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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

NOVEMBER 10, 2020

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

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INTRODUCTION

This Management’s Discussion and Analysis (“MD&A”) of Nevada Copper Corp. (the “Company” or “Nevada Copper”) has been prepared by management as of November 10, 2020. Information herein is provided as of November 10, 2020, unless otherwise noted. The following discussion of performance, financial condition and outlook should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2019 and 2018 (“consolidated financial statements”) and the notes thereto, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) and the unaudited condensed interim consolidated financial statements (“interim financial statements”) of the Company and the notes thereto for the three and nine months ended September 30, 2020 and 2019 (prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting). Additional information relevant to the Company’s activities, including the Company’s Annual Information Form dated May 15, 2020 (the “Annual Information Form”), can be found on SEDAR at www.sedar.com. All amounts expressed herein are in US Dollars unless otherwise indicated.

Greg French, CPG and David Sabourin, PE are non-independent Qualified Persons under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, and have approved the scientific and technical information in this MD&A.

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

HIGHLIGHTS, RECENT DEVELOPMENTS AND OUTLOOK

Highlights

The Company has continued to make progress in its previously announced accelerated development. Recent milestones include:

- **Mill Restart** – On August 20, 2020, the Company restarted its processing plant at its underground mine (the “Underground Project”). following the temporary suspension of copper production due to impacts of the COVID-19 pandemic (the “Suspension”). The plant restart was able to leverage the knowledge gained from the processing plant’s initial performance in the first quarter of 2020. Processing plant performance continued to improve with recoveries increasing 10% in October when compared with September. Mill throughput rates are continuing to increase as mill optimization is ongoing, reaching throughput rates approaching design. Campaign milling is being utilized to optimize ore stockpile management heading into commissioning of the Main Shaft materials handling system.

- **Concentrate Delivery Resumption** – Since the mill restart at the Underground Project, concentrate specifications have been compliant with offtake requirements and concentrate grade is consistent with plan. Concentrate deliveries remain ongoing and are planned to continue with increasing volumes. Concurrent with the resumption of concentrate deliveries, the Company recommenced draws and repayments under the Working Capital Facility (as defined below). The Company processed 122,619 tons of ore during the third quarter and shipped 1,179 dry metric tonnes ("dmt") of concentrate at a grade of 22.4% copper. October concentrate shipments increased 166% from September 2020. In October, the Company continued to deliver on-spec copper concentrates to its offtaker, with the Company shipping 1,461 dmt at a concentrate grade of 25.5% copper.
- **Main Production Shaft Equipping** – The Company has completed equipping of the Main Production Shaft. Work is ongoing to complete the remaining loading pocket. By the 3rd week of November, the Company plans to use the Main Shaft to transfer materials, supplies and people, freeing the East North Vent Shaft to be used exclusively for development ore and waste movement, with a resultant expected increase in ore hoisting rates.
- **Lateral development** – The Company's underground lateral development rates continue as planned. Ore grades encountered in ongoing development continue to reconcile well to resource model grades, and hoisted development ore grades have increased in line with the commencement of stope development. Lateral development rates are ahead of the revised plan targets and hoist rates via the East North Vent Shaft are ahead of target.
- **Ore Mining** – The Company has initiated mining activities in stope ore with stope development grades in October reaching over 2% copper equivalent.
- **Geotechnical Update** – The Company has continued its review of the costs associated with initially smaller stopes during the ramp-up period as a result of localized geotechnical changes arising from recent definition drilling in the Upper East South zone. Additional geotechnical review and ongoing definition drilling completed in October continues to support the Company's mine plan which shows production quickly transitioning to predominately larger stopes over Q1 2021 and thereafter, supporting sustained mining of larger stopes as previously planned. While the move to initially smaller stopes in the Upper East South zone will further de-risk the Underground Project and does not affect the life of mine resource, the change has increased costs in the short-term. In light of the additional costs associated with this change in mine plan during the ramp-up period, management has concluded that the Company will require additional funding over the next four months as it completes the ramp-up process. See "Liquidity" in "Liquidity, Cashflow and Financial Resources" for additional details regarding the Company's financing needs and plans in respect thereof.
- **Materials Handling System** – During the quarter, the surface materials handling infrastructure has been completed and moved into the permanent location and staged commissioning has commenced. The Company is testing the communication system and interactions of these sections to ensure ramp-up can be accelerated once the underground conveyor is installed later in Q4 2020.
- **Mine Planning** – Mine planning to develop detailed production mining layouts and stope sequencing has commenced following receipt of the updated geological model and revised geotechnical design parameters developed from underground infill drilling and mapping of the development.
- **Bought Deal Financing** – In July 2020 the Company completed its public offering of 667,503,553 units of the Company (the "Units") at a price of CAD$0.15 per Unit (the "Offering"), inclusive of the exercise of the over allotment option by the underwriters, for total aggregate gross proceeds of approximately CAD$100 million. See "Bought Deal Public Offering" in Liquidity, Cashflow and Financial Resources for additional details.

