production royalty on copper when the copper price is between \$1.00 and \$2.00 per pound and a 6% net production royalty on copper when the price of copper is greater than \$2.00 per pound. On all other minerals such as gold and silver, except iron, the royalty rate is 5%.

The Company's Unpatented Claims that are within one mile of the Fee Lands and Patented Claims subject to the RGGGS Lease will be subject to a one percent net smelter return overriding royalty on non-ferrous materials and \$0.10 per long ton of crude overriding royalty on the ferrous materials to RGGGS's account.

The Company shall also pay RGGGS \$0.10 per ton of waste and overburden materials, if any, disposed of from other properties and brought to this property to be placed in a waste deposit, though the Company may trade waste or overburden from other lands for an equal amount of waste or overburden from the Property which is wasted on other lands and no royalty payment will accrue. The Company currently has no plans to bring such materials onto the Property.

Three months prior to commencing mining operations, the Company must provide RGGGS with a standing irrevocable letter of credit in favor of RGGGS. If RGGGS withdraws any amounts from the letter of credit to satisfy a monetary obligation, the Company must replace the funds withdrawn within ten days of receiving notice from RGGGS that funds have been withdrawn. The letter of credit remains in effect until all obligations of the Company under the Lease Agreement have been performed, and RGGGS has the right to request a revision upward in the required amount of the letter of credit based upon past and projected production royalties from the Property.

On January 9, 2017 an agreement with RGGGS was reached which deferred payments in 2017. In consideration for this deferral, RGGGS royalty rates increased from 1% to 2% for non-ferrous metals and the royalty rate for ferrous metals increased from \$0.10 per ton to \$0.20 per ton for areas within the area of influence.

## **RISK FACTORS**

In addition to the other information presented in this AIF, the following should be considered carefully in evaluating the Company and its business. This AIF contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include those discussed below and elsewhere in this AIF.

### **Development projects are uncertain and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production.**

Mine development projects, including the Project, require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors such as: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future copper prices, and anticipated capital and operating costs of these projects. The Project has no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of Proven and Probable Mineral Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project: unanticipated changes in grade and tons of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labor, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in metals prices, and accidents, labor actions, the availability and delivery of critical equipment, successful commissioning and start-up of operations, including the achievement of designed mill recover rates and force-majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. It is likely that actual results for the Project will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favorable than currently estimated, our business, results of operations, financial condition and liquidity could be materially adversely affected.

### **Fluctuations in the market price of copper and other metals may significantly adversely affect the value of the Company's securities and the ability of the Company to develop the Project.**

The value of the Company's securities may be significantly affected by the market price of copper and other metals, which are cyclical and subject to substantial price fluctuations. Market prices can be affected by numerous factors beyond the Company's control, including levels of supply and demand for a broad range of industrial products, economic growth rates of various international economies, expectations with respect to the rate of inflation, the relative strength of various currencies, interest rates, speculative activities, global or regional political or economic circumstances and sales or purchases of copper or other metals by holders in response to such factors. The Chinese market is a significant source of global demand for commodities, including copper. Chinese demand has been a major driver in global commodities markets for a number of years and recent reductions in Chinese demand have adversely affected prices for copper. A further slowing in China's economic growth could result in even lower prices and could negatively impact the value of the Company's securities. Prolonged decreases in the price of copper or other metals could adversely impact the ability of the Company to proceed with the development of the Project. The Company may also curtail or suspend some or all of its exploration activities on the Project in response to lower copper or other metals prices.

**Risks associated with secured debt.**

The Company's obligations under the Red Kite Loan Facility and the Pala Convertible Loan Facility are secured against all of the Company's assets. Any failure to meet any of the payment obligations under the Red Kite Loan Facility or the Pala Convertible Loan Facility, or otherwise adhere to the covenants therein or fulfill the other obligations thereunder, may trigger an event of default and a demand for full immediate repayment of all amounts outstanding under such credit facilities, leading to possible foreclosure or bankruptcy proceedings against the Company, which could result in the loss of all value of the Company's securities.

**Current global financial conditions are difficult for mining companies.**

Current global financial conditions for mining companies have been affected by a prolonged decline in commodities prices. Access to public financing has been negatively impacted by the prolonged decline in commodities prices, and the resulting decrease in the values of the securities of many mining companies. These factors may impact the ability of the Company to obtain equity or debt financing in the future on terms favourable to the Company, or at all. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such decreased levels of commodity prices continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

**If the Company's programs are successful, additional funds will be required for the development of an economic ore body and to place it into commercial production.**

The business of mineral exploration and extraction involves a high degree of risk with very few properties that are explored ultimately achieving commercial production. As a mining company in the exploration stage, the future ability of the Company to conduct exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means. In turn, the Company's ability to raise such funding depends in part upon the market's perception of its management and properties, but to a great degree upon the mineral prices and the marketability of securities of speculative mineral exploration and development companies.

The development of any ore deposits found on the Company's exploration properties depends upon the Company's ability to obtain financing through any or all of equity financing, debt financing, the joint venturing of projects, or other means. There is no assurance that the Company will be successful in obtaining the required financing and there is no assurance that the requirements for further drawdowns under the Red Kite Loan Facility will be met.

**The Company has a lack of operating history and has no history of earnings.**

The Company and its predecessor companies have no history of earnings. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares or by way of debt facilities. While the Company may generate additional working capital through the operation, development, sale or possible syndication of its properties, there is no assurance that any such funds will be generated.

**The Company is dependent on key personnel and the absence of any of these individuals could result in a significantly negative effect on the Company.**

The success of the Company and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key personnel. The loss of their services to the Company may have a material adverse effect on the Company. The Company does not presently have "key person" life insurance for any of its officers.

**There are significant risks associated with exploration and development activities including industrial accidents, flooding, environmental hazards, technical problems and labor disputes which could materially adversely affect future mining operations and the Company's financial position.**

There is no certainty that the expenditures made or to be made by the Company in the exploration of its properties will result in discoveries of further mineralized material in commercially viable quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits. Mining operations generally involve a high degree of risk which even with a combination of experience, knowledge and careful evaluation may not be able to overcome. The business of mining is subject to a variety of risks such as industrial accidents, flooding, environmental hazards such as fires, technical failures, labor disputes and other accidents at the mine facilities.

Such occurrences, against which the Company cannot or may elect not to insure, may delay production, increase production costs or result in liability. The payment of such liabilities may have a material adverse effect on the Company's financial position.

**Estimates of Mineral Reserves and Resources may not be realized.**

The Mineral Reserves and Resources estimates described in this AIF are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified Resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Company relies on laboratory-based recovery models to project estimated ultimate recoveries by mineral type. Actual recoveries may exceed or fall short of projected laboratory test results. In addition, the grade of mineralization ultimately mined may differ from the one indicated by the drilling results and the difference may be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short term factors, such as the need for an orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of those operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in proven and probable reserves or Resources, grades, waste-to-ore ratios or recovery rates may affect the economic viability of projects. The estimated proven and probable reserves and Resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

**The Company's activities on its properties are subject to environmental regulations, approvals and permits.**

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, or its ability to develop its properties economically. Before production may commence on any property, the Company must obtain regulatory and environmental approvals and permits. There is no assurance such approvals and permits will be obtained on a timely basis, if at all and such approvals currently held by the Company may be revoked or amended. Compliance with environmental and other regulations may reduce profitability, or preclude economic development of a property entirely.

**The Company is in competition with other mining companies that have greater resources and experience.**

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for exploration in the future.

**The business of exploration for minerals and mining involves a high degree of risk, as few properties that are explored are ultimately developed into producing mines.**

Mineral exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, any of which could result in the Company not receiving an adequate return on invested capital.

**Marketability of natural resources which may be discovered by the Company will be affected by numerous factors beyond its control.**

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of Mineral Resources are discovered, a profitable market will exist for the sale of such minerals. Factors beyond the control of the Company may affect the marketability of any mineral occurrences discovered. The price of metals and

minerals, including copper, has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the United States dollar relative to the Canadian dollar and other currencies), interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

**Some of the directors of the Company are involved with other mineral resource companies and may have a conflict of interest in negotiations on a project that is also of interest to the Company.**

Certain of the directors of the Company are directors or officers of other mineral resource companies and, to the extent that such other companies may be interested in a project also of interest to the Company, or may in the future participate in one or more ventures in which the Company participates, such directors may have a conflict of interest in negotiating and concluding terms respecting such other projects or the extent of such participation. In the event that such a conflict of interest arises, at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such acquisition or participation. In the appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program.

**Title Matters.**

In those jurisdictions where the Company has property interests, the Company makes a search of mining records in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, or concessions. The ownership and validity of mining claims and concessions are often uncertain and may be contested. There is, however, no guarantee that title to the Company's properties and concessions will not be challenged or impugned in the future. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

**Shareholder Dilution.**

It is likely that additional capital required by the Company will be raised through the issuance of additional equity securities, resulting in dilution to the Company's shareholders.

**Share price risk.**

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company, including the market for all resource sector shares, the breadth of the public market for the stock, fluctuations in metals prices, the need for certain funds to sell shares for external reasons other than those relevant to the Company and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares of the Company on the exchanges on which the common shares are listed suggests that the share price will be volatile. In the previous eight quarters, between January 1, 2015 and December 31, 2016, the Company's shares traded in a range between CAD\$0.47 and CAD\$2.03 per share.

**Insurance risks.**

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. Nevada Copper may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

**Currency risk.**

The Company is exposed to currency fluctuations in the acquisition of foreign currencies. The Company holds balances in cash and cash equivalents, accounts payable and accrued liabilities and convertible debenture in foreign currencies (US dollars) and is therefore exposed to gain or losses on foreign exchange.



### **Legal Proceedings Against Foreign Directors.**

The Company is incorporated under the laws of British Columbia, Canada, and some of the Company's directors and officers are residents of Canada. Consequently, it may be difficult for United States investors to effect service of process within the United States upon the Company or upon its directors or officers, or to realize in the United States upon judgments of United States courts predicated upon civil liabilities under the United States Securities Exchange Act of 1934, as amended. Furthermore, it may be difficult for investors to enforce judgments of U.S. courts based on civil liability provisions of the U.S. Federal securities laws in a foreign court against the Company or any of the Company's non-U.S. resident officers or directors.

### **MINERAL PROPERTIES**

#### ***Pumpkin Hollow Copper Development Property, Lyon County, Nevada***

Nevada Copper owns 100% of the Project, which is known as the Pumpkin Hollow copper development project, and is located in the Walker Lane mineralized belt of western Nevada. Pumpkin Hollow is the only mineral project currently owned by Nevada Copper.

#### **Technical Report Summary**

The following is the extracted summary section from the Integrated Feasibility Study prepared by Timothy Arnold, P.E., Rex Bryan, Ph.D., Brad Hennessey, P.E., Steven Otto, M.E., P.E., Edwin C. Lips, P.E., Robert McKnight, P.Eng, David M. Richers, Ph.D., P.G., Andrew P. Schissler, Q.P., Keith Thompson, P.G., Jackie Blumberg, P.E., Peter Critikos, P.E., Q.P., Chris Johns, M.Sc., P.Eng, Mel Lawson, Q.P., Graeme Major, P.E., Nick Michael, Q.P., Vicki J. Scharnhorst, P.E., and D. Erik Spiller, Q.P. (collectively, the "**Technical Report Authors**"), each of whom is a "qualified person" and each of whom other than Timothy Arnold and Robert McKnight is "independent", as such terms are defined in NI 43-101. The Integrated Feasibility Study is incorporated by reference herein and for full technical details, reference should be made to the complete text of the Integrated Feasibility Study.

The following summary does not purport to be a complete summary of the Property and is subject to all the assumptions, qualifications and procedures set out in the Integrated Feasibility Study and is qualified in its entirety with reference to the full text of the Integrated Feasibility Study. Readers should read this summary in conjunction with the Integrated Feasibility Study.

The Integrated Feasibility Study has an effective date of April 15, 2015, and the following extract is subject to any updated information contained elsewhere in this AIF, and in particular is subject to any subsequent events or information contained under "*General Development of the Business – Three Year History*".

#### *Introduction*

The Pumpkin Hollow Copper Project (the Project) is a large advanced stage development copper property with substantial Mineral Reserves and Resources including copper (Cu), gold (Au), silver (Ag), as well as a large iron (Fe) resource. Nevada Copper Corp. (NCC) holds 100% ownership in the Project, which is located approximately eight miles southeast of Yerington, Nevada (reference Figure 1-1).

This Integrated Feasibility Study (IFS) contemplates the construction of a 70,000 ton per day (stpd) Cu concentrator and associated adjacent open pit and underground mine operations, with an average of 63,500 stpd of mill feed from the open pit mine and the balance, 6,500 stpd from the underground mine. The IFS Technical Report has been prepared under the direction of Tetra Tech, Inc. (Tetra Tech) with Stantec Consulting Services Inc. (Stantec) having responsibility for the detailed underground mine design and underground capital cost estimation. This report was prepared according to the guidelines set out under the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

The IFS builds upon three previous studies that have been filed on System for Electronic Document Analysis and Retrieval (SEDAR, [www.sedar.com](http://www.sedar.com)) by NCC.

- “NI 43-101 Technical Report, Feasibility Study for the Pumpkin Hollow Copper Project, Nevada USA” – effective date February 3, 2012. This report evaluates a Single Process Facility where both open pit and underground ore is processed at one process facility.
- “Technical Report – Underground Only Alternative for the Pumpkin Hollow Copper Project, Lyon County, Nevada” – effective date December 12, 2012. The report evaluates an underground only option, with corresponding process facility.
- “NI 43-101 Technical Report, Open Pit Operations Feasibility Study, Pumpkin Hollow Project, Yerington, Nevada” – effective date August 22, 2013. This report evaluates an open pit only option, with corresponding process facility.

In late 2014 the “Conveyance of Lands to Yerington, Nevada” in Section 3009 (a) of the National Defense Authorization Act for Fiscal Year 2015 (“Act” or “Conveyance”) was passed by the United States (U.S.) Congress and signed into law by President Obama. The passage of the Act represented a significant milestone for the Project as it accelerated the permitting timeline for a 70,000 stpd open pit and underground operation with permitting and land Conveyance targeted for completion in late 2015. As a result, NCC commissioned Tetra Tech to update its IFS to include the information from additional open pit drilling, optimized resource modelling and engineering work completed between 2011 and 2015. New capital and operating cost estimates were also developed to reflect current market conditions resulting from the recent slowdown in the mining sector.

#### *Key Outcomes*

Key outcomes of the IFS are summarized in Table 1-1 and Table 1-2, and include the following (all amounts stated in United States dollars):

- Production ramp-up is targeted for early-2018, with an initial mine life of 23 years, an increase of 5 years from the first published IFS;
- Life of Mine (LoM) metal production recovered to Cu concentrate totals 4.5 billion pounds of Cu, 512,000 ounces (oz) of Au, and 15.6 million oz of Ag;
- The project development consists of a 63,500 stpd open pit operation; and a 6,500 stpd underground operation, feeding a single 70,000 stpd concentrator;
- Proven and Probable Mineral Reserves, including open pit and underground mineable, are 572 million tons (st) of ore grading 0.47% copper equivalent<sup>1</sup>, containing 5.05 billion pounds of copper, 761,000 oz of Au and 27.6 million oz of Ag.
- Proven and Probable Mineral Reserves include drilling data to 2011 for the underground deposits and 2013 for the open pit deposits;
- Initial capital costs are estimated to be \$1.04 billion including contingencies, excluding working capital of \$33 million. Sustaining capital LoM is \$0.63 billion;
- LoM site operating costs are \$12.80/st-milled;
- The IFS confirms the technical and financial viability of constructing and operating a 70,000 stpd copper mining and processing operation at Pumpkin Hollow comprising a single large concentrator with mill feed from both open pit and underground operation. Construction start is subject to expected receipt of permits in Q3-2015 and completion of project financing.

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<sup>1</sup> The copper grade equivalency was determined using Base Case metals prices and metallurgical recoveries of 89.3%, 67.3% and 56.3% for Cu, Au and Ag respectively.

**Table 1-1: Key Outcomes –Annual copper production in concentrates and C1 operating costs**

	Units	Years 1-5*	Years 1-10*	LoM (Average)
Copper in Concentrates	000s lbs./yr.	274,700	246,300	198,200
Copper in Concentrates	Tonnes/yr.	124,600	111,700	89,900
C1 Production Costs**	\$/lb payable copper	\$1.49	\$1.70	\$1.76

\*Note starting post ramp-up

\*\*The direct cash costs of mining, milling and concentrating, site administration and general expenses, concentrate treatment charges, and freight and marketing costs, less the net value of Au and Ag by-product credits.

**Table 1-2: Key Outcomes – Summary of Economic Results**

		Low Case	Base Case	High Case
Cu Price	\$/lb	\$2.85	\$3.15	\$3.75
Au Price	\$/oz	\$1,200	\$1,200	\$1,200
Ag Price	\$/oz	\$18	\$18	\$18
<b>(In Millions of U.S. Dollars)</b>				
Net Smelter Revenue, after royalty		\$10,768	<b>\$11,990</b>	\$14,434
Net Cash Flow	Pre-tax	\$1,831	<b>\$2,992</b>	\$5,315
Net Cash Flow	After-tax	\$1,584	<b>\$2,514</b>	\$4,249
Annual Net Cash Flow	Yr. 1-5 avg.	\$204	<b>\$262</b>	\$366
Pre-tax Operating Margin*	Yr. 1-5 avg.	\$300	<b>\$380</b>	\$540
NPV 5%	Pre-tax	\$659	<b>\$1,362</b>	\$2,768
NPV 5%	After-tax	\$534	<b>\$1,100</b>	\$2,155
IRR	Pre-tax	11.3%	<b>17.5%</b>	28.8%
IRR	After-tax	10.4%	<b>15.6%</b>	24.6%
Payback – years	Pre-tax	7.9	<b>4.2</b>	2.8
Payback – years	After-tax	8.2	<b>4.7</b>	3.2

\*Note: Net revenues less smelter charges, concentrate transport and site operating costs, including operating lease costs.