Recent Developments and Outlook

Underground Project

Mine Development

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

These restrictions and other challenges relating to the COVID-19 pandemic necessitated a revision of the underground development plan. A critical path schedule focused on completion of the Main Shaft furnishing and commissioning to enable ramp-up of production. The decoupling of the mine-to-mill during the Suspension allowed for the mine development to advance, infrastructure to be progressed and building of a development ore stockpile which totalled approximately 164,000 tons on August 19th. This approach facilitated a re-start of the process plant on August 20, 2020 from the stockpiled material.

Further to the revised development plan, the shaft sinking of the Main Shaft to its final depth of 2,131 feet was completed and the work required to equip the shaft for its final production configuration is on target. The surface materials handling system has also been completed and has been relocated into final position and final commissioning is ongoing. Final shaft configuration and commissioning of the hoisting system is expected in Q4 2020.

The lateral development rates achieved during the quarter are in line with the targets. The focus of the lateral development has been to complete key underground infrastructure areas and to develop accesses out to the stoping areas and prepare stopes for mining in preparation for ramping-up production on completion of Main Shaft commissioning. The Company hoisted an average of a 1,000 tons of material per day from the East North Vent Shaft during the third quarter of 2020, this was approximately 30% better than planned hoisting rates.

The Company has elected to reduce the size of certain early stopes in a localized area at the Underground Project where initial ramp-up ore is planned. Additional geotechnical review and ongoing definition drilling continues to support the Company's mine plan which shows production quickly transitioning to predominately larger stopes over Q1 2021 and thereafter, supporting sustained mining of larger stopes as previously planned. While the move to initially smaller stopes in the Upper East South zone will further de-risk the Underground Project and does not affect the life of mine resource, the change has increased costs in the short-term. In light of the additional costs associated with this change in mine plan during the ramp-up period, management has concluded that the Company will require additional funding over the next four months as it completes the ramp-up process.

Processing Plant

The Processing Plant was restarted on August 20th as planned. Most of the previously furloughed employees were available to return to work, with the shortfall in labor being made up with contracted labor.

A mill ramp-up plan was developed based upon the amount of ore predicted to be hoisted from the Underground Project over the remaining months in 2020 and the existing tonnage on the ore stockpile.

The Processing Plant milled 125,796 tons during the quarter at a blended grade of 0.4% copper. This material was a blend of stockpiled low-grade mineralized material and development ore. The Company expects that process grade will improve as underground activities shift from development to stope production. During the quarter concentrate production was 1,050 dmt at 24.7% copper. During the quarter the company shipped a combination of inventoried material from April and current quarter production totaling 1,179 dmt at a concentrate grade of 22.4%. The concentrate grade of this material was impacted by start-up activities from April and the processing of stockpiled low-grade mineralized material.

During the quarter, the process plant continued to improve on its performance achieving single day throughput milestones of 4,440 tons (representing approximately 90% of design throughput) and a single 12 hour shift throughput of 2,467 tons (representing 99% of design). Work continues on increasing plant reliability to achieve and sustain nameplate output. The Company has seen single shift recoveries exceeding 92% and concentrate grades have consistently been in the 24 - 26% range since the restart.

Final concentrate grade was consistently achieved despite a lower than forecast feed grade. Higher than 24% Cu concentrate was produced most of September. Copper recovery was lower than expected during the quarter with the focus on producing higher grade concentrate product. The focus is now on increasing the recovery and at the same time maintaining the concentrate grade to within specification.