### *Project Overview*

The proposed Pumpkin Hollow production will consist of a nominal 70,000 tons per day (stpd) copper concentrator with mill feed sourcing from the open pit at 63,500 stpd and underground operations at 6,500 stpd.

Existing underground infrastructure includes a 12 foot (ft) diameter Nordberg double drum hoist, a production sized head frame, maintenance shop, warehouse, dry, and a 24 ft diameter concrete lined shaft. The shaft is sunk to the 1,900 ft primary production level from which lateral development is progressing towards the East ore zone. Definition drilling is underway from underground cutouts. This drilling will provide better definition of the higher grade stopes targeted for early mining and will also test ore body boundaries for expansion. Mining from underground will commence initially from the East deposit while horizontal access is established to the E2 deposit

via 3,500 ft long drift. Ore mined from both East and E2 stopes will be delivered to an underground jaw crusher located near the East shaft. Crushed ore will be hoisted to surface via the existing shaft. Once at surface, the high grade underground ore will be trucked approximately 3 miles west to the process facility. The process facility will be located adjacent to the North and South open pit deposits. Underground mining will continue for approximately 15 years, when the currently-known reserves will be exhausted, after which 100% of the mill feed will be from the open pits.

The open pit ore zones comprise the North and South deposits. Mining will commence with pre-stripping of the North Deposit. Mining will continue at the North Deposit for approximately 13 years then transition to the South Deposit. Mining will be a conventional truck-and-shovel operation with electric cable shovels and 400 ton (st) class haul trucks. Ore will be mined and delivered to a primary gyratory crusher located adjacent to the North pit and then conveyed to the process facility.

Open pit and underground ore will be blended and fed from the stockpile reclaim system to a Cu process facility concentrator consisting of a conventional semi-autogenous (SAG)/ball mill grinding circuit incorporating hydrocyclones for classification, rougher flotation, rougher concentrate regrinding, cleaner and cleaner scavenger flotation, and concentrate thickening and filtration including a concentrate holding and dispatch area. Tailings will be thickened and then pass through five parallel pressure filtration circuits for disposal at a dry-stack storage facility. A paste-backfill tailings processing facility, including a paste thickener, will provide for underground backfill when needed.

Infrastructure for the ore processing facilities, tailings filtration, and miscellaneous support buildings will be constructed for the Project, and will include buildings, process water management basins, light duty roads, haul roads, utilities, and conveyors for handling ore, mine rock and tailings. The general facility arrangement is presented in Figure 1-2.

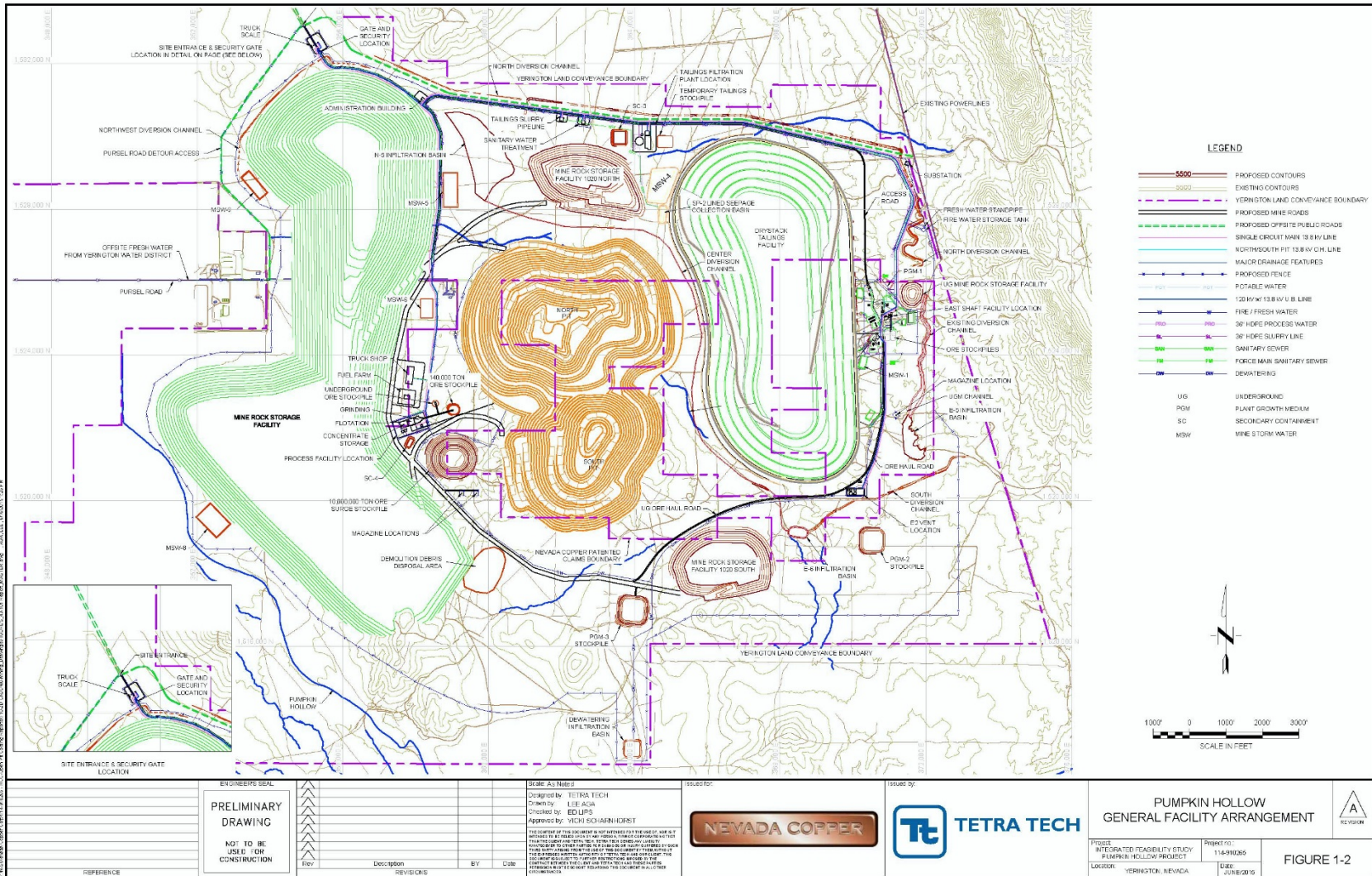
The Project's Cu concentrate containing Au and Ag are considered clean and marketable. They will be trucked approximately 20 miles to a new rail loading facility on Union Pacific (UP) tracks. The truck route is via a new mine access road north to State Highway 95A and on to the train loading facility. Concentrates will be railed to a west coast bulk port for shipping to smelters.

Power will be delivered to the project substation by a new five mile 120 kilovolt (kV) transmission line connecting to Nevada Energy's existing line to the east. Currently the project is serviced by a smaller 20 kV line accessing the grid to the west. Project water requirements are fully met by water rights held by NCC and a water supply agreement with the City of Yerington as an industrial user. The incorporation of dry stack tailings (DST) storage permits a high percentage of water recycling and minimizes make-up water requirements.



Figure 1-1: Pumpkin Hollow Copper Project Location

Figure 1-2: General Facility Arrangement



### *Property Description and Ownership*

The Pumpkin Hollow project currently encompasses private land and unpatented mining claims controlled by Nevada Copper. The claims are located on Bureau of Land Management (BLM) administered Federal lands. This mixed land ownership will change to 100% private land, owned by Nevada Copper, on closing of the land conveyance between the BLM and the City of Yerington targeted in Q3-2015.

The patented claim block and fee lands contain some 69 claims totaling 1,390 acres and the fee land contains some 160 acres. In addition, there are approximately 12,763 acres of unpatented U.S. mineral claims. Total acreage, including unpatented, controlled by NCC is approximately 16,766 acres.

### *History*

Substantial exploration activity has been carried out on the Project claims and surrounding areas since the initial United States Steel Corporation (USS) discovery. Through 1999, approximately 432 drillholes totaling 594,552 ft had been completed by five major firms. In June 2006, a Canadian National Instrument 43-101 (NI 43-101) compliant resource estimate for the advanced-stage Pumpkin Hollow property was completed by NCC. The estimate was based on drillhole and geological data collected up through 1999. At a 0.2% Cu cutoff grade, the measured and indicated Cu resource was 2.7 billion pounds (lbs) of Cu, contained in 312 million tons (Mst) grading 0.44% Cu and 12.3% Fe. An additional inferred Cu resource of 3.4 billion lbs of Cu was contained in 454 Mst grading 0.37% Cu and 8.2% Fe.

Since October 2006, NCC has drilled over 500,000 ft of resource, hydrologic, and geotechnical drillholes with the objective of moving the project forward. In addition, NCC initiated a program to assay and re-assay selected historic core and drill rejects for Cu, Au, Ag, and Molybdenum (Mo). Traditionally, previous operators had not always assayed for Au, Ag, and Mo, and some core with visible chalcopyrite had not been assayed, even though it was within the limits of projected mining boundaries. NCC has completed several drill programs since 2006. The drilling has been considered successful in achieving its objectives: expanding the resource base and upgrading the mineral classifications. An updated resource was completed after each drill campaign and formed the data basis for Preliminary Economic Assessments (PEA) published in March 2008 and January 2010, and Feasibility Study published in February 2012, December 2012 and November 2013.

### *Geology & Mineralization*

The Project property area is located within the western Great Basin of the Basin and Range Province on the east side of the Sierra Nevada in Lyon County, Nevada. The east slope of the range is cut by a number of major north-trending normal faults delineating north-trending ranges which are connected to the main mass of the Sierra Nevada on their south ends but diverge from the range northward. The Singatse Range, which forms the western boundary of the Mason Valley, and the Wassuk Range, which forms its eastern boundary, reflect two block ranges of this type. The Project property is located in the basin between these two ranges.

The Yerington District, which includes the Project property, is located in the approximate west-central portion of Mason Valley and underlain by a sequence of Mesozoic meta-volcanic and sedimentary rocks which have been intruded and mineralized by the Jurassic-age Yerington batholith. The Mesozoic rocks were deeply eroded during Late Cretaceous and early Tertiary time and overlain by a thick sequence of Tertiary volcanic and sedimentary lithologies. All units have been tilted steeply to the west and displaced into numerous blocks by easterly dipping listric normal faults.

### *Deposit Type*

The northern area of mineralization is located 1,500 feet north of the South Deposit and is centered on a sub-horizontal, pipe-like, Cu-rich, magnetite-poor skarn breccia body hosted by hornfels of the Gardnerville Formation (Northwest Deposit).

The South Deposit, the first discovery on the Project claims, is a magnetite-chalcopyrite body closely associated with an intrusive contact of granodiorite into limestones of the Mason Valley Formation.

The Southeast Deposit, located 2,000 feet southeast of the South Deposit, is a 300-foot wide lens of chalcopyrite-magnetite-garnet-actinolite skarn developed within limestone of the Mason Valley Formation. The zone is unique for the Project property due to its higher than average magnetite grades (locally up to 75%).

The East Deposit, 7,000 feet east of the North Deposit, measures approximately 2,000 feet by 1,200 feet and consists of flat-lying to gently dipping, bedding-controlled, stacked, mineralized zones within the limestone of the Mason Valley Formation at depths of 1,400 to 2,200 feet.

The E2 Deposit is a steeply northwest-dipping lens of high-grade Cu-magnetite skarn breccia within the Mason Valley limestone, which lies on the hanging wall of an endoskarn sill. The chalcopyrite-magnetite mineralization follows the marble front, similar to the East Deposit. A major east-trending rotational fault appears to exist between the two deposits and results in a significant variation in the deposit orientation.

### *Drilling*

**Table 1-3** details the drilling completed since the previous resource statement. The drilling included 20 drillholes focused on the infill and resource conversion within the drilling deposits. 11 holes were drilled in the Western deposits and 9 holes in the Eastern deposits. The 20 exploratory and geotechnical hole were drilled between 2011 and 2013 totaled 45,714 feet.



**Table 1-3: NCC 2011-2013 Drilling Updates**

<b>Drillhole ID</b>	<b>Easting</b>	<b>Northing</b>	<b>Elevation (ft amsl)</b>	<b>Length (ft)</b>	<b>Type</b>
<b>West Deposit Drillholes 2012 – 2013</b>					
NC12-34	362,023	1,523,923	4,693	2,266	Core
NC12-36	361,616	1,525,303	4,597	2,003	Core
NC13-01	361,946	1,523,793	4,716	2,403	Core
NC13-02	361,935	1,523,568	4,777	1,956	Core
NC13-03	362,324	1,523,691	4,730	2,076	Core
NC13-04	362,174	1,523,995	4,683	2,327	Core
NC13-05	360,637	1,524,743	4,623	2,500	Core
NC13-06	362,206	1,523,489	4,784	2,168	Core
NC13-07	362,278	1,523,229	4,750	1,948	Core
NC13-08	362,822	1,523,566	4,692	2,042	Core
NC13-09	362,631	1,523,860	4,675	2,745	Core
<b>Sub-total</b>	<b>11 exploration drillholes (2012 to 2013)</b>			<b>24,434</b>	
<b>East Deposit Drillholes 2011</b>					
NC11-01	370,680	1,525,966	4,831	1,956	Core
NC11-04	370,421	1,526,132	4,816	1,728	Core
NC11-04A	370,421	1,526,132	4,816	2,081	Core
NC11-08	369,246	1,525,608	4,775	2,251	Core
NC11-09	369,445	1,524,386	4,765	2,716	Core
NC11-18	369,342	1,524,203	4,765	2,388	Core
NC11-48	369,561	1,524,141	4,771	2,856	Core
<b>Sub-total</b>	<b>7 exploration drillholes (2011)</b>			<b>15,976</b>	
<b>E2 Deposit Drillholes 2011</b>					
<b>NC11-11</b>	<b>369,840</b>	<b>1,520,886</b>	<b>4,772</b>	<b>3,030</b>	<b>Core</b>
<b>NC11-25</b>	<b>371,204</b>	<b>1,521,495</b>	<b>4,781</b>	<b>2,274</b>	<b>Core</b>
<b>Sub-total</b>	<b>2 exploration drillholes (2011)</b>			<b>5,304</b>	
<b>Total</b>	<b>20 exploration drillholes</b>			<b>45,714</b>	<b>Core</b>

*Mineral Resource*

The Mineral Resource estimates for the Pumpkin Hollow Project were prepared by Tetra Tech Inc. based on the results of all drilling up to the end of 2013. The effective date of this Mineral Resource estimate is April 15, 2015. The Mineral Resource estimate for the West deposits has been updated from estimates stated in 2013 and the East deposits have been updated from estimates in stated 2013.

Geologic and grade models for the five deposits in the Pumpkin Hollow Project area have been generated for this estimate. The West area contains three deposits, referred to as the North, South, and Southeast. The East area consists of the East and E2 deposits. The Mineral Resources for both the West and East areas have been updated for this report. The West area deposits have been modeled and presented as potentially mineable from the surface

whereas the East area deposits have been modeled and presented as potentially mineable from underground, because of this, different cutoff grades have been used for each of the two areas.

Table 1-4 and Table 1-5 detail Mineral Resources of the West and East deposit areas respectively. In addition to cutoff grade, Mineral Resources of the West area have been constrained to an optimized pit shell and Mineral Resources of the East area have been limited to the 0.5% Cu mineralized shell interpretation.

**Table 1-4: Mineral Resource Western Open Pit Area**

Category	Cutoff Grade %Cu	Tons (million)	Grade %Cu	Contained Cu lbs (million)	Grade Au opt	Contained Au ozs (thousand)	Grade Ag opt	Contained Ag ozs (thousand)	Grade %Fe	Contained Fe Tons (million)
Measured	0.15	271.3	0.42	2,299	0.001	394	0.048	12,932	16.1	43.6
Indicated	0.15	295.1	0.43	2,541	0.001	356	0.046	13,690	11.2	33.2
<b>Measured + Indicated</b>	<b>0.15</b>	<b>566.4</b>	<b>0.43</b>	<b>4,840</b>	<b>0.001</b>	<b>750</b>	<b>0.047</b>	<b>26,621</b>	<b>13.6</b>	<b>76.8</b>
Inferred	0.15	8.0	0.52	83	0.001	6	0.052	414	6.1	0.5

Notes:

- ✓ Includes North, South, and Southeast deposits
- ✓ Measured and Indicated Resources are stated as inclusive of reserves,
- ✓ Columns may not total due to rounding,
- ✓ Resources are constrained by a Geovia Whittle™ optimization using \$3.75/lbs Cu calculated with Measured, Indicated and Inferred Resources with reserve mining and cost parameters.

**Table 1-5: Mineral Resource Eastern Underground Area**

Category	Cutoff Grade %Cu	Tons (million)	Grade %Cu	Contained Cu lbs (million)	Grade Au opt	Contained Au ozs (thousand)	Grade Ag opt	Contained Ag ozs (thousand)	Grade %Fe	Contained Fe Tons (million)
Measured	0.75	12.1	1.60	389	0.006	74	0.127	1,541	18.7	2.3
Indicated	0.75	41.9	1.33	1,114	0.005	217	0.112	4,716	17.6	7.4
<b>Measured + Indicated</b>	<b>0.75</b>	<b>54.1</b>	<b>1.39</b>	<b>1,503</b>	<b>0.005</b>	<b>291</b>	<b>0.116</b>	<b>6,257</b>	<b>17.8</b>	<b>9.6</b>
Inferred	0.75	29.2	1.09	636	0.003	87	0.064	1,875	12.8	3.7

Notes:

- ✓ Includes East and E2 deposits
- ✓ Measured and Indicated Resources are stated as inclusive of reserves,
- ✓ Columns may not total due to rounding,
- ✓ Resources are constrained by a 0.5% Cu mineralized interpretation.

#### *Mineral Reserve Estimates*

#### Underground Reserves

The underground portion of the Mineral Reserve estimate for the Project is based on the Tetra Tech resource block models for the East (including East South and East North) and E2 underground deposits. Measured and Indicated Resources from the combined model were used for determining the Pumpkin Hollow Proven and Probable Mineral

Reserve. Stantec included the net smelter return (NSR) value<sup>2</sup> for each block within the model using calculation formulas and metal prices provided by NCC.

Stantec then evaluated NSR cutoff values using Stantec-produced mining cost estimates for similar deposits that use transverse longhole stoping, the preferred stoping method for the Project. Process and general and administrative (G&A) costs were provided by NCC. This evaluation resulted in an NSR cutoff value of \$29 per ton-ore (st-ore).

Stantec input stope orientation and dimensional parameters, as provided by NCC, into Stope Optimiser software from Alford Mining Systems. Vulcan software was then used to generate grade shells, while Stope Optimiser was used to generate the final stoping shapes. Transverse longhole stoping with paste backfill is the selected method for the Project as it satisfied the following design criteria.

- Maintain maximum productivities by incorporating bulk-mining methods and operational flexibility, which will result in lower operating costs.
- Maintain high overall recovery rates.
- Minimize overall dilution.
- Prevent surface subsidence from underground mining.

The stope shapes were then used to query the block model and report tons and grades within the shapes. The tons and grades were input into an Excel workbook to apply dilution and mining recovery factors on a stope-by-stope basis to all areas defined for use in production sequencing. Transverse longitudinal longhole stoping does not allow for selective mining within the defined stope shapes. Due to irregularities in the geometry of the mineralized zones, not all cutoff grade material can be mined without incurring some dilution. All Inferred blocks of mineralization that were included as planned dilution inside the defined stope shapes were included in the Mineral Reserve estimate at zero grade; likewise, ore grade blocks that were outside the defined stope shapes were excluded from the reserve estimate. Due to inefficiencies in final mining recovery from the stopes, small amounts of mineralized material are lost during final stope cleanout, and additional losses may occur in transit from the stopes to the mill. Hence, a mining recovery factor is applied to the diluted resources to account for these losses.

Table 1-6 shows the total Proven and Probable Mineral Reserve for the Project's Eastern Underground Deposits.

**Table 1-6: Mineral Reserve – Eastern Underground Area**

Classification	Ore Tons (thousands)	Cu %	Ag oz/ton	Au oz/ton	Cu lbs (thousands)	Au oz	Ag oz	Cu Eq. %
Proven	8,923	1.587	0.006	0.124	283,224	53,131	1,109,132	1.70
Probable	23,680	1.174	0.005	0.109	555,934	115,864	2,588,637	1.20
<b>Total</b>	<b>32,603</b>	<b>1.287</b>	<b>0.005</b>	<b>0.113</b>	<b>839,158</b>	<b>168,995</b>	<b>3,697,769</b>	<b>1.38</b>

Notes:

1. Metal prices used in the reserve estimate = Cu \$3.00/lb, Au \$1,250.00/oz., Ag \$18.00/oz.
2. Tons and grade estimates include dilution and recovery allowances.
3. Total may not add due to rounding.

Based on the NSR cutoff and mining criteria applied to the resource model, the Proven and Probable Mineral Reserve will support a 15-year mine life at a planned production rate of 2.3 million tons per year (Mstpy).

<sup>2</sup> NSR is the dollar value of the metals recovered from a ton of ore, less the cost for concentrate transport to the smelter, smelting and refining charges, and other deductions at the smelter. NSR does not consider the costs for mining, milling, or G&A. In order for mining of a resource block to be economical, the NSR value must be high enough to cover these costs.

## Open Pit Reserves

The Pumpkin Hollow Feasibility Study plans two open pit areas designated as North Pit and South Pit. The open pit mine design for the two open pits was developed using GEMS® Whittle™ pit optimization software to establish guides to mineable shapes within the Mineral Resource block model. The pits were developed separately in order to control the different Whittle™ inputs based on process recovery to the respective areas.

Varying Cu prices were used to evaluate the sensitivity of the deposit to the price of Cu as well as to develop a strategy for optimizing cash flow. To achieve cash flow optimization, mining phases or pushbacks were developed using the guidance of the Whittle™ shells at lower Cu prices. The North Cone utilized a breakeven cutoff grade of 0.156% Cu, and an internal cutoff grade of 0.134% Cu. The South Cone utilized a breakeven cutoff grade of 0.159% Cu, and an internal cutoff grade of 0.138% Cu. The effective date of the Mineral Resource used in this study is March 1, 2013.

The ultimate pit Proven and Probable Reserves are provided in Table 1-7. These reserves are based on the pit designs discussed in later sections of this study. The reserves have been shown to be economic and Tetra Tech believes that they are reasonable for the statement of Proven and Probable Reserves.

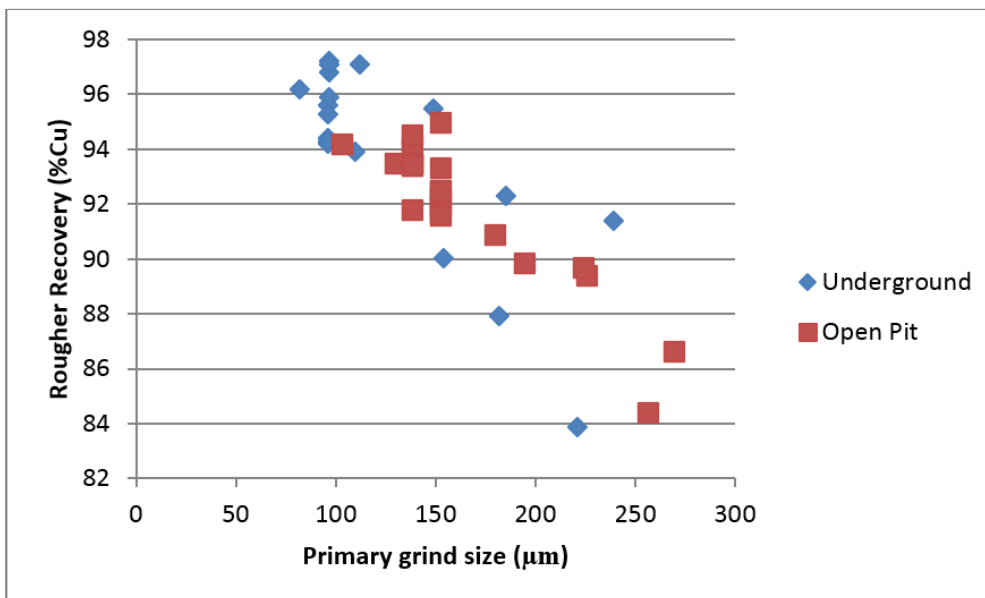
**Table 1-7: Mineral Reserve Western Open Pit Area**

Classification	Ore (kst)	Cu (%)	Au (oz/st)	Ag (oz/st)	Cu (klb)	Au (koz)	Ag (koz)
Proven	265,520	0.397	0.001	0.046	2,110,575	317,825	12,236,149
Probable	273,765	0.384	0.001	0.043	2,099,935	273,765	11,703,055
<b>Total</b>	<b>539,285</b>	<b>0.390</b>	<b>0.001</b>	<b>0.044</b>	<b>4,210,511</b>	<b>591,590</b>	<b>23,939,204</b>

A list of recommendations to enhance the economic value of and improve the Project is provided in **Section 1.23**.

### *Mineral Processing & Metallurgical Testing*

Testwork results indicate that underground and surface ores respond favorably to rougher flotation. Further, metallurgical response to rougher flotation with regard to grind is essentially identical for both ores. The grind-recovery relationship for the surface and underground ores depicted in Figure 1-3 show that both ores achieve similar rougher flotation recovery at the same nominal grind sizes.



### Figure 1-3: Rougher-Flotation Grind Recovery

Simple economics indicate that the underground ores will benefit from a finer grind, to an 80% passing size ( $P_{80}$ ) 100 micrometers ( $\mu\text{m}$ ), due to the grade disparity between the surface and underground deposits. Despite this, a grind of  $P_{80}$  150  $\mu\text{m}$  was selected for the design of the Single Process Facility (SPF) due to the small proportion of underground material over the life-of-mine. A primary grind to  $P_{80}$  150  $\mu\text{m}$ , with a cleaner regrind to  $P_{80}$  28  $\mu\text{m}$ , in the SPF will achieve an estimated 89.3% Cu flotation recovery for the combined ores.

#### *Mining Methods*

Concurrent development of open pit and underground operations was selected in order to maximize the overall recovery of copper from the Pumpkin Hollow deposits and to yield the best economic results.

#### Underground

Underground mining zones included in the mine plan occur at depths ranging from approximately 800 ft to 2,800 ft. Access to the mine will be via a vertical shaft. Mining will be performed using a productive mechanized transverse longhole mining method with paste fill. When available, excess waste rock will be used as backfill when paste fill is not required. Recommendations on geotechnical and stope design parameters were provided by Golder Associates (Golder). The paste fill design parameters were provided by Tetra Tech.

For the Project, Stantec and NCC are responsible for the underground portion of the study. Stantec had primary responsibility for underground ore reserve estimation, mine planning and production scheduling, ventilation design, capital cost estimation, and design of specific underground facilities. Nevada Copper had primary responsibility for underground production productivities, portions of sustaining capital costs, and operating costs.

Pertinent technical and economic data related to the mining of the resource was provided by Nevada Copper, including, but not limited to, block models, labor and materials costs, actual development costs, equipment bids, contractor bids on capital projects, etc.

Figure 1-4 shows a section view of the underground mine workings, mining zones, and shaft locations.

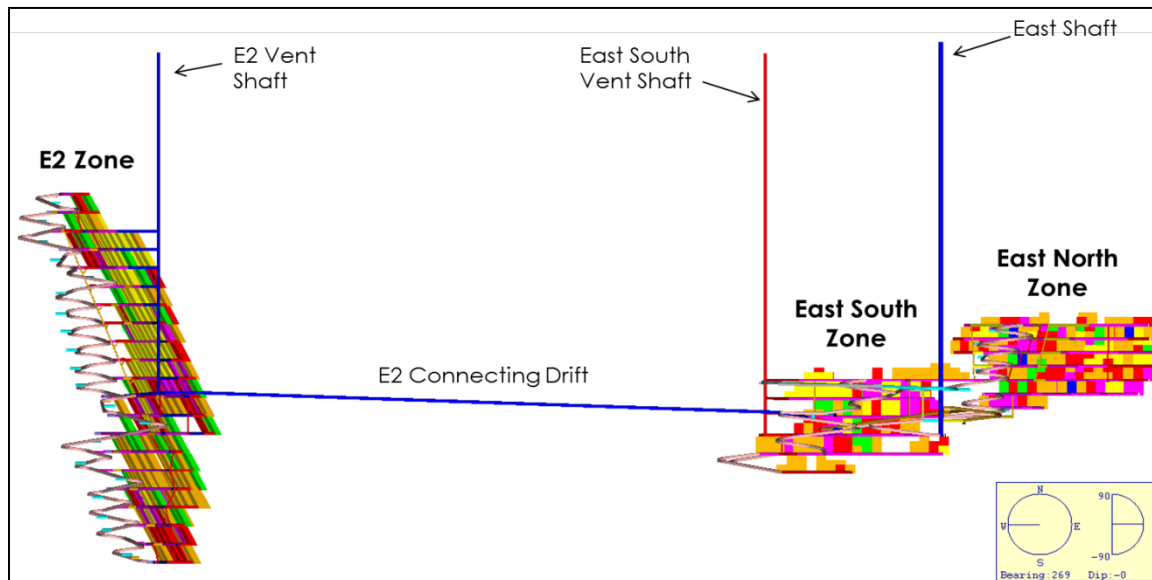


Figure 1-4: Mine Layout

## Open Pit

The Project is designed to be a large open pit mining operation that will use conventional truck-and-shovel operation with electric cable shovels and 400 st class haul trucks. The open pit ore zones comprise the North and South deposits. The open pit deposits will be developed sequentially. The North open pit deposit will be developed first, starting with a pre-strip once mining equipment has arrived and been assembled at site, and when electric power is available to the shovel. Ore is mined and delivered to a primary gyratory crusher located adjacent to the pit and then conveyed to the mill. Open pit mill feed will come from the North deposit for the first 13 years when mining will transition to the South deposit.

### Pit Optimization Parameters

A Cu price of \$2.80/lb has been assumed for use in pit optimization. However, various Cu prices from \$1.40 to \$2.80/lb were used to determine different optimized pit shells. This Cu price is conservative as compared to the price used in the technical economic model (TEM). Note that while the Cu price does significantly impact the cash flow, it does not tend to have an impact on the resulting Reserve definition because the pit optimizations used slightly elevated cutoff grades.

Economic parameters are provided in Table 1-8 and Table 1-9.

**Table 1-8: Economic Parameters North Pit**

<b>Parameters</b>	<b>Value</b>
Cu Price	\$2.80/lb
Cu Recovery	90%
Mining	\$1.10/st-moved
Process	\$4.98/st-processed
Environmental, Tailings, and Water	\$0.17/st-processed
General and Administrative	\$0.31/st-processed
Freight/Smelting/Refining	\$0.46/lb

**Table 1-9: Economic Parameters South Pit**

<b>Parameters</b>	<b>Value</b>
Cu Price	\$2.80/lb
Cu Recovery	88%
Mining	\$1.10/st-moved
Process	\$4.98/st-processed
Environmental, Tailings, and Water	\$0.17/ st-processed
General and Administrative	\$0.31/ st-processed
Freight/Smelting/Refining	\$0.46/lb

The reference mining cost of \$1.10/st-moved was determined and refined using first principles from previous versions of this study. Processing, tailings construction, tailings reclamation, waste dump rehabilitation, and general and administrative (G&A) costs were provided by NCC and refined using previous versions of this study. Note that site G&A costs are included with the processing costs for Whittle™ optimization.

### Cut Off Grades

The breakeven and internal cutoff grade calculated using the economic parameters in Table 1-8 and Table 1-9. The internal cutoff grade assumes that mining is constrained to an economic pit and does not include the mining cost. The internal cutoff grade and the breakeven cutoff grade were calculated at a \$2.80/lb Cu price with the internal cutoff being raised slightly to be more conservative. The breakeven cutoff grade utilizes the optimal Whittle™ cone. Using the \$2.80/lb Cu Whittle™ cone is a conservative approach that allows for fluctuating Cu prices.

The North Cone utilized a breakeven cutoff grade of 0.156% Cu, and an internal cutoff grade of 0.134% Cu. The South Cone utilized a breakeven cutoff grade of 0.159% Cu, and an internal cutoff grade of 0.138% Cu. The different cutoff grades are due the different process recovery in each pit.

### *Recovery Methods*

The SPF has been designed to process 70,000 stpd of copper ore; the sum of the combined output from the surface mining (approximately 63,500 stpd) operations and the underground mining (6,500 stpd) operations. The SPF and the unit operations therein are designed to produce a marketable concentrate targeted at 25.5% Cu or greater.

The SPF will consist of a coarse ore storage facility, a semi-autogenous grinding (SAG) mill/twin ball mill comminution circuit, rougher flotation, regrind circuit, and cleaner flotation; to liberate, recover, and upgrade copper from the run of mine (RoM) ores. Flotation concentrate will be thickened, filtered, and sent to a concentrate load out stockpile for subsequent shipping.

DST, in conjunction with underground paste backfill, are the preferred means of final deposition having substantially less water contained than tailings discharged directly from a concentrator. DST will be produced by thickening and filtering the final flotation tailings. The underground paste backfill portion of the tailings will be thickened and combined with cement and fly ash before being deposited in the underground mine workings.

Thickening and filtration of tailings allows for better process water management and control. Process water will be recycled from the tailings and concentrate thickener overflows. Fresh water will generally be used only for pump gland service, mill lube cooling, SAG mill ring motor cooling, reagent preparation, and safety showers / eyewash stations.

The process plant will consist of the following unit operations and facilities:

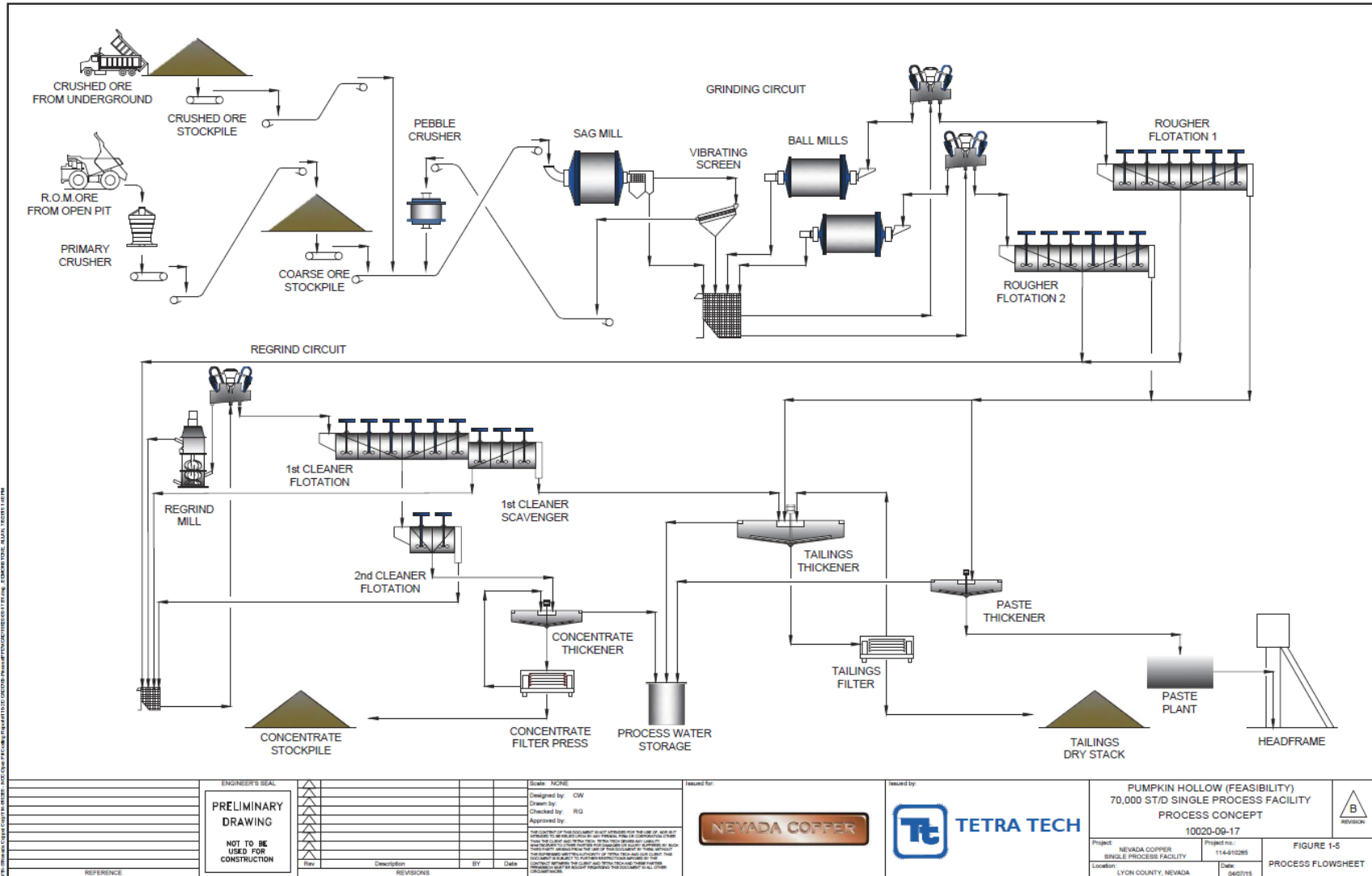
- Coarse ore receiving and storage area from the open pit and underground mines. The surface and underground ores will have their own independent stockpile. Ore will have already been passed through primary crushing in separate crushing areas;
- A coarse ore stockpile reclaim system accommodating the surface and underground ore stockpiles. The reclaim from these stockpiles will then be blended together prior to feeding the ores into the process facility;
- A combined SAG/ball mill grinding circuit incorporating hydrocyclones for classification;
- A SAG mill pebble crushing circuit;
- A rougher flotation circuit;
- A rougher concentrate regrinding circuit;
- A 1<sup>st</sup> cleaner, 2<sup>nd</sup> cleaner, and cleaner scavenger flotation circuit;
- A concentrate thickening and filtration circuit including a concentrate stockpile and dispatch area;

- Tailings thickening and filtration circuits;
- Underground tailings paste plant; and
- Tailings disposal at a DST facility.