In October, the Company produced 1,461 dry metric tonnes of copper concentrate at a grade of 25.5% copper, which represents a 166% increase over copper concentrate production in September. During November, campaign milling is being utilized to optimize ore stockpile management heading into commissioning of the Main Shaft materials handling system.

Stacking of filtered tailings commenced on the second lift of the tailings pad in September and the unlined test cell was being prepared for use at the end of the quarter with anticipated stacking commencing in the 4^{th} quarter.

Open Pit Project

The Company expects to continue advancing optimizations for its open pit project at the Project (the “Open Pit Project”) following the current focus on ramp-up at the Underground Project. The optimizations are expected to include further extension and in-fill drilling as a follow-up to the last Open Pit Project drilling program, which identified significant additional mineralization and indicated the ore body extends beyond the original pit boundary and remains open in multiple directions, as well as value engineering options and trade-offs with the aim of further enhancing project economics. Further updates on Open Pit Project advancement plans will be communicated as appropriate.

Exploration

The Company continues to evaluate its extensive mineral landholdings at and around Pumpkin Hollow, including drilling and/or trenching, where appropriate, and to look for opportunities to increase its landholdings at the appropriate time. The company also continues to review recent and historical aero-magnetic survey data in conjunction with surface exploration to identify prospective targets. Further to this strategy, additional ground was staked along the eastern boundary of the Tedeboy target area. The Company will prioritize advancing its high-priority targets in accordance with cash availability.

SUBSEQUENT EVENTS

Subsequent to period end, Pala Investments Limited (“Pala”), the Company’s largest shareholder, provided the Company with access to additional liquidity in the amount of up to $8 million pursuant to the terms of an unsecured promissory note, bearing interest at 8% and maturing on January 31, 2021. Pala has advanced the full $8 million to the Company under the promissory note, which was used primarily for the continued operation and construction of the Underground Project.

DESCRIPTION OF BUSINESS

Nevada Copper is a mining company whose principal asset is the 100%-owned Pumpkin Hollow copper property. The property is located in northwestern Nevada and consists of approximately 23,300 acres of contiguous mineral rights including approximately 10,800 acres of leased and owned private land and leased patented claims. See “Description of Business” in the Annual Information Form.

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

The Company has obtained all material permits and approvals for the development and operation of both the Underground Project and the Open Pit Project that are required at this time. Certain of those permits and approvals may need to be renewed as a result of the passage of time and certain of those permits and approvals may need to be modified in order to accommodate design changes and other optimizations. See “Risk Factors” in the Annual Information Form.

The Company has completed construction of the processing plant for the Underground Project, which is now in the commissioning stage. Completion of commissioning and ramp-up of Underground Project operations is continuing during 2020 towards the planned nominal steady state production rate of 5,000 tpd with the re-start of concentrate production occurring on August 20, 2020 after the Suspension.

MANAGEMENT AND BOARD CHANGES

On October 15, 2020, the Company announced the departure of Evan Spencer as President & Chief Executive Officer and the appointment of Mike Ciricillo as acting Chief Executive Officer. Mr. Ciricillo was previously the Head of Copper Industrial Operations for Glencore Plc (“Glencore”), where he oversaw Glencore’s worldwide copper assets. Prior to Glencore, he held a number of senior management roles during a 20-year tenure with Phelps Dodge Corporation and Freeport-McMoRan Inc., including as President of Tenke Fungurume Mining SA and General Manager of Miami Arizona operations. Throughout his career Mr. Ciricillo has overseen numerous significant copper operations in the United States and elsewhere.

On October 15,2020, the Company also announced that Kate Southwell had been appointed to the board of directors of the Company, replacing Phillip Day, who resigned from the board. Ms. Southwell has over 15 years of experience as a legal professional and brings substantial knowledge and expertise in legal and commercial issues, including regulatory, sustainability and risk management matters at the time when the Company has become a copper producer. She is currently a Vice President at Pala and previously worked at Nyrstar N.V. and Shearman & Sterling LLP.