A process flowsheet is presented in Figure 1.5.



Figure 1.5: Process Flowsheet



ENGINEER'S SEAL <b>PRELIMINARY DRAWING</b> NOT TO BE USED FOR CONSTRUCTION	<table border="1"> <thead> <tr> <th>Rev.</th> <th>Description</th> <th>BY</th> <th>DATE</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Rev.	Description	BY	DATE																	Scale: NONE Designed by: CW Drawn by: RG Checked by: RG Approved by:	Issued by: 	Issued by: 	PUMPKIN HOLLOW (FEASIBILITY) 70,000 ST/D SINGLE PROCESS FACILITY PROCESS CONCEPT 10020-09-17	
		Rev.	Description	BY	DATE																					
Project: NEVADA COPPER SINGLE PROCESS FACILITY Location: LYON COUNTY, NEVADA	Project no.: 114491285 Date: 04/27/15	FIGURE 1-5 PROCESS FLOWSHEET																								

### *Infrastructure*

Infrastructure at the Project location is well developed. County Road (CR) 827 and CR 208 provide existing paved access to the site. A new access road will be constructed to the north to connect directly to U.S. Highway 95A, a major north-south route in central Nevada. A rail line runs approximately 13 line miles north of the site. The City of Yerington, Nevada and Yerington Municipal Airport are both approximately eight miles from the site. The Reno-Tahoe International Airport is an 80 mile drive from the site.

Figure 1-2 shows the general site layout of the Project. The following are the main surface facilities that support the mining and processing operations:

- Power Substation;
- Mine Rock Pile;
- Fuel Storage Tank;
- Raw Water Tanks;
- Covered Storage and Yard;
- Paste Thickener;
- Mine Rock Storage Facility (MRSF);
- Process Facility;
- Pebble Crushing;
- DST Facility;
- Process and Mine Office Buildings;
- Administration Building;
- Parking Area;
- Truck Shop;
- Tailings Filtration Plant;
- Truck Scale;
- Site Entrance Security Building;
- Wastewater Treatment Plant;
- Potable Water Treatment Plant;
- Powder Magazines; and
- Settling Basins.

Initial road surfacing will be provided by a local quarry. Once production starts, road surfacing for maintenance and future roads will use on-site materials. When possible, proposed access roads will follow topography and existing roads. Newly constructed and altered roads will be designed and constructed per Lyon County standards. Existing roads will be regraded and capped with an all-weather surface. Road capping material will come from a nearby quarry and will be supplied by a third party contractor. Signage is required to meet the design requirements; this includes regulatory, preventative and informative signage. Speed limits will be posted on-site for safety and will be strictly enforced.

A package sewage treatment plant, meeting State of Nevada standards for publicly owned treatment works will be supplied by a qualified vendor and contractor and constructed west of the filtration area. Sewage will be collected at main working areas and package lift stations will be constructed to pump sewage water to the treatment plant. After the wastewater is treated, effluent water will be used for plant process water and will be stored until process water is needed. When process make-up water is not required from the sewage treatment plant and the effluent water storage tank is full, effluent will drain by gravity to a nearby infiltration basin.

Process make-up water will be delivered from wells on site or piped 6 miles (10 kilometers) from an existing pipeline takeoff point. This water pipeline, which is connected to the City of Yerington water supply, is shared with an existing user but has been oversized to allow for Nevada Copper's future usage. From the pipeline takeoff point, a new extension will be constructed to the project and water will be distributed within the mine site through the potable water pipeline or the raw water pipeline.

Electrical service will be delivered via a 120 kV overhead line that will enter the site near the northeast corner of the site. For this report this location is referenced as "Metering Point Switchyard" as this location will be where NVE installs its revenue metering. From the Metering Point Switchyard one portion of the 120 kV transmission line (with 13.8 kV underbuild) continues south to the East Shaft Substation (approximately 0.83 miles). Two 13.8 kV distribution lines (approximately 0.96 miles each), emanating from the East Shaft Substation, extend to the south to provide service to the associated above ground electrical facilities at the E2 Vent location.

Another 120 kV line (with 13.8 kV underbuild) begins at the Metering Point Switchyard and continues west to the Tailings/Filtration Substation (approximately 1.35 miles). From the Tailing/Filtration Substation, the line continues west then south to the Process Facility Substation (approximately 2.97 miles). Line switches, 120 kV and 13.8 kV, are included near the Administration Building to isolate the Process Facility line segments for maintenance purposes. From the Process Facility Substation, two parallel 13.8 kV distribution lines will extend out to the edge of the North and South Pits (approximately 0.45 miles) where they will split to continue on into the pits (approximately 3.40 miles total in length).

NCC plans to transport concentrate from site to the U.S. west coast where the concentrate will be exported to East Asia. They will be trucked approximately 20 miles (30 kilometers) to a new rail loading facility to be constructed on UP tracks. The truck route is via a new mine access road north to State Highway 95A and on to the train loading facility. Concentrates will be railed to a west coast bulk port for shipping to smelters.

Preferred options are to transport concentrate to a proposed new terminal to be constructed at a site in the eastern San Francisco Bay area or the existing bulk terminal at the Port of Vancouver, Washington. The Bay area site is about 330 miles by rail closer than the Vancouver Washington terminal, the terminal has been proposed with the operational date of 2017 to 2018.

#### *Market Studies & Contracts*

Market conditions as of the Effective Date of this report are as follows.

Most Cu industry analysts and Cu study groups expect Cu concentrates to be in oversupply to a greater or less degree at least through 2015. Beyond 2015, the consensus appears to be Cu concentrates will develop a supply shortage in 2016 to 2017 due to the increase in demand and coupled with postponements and cancellations of new Cu projects, supply disruptions and few new projects in the development pipeline. The expectation is therefore that a Cu supply deficit will develop in the medium terms and cause high prices and lower smelter terms favoring miners.

The timing of Nevada Copper's Pumpkin Hollow Project is advantageous as smelters look for alternative supplies in the 2018 and beyond. Further, Nevada is a low risk mining friendly region unlikely to suffer from supply disruptions.

The most likely markets for the NCC concentrates are in Asia, specifically Japan, Korea and China. While the West Coast ports are the shipping options, future alternatives for shipping some Cu concentrates to other markets in North America by truck or rail have not been ruled out.

For the cost analysis, standard payment factors for Cu are used along with Asian norms for contained Au and Ag. Long term treatment charge/refining charge (TC/RCs) for clean concentrates are assumed to be \$65.00/tonne-

concentrate (t) and \$0.065/lb-payable, respectively. Refining costs for Au and Ag are \$6.00/oz-Au and \$0.45/oz-Ag, respectively. Freight and insurance costs average transportation costs \$89.31/st-wet concentrate. Assay, insurance and marketing costs are \$4.54/st-dry concentrate. Penalties for delirious elements in the concentrates are expected to be non-material.

*Environmental Studies, Permitting & Social or Community Impact*

The Project will be completed on 100% privately owned lands following completion of the Yerington Land Conveyance. Congress passed “Conveyance of Lands to Yerington, Nevada in Section 3009(a) of the Carl Levin and Howard P. “Buck” McKeon, National Defense Authorization Act for Fiscal Year 2015 (the “Act”, H.R. 3979; Public Law 113-291) on December 19, 2014. The Conveyance will transfer approximately 10,050 acres of BLM-administered federal land to the City of Yerington, placing the entire Project under local and Nevada state oversight. Combined with NCC’s 1,500 acres of private land, the bill would provide approximately 12,280 acres total for future development, including the mine and related facilities. As currently planned, the Act states that the land be conveyed within 180 days of enactment (June 17, 2015). At this time completion of the various administrative steps to actually deed the land to Yerington and subsequent re-conveyance to NCC for a portion of the lands (~7,000-8,000 acres) is expected in August 2015. The Project can be developed without federal environmental permits and National Environmental Policy Act (NEPA) requirements.

Site Flora & Fauna

The Project area is dominated by salt desert shrub communities, primarily bud sage (*Artemisia spinescens*). Other species found in the area include: saltbush (*Atriplex* spp.), rabbitbrush (*Chrysothamnus viscidiflorus*), greasewood (*Sarcobatus baileyi*), spiny hopsage (*Grayia - 36 -pinose*), and spiny horsebrush (*Tetradymia - 36 -pinose*). Grass cover is sparse. Wildlife likely to inhabit the area includes deer, feral horse, raptors, bats, and rabbits. There are no federally threatened or endangered species likely to occur in the Project area. The only federally threatened or endangered species that occur in Lyon and Mineral Counties are fish species, and there are no perennial or fish-bearing streams in the Project area.

Heritage Resources

In 2011 through 2012, archaeological surveys were performed over the full project area. There are currently three prehistoric sites or and two historic sites, a total of five sites within the land conveyance that are either recommended for eligibility on the national register of historic places (three sites) or require further evaluation (two sites). None of these are within the area of disturbance of the Project. Neither the proposed Pumpkin Hollow Project nor the Conveyance area affect any Native American Reservation Lands or sacred sites.

Social or Community Impacts

The Project occurs entirely within Lyon County, Nevada, which has the highest unemployment rate in the state. The Project is estimated to bring more than 800-1,000 direct jobs and 2,000-3,000 indirect jobs to the area. A major element of the Project included approval of the Special Use Permit (SUP) by the Lyon County Board of Commissioners and acceptance by the community. On June 11, 2013 the Lyon County Planning Commission recommended approval via a unanimous vote. Subsequently, on June 20, 2013, the Lyon County Commission unanimously approved the County SUP for the “Stage 1” Underground Project. In addition to this local advocacy, there have been no formal objections to the Project from environmental groups or other non-governmental organizations.

Approvals, Permits & Licenses

The Project will require approvals, permits and licenses for various components of the work. Table 1-10 shows the status of NCC’s mine permitting efforts to date.

**Table 1-10: Status of Mine Permitting Activities**

Agency / Description / Name and Date of Event	Date
Lyon County Special Use Permit (SUP) Ord. 298, 8-13-1987 <a href="http://www.lyon-county.org/index.aspx?nid=637">http://www.lyon-county.org/index.aspx?nid=637</a>	

<b>Agency / Description / Name and Date of Event</b>	<b>Date</b>
<b>Advanced Exploration</b>	
Submitted Application	July 12, 2010
Planning Commission Hearing	September 14, 2010
Board of Commissioners Hearing	October 7, 2010
Special Use Permit Granted	October 7, 2010
<b>Underground Mine (Stage 1 aka PLUM)</b>	
Submitted	May 8, 2013
Approved	June 20, 2013
<b>Open Pit (Stand-alone Stage 2 Open Pit or Integrated Operations Open Pit)</b>	
Project will be in the City and no longer be in the County so no SUP will be required	NA
<b>City of Yerington – Master Development Agreement / Special Use Permit</b>	
<b>Advanced Exploration – Not Applicable</b>	<b>NA</b>
<b>Underground Mine (Stage 1 aka Private Land Underground Mine (PLUM)) – Not Applicable</b>	<b>NA</b>
<b>Open Pit (Stand-alone Stage 2 Open Pit or Integrated Operations Open Pit)</b>	
Draft Master Development Agreement submitted to the City for review	January 1, 2015
U.S. Government Patent(s) to the City of Yerington (Anticipated)	August 17-28, 2015
City Council Approval (Anticipated)	September 30, 2015
Development Agreement Approval (Anticipated)	December 31, 2015
<b>Water Pollution Control Permit (WPCP) Mining Facilities WPCP 2008103</b> NDEP-BMRR-Regulation Branch; NRS 445A; Water Pollution Control; NAC 445A.350-447; Mining Facilities <a href="http://www.leg.state.nv.us/nrs/nrs-445a.html">http://www.leg.state.nv.us/nrs/nrs-445a.html</a>	
<b>Advanced Exploration (Shaft Development)</b>	
Application submitted to NDEP	June 19, 2010
NDEP Completeness Review Received	July 9, 2010
NCI Response to Completeness	July 14, 2010
Technical Review Q3-4 2010	July 15, 2010
WPCP 2008103 Permit Issued & Effective	March 25, 2011
<b>Underground Mine (Stage 1) and Open Pit ( Stage 2 Open Pit or Integrated Operations Open Pit)</b>	
Submit Major Modification for Stage I & Stage 2	July 5, 2012
Completeness Review	August 1, 2012
NCI Response to Completeness	August 1, 2012
NDEP Deemed Application Complete	September 7, 2012
NDEP Technical Review	November 30, 2012
Response to Technical Review Submitted	February 25, 2012
Actual Public Notice	July 10, 2013
Close of Public Comment	August 9, 2013
Actual Permit Issuance August 23, 2013	August 23, 2013
Approval of EDC for five (5) additional dewatering wells	February 26, 2014
Submitted Application for Two Minor Modifications (Proposed/Existing) for final engineered configuration of process components	March 19, 2014
Minor Modifications (Proposed/Existing) Approved by NDEP-BMRR	August 15, 2014

<b>Agency / Description / Name and Date of Event</b>	<b>Date</b>
Mine Rock Management Plan Submitted (SOC Item)	April 22, 2015
Additional EDC In Preparation for Minor Changes to Configuration of Paste Backfill and Tailings Thickener	TBD
<b>Open Pit (Stand-alone Stage 2 Open Pit or Integrated Operations Open Pit)</b>	
Effort will be initiated following completion of Open Pit Feasibility	TBD
<b>Water Pollution Control Permit (WPCP) Infiltration Facilities WPCP 2008109</b> NDEP-BMRR-Regulation Branch; NRS 445A; Water Pollution Control; NAC 445A.228-263; Discharge Permits and WTS-3 Guidance Document For An Application For Rapid Infiltration Basins. <a href="http://www.leg.state.nv.us/nrs/nrs-445a.html">http://www.leg.state.nv.us/nrs/nrs-445a.html</a>	
<b>All Phases</b> <b>Advanced Exploration (Shaft Development) Underground Mine (Stage 1) and Open Pit Open Pit (Stand-alone Stage 2 Open Pit or Integrated Operations Open Pit)</b>	
Initial Submission	June 19, 2010
Completeness Review	July 9, 2010
NCI Response to Completeness	July 14, 2010
Technical Review	Q3-4 2010
Permit Issued	March 25, 2011
EDC for EB4 Liner Approved	August 29, 2012
Settling Tank Hot Tub Approved	September 30, 2013
EB1 Expansion Approved	March 17, 2014
Settling Tank Upgrade Approved	April 24, 2014
Arsenic Variance Submitted	May 12, 2014
Arsenic Variance Approved	TBD
Flocculant Pilot Test Requested	November 3, 2014
Flocculant Pilot Test Approved	TBD
Ranch Basin recommissioned	November 14, 2014
Acid and Aeration Pilot Test Requested	January 9, 2015
Acid and Aeration Pilot Test Approved	TBD
North Basins Upgrade Approved	February 23, 2015
Temporary Discharge Permit Expected Completion	On Hold
Major Modification to increase infiltration limits to 5M GPD Expected Completion	December 1, 2015
<b>Reclamation Plan and Permit #0288NRS/NAC 519A; Reclamation of Land Subject to Mining Operations or Exploration Projects</b> NDEP-BMRR Reclamation Branch <a href="http://www.leg.state.nv.us/NAC/NAC-519A.html">http://www.leg.state.nv.us/NAC/NAC-519A.html</a>	
<b>Advanced Exploration (Shaft Development)</b>	
Initial Submission	June 19, 2010
NDEP Technical Completion	October 1, 2010
NOI To Issue Permit	February 9, 2011
Reclamation Permit issued	March 25, 2011
Reclamation Cash Bond for \$505,915 posted	June 20, 2011
<b>Underground Mine (Stage 1)</b>	
Stage I Standalone 2012 Configuration Rec Modification Submitted	November 8, 2012
Revised Financial Assurance of \$895,061 approved	January 30, 2013
Surety bond for \$895,061 received	February 19, 2013

<b>Agency / Description / Name and Date of Event</b>	<b>Date</b>
Stage I Standalone 2012 Configuration Rec Plan Approved	June 7, 2013
Bond of \$6,839,064 Posted	November 1, 2013
Stage I Standalone 2013 Configuration Rec Plan Submitted	November 10, 2013
Completeness & Technical Review of S1 2013 Configuration	October 30, 2014
S1 Standalone 2013 Configuration Approved	November 7, 2014
Revised Financial Assurance of \$5,364,055 approved, bond not changed	November 7, 2014
<b>Open Pit (Stage 2 Open Pit or Integrated Operations Open Pit)</b>	
Open Pit Project 2012 Configuration Major Modification Submitted	March 26, 2015
Open Pit 2012 Technical Comments	June 16, 2015
Response to Tech Comments	June 17, 2015
Public Notice Period for 2012 Configuration Major Mod Completed (Anticipated)	August 7, 2015
Open Pit 2012 Configuration Permit Issuance (Anticipated)	August 12, 2015
Financial Assurance of \$17,623,768 Approved (Anticipated)	August 21, 2015
<b>Class II Air Pollution Control Permit &amp; Surface Area Disturbance</b> NAC/NRS 445B Air Controls Class II Permit for less than 100 TPY of any regulated pollutant [particulates] or 25 TPY HAPS; PSD increment 30 micrograms/m3 <a href="http://ndep.nv.gov/bapc/ref.html">http://ndep.nv.gov/bapc/ref.html</a>	
<b>Underground Mine (Stage 1)</b>	
Surface Area Distribution (SAD) application approved	September 13, 2012
Model Protocol Approved November 2012	November 1, 2012
Application submitted to NDEP	May 1, 2013
Administratively complete	June 26, 2013
Public Notice	July 26, 2013
End of Public Comment Period	August 26, 2013
Class II Air Quality Operating Permit AP1021-3369 Issued, Consolidated Surface Area Disturbance into this permit	September 5, 2013
Minor Modification for 2013 Configuration of S1 facilities and increase of SAD Acreage to 500	April 1, 2014
Minor Modification Approved	September 5, 2014
<b>Open Pit (Stage 2 Open Pit or Integrated Operations Open Pit) (Class II Air Pollution Control Permit Cont.)</b>	
Submission of application to BAPC	May 7, 2015
Administratively complete	May 28, 2015
Final Review and Draft Permit for BAPC & NCI Management Approval (Actual)	July 6, 2015
Permit Issued (Anticipated)	July 20, 2015
<b>Dam Permit</b> NDWR- State Engineer (if a tailings dam or pond >20 acre feet or >20 ft high) NRS NAC 535 Dams and other Obstructions <a href="http://water.nv.gov/Engineering/Dams/">http://water.nv.gov/Engineering/Dams/</a>	
All water management basins planned are smaller than the dam height (20 feet) or volume (20 ac-ft) requiring a dam permit. Notifications of construction or alteration for all existing basins (as of 20 March 2014) submitted. Additional notifications will be sent as additional RIBs or other small ponds are designed. No approvals required for these small facilities.	TBD

Agency / Description / Name and Date of Event	Date
<b>On-site Sewage Disposal System (OSDS) Permit</b> NDEP-Bureau of Water Pollution Control (BWPC) NRS 445A; Water Pollution Control NAC 445A.228-63; Discharge Permits <a href="http://ndep.nv.gov/bwpc/uic_licinfo.htm">http://ndep.nv.gov/bwpc/uic_licinfo.htm</a>	
Submitted	June 1, 2012
Approved	August 28, 2012
Wastewater treatment facilities anticipated for S1 and S2 operations. New applications will be needed.	TBD
<b>Permit to Operate Privately Owned Water System (Non-Transient, Non-community Public Water System NTNCPWS)</b> NDEP- Bureau of Safe Drinking Water NRS 445A; Water Pollution Control NAC 445A.595-6731; Privately owned public water system; Per NRS 445A.829 a “Non-transient water system” means a non-community water system that regularly serves at least 25 of the same persons for more than 6 months per year. <a href="http://ndep.nv.gov/bsdw/nws.htm">http://ndep.nv.gov/bsdw/nws.htm</a>	
Submitted	Q4 2012
Initial Sanitary Survey (Drinking Water)	July 25, 2013
Response to Initial Sanitary Survey	August 12, 2013
Revised Plans submitted	December 4, 2013
Response to Technical Comments	February 26, 2014
Supplementary Sanitary Survey	May 8, 2015
Response to Supplemental Sanitary Survey (Anticipated)	July 8, 2015
Revised Engineering Plan (Anticipated)	October 10, 2015
Response to Technical Comments (Anticipated)	November 11, 2015
Permit Issued (Anticipated)	March 3, 2016
<b>Spill Prevention, Control and Countermeasures Plan (SPCC)</b> <a href="http://www.access.gpo.gov/nara/cfr/waisidx_07/40cfr112_07.html">http://www.access.gpo.gov/nara/cfr/waisidx_07/40cfr112_07.html</a>	
Included in WPCP NEV2008103; Is revised regularly to accommodate changes in facility design; Must be prepared, kept current and on file at site;	August 21, 2014
<b>Stormwater General Permit / Stormwater Pollution Prevention Plan (SWPPP)</b> 40 CFR §122.26(b) (14. NDEP- BWPC <a href="http://ndep.nv.gov/bwpc/storm_mine03.htm">http://ndep.nv.gov/bwpc/storm_mine03.htm</a>	
Site SWPPP is approved under Statewide General Permit. Requires Renewal every five years. Renewed.	June 13, 2013
Plan can be terminated if no Jurisdictional Waters.	TBD
<b>Plan of Operations</b> 43 CFR 3809 Surface Management Regulations [of public lands by operations authorized by the mining laws] BLM Carson City Sierra Front Field Office <a href="http://www.access.gpo.gov/nara/cfr/waisidx_06/43cfr3800_06.html">http://www.access.gpo.gov/nara/cfr/waisidx_06/43cfr3800_06.html</a>	
Kickoff Meeting	October 20, 2014
POO Withdrawn	January 28, 2015
Not necessary as there is no longer a federal project nexus.	NA
<b>Clean Water Act 404</b> 33 CFR3 23 U.S. Army Corps of Engineers <a href="http://www.usace.army.mil/CECW/Pages/cecwo_reg.aspx">http://www.usace.army.mil/CECW/Pages/cecwo_reg.aspx</a>	
Not required. There are no jurisdictional Waters of the U.S. on the project area	NA

#### Mine Closure

The area within the Project perimeter fence is approximately 6,700 acres. Of this area, a total of approximately



4,500 acres will be disturbed as part of mining operation. A portion of this area will not be reclaimed, including the north and south pits, permanent water management diversion channels, and select infrastructure that will be retained for post-mining industrial use. A total area of approximately 3,300 acres will be reclaimed, including the mine rock storage facilities, DST facility, reclamation material stockpiles, infrastructure which will be removed at closure, and water management features which will be reclaimed at closure.

#### Capital & Operating Costs

LoM capital cost requirements are estimated at \$1.67 billion as summarized in Table 1-11. Initial capital of \$1.04 billion is required to commence operations and a sustaining capital of \$634 million.

**Table 1-11: LoM Capital Costs (\$000s)**

<b>Cost Category</b>	<b>Initial (\$000s)</b>	<b>Sustaining (\$000s)</b>	<b>Total (\$000s)</b>
<b>Direct Costs</b>			
100 Open Pit Mine	\$262,709	\$222,143	\$484,852
200 Underground Mine	\$80,611	\$157,597	\$238,208
300 Ore Handling	\$12,169	\$2,434	\$14,603
400 Process Facility	\$267,910	\$52,325	\$320,234
500 DST Facility	\$69,229	\$78,694	\$147,923
600 Infrastructure	\$88,171	\$0	\$88,171
700 Water Management	\$17,815	\$1,582	\$19,397
800 Environmental & Reclamation	\$12,418	\$41,293	\$53,712
<b>Total Directs</b>	<b>\$811,032</b>	<b>\$556,068</b>	<b>\$1,367,100</b>
<b>Indirect Costs</b>			
911 Construction Indirects	\$65,595	\$35,280	\$100,875
912 Spares & Warehouse Inventory	\$9,825	\$2,358	\$12,183
913 Initial Fills	\$4,500	\$0	\$4,500
914 Freight & Logistics	\$14,947	\$1,487	\$16,434
915 Commissioning & Start-Up	\$2,354	\$0	\$2,354
916 EPCM	\$57,910	\$0	\$57,910
917 Vendor & Consulting Assistance	\$798	\$0	\$798
<b>Total Indirects</b>	<b>\$155,929</b>	<b>\$39,125</b>	<b>\$195,054</b>
<b>Subtotal</b>	<b>\$966,961</b>	<b>\$595,193</b>	<b>\$1,562,154</b>
Contingency	\$67,066	\$38,938	\$106,004
Owner Costs	\$6,699	\$0	\$6,699
<b>Total Capital</b>	<b>\$1,040,727</b>	<b>\$634,130</b>	<b>\$1,674,857</b>

LoM operating costs are summarized in Table 1-12.

**Table 1-12: LoM Operating Costs**

<b>Cost Category</b>	<b>Unit Cost (\$/st-ore)</b>	<b>Unit Cost (\$/st-waste)</b>	<b>Unit Cost (\$/st-milled)</b>
Open Pit Mining-Ore	\$1.575	-	-
Open Pit Mining-Waste	-	\$1.165	-
Underground Mining	\$24.059	-	-
Underground Haul	\$1.250	-	-
Process Facility	-	-	\$4.732
Tailings Management	-	-	\$0.171
Water Management	-	-	\$0.003
Environmental and Reclamation	-	-	\$0.014
G&A	-	-	\$0.400

<b>Cost Category</b>	<b>Unit Cost (\$/st-ore)</b>	<b>Unit Cost (\$/st-waste)</b>	<b>Unit Cost (\$/st-milled)</b>
<b>Subtotal</b>	-	-	<b>\$11.796</b>
OP Equipment Lease	\$0.162	\$0.160	-
UG Equipment Lease	\$0.349	-	\$0.020
Process Equipment Lease	-	-	\$0.0002
Tailings Equipment Lease	-	-	\$0.010
<b>Subtotal</b>	-	-	<b>\$12.520</b>
Nevada State Minerals Tax	-	-	\$0.284
<b>Total Operating Costs</b>	-	-	<b>\$12.805</b>

Refining charges, transportation, and royalties are not included in the operating cost estimate.

#### *Economic Analysis*

Technical economic results for the Project are presented in Table 1-13 and suggest the following conclusions:

- Mine Life: 23 years;
- Pre-Tax NPV<sub>5%</sub>: \$1.4 billion; IRR: 17.5%;
- Post-Tax NPV<sub>5%</sub>: \$1.1 billion; IRR: 15.6%;
- Payback (Post-Tax): 57 months;
- Federal Income Taxes Paid: \$478 million;
- Nevada Minerals Tax Paid: \$163 million;
- Cash costs (excluding equipment leases and Nevada State Minerals tax): \$1.67/lb-Cu, \$1.49/lb-Cu net of by-product credits; and
- Initial project capital of \$1.04 billion, sustaining project capital of \$634 million, and total project capital of \$1.67 billion.

All costs and economic results are presented in Q2 2015 U.S. dollars. Quantities and values are presented using U.S. Customary units unless otherwise specified. No escalation has been applied to capital or operating costs. No gearing is assumed in the analysis.

**Table 1-13: Technical-Economic Results**

<b>Cost Category</b>	<b>Unit Cost \$/t-milled</b>	<b>LoM Cost (\$000s)</b>
<b>Smelter Revenue</b>	<b>\$23.85</b>	<b>\$13,641,652</b>
Freight & Marketing	(\$1.57)	(\$898,476)
Royalty	(\$1.32)	(\$753,168)
<b>Gross Income</b>	<b>\$20.97</b>	<b>\$11,990,007</b>
<b>Operating Costs</b>		
Open Pit Mining	(\$5.73)	(\$3,275,468)
Underground Mining	(\$1.46)	(\$836,537)
Process Facility	(\$4.73)	(\$2,706,225)
Tailings Management	(\$0.18)	(\$103,193)
Water Management	(\$0.003)	(\$1,612)
Environmental	(\$0.01)	(\$8,227)

<b>Cost Category</b>	<b>Unit Cost \$/t-milled</b>	<b>LoM Cost (\$000s)</b>
G&A	(\$0.40)	(\$228,831)
NV State Minerals Tax	(\$0.28)	(\$162,670)
<b>Total Operating</b>	<b>(\$12.80)</b>	<b>(\$7,322,763)</b>
<b>Operating Profit</b>	<b>\$8.16</b>	<b>\$4,667,244</b>
<b>Capital Costs</b>		
100 Open Pit Mining	-	(\$484,852)
200 Underground Mining		(\$238,208)
300 Ore Handling	-	(\$14,603)
400 Process Facility	-	(\$320,234)
500 DST Facility	-	(\$147,923)
600 Infrastructure	-	(\$88,171)
700 Water Management	-	(\$19,397)
800 Environmental & Reclamation	-	(\$53,712)
900 Indirects	-	(\$195,054)
Contingency		(\$106,004)
Owner Costs		(\$6,699)
<b>Total Capital</b>	<b>-</b>	<b>(1,674,857)</b>
<b>Pre-Tax Cash Flow</b>		\$2,992,387
<b>NPV<sub>5%</sub></b>		\$1,361,884
<b>IRR</b>		17.5%
<b>Payback (months)</b>		50
<b>Post-Tax Cash Flow</b>		2,514,310
<b>NPV<sub>5%</sub></b>		1,100,291
<b>IRR</b>		15.6%
<b>Payback (months)</b>		57

Addition differences due to rounding

#### *Surface Water Hydrology & Hydraulic Designs*

Surface water management and design at the facility was developed to protect waters of the state to protect mining infrastructure. The surface water infrastructure was designed to include the management of surface water run-on, non-contact water, and potential contact water. The plan resulted in utilizing one existing diversion channel to manage surface water run-on from impacting the mine site (the East Diversion); proposed construction of diversion channels to protect the DST from being impacted by run-off originating from the uplands to the east; implementation of stormwater basins to collect rainfall occurring on disturbed portion of the mine; and the construction of a low water crossing at Little Pumpkin Hollow and Purcel Lane to ensure safe passage during minor storm events.

#### *Groundwater Hydrology*

Groundwater flow is generally toward the north and west in the project site, with a vertically downward component of hydraulic gradient occurring in at least some parts of the Project area. Depths to groundwater typically range from 300 to 400 feet below the ground surface. The bedrock is of generally low hydraulic conductivity except where fractures create secondary permeability and transmit groundwater. Numerous other faults with varying amounts of displacement act as hydrologic boundaries.

#### *Dewatering*

A regional numerical groundwater flow model was constructed to estimate inflows to the underground and open-pit mines at the Project and potential impacts to regional and local water resources and to support design of dewatering and water management systems and permitting requirements.

The groundwater model suggests that dewatering will be necessary for both the underground and open-pit mining operations. Total predicted inflows range from zero to approximately 6,600 gallons per minute (gpm) over the life of the operations.

### Underground

Estimates of underground mine groundwater inflows from the numerical model reach a predicted maximum of approximately 3,000 gpm and gradually decrease to none at the end of the mine life. Management of groundwater inflows into the underground mine will consist of a system for channeling seepage from stopes to sumps placed strategically at low elevations. This water will be lifted to the surface in pipelines through the shaft.

In addition to collection and management of passive groundwater inflows to the underground mine, dewatering wells near the East production shaft and southeastern part of the East underground mine will be operated. At the surface, the discharge will be connected by laterals into moveable surface lines for delivery to mine usage or re-infiltration basins.

### Open Pit

As the hydraulic conductivity of the host rock to the ore bodies is relatively low, spaced dewatering wells peripheral to the open pits will be ineffective in developing a mine-wide cone of depression to manage groundwater inflows. Instead, dewatering of the open pits will be primarily through installation of sub-horizontal inclined drains emplaced at strategic locations into the pit walls. These drains will be four to six-inch diameter holes drilled into the bench faces and lined with perforated PVC pipe. They will be located in areas observed to be generating high groundwater seepage. Discharge from the drains will be collected in bench ditches directing flow to strategically placed sumps. The sumps will also collect surface water pit wall run-off and direct precipitation.

Sump water will be removed through pumping and discharge lines to the pit rim and directed either to mine usage or to re-infiltration. Pumping from the sumps will be progressively staged with booster pumps added in stages with increasing pit depth. Five and four stages of pumping are anticipated for the North and South Pits, respectively.

### *Tailings Management*

The DST facility design incorporates stable tailings storage, a containment system, a network of overdrainage pipework for seepage collection, a perimeter dike, surface water diversion and runoff management features, and a conveyor system for tailings transport. The facility is situated east of the proposed open pit and will be constructed in three stages to suit the tailings production schedule and minimize the facility footprint at any time during the mine lifecycle.

The filtered tailings management option was selected for the Project due to improved water efficiency and associated reduction in water demand, for reduced risks associated with geotechnical stability and environmental impact, and for mine closure benefits.

### *Conclusions & Recommendations*

#### Engineering, Procurement & Construction Management

It is recommended that NCC begin detailed engineering to advance the Project. Detailed engineering will further support refinement of the design, and the capital/operating cost estimate to execute Project development.

#### Geology & Resources

The Pumpkin Hollow Project is comprised of five main deposits, geologically set in a classic copper skarn mineralizing environment. The data used to estimate Mineral Resources in these areas has been collected using industry standard practices and is sufficient to support the estimation of Measured, Indicated and Inferred Resources.

Updating current reported resource models with new infill and extensional exploration drilling information may upgrade portions of the current Inferred Resources to Indicated, and Indicated to Measured as well as grow the overall resource base by adding potential new discoveries. Pit optimization constraints for the western deposits have limited deeper external Inferred Resources but can be used to more effectively target expansion drilling.

Changes in economic assumptions pertaining to cut-off grade calculations (e.g., metal price and processing and mining costs), could result in higher cut-off grades, which could reduce the current reported resource inventory accordingly.