On October 5, 2020, the Company announced the appointment of Dale Ekmark as the Chief Operating Officer of the Company. Mr. Ekmark brings over 26 years of domestic and international experience to the Company. He served as CEO and Chairman of OKD, a.s. in the Czech Republic where he oversaw the operation of four ultra-deep underground coal mines with over 12,000 employees. He also served as COO and CEO of Sydvaranger Gruve AS in Kirkenes, Norway; COO of AMG Mining GmbH of the Advanced Metallurgical Group and VP/GM of Detour Gold Corporation. Additionally, he has held numerous senior management roles with Kazakhmys Copper, AO, NORAMCO Engineering Corporation, Placer Dome Inc., Cleveland-Cliffs Inc., and The De Beers Group of Companies. He holds a Bachelor's Degree in Mechanical and Industrial Engineering from the University of Minnesota, a Master's Degree in Engineering Management from the University of Alaska, and completed post-graduate studies in Systems Science/Business Administration from Portland State University.

On July 6, 2020, the Company announced the appointment of André van Niekerk as the Chief Financial Officer of the Company, replacing Abraham Jonker, effective July 13, 2020. Mr. van Niekerk was previously the CFO of Golden Star Resources where he oversaw the commissioning and ramp-up of multiple new mining operations, in addition to the upgrade of company-wide ERP and management reporting and control systems during his 14-year tenure. Mr. van Niekerk has extensive capital markets experience and was responsible for the financing of the development of two underground mines and the continuous optimization of Golden Star's balance sheet. Previously he held senior positions with KPMG.

FINANCIAL RESULTS

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
(Expressed in thousands of US dollars, except per share amounts)	**2020**	2019	**2020**	2019
Expenses				
Consulting and remuneration	**$192**	$128	**$1,361**	$479
Public company expenses	**325**	382	**1,573**	1,421
Administration expenses	**62**	38	**261**	236
Professional fees	**642**	279	**3,784**	1,118
Depreciation	**(9)**	11	**31**	31
Stock-based compensation	**(290)**	(44)	**845**	1,561
	(922)	(794)	**(7,855)**	(4,846)
Interest income	**2**	19	**5**	846
Interest and finance expenses	**(803)**	16	**(837)**	(20)
Derivative fair value change	**(4,568)**	2	**(4,763)**	127
Other income	**51**	-	**62**	27
Convertible Loan derivative fair value change	**9,994**	-	**6,763**	-
Convertible extinguishment gain (loss)	**(6,383)**	-	**(6,383)**	
Debt Extinguishment loss	**-**		**(4,112)**	1,294
Foreign exchange loss	**47**	7	**89**	(89)
	$(1,660)	$44	**$(9,176)**	$2,185
Income/(Loss) and Comprehensive Income/(Loss)	**$(2,582)**	$(750)	**$(17,031)**	$(2,661)
Income/(Loss) per common share - Basic and diluted	**$(0.00)**	$(0.00)	**$(0.02)**	$(0.00)

For the three months ended September 30, 2020, the Company reported net loss of $2.6 million (or $0.00 basic and diluted loss per common share), compared to a net loss of $0.8 million for the corresponding period in 2019 (or $0.00 basic and diluted income per common share). The $1.8 million increase in net loss is primarily due to the following:

- As a result of the settlement in Q3 2020 of the Company's convertible loan in the amount of $30 million that was provided by Pala on March 27, 2020 (the "Convertible Loan") in connection with the Company's March refinancing transactions (the "Refinancing Transactions"), the Company recorded a $10 million gain on the embedded derivatives in the Convertible Loan, which was partially offset by a $6.4 million loss on the extinguishment of the debt; and
- Finance expenses increased mainly as a result of the write off of $0.8 million in deferred financing fees related to the termination of the backstop agreement that was provided by Pala to the Company in the amount of $20 million on March 27, 2020 (the "Backstop Agreement") in connection with the Refinancing Transactions.
- A mark to market fair value loss of $5 million was recorded in Q3 2020, related to the derivative liability of the warrants issued as part of the Offering. The warrants are publicly traded and the fair value at the end of the quarter was determined based on the market price of the warrants at the end of the quarter.