The following are recommended to continue to de-risk Mineral Resources, improve model certainty and to develop resource upside:

- Continue to follow up on open areas of mineralization where it could influence future pit designs on the West Deposit.
- Areas within the North Pit require shallow infill drilling to improve resource classification categories.
- Commence resource definition drilling within the South and North pods of the East deposit when drift access is gained and continually update deposit models;
  - Begin to phase-out pre NCC drill-holes in the main resource areas as resource definition drilling expands;
  - Reconcile current estimations as development drilling progresses, alter methods where appropriate.
- Attempt centerline relative modeling in the E2 to improve grade moderation;
- Define the fold axis for the North deposit and attempt estimation in unfolded space as an improvement upon search domains;
- Continue to measure density on additional core samples and confirm or alter previously established regression equations;
- Sample all available core within the current mineralized zone for Cu, Au, Ag, Fe, Mo, and S in an attempt to reduce the number of regression calculations made for Au;
- Determine if sufficient data exist to generate fault surfaces within North deposit, enabling a more consistent interpretation of offset in the mineralized interpretation; and
- Continue to explore resource upside in the following areas;
  - Down-dip apron of the E2 deposit and its connection with the JK-34 zone;
  - Between the North and South deposit to further connect the two bodies;
  - South of the E2 deposit, following-up on results seen in N-48;
  - South of the area between the Southeast and E2 deposits, following-up on results seen in NC11-05 and FG-58 to determine if another resource body exists; and
  - East of the East resource area, to determine the relationship of FG-20 to the main area.

The estimated annual budget for resource definition drilling is \$2 million and an additional \$1 million for exploration and condemnation drilling over the next two years.

### Mine Planning & Reserves

#### Underground

- The underground Mineral Reserve estimate for the Project is based on proven methods, mining practices, and modeling techniques applied to a resource block model. The cost assumptions and the NSR values assigned to the model are reasonable and support the NSR cutoff developed by Stantec for use in defining the reserve model and supporting mine plan. Based on this assessment, the underground Mineral Reserve will support a 15-year mine life at a planned production rate of 2.3 Mstpy.
- The mine plan and expenditure schedule presented herein is reasonable. The plan is based on the currently available Pumpkin Hollow data and established mining practices. The resource model and geotechnical parameters provided to Stantec appear reasonable and are a sound basis for the design of a large-scale and highly mechanized underground mine at a feasibility level of confidence.

- The proposed plan uses well-established mining technology. No unproven equipment or methods are contained in the plan; however, there is potential to take advantage of currently available and future technology gains.
- The Project is located in a favorable mining jurisdiction with an available skilled workforce.
- In the current design, the East Shaft has a 2.8 Mstpy capacity. This, combined with the reduction in waste hoisting requirements through the mine life, may present an opportunity to achieve a higher ore production rate than currently designed.
- Based on ongoing delineation drilling, continued optimization of the stope sequence could improve the grade profile during the early years of production.
- A portion of the East deposit's Mineral Resource is composed of resources located in the JK-34 deposit. The JK-34 deposit is located deeper and to the south of the East deposit. The current mine plan's Mineral Reserve does not include material from the JK-34 deposit. The JK-34 area should be viewed as an opportunity because the E2 connector drift development passes above this area.
- The production ramp-up is aggressive and dependent on availability of trained local workforce.
- The mine development schedule is predicated on the premise of timely award of contractual lateral development, construction of the East South Ventilation Shaft, and commissioning of the East Shaft.

The results and conclusions from the underground mining study are positive; as a result, advancement of the Pumpkin Hollow project to detail engineering and project development is recommended.

The underground block model and mine plan need to be updated as new information regarding the Mineral Resource and economic parameters becomes available. Costs are included in operational overheads.

The underground material handling system should be simulated to improve operational efficiency and cost. The estimated cost of this is \$300,000.

Alternate methods for the mining of remnant material not included in the current reserve model should be evaluated. The estimated cost of this is \$500,000.

A detailed geotechnical evaluation of the stoping and backfilling sequence should be completed to ensure mining-induced stresses will not adversely affect global mine stability and to ensure adequate methods for ground support and tight filling beneath the sill and crown pillars are developed to prevent excess back spans and pillar deterioration. This evaluation should be undertaken in close collaboration with the underground mine planners to ensure efficient incorporation of any required modifications to the mining or backfilling sequences. The estimated cost for this scope of work is \$80,000.

#### Open Pit

Conclusions for the open pit are as follows:

- The Pumpkin Hollow Proven and Probable reserves have been defined based on pit optimization using a copper price of \$2.80 per pound and mine planning using an internal cutoff with a copper price of \$3.00 per pound. The Proven and Probable reserves were used to create a production schedule for mining, and a positive cash-flow analysis has been done based on the production schedule. This establishes the reserves as having reasonable economics with respect to the statement of reserves under NI 43-101 regulations.
- Mine production constraints were imposed to ensure that mining wasn't overly aggressive with respect to the equipment anticipated for use at Pumpkin Hollow. The schedule has been produced using mill targets and stockpiling strategies to enhance the project economics. The constraints and limits used are reasonable to support the project economics which are used to justify the statement of reserves.

- Pit designs were created using 25 ft benches for mining with a catch bench up to every third bench. This corresponds to the resource model block heights, and Tetra Tech believes this to be reasonable with respect to dilution and equipment anticipated to be used in mining.

Additional exploration/in-fill drilling has occurred since April 15, 2015 (effective date of this report). Preliminary results indicate several areas of mineralization will be expanded and require an updated geologic resource model. Using a revised geologic resource model will allow for a redesigned and optimized mine plan to be developed for the surface mine portion of the Project. The estimated cost of this work is \$400,000.

The current pit slope geotechnical study used pit designs from the 2012 Feasibility Study. An updated report should be developed using the latest drilling information and the latest Feasibility Study pit designs. The estimated budget for the supplemental geotechnical investigation is \$300,000.

The Project was initially discovered due to its high iron content. Should a metallurgical study and a market study indicate that iron processing from the Pumpkin Hollow Operation is profitable, an optimized mining plan should be developed to explore the potential of producing both an iron and a copper concentrate from the surface mine. The estimated budget for the supplemental mine plan is \$300,000.

Very limited condemnation drilling has been performed on the West Deposit area of the Pumpkin Hollow Project. In order to ensure that there is no economic resource under the planned MRSF and/or Process Plant areas, a comprehensive condemnation drilling program should be instituted. The estimated budget for the condemnation drilling investigation is \$400,000.

#### Metallurgy & Recovery Methods

The development of the Pumpkin Hollow deposits, for ores accessible by both the open pit and underground mining methods, have been sampled and metallurgically studied for many years. These studies have been carried out intermittently at different research facilities. The ores have been shown to be amenable to conventional crush/grind/float processing and, depending on grind size and various flotation conditions, have consistently produced marketable concentrates at high recoveries.

In the ongoing effort to reduce project risk, additional sampling and continued variability testing is recommended to proceed concurrently with detail design and engineering stages of the project. Information collected from this continued effort could eventually influence mine planning and ore blending as well as mineral liberation and flotation requirements to further improve project economics. In particular, it is recommended that the following studies be conducted.

- Up to 80 additional variability samples, complementing the approximately 20 variability and composite samples already studied, to be taken spatially throughout the identified ore zones. These samples would be targeted on the major rock types and correlated to a likely mine life plan.
- The new variability samples would be subjected to Bond grindability testing and SMC testing to characterize the ores with respect to hardness, further defining power and grinding requirements. While prolonged excursions into either extremely soft or hard ores that cannot be handled by ore blending are not expected, the additional information resulting from this testwork will be useful for planning purposes as the project progresses.
- The new variability samples would also be subjected to a program consisting of rougher, cleaner, and locked-cycle flotation testing. These tests would further explore the response of different ore types (rock types) and feed grade variation to standard flotation conditions. Additional composite samples, representing various time periods in the LoM schedule, will also be studied in the same manner.
- Supporting this additional work would be geometallurgy-based characterization of selected samples. This characterization should include samples of both whole ore and individual flotation products. This work, much of which would be founded in automated mineralogy, i.e., QemScan or other technologies, will inform on potential grind/liberation size relationships and provide insight to conditions that should be planned for throughout the production life of the project.

The Pumpkin Hollow mine plan includes, at times, significant magnetite within the concentrator feed.

This magnetite could provide additional income to the project as exploratory testing has shown that marketable iron concentrate could likely be produced along with the copper concentrate. However, this same magnetite has the potential to impact a hydrocyclone classified grinding circuit by building up in the recirculating load. There are methods to mediate this effect through operator awareness, blending, and the use of low intensity magnetic separation. An effort should be made better understand the potential for magnetite build-up in the as-designed concentrator and to prepare in advance to minimize such risk. The same variability samples selected for the recommended comminution and flotation testing would serve to explore magnetite related material handling issues.

A level of effort budget for the work suggested above is in the range of \$800,000.

### Infrastructure

Infrastructure at the Project location is well developed. The City of Yerington, Nevada is a 15-minute drive away via paved, two-lane access. Rail access is ten miles from the site. The local airport, Yerington Municipal Airport, is eight miles from the site, while the Reno-Tahoe International Airport is 80 miles from the site. Offsite access roads include use of an existing road from the north end of the mine site to Highway 95 for the hauling of concentrate and a new road alignment for Purcel Road. The road for hauling the concentrate will connect Highway 95 and the mining property and will run north-south. Also, the existing Purcel Road runs east-west through the site. This road will be re-routed around the north end of the site, outside of the perimeter fence.

Water supply is ample for the Project, and will be supplied from the City of Yerington. Water will be delivered from wells on site or piped 6 miles (10 kilometers) from an existing pipeline takeoff point. This water pipeline, which is connected to the City of Yerington water supply, is shared with an existing user but has been oversized to allow for Nevada Copper's future usage. From the pipeline takeoff point, a new extension will be constructed to the project and water will be distributed within the mine site through the potable water pipeline or the raw water pipeline.

A package sewage treatment plant will be constructed and effluent will be used for plant process water or discharged to an infiltration basin. Electrical power will be supplied through the Nevada Energy electrical grid via two 120 kV overhead lines.

### Tailings & Waste

The DST facility design incorporates stable tailings storage, a containment system, a network of overdrainage pipework for seepage collection, a perimeter dike, surface water diversion and runoff management features, and a conveyor system for tailings transport. The facility is situated east of the proposed open pit and will be constructed in three stages to suit the tailings production schedule and minimize the facility footprint at any time during the mine lifecycle.

The filtered tailings management option was selected for the Project due to improved water efficiency and associated reduction in water demand, for reduced risks associated with geotechnical stability and environmental impact, and for mine closure benefits.

The design was developed based on hydrological and geotechnical studies that included review of regional climate data, drilling and testing programs, and laboratory characterization of subsurface and tailings samples. These studies will need to be advanced to detail design level as part of the next phase of project.

The design features shall be reviewed as part of this assessment to optimize design elements and ensure performance will meet design criteria and regulatory requirements.

Geotechnical assessments indicate that the design of the dry stack meets regulatory and guideline requirements. The tailings are expected to be trafficable with crawler mounted equipment soon after placement at the design water content, and the risk of foundation and or tailings instability is low for the proposed operation. Based on the results of infiltration and seepage modeling, the storage of tailings in the facility is not expected to impact the regional groundwater system, located approximately 300 ft below ground. Under warm climate conditions, the water balance of the facility is negative, with evaporation being the largest component of the system. Annual evaporation water losses were calculated to be greater than annual precipitation. Under these conditions seepage is limited to the drainage of moisture that was placed with the tailings material. The flow associated with the drainage of moisture content is anticipated to be minimal throughout operations and into closure. The HDPE liner in the Stage 1 footprint



and the compacted, low permeability tailings layer in Stages 2 and 3 will limit the flow of water into the foundation soils, and promote horizontal flow of seepage water to the overdrain seepage collection network.

The regulations in Nevada require incorporation of a low permeability base layer consisting of compacted native, imported or amended soils, which have an in-place compacted coefficient of permeability of no more than  $1 \times 10^{-6}$  cm/s. Geotechnical laboratory testing must be performed on the process tailings to confirm the feasibility of achieving a hydraulic conductivity less than  $1 \times 10^{-6}$  cm/s with compacted and/or amended tailings prior to Stage 2 construction. Tailings amendment, if required, may include mixing with suitable local soils or bentonite.

Water collected in the overdrain seepage collection network and as surface water runoff from the stack, will be retained in lined ponds adjacent to the stack. The water will be re-used in mineral processing.

The performance of the DST facility will be monitored, particularly during the initial production years, and the data will be assessed and results incorporated into the detailed design of the future stages of construction and closure.

The following items are recommended to advance the current design of the DST facility to detailed engineering level:

- It is recommended that a detailed subsurface geotechnical investigation and laboratory testing program should be performed within the footprint of the DST facility, the mill, and the filtration plant to assess foundation conditions at the site.
- The tailings samples selected for geotechnical characterization testing as part of this and previous studies should be reviewed to ensure they represent the expected range of materials to be processed over the mine life and the expected process treatment.
- The seepage model should be reviewed and updated as required with consideration of the stacking plan developed as part of detailed design. Based on this update, the design of containment features and the overdrain network can be reassessed. Seepage assessment will also be required to determine the timeframe of long term monitoring and potential treatment requirements.
- The stability model should be reviewed and updated as required with consideration of the final stacking plan and updated information on the material properties of the tailings, construction materials including the HDPE liner, and the foundation. Modeling should include determination of acceptable setback distances for operating at the stack perimeter.
- The liquefaction assessment should be reviewed and updated as required with consideration of updated information on material properties and updated stacking plan.
- The stacking plan and proposed conveyor alignments and ramps should be reviewed with respect to optimizing operations and maintaining adequate work areas.
- A tailings facility operating manual and a monitoring and surveillance plan should be developed. The monitoring plan should include measurements to confirm the unsaturated condition of the tailings stack and the performance of the containment system.
- Dust containment measures should be reviewed and plans to mitigate dust and contain tailings in the stack should be advanced. These measures may include progressive reclamation of the perimeter slopes and incorporation of a perimeter waste rock shell zone to improve the effectiveness of long term tailings containment and erosion control, and optimization of dust suppression application types and amounts.
- The detailed design should be reviewed to ensure consistency and adherence to the anticipated closure and reclamation plan.

An allowance of \$180,000 has been incorporated into the cost estimate to cover geotechnical investigations including drilling, field testing and laboratory test work as part of the dry stack facility final design. The allowance for civil/geotechnical dry stack facility design work to cover the above recommendations prior to production is \$1.17 million, with additional allowance to cover detailed design of future stages over the life of mine. An

additional \$370,000 is recommended for geotechnical investigations associated with LoM civil, structural, and infrastructure; to be conducted concurrently with the associated DST geotechnical work.

In accordance with regulatory permit requirements, a test dry stack cell and monitoring program are required to demonstrate the effectiveness of the proposed compacted tailings liner prior to its construction in the Stage 2 and Stage 3 footprint.

### Environmental & Reclamation

The Project will be completed on 100-percent privately owned lands following completion of the Yerington Land Conveyance. At this time completion of the various administrative steps to actually deed the land to Yerington and subsequent re-conveyance to Nevada Copper for a portion of the lands (~7,000-8,000 acres) is expected in August 2015. The Project can be developed without federal environmental permits and NEPA requirements.

- A number of environmental studies have been conducted at the site in support of Project permitting and approvals. Studies have been conducted to investigate soils, climate and meteorology, geology, geochemistry, biological resources, cultural and anthropological sites, socio-economics, hydrogeology, and water quality.
- The Project has received approval for all amendments to primary permits, including the Water Pollution Control Permits, Reclamation Permit, and Class II Air Quality Operating Permit. Significant modifications to the Project may require resubmittal of permit applications. Models and designs prepared in support of permitting efforts should rely on the best and most current information available.
- There are no federally threatened or endangered species likely to occur in the Project area. The only federally threatened or endangered species that occur in Lyon and Mineral Counties are fish species, and there are no perennial or fish-bearing streams in the Project area.
- Archaeological surveys have been performed over the full project area. The Project does not intersect any Native American Reservation Lands or sacred sites.
- The Project occurs entirely within Lyon County, Nevada, which has the highest unemployment rate in the state. The Project is estimated to bring approximately 800 to 1,000 direct jobs and 2,000 to 3,000 indirect jobs to the area. There have been no formal objections to the Project from environmental groups or other non-governmental organizations.

### Mine Reclamation

Project reclamation is anticipated to achieve approved post-mining land uses and meet the requirements of the reclamation permit to achieve full bond release based on current project understanding and assumptions. Reclamation approaches, including use of select infrastructure for post-mining industrial use and recontouring, placing covers, and conducting revegetation over remaining site features, will be refined through developing and monitoring test plots and observing levels of success of concurrent reclamation on site features throughout the mine-life. Long-term water treatment is not anticipated for the Project, based on the results of seepage modeling from the DST that indicates a nominal seepage flow which, during closure, will be directed into the pit lake until the seepage flow decreases to a level which may be managed through passive evaporation in the seepage collection pond. In addition, pit lake water treatment is not anticipated based on modeling results which indicate that the pit lake will be a hydraulic sink. Throughout the mining and post mining phases, surface water will be managed in diversion channels, run-off collection channels, and basins.

### Reclamation

#### Soil Characteristics and Vegetation Establishment

- It is recommended that an Order 2 Soil Survey be conducted in and adjacent to the proposed area of disturbance. Inventories should define the location, volume, properties, uniformity, and retrievability of potential sources of PGM/cover materials on or immediately adjacent to the site. It is also recommended that saturated hydraulic conductivity and soil water characteristic curves (SWCC) of waste rock, tailings, and the likely source(s) of PGM/cover materials be determined. Proper characterization of soil material properties will help identify the soil types for later use as PGM and for optimizing closure cover designs.