For the nine months ended September 30, 2020, the Company reported a net loss of $17 million (or $0.02 basic and diluted loss per common share), as compared to a net loss of $2.7 million for the corresponding period in 2019 (or $0.00 basic and diluted loss per common share). The $14.3 million increase in net loss is as a result of:

- As a result of the settlement of the Convertible Loan in Q3 2020, the Company recorded a $10 million gain on the embedded derivatives in the Convertible Loan, which was partially offset by a $6.4 million loss on the extinguishment of the debt;
- A $4.1 million debt modification loss was incurred in Q2 2020 as a result of the refinancing of the credit facility provided by Pala in December 2019 (the "2019 Credit Facility"), which was replaced with the Convertible Loan and the amendment to the Company's senior credit facility provided by KfW IPEX-Bank (the "KfW IPEX-Bank Facility") in connection with the Refinancing Transactions;
- Professional fees related to accounting and legal expenses increased $2.7 million mainly in connection with the Refinancing Transactions and legal expenses related to litigation involving the Company's contractors;
- Consulting and remuneration increased $0.9 million as a result of severance paid in 2020; and
- Finance expenses increased mainly as a result of the write off of $0.8 million in deferred financing fees related to the termination of the Backstop Agreement.
- A mark to market fair value loss of $5 million was recorded in Q3 2020, related to the derivative liability of the warrants issued as part of the Offering. The warrants are publicly traded and the fair value at the end of the quarter was determined based on the market price of the warrants at the end of the quarter.

Pumpkin Hollow Project Expenditures

Project costs capitalised for the period ended September 30, 2020 on the Project consisted of the following (expressed in $‘000):

	September 30, 2020	2020 Additions	December 31, 2019	September 30, 2019	2019 Additions	December 31, 2018
Property payments	$1,961	$-	$1,961	$1,961	$ -	$1,961
Advance royalty payments	5,676	450	5,226	5,076	450	4,626
Water rights	2,720	141	2,579	2,532	94	2,438
Drilling	42,302	-	42,302	42,302	-	42,302
Geological consulting, exploration & related	8,459	-	8,459	8,459	-	8,459
Feasibility, engineering & related studies	27,605	368	27,237	26,905	1,587	25,318
Permits/environmental	13,729	620	13,109	13,109	615	12,494
Underground Project						
Underground access, hoist, head frame, power & related	262,577	63,327	199,250	173,343	67,004	106,339
Engineering procurement	130,324	3,226	127,098	121,650	76,517	45,133
Surface infrastructure	29,717	9,160	20,557	13,405	7,609	5,796
Site costs	41,579	11,195	30,384	26,425	6,533	19,892
	566,649	88,487	478,162	435,190	160,409	274,758
Depreciation	8,715	5,065	3,650	2,429	1,679	750
Asset retirement obligation	4,984	-	4,984	5,091	4,182	909
Capitalised interest	79,519	12,353	67,166	64,393	6,940	57,453
Stock-based compensation	8,721	345	8,376	7,979	2,076	5,903
Stream accretion	17,558	6,580	10,978	9,153	6,540	2,613
Pre-production sales	(3,017)	(3,017)	-	-	-	-
Total	$683,129	$109,813	$573,316	$524,212	$181,826	$342,386

For the nine-month period ended September 30, 2020, the Company incurred $109.8 million of Project-related expenditures compared to $181.8 million during the same period in 2019. The focus during Q3 2020 was further advancement of the underground development and shaft infrastructure, and the advancement of surface infrastructure and re-start activities.

Earlier in the year, the Company completed the construction and commissioning of the processing plant and during the quarter, the Company substantially completed the construction of the surface materials handling system and continued equipping the Main Shaft and advanced lateral development.

During the nine months ended September 30, 2020, the Company began commissioning activities and had pre-production sales totalling $3 million which was credited back to the construction cost of the property as pre-production sales.

LIQUIDITY, CASHFLOW AND FINANCIAL RESOURCES

Working capital (deficit)