- Determination of the entire particle size distribution of PGM and the PGM/rock blends is also recommended to better define and predict the water holding capacity and erosion resistance. In addition, optimal in-place density of closure covers and subgrade materials should be determined through a field testing program to provide many of the benefits of compaction without jeopardizing soil cover stability and the viability of vegetation development and growth.
- Revegetation test plots should be installed and monitored. These test plots will allow the methods used to establish native vegetation, and control erosion and sedimentation from disturbed areas, to be tested on-site prior to full implementation. In addition, the performance of various plant species, methods for controlling erosion, and methods to increase soil moisture and nutrients may be evaluated through testing of different soil amendments, nurse crops, surface roughening approaches, irrigation, soil binders, and erosion control fabrics.
- Various aspects of the reclamation approach should be designed and revised based on test plot findings, interim monitoring findings, and concurrent reclamation monitoring findings. The following aspects of the reclamation design should be updated based on monitoring findings:
  - Soil and subgrade compaction criteria;
  - Ripping specifications;
  - Soil fertilization and amendment specifications;
  - Mulching specifications;
  - Erosion control fabric installation specifications; and
  - Seeding plans and seed mixtures.

Should on-site testing indicate that additional organic matter will need to be added to support a vegetated cover, initial evaluations should be conducted to identify potential soil amendments for use at the site.

Potential soil amendments may include Biosol™, biosolids from the City of Yerington wastewater treatment plant, or concentrated animal feeding operations waste materials, such as manure and compost. Opportunities may exist for a beneficial commercial arrangement with these entities to share costs for compost generation in return for a specified product quality and quantity.

#### **Long-Term Closure Cover Erosional Resistance**

Once the nature of the closure cover materials (surface soil salvage and pit overburden) is further characterized, the long-term erosional resistance of DST and MRSF closure covers should be re-evaluated to:

- Predict soil loss and head cutting potential from facilities during operations and following closure;
- Develop and evaluate erosion and sediment control options; and
- Predict the rate and magnitude of sediment loads to operational and closure stormwater drainage systems (basins, channels, etc.).

Vegetation monitoring data should be collected from reclamation test plots. These data, and data from the characterization of waste and cover hydraulic properties should be used as inputs to empirical or process-based erosion and sedimentation prediction models (Revised Universal Soil Loss Equation, Water Erosion Prediction Project, Erodibility Index Method, SEDCAD, and others) for the evaluation of facility drainage designs, sediment management plans and erosion and sediment control alternatives.

The estimated budget for the supplemental geotechnical investigation and laboratory testing programs discussed above is \$350,000.

#### **Geochemistry**

Evaluation of geochemical data related to the Project indicates that with the exception of a few lithologies, acid generation and metals release should not be a major concern.

- Based on NNP and NPR values, all waste rock types except for magnetite skarn are considered to be non-PAG with an 85% degree of confidence.
- Insufficient sample numbers exist to define the endoskarn, magnetite skarn, and intrusive based on statistical distribution. It is recommended that additional static samples be collected to further characterize these rock types to gain greater confidence in waste rock management decisions.
- Based on calculations of waste material proportions it is estimated that 19% of waste rock material stored at the MRSF will be potentially acid generating (PAG). Estimations were based on acid-base accounting (ABA) results and the estimated lithological composition of the waste material. Hornfels rock type is the dominant lithology and accounts for approximately 15% of the potentially deleterious waste; however as a whole this rock type is potentially non-acid generating. Of lesser concern are the skarn and intrusive rock types which account for six percent of the PAG material. Limestone and talc rock types also have a proportion of PAG material. PAG material, regardless of rock type, will likely be blended and comingled with non-acid generating rock types. This will effectively decrease the risk of introducing PAG material on the surface of the MRSF.
- The magnetite product, rougher tailings, magnetite tailings, final tailings composites, and cemented paste tailings (CPT) are classified as non-PAG using the NDEP (1990) criteria. These materials represent only seven percent of the total mass of the mixed composite tailings. They will be fully mixed with rougher tailings prior to placement in the DST storage facility.
- Diffusion testing on CPT suggests that most constituents do not pose an environment risk. Arsenic however did exceed NDEP Profile I Reference Values, although observed values do approximate background groundwater conditions. Metal and metalloid release rates appear to be very slow. Such trends suggest that trace constituents are controlled by a combination of dissolution and diffusion rather than pH.
- Based on geochemical analysis of rock present on the final pit walls, in conjunction with local groundwater chemistry, a geochemical model of the final pit lake water quality was developed. The majority of inflow water entering the pits will be from groundwater sources seeping through the pit walls, with predicted water quality being acceptable with respect to NDEP Profile I Reference Values and background groundwater quality data.

As mining progresses, lithologies that are encountered that otherwise are under-represented in the initial geochemical assessment should be reviewed. It will be prudent to update the geochemistry assessments in such instances. This will include tailings and waste rock material and continued review of pit lake waters. In this way, plans to minimize potential environmental issues can be devised to help mitigate problems before they become untenable.

- On-going NAG pH characterization will further determine the effectiveness of NAG pH as a viable option to segregate PAG and non-PAG material.
- On-site kinetic testing on select rock types and/or blended waste material should be conducted to better simulate storage of waste material at the Project location. Fifty-five gallon drums will be employed to store waste material subjected to natural occurring wetting and drying cycles. Seepage will be collected and analyzed to determine the natural leachate chemical character of waste material at the Project site.
- Additional ABA analyses are needed for endoskarn, magnetite skarn, and intrusive rock types based on statistical evaluation.
- Additional review of pit lake water quality should be initiated due to changes in mine plan and pit shapes.

The estimated cost for the additional geochemical assessment discussed above is \$200,000.

#### Surface Water Hydrology

Continued monitoring of precipitation, surface water flow and water quality should be completed to ensure compliance through the development, operational, reclamation and closure plan stages of the project. Measured values should also be compared to design conditions to ensure that precipitation and runoff factors are substantiated.

The estimated budget for surface water monitoring and analysis and associated consulting services is \$50,000.

#### Groundwater Hydrology & Dewatering

- Dewatering of the open pits will be required when pit excavation reaches the water table and for the underground workings advanced from the shaft. The regional numerical groundwater flow model developed for the project estimated maximum inflow rates of about 4,700 gpm for the North Pit, about 2,900 gpm for the South Pit, about 1,440 gpm for the East underground, about 1,300 gpm for the E2 underground, and about 350 gpm for the underground decline. Water pumped from the pits and the underground workings will be used to supply the mill, and excess water will be piped to an infiltration basin for re-introduction to the groundwater system.
- The inflow predictions were developed using currently-available information on the geologic and hydrogeologic conditions at the Project site and in the region. Prediction of inflows is inherently subject to uncertainties, and it is possible that as-yet-undiscovered conditions that will affect inflow rates could be encountered during mining, resulting in inflow rates higher or lower than those predicted.
- While it is considered unlikely that the predicted inflow rates will be exceeded, if higher inflow rates were encountered, the additional water could be handled with little or no disturbance to the mining operations.
- If inflow rates prove lower than those predicted to be encountered, supplemental water for process water supply will be available for from groundwater wells or from the City of Yerington municipal utility.

It is recommended that mine inflow estimates be updated to reflect any substantive changes to the mine plan, such as development of an additional open pit southeast of the proposed South Pit or major changes in the layout or timing of the currently-proposed mining operations. The mine dewatering system design will require modification and refinement as empirical data become available during advanced exploration and initial mine construction and operation. It is recommended that mine inflow estimates be regularly updated, refining the numerical groundwater flow model by incorporating observed drawdown of groundwater during the initial periods of mine development and operation. The operation should maintain a database of groundwater data collected from periodic depth-to-groundwater measurements in monitoring and pumping wells and piezometers. Mine discharge flow measurements and infiltration rates should be tracked and included in the database.

The estimated budget for this work is \$75,000 per model update and \$15,000 per year for database maintenance. Additional regional groundwater modeling is recommended to confirm the amount of groundwater that may be encountered, at estimated total cost is \$705,000.

#### Water Balance

It is recommended that the sitewide water balance be periodically updated as empirical hydrologic data becomes available during mine development and initial production. In particular, actual mine inflows into the open pits and shafts should be measured as well as water consumption components. Application rates to the infiltration basins and basin performance should also be monitored. It is recommended that double ring infiltrometer field tests be conducted at the proposed location of the infiltration basin to verify infiltration rates.

An estimate for periodic updating of the sitewide water balance is \$75,000.

#### Recommendations & Future Work

The following recommendations are made considering the results of the Feasibility Study and the Project risks identified. A work program is recommended that includes studies and investigations in preparation for the detailed engineering phase. The costs of these activities are estimated at \$9.0 million as shown in Table 1-14.

**Table 1-14: Recommended Activities & Cost**

<b>Recommended Activity</b>	<b>Cost (\$000s)</b>
Resource Definition Drilling	\$2,000
Exploration & Condemnation Drilling	\$1,000
Underground Material Handling System Simulation	\$300
Underground Mining Alternatives	\$500
Underground Geotechnical	\$80
Optimized Open Pit Mine Planning	\$400
Supplemental Geotechnical Investigation	\$300
Supplemental Mine Planning	\$300
Open Pit Condemnation Drilling	\$400
Additional Metallurgical Testing	\$800
Tailings, Civil Infrastructure & Geotechnical	\$1,540
Data Gathering for Reclamation	\$350
Geochemical Assessment	\$200
Water Management	\$830
<b>Total</b>	<b>\$9,000</b>

[End of Technical Report extract.]

## Exploration Activities

### Exploration History

#### *General History*

Early exploration activity in the Yerington district dates back to 1865 when attempts were made to work the oxidized copper ore at the Ludwig mine. Prior to 1907 operations throughout the district were intermittent and never attained much importance, and the area did not yield much copper until after 1912. The most important of the early activities appears to have been the mining of “bluestone” from the Bluestone mine, approximately five miles west of Yerington, to supply the reduction works at Virginia City. The Yerington Mine, also known as the Anaconda Mine, operated from 1952 until 1978, where mineralization was primarily contained in a porphyry system of granodiorite and quartz-monzonite. The Minnesota Mine (northwest of Yerington) that originally mined copper in the early 1920s began sizeable production of skarn magnetite iron ore in 1952.

The original discovery of the copper-magnetite deposits on the Property were a result of a regional airborne magnetic survey conducted by US Steel Corporation (“USX”) in 1959-1960. USX was searching for iron ore deposits to supply its iron pellet plant. Initial drilling in 1960 of discovery hole L-1 was collared on a classic magnetic high of what is now known as the South Deposit. Initially the Property deposits were evaluated for their iron content by USX and later for their large bulk mineable copper potential.

Substantial exploration activity has been carried out on the Property claims and surrounding areas since the initial USX discovery. Prior to the Company’s acquisition of the Project, 424 drill holes were completed totaling 594,652 feet by five other companies. Although numerous geophysical and geochemical techniques have been attempted over time, the close association of copper mineralization with magnetite has highlighted magnetic exploration programs as the favored method and, due to depth of mineralization, drilling remains the only test.

Only recently has any attempt been made to evaluate the deposits as lower tonnage but higher grade, underground copper operations with substantial precious metal and magnetite co-products.

The following table briefly lists the exploration, geotechnical, and hydrologic drilling history of the Property as of the end of 2016. No material exploration has been completed since the end of 2016.

<b>COMPANY</b>	<b>PERIOD</b>	<b>No. of Drill Holes</b>	<b>Total Feet Drilled</b>
USX	1960-1975	282	392,135
Anaconda Copper	1975-1977	96	143,905
CONOCO	1981	13	27,107
Plexus Resources	1985-1987	2	3,006
Cyprus Exploration	1989-1993	23	20,986
International Taurus	1998-1999	8	7,513
<b>TOTAL</b>	<b>1960-1999</b>	<b>424</b>	<b>594,652</b>
<i>Nevada Copper</i>	<i>2006 – 2016</i>	<i>387</i>	<i>601,557</i>
<b>TOTAL</b>	<b>1960 - 2016</b>	<b>811</b>	<b>1,196,209</b>

### Exploration Conducted by the Company

#### 2006 – 2009 Exploration

The Company embarked on a program, during its 2006 fiscal year, to validate and synthesize the electronic assay and geologic database pertaining to the Property. The database was then utilized for creating geologic models of the mineralized zones and generation of a NI 43-101 compliant Resource estimate for the entire property.

The Company also increased the size of the land package at the Property through the staking and filing of unpatented claims, bringing the total contiguous area to 7,100 acres. The Company, commencing in October 2006, developed and implemented a 62,000-foot in-fill and step-out drilling program with the objective of moving a significant amount of the previously identified Inferred Resource into the Measured and Indicated category, along

with adding to the base Resource at the Property. In addition the Company initiated a program to assay and re-assay select historic core and drill rejects for copper, gold, silver and molybdenum. Traditionally, previous operators had not always assayed for gold, silver and molybdenum, and for whatever bias, some core with visible chalcopyrite had not been assayed, even though it was within the limits of projected mining boundaries. The exploration program was completed in October 2007 and formed the data basis for an updated Resource estimate.

Concurrent with the Resource delineation drilling program, metallurgical, geotechnical, hydrological, and environmental baseline data was processed. The 2007 drilling program was considered successful in achieving its objectives and supported an updated Resource estimate contained in the NI 43-101 report prepared by independent consultant Tetra Tech, which was announced in December 2007. Copper and iron resources were increased materially in the December, 2007 updated Resource estimate and gold and silver were added to the overall Resource.

The focus of the Company's exploration and development efforts in 2008 was designed to upgrade the Resource classifications, increase the hydrologic and geotechnical data and determine preliminary project economics in advance of a feasibility study. The work completed on the Property during the 2008 financial year cost approximately \$7 million.

The following table summarizes the 2008 drilling:

<b>Purpose</b>	<b># Holes</b>	<b>Meters</b>
Resource Definition	63	24,239
Geotechnical	4	1,671
Hydrologic	6	1,378

**Metallurgical Testing:** Several bench scale metallurgical tests were completed on drill cuttings from the iron rich area of the South.

**Engineering:** A preliminary economic assessment ("PEA") for the Property was completed. The PEA evaluated an integrated underground and open pit mining operation with a standard milling and floatation plant that will produce high-grade copper concentrates.

An updated NI 43-101 compliant Resource estimate update was completed in August 2009. Copper, gold and iron Resources increased significantly while showing substantial increases in the Measured & Indicated Resource categories. The increase in the total Resources was largely due to the very successful expansion of open mineralization and focused resource classification drilling during 2008. The Resource estimate update was prepared by the mineral resource and mining division of Tetra Tech.

The 2009 resource drill program commenced in the 4<sup>th</sup> quarter and focused on upgrading the resource classifications necessary for the feasibility reserves and mine planning. In addition to the Measured and Indicated Resource conversion, several areas where mineralization is open were targeted for mineral expansion. A total of 24,000 meters of reverse circulation and HQ core drilling was originally proposed and then expanded to over 45,000 meters. The expanded program focused on areas where additional Measured and Indicated Resource conversion was necessary and mineralization was open including the newly discovered deep mineralization in the North deposit. The following table summarizes the program completed in the 4<sup>th</sup> quarter of 2009.

<b>Purpose</b>	<b># Holes</b>	<b>Meters</b>
Initial Resource Definition	37	28,058
Additional Resource Definition	37	18,477

A re-assaying program was started in 2006 and continued into fiscal 2009. The few remaining holes not retrieved in 2008 were pulled and sent into the lab for assaying. The program continues to fill in data gaps in the older drilling. Several of the earlier operators did not assay for gold, silver, or molybdenum.

Geophysical work completed on the project during 2009 consisted of seismic and ground magnetic surveys. The seismic survey was used to augment lithologic contact data in the proposed underground access location. A detailed ground magnetic survey was completed over the eastern portion of the Property in order to better target drilling adjacent to the E2 Deposit and several exploration targets.



A pre-feasibility study was begun in the fourth quarter of 2009 and later expanded to the feasibility level in the fourth quarter of 2010 following completion of the expanded 45,000 meter drilling program.

### **Fiscal 2010 Development and Feasibility Program**

Geotechnical work was completed in the 1<sup>st</sup> quarter of fiscal 2011 in order to increase the data necessary for mine planning. Several oriented drill holes were drilled in the vicinity of the ultimate pit limits in the North and South pits to refine and confirm pit slope designs. A series of holes were drilled in the East and E-2 areas to refine the underground access, stope methods, and lithologic characteristics necessary for underground access design.

Hydrologic test work was completed in the 4<sup>th</sup> quarter of fiscal 2010. The work focused on hydrogeologic characterization and dewatering design needed for permitting and the feasibility study. Test dewatering wells determined the dewatering design and long-term requirements. Additional monitor wells will be drilled depending on the requirements necessary for the feasibility. The wells would characterize the baseline water quality parameters and hydrological parameters.

The following table summarizes the geotechnical and hydrologic drilling completed in the 4<sup>th</sup> quarter of 2010:

<b>Purpose</b>	<b># Holes</b>	<b>Meters</b>
Geotechnical	20	11,109
Hydrologic	3	1,080

### **Fiscal 2010 Exploration, Step-out and Expansion Program**

In 2010 the Company completed approximately 50,000 meters of resource delineation drilling, aimed at expanding the existing Mineral Resources estimate.

### **2011-2012 Step out Drilling Program**

The Company started with a 20,000 meter step out drilling program in December 2010 which was later expanded to approximately 50,000 meters as additional mineralization was discovered in the North Deposit. The program was concluded in the summer of 2012 with 94 holes drilled for a total of 47,731 meters.

Much of the 2011- 2012 resource drill program was focused on expansion and step-out drilling around the North and South Deposits:

- The North Deposit continues to have multiple areas of open mineralization.
- The areas include: the lower stacked mineralization area, the north and northwest areas, and the open mineralization along the eastern and southeastern edge of the deposit.
- The South Deposit drilling focused on expanding mineralization in three areas: between the South and North pits, the northern boundary and the deeper center core. Much of the new mineralization intersected falls within or adjacent to the proposed feasibility pit boundary and could have a positive impact on the pit economics.

Other targets included in the program:

- Several holes were drilled in the East Deposit. Drilling focused on the open mineralization along the edges of the deposit, which remains open in several directions. Mineralization along the northern edge of the deposits thins. In the southwest portion of the deposit mineralization remains open and contains wide spaced holes with high grade mineralization.
- Drilling in the E2 Deposit focused on a mineral zoning target to the northeast.
- Section 11 mineralization is very similar in both character and depth to the E-2 Deposit and is thought to be a faulted off extension. Most of the previous holes were drilled below the mineralized horizon in the footwall.

### **2013 Follow-up Drill Program**

Nevada Copper conducted a follow-up drill program in 2013 on the North Deposit. Nine (9) complete and two (2) pre-collar drill holes were completed for a total of 6,400 meters. The follow-up drill program targeted new mineralization discovered at the end of the prior year's drilling program along the southern and western edge of the North deposit, located along or just outside the open pit limits set out in the then-current feasibility study. The drilling was not included in the Resource estimate update released in September 2012.

The majority of mineralization in the North Deposit is disseminated within hornfels, silicate skarn and skarn breccia. The mineralization discovered along the southern edge of the deposit is different. Mineralization like that encountered in drill hole NC-12-34 (690 feet grading 1.17% copper) is mainly hosted by endoskarn. The new endoskarn-hosted mineralization opens up a very large prospective area between the North and South deposits for further exploration.

### **2015 Drill Program**

Nevada Copper drilled 42 infill holes, totaling 54,571 feet. The drilling focused on grade improvement and resource conversion. Thirty-one holes were drilled in the Western open pit deposits. The drilling intersected additional shallow high-grade mineralization and have shown that certain areas within the current mine plan contain minable mineralized material that was previously considered waste rock due to lack of drill data.

Ten resource holes and one geotechnical hole were drilled in the East deposit to enhance the mineralized zones within the current mineral reserve, especially in areas planned for mining in the early years. Results of infill drilling were substantially in accordance with anticipated grades based on the current resource model and will be integrated into an updated resource model and future mine planning.

In order to support the underground drilling three drill stations and approximately 605 feet of lateral underground development were completed at the 1900-foot main haulage level.

### **2016 Exploration**

No drilling occurred in 2016. Exploration consisted of review and updating geologic data.

### **DIVIDENDS**

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain all available funds for use in its operations and the expansion of its business.

### **DESCRIPTION OF CAPITAL STRUCTURE**

The authorized capital of the Company consists of an unlimited number of common shares without par value. All of the authorized common shares of the Company are of the same class and, once issued, rank equally as to dividends, voting powers, and participation in assets. Holders of common shares are entitled to one vote for each share held of record on all matters to be acted upon by the shareholders. Holders of common shares are entitled to receive such dividends as may be declared from time to time by the Board of Directors of the Company, in its discretion, out of funds legally available therefor.

Upon liquidation, dissolution or winding up of the Company, holders of common shares are entitled to receive pro rata the assets of the Company, if any, remaining after payments of all debts and liabilities. No common shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds.

Provisions as to the modification, amendment or variation of such shareholder rights or provisions are contained in the British Columbia *Business Corporations Act*. Unless the British Columbia *Business Corporations Act* or the Company's Notice of Articles or Articles of Incorporation otherwise provide, any action to be taken by a resolution of the members may be taken by an ordinary resolution or by a vote of a majority or more of the common shares represented at the shareholders' meeting.

There are no restrictions on the repurchase or redemption of common shares of the Company while there is any arrearage in the payment of dividends or sinking fund installments.

## **MARKET FOR SECURITIES**

The Company's common shares trade on the Toronto Stock Exchange, under the stock symbol "NCU".

### **Trading Price and Volume**

The following table lists the monthly volume of trading and high and low prices, in Canadian dollars, for the Company's common shares for the most recently completed financial year ending December 31, 2016.

**Monthly High and Low Share Prices and Volume  
for the Financial Year Ended December 31, 2016**

<b>Month</b>	<b>High CAD\$</b>	<b>Low CAD\$</b>	<b>Volume</b>
Jan-16	0.69	0.48	558,100
Feb-16	0.65	0.47	534,400
Mar-16	1.05	0.52	925,700
Apr-16	1.00	0.85	444,700
May-16	0.90	0.65	700,300
Jun-16	0.71	0.57	1,467,600
Jul-16	0.74	0.54	2,453,900
Aug-16	0.67	0.57	970,900
Sep-16	0.64	0.55	774,600
Oct-16	0.63	0.58	466,300
Nov-16	0.82	0.57	4,494,700
Dec-16	0.82	0.67	2,147,100

*Source: Bloomberg*

### **Prior Sales**

The following table provides a list of outstanding common share purchase incentive stock options, which are the only class of the Company's securities that were outstanding but not listed or quoted on a marketplace as at December 31, 2016:

<b>Number of Options</b>	<b>Exercise Price CAD\$</b>	<b>Grant Date</b>	<b>Expiry Dates</b>
495,000 <sup>(1)</sup>	\$1.00	July 2, 2008	July 2, 2018
210,000	\$0.75	November 13, 2008	November 13, 2018
305,000 <sup>(2)</sup>	\$1.96	January 14, 2010	November 12, 2019
595,000 <sup>(2)</sup>	\$1.95	September 26, 2012	November 12, 2019
200,000	\$1.94	December 16, 2013	December 16, 2018
1,110,000	\$0.69	August 10, 2016	August 10, 2021
375,000	\$0.69	August 10, 2016	February 10, 2018
3,953,500	\$0.69	November 9, 2016	November 9, 2021
375,000	\$0.62	November 9, 2016	May 10, 2018
<b>7,618,500</b>			

Note:

- (1) At the Company's Annual and Special meeting of shareholders held on December 19, 2008, the Company received disinterested shareholder approval to re-price stock options with an exercise price over CAD\$1.00 to CAD\$1.00. The re-pricing of stock options received TSX approval.
- (2) In order to ensure that senior officers and employee were incentivized the Corporation's Board of Directors approved a reduction in the stock option exercise price by 40% for all stock options priced from CAD\$3.25 to CAD\$5.37 while also amending the term of option to five years from the date of the re-pricing. The reduced exercise price reflected a premium of between 33% and 119% of the then market price of CAD\$1.47 as at November 12, 2014. The total number of stock options re-priced was 4,245,000, of which 3,055,000 stock options were held by insiders and received disinterested shareholder approval at the Company's Annual and Special meeting of shareholders held on June 26, 2015.

## ESCROWED SECURITIES

No securities of the Company were held in escrow during the financial year ended December 31, 2016.

## DIRECTORS AND EXECUTIVE OFFICERS

Directors and Executive Officers  
As at March 29, 2017

<b>Name, Current Position with the Company, Province or State and Country of Residence</b>	<b>Principal Occupation during the Past Five Years<sup>(1)</sup></b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Giulio Bonifacio <sup>(4)</sup> President, CEO, and Director British Columbia, Canada	President and CEO of Nevada Copper Corp. since August 2006.	Since August 15, 2006	5,850,000 (6.6%)
Michael Brown <sup>(4)</sup> Director Zug, Switzerland	Managing Director of Pala Investments Ltd., an investment company focused on the mining sector, since May 6, 2014; Senior Vice President of Pala Investments Ltd. since July 2011.	Since August 8, 2013	0 <sup>(5)</sup>
Raffaele (Lucio) Genovese <sup>(2)</sup> Director Zug, Switzerland	Chief Executive Officer of NAGE Capital Management since 2004.	Since May 27, 2016	0
Stephen Gill <sup>(2)(3)</sup> Director Zug, Switzerland	Portfolio Manager at Pala Investments Ltd., an investment company focused on the mining sector, since January, 2009.	Since January 28, 2016	0 <sup>(5)</sup>
Evgenij Iorich <sup>(2)</sup> Director Zug, Switzerland	Portfolio Manager at Pala Investments Ltd., an investment company focused on the mining sector, since September, 2006.	Since January 28, 2016	0 <sup>(5)</sup>
Bill Myckatyn <sup>(4)(6)</sup> Director British Columbia, Canada	Former executive in the mining industry, retired since 2006.	Since May 27, 2016	0
Robert McKnight Executive Vice President and CFO British Columbia, Canada	Executive Vice President, Nevada Copper Corp. since October 2010; Chief Financial Officer of Nevada Copper Corp. since September 11, 2012.	**Officer only since October 2010**	16,000 (0%)

Notes:

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective directors and officers. Each director and officer has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) Member of Audit Committee
- (3) Member of Compensation Committee
- (4) Member of Health, Safety, Environment and Technical Committee
- (5) Pala Investments Ltd. holds 40,289,141 (45.7%) shares in Nevada Copper.

- (6) Mr. Myckatyn will not be standing for re-election at the Company's Annual and Special Meeting of Shareholders to be held April 28, 2017.

As at the date hereof, all the Directors and Executive Officers as a group beneficially own, control or direct, directly or indirectly, an aggregate of 5,866,000 common shares representing 6.6% of the Company's outstanding shares.

The Directors have served in their respective capacities since their election and/or appointment and will serve until the next Annual General Meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles of Incorporation of the Company.

The Senior Management serves at the pleasure of the Board of Directors.

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

During the most recently completed financial year, and as at the date of this AIF, the Company is not a party to any, nor is the Company aware of any pending or contemplated, material legal proceedings or regulatory actions.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as set forth herein and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, shares carrying more than 10% of the voting rights attached to the shares of the Company, nor an associate or affiliate (as defined in the British Columbia *Securities Act*) of any of the foregoing persons has since January 1, 2014 any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Company or any of its subsidiaries.

## **TRANSFER AGENT AND REGISTRARS**

The registrar and transfer agent for the Company is Computershare Investor Services Inc. of 510 Burrard Street, 3<sup>rd</sup> Floor, Vancouver, British Columbia, Canada, V6C 3B9.

## **MATERIAL CONTRACTS**

The Company has entered into the following material contracts:

- a. Lease Agreement between 607792 BC and RGGG for the Property, dated May 4, 2006 – see “Mineral Projects”.
- b. Assignment and Assumption Agreement between 607792 BC and the Company dated January 4, 2008 – 607792 assigned all of its rights, title and interest in the Lease Agreement between 607792 and RGGG to the Company.
- c. First Amendment to Lease Agreement between the Company and RGGG, dated April 10, 2008 – RGGG granted water rights to the Company.
- d. Water Service Agreement between NCI and City of Yerington dated August 10, 2009 – the City of Yerington reserved 2,000 acre feet for use by NCI for 30 years.
- e. First Amendment to Water Service Agreement between NCI and City of Yerington, dated July 25, 2011 – the City of Yerington reserved an additional 1,500 acre feet of water (totaling 3,500 acre feet) for use by NCI.
- f. An equipment financing lease was executed on October 1, 2013 between the Company and Caterpillar Financial Services Corporation for the amount of \$24 million.
- g. Loan and Security Agreement in respect of \$200 million senior secured Red Kite Loan Facility with Red Kite executed on December 30, 2014, as amended.
- h. Red Kite Agreement with Red Kite to amend the Red Kite Loan Facility, executed on January 3, 2016.

## **INTERESTS OF EXPERTS**

### **Name of Experts**

The following are names of persons or companies that have prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or relating to, the Company’s most recently completed financial year end and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

1. Smythe LLP, Chartered Professional Accountants, located at 355 Burrard Street, Suite 700, Vancouver, BC, V6C 2G8 provided an auditor’s report dated March 29, 2017, in respect of the Company’s consolidated financial statements for the financial years ended December 31, 2016 and December 31, 2015. Smythe LLP is independent of Nevada Copper Corp. in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.
2. Tetra Tech of Suite 500, 350 Indiana Street, Golden, Colorado, 80401 was responsible for the preparation of the “NI 43-101 Technical Report – Integrated Feasibility Study – Pumpkin Hollow Copper Project – Yerington, Nevada, USA” effective as of April 15, 2015 and issued on July 9, 2015.
3. Stantec Consulting Services Inc. of 111 Dunsmuir St, Vancouver, BC V6B 6A3 was responsible for the detailed underground mine design and underground capital cost estimation for the “NI 43-101 Technical Report – Integrated

Feasibility Study – Pumpkin Hollow Copper Project – Yerington, Nevada, USA” effective as of April 15, 2015 and issued on July 9, 2015.

To the best of the Company’s knowledge, the experts named above and the designated professionals (as defined in Form 51-102F2 Annual Information Form) of Tetra Tech and Stantec did not have or receive any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or of one of the Company’s associates or affiliates, when that expert prepared their respective reports, nor will such persons receive any registered or beneficial interest, direct or indirect, in any securities or other property of the Company in connection with the preparation of their respective reports.

### **AUDIT COMMITTEE**

National Instrument 52-110 - *Audit Committees* (“NI 52-110”) requires the Company to disclose annually certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following. The text of the Company’s audit committee charter is attached as Schedule “A” hereto.

#### **Composition of the Audit Committee**

As of the date hereof, the members of the audit committee are Raffaele (Lucio) Genovese, Stephen Gill and Evgenij Iorich, each of whom is independent (as defined in NI 53-110) and financially literate.

#### **Relevant Education and Experience**

Mr. Genovese has 28 years of experience in both the merchant and financial sectors of the metals and mining industry. Mr. Genovese is the CEO of Nage Capital Management in Baar, Switzerland. He is also Chairman of Firestone Diamonds plc and a member of the board of Mantos Copper S.A., Ferrous Resources Limited, and Ferrexpo AG. He was previously employed at Glencore International AG where he held several senior positions including CEO of the CIS region and manager of the Moscow office. Mr. Genovese is a Chartered Accountant and has Bachelors of Commerce and Accounting degrees from the University of Witwatersrand, Johannesburg (South Africa).

Mr. Gill holds an MBA from the IE Business School in Madrid. He also holds a Master of Science degree from the University of North Carolina and a Bachelor of Science degree from the University of Wales. Mr. Gill has been at Pala since 2008, during which time he has been involved in many of Pala’s principal investments covering a range of commodities, as well mining services and consumables sectors. Mr. Gill is also involved in the oversight of Pala’s liquid portfolio. Prior to joining Pala, Mr. Gill was at AMEC Plc., an engineering consulting firm, where he advised on a range of natural resources transactions. Mr. Gill also acted as an advisor across a range of private equity transactions, including investments in businesses spanning mining, metals processing, and mining consumables manufacturing industries.

Mr. Iorich has over ten years of experience in the natural resources sector and is currently Portfolio Manager at Pala. Mr. Iorich has worked with a number of Pala’s portfolio companies on a range of strategic initiatives, mergers and acquisitions opportunities, operational and financial planning and structuring. He is a director of Peninsula Energy Ltd. and Serinus Energy Inc. Prior to joining Pala in 2006, Mr. Iorich was a financial manager at Mechel, the Russian metals and mining company, where his responsibilities included all aspects of budgeting and financial modeling. Mr. Iorich graduated from the University of Zurich with a Masters of Arts degree.

As a result of their business experience, Messrs Genovese, Gill and Iorich (i) have an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) have the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves, (iii) have experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more individuals engaged in such activities, and (iv) have an understanding of internal controls and procedures for financial reporting.

### Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions in section 2.4 (De Minimis Non-audit Services), section 3.2 (Initial Public Offerings), section 3.4 (Events Outside Control of Member), section 3.5 (Death, Disability or Resignation of Audit Committee Member) or Part 8 (Exemptions) of NI 52-110.

### Reliance on the Exemption in Subsection 3.3(2) or Section 3.6

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in subsection 3.3(2) (Controlled Companies) or section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances) of NI 52-110.

### Reliance on Section 3.8

At no time since the commencement of the Company's most recently completed financial year has the Company relied on section 3.8 (Acquisition of Financial Literacy) of NI 52-110.

### Audit Committee Oversight

The audit committee has not made any recommendations to the board of directors to nominate or compensate any external auditor.

### Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

### External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audited services provided by its auditors to the Company to ensure auditor independence. Fees paid to Smythe LLP for audit and non-audit services in 2016 and 2015 are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Paid to Auditor in the Period Ended December 31, 2016</b>	<b>Fees Paid to Auditor in the Period Ended December 31, 2015</b>
Audit Fees <sup>(1)</sup>	\$33,516	\$28,900
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	\$2,234	Nil
All Other Fees <sup>(4)</sup>	\$30,388	Nil
Total	\$66,138	\$28,900

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include transition to IFRS reviews, employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.



## **ADDITIONAL INFORMATION**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at Suite 1238, 200 Granville Street, Vancouver, British Columbia, V6C 1S4, telephone 604-683-8992 to request copies of the Company's financial statements and MD&A. Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year. Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's Information Circular filed on SEDAR at [www.sedar.com](http://www.sedar.com).

**SCHEDULE “A”  
AUDIT COMMITTEE CHARTER**

The Audit Committee’s mandate and charter can be described as follows:

1. Each member of the Audit Committee (the “Committee”) shall be a member of the Board of Directors, in good standing, and the members of the Committee shall be independent in order to serve on this Committee.
2. At least one of the members of the Committee shall be financially literate.
3. Any proposed changes to the Board of Directors. Consider changes that are necessary as a result of new laws or regulations.
4. The Committee shall meet at least four times per year, and each time the Corporation proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Committee may ask members of the Corporation’s management (the “Management”) or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the Committee.
6. The Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board of Directors any proposed discharge of the independent auditors.
8. Review with the Management the policies and procedures with respect to officers’ expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with the Management, the rationale for employing accounting firms rather than the principal independent auditors.
10. Inquire of the Management and the independent auditors about significant risks or exposures facing the Corporation; assess the steps the Management has taken or proposes to take to minimize such risks to the Corporation; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
12. Inquire regarding the “quality of earnings” of the Corporation from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Corporation’s internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management’s responses thereto.
14. Review with the Management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with the Management, the independent auditors annual financial report before it is filed with the regulatory authorities.

16. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Corporation; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Management, the ramifications of each alternative and the treatment preferred by the Corporation.
17. Review all material written communications between the independent auditors and the Management.
18. Review with the Management and the independent auditors: (a) the Corporation's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Corporation's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the Management encountered during the audit.
19. Periodically review the Corporation's code of conduct to ensure that it is adequate and up-to-date.
20. Review the procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
21. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
22. The Committee will perform such other functions as assigned by law, the British Columbia Business Corporations Act, the Corporation's by-laws, articles, or the Board of Directors.