(Expressed in thousands of US dollars, except per share amounts)	**September 30, 2020**	December 31, 2019
Current assets		
Cash and cash equivalents	**$794**	$1,041
Accounts receivable	**195**	73
Prepaid expenses	**971**	121
	1,960	1,235
Current liabilities		
Accounts payable and accrued liabilities (a)	**$43,926**	$31,304
Related party payable	**2,760**	-
Stock-based compensation liabilities – current portion	**491**	209
Warrant derivative	**9,363**	-
Current portion of stream and royalty deferral	**11,811**	11,317
Current portion of long-term debt (b)	**36,771**	31,975
Total Current Liabilities	**105,122**	74,805
Working capital (deficit) (see liquidity discussion below)	**$(103,162)**	$(73,570)

a.) Included in accounts payable and accruals is approximately $13.5 million accrued in respect of invoices received from the Company's prior contractor at the Underground Project, Cementation USA Inc. ("Cementation"), which is now subject to litigation and a counter claim by the Company of $88 million, and $8.1 million accrued in respect of invoices received from Sedgman USA Inc. ("Sedgman"), the Company's primary contractor for construction and commissioning at the processing plant at the Underground Project, which is now subject to mediation proceedings.

b.) Includes $29.0 million from the Working Capital Facility. As mentioned above, repayments were deferred under the Working Capital Facility during the course of the Suspension.

Liquidity

As at September 30, 2020, the Company had a cash balance of $0.8 million, excluding restricted cash. The Company's working capital (current assets less current liabilities) as at September 30, 2020 was negative $103.2 million compared to negative $73.6 million as at December 31, 2019. The negative working capital as at September 30, 2020 includes $43.9 million of accounts payable and accruals, $2.8 million in related party payables, non-cash stock-based compensation of $0.5 million, $9.4 million warrant derivative liability, $11.8 million of deferred consideration related to estimated stream deliveries in the next 12 months, which are conditional on concentrate deliveries, $29.0 million due under the Company's revolving Working Capital Facility, and $6.0 million in lease payments.

If adjusted for the contractor accruals related to litigation or mediation of $21.6 million mentioned above, $9.4 million warrant derivative liability, $11.8 million of future stream deliveries, $29.0 million under the revolving Working Capital Facility, and non-cash stock-based compensation of $0.5 million, current liabilities reduce by $62.9 million to $35 million with a corresponding increase in working capital.

As at September 30, 2020, capital commitments due in the next twelve months are $10.7 million.

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

- Delays in the mine development of the Underground Project;
- Delays in the commissioning of the process plant;
- Significantly reduced concentrate production and sales;
- Low copper prices during Q1 and the first half of Q2 2020; and
- Requirement to repay draws under the Working Capital Facility primarily in cash rather than in concentrate deliveries as planned.

As discussed above, on April 6, 2020, the Company announced the Suspension as a result of the restrictions imposed by government-mandated measures and other impacts of the COVID-19 pandemic (see "Recent Developments and Outlook"). As a result of the Suspension, the Company did not generate any revenue through producing and selling copper concentrates during the Suspension. Milling activities re-commenced in late August 2020 and shipments began in September 2020. Since the restart, the Company has delivered 2,640 dmt of concentrate under the Working Capital Facility and made cash repayments of $11.3 million as at November 10, 2020. The Company made drawdowns of $13.8 million under the Working Capital Facility based on expected future deliveries as at November 10, 2020.

During the Suspension, essential mine services continued, including reduced underground mine development and other activities necessary to maintain the operation in a ready condition for the ramp-up of activities. The Company successfully implemented cost reduction initiatives that preserved liquidity during the Suspension.

During the first nine months of 2020, the Company entered into the following financing initiatives:

- Amendment to the KfW IPEX-Bank Facility providing for an aggregate of $12.2 million in payment deferrals;
- Agreement with Concord Resources Limited ("Concord") to delay repayments that would otherwise have fallen due under the Working Capital Facility during the Suspension;
- Convertible Loan in the amount of $30 million, which extended and replaced the 2019 Credit Facility (the Convertible Loan was subsequently repaid with proceeds of the Offering);
- Royalty agreements with an affiliate of Triple Flag Precious Metals Corp. (collectively, the "Royalty Agreements") and an amendment to the Company's stream agreement (the "Stream Agreement") with Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag Bermuda") providing proceeds of $30 million and an additional $5 million to be paid to the Company pursuant to the amendment to the Stream Agreement through the reinvestment of 50% of the value of metal deliveries received by Triple Flag Bermuda under the Stream Agreement;
- Indemnity agreement with a surety in connection with a lien bond up to a maximum $26.0 million;
- Indemnity agreement with a surety in connection with a bond up to a maximum of $16.5 million to secure payment terms of the Company's new underground contractor;
- Payroll Protection Program loan provided by the United States federal government in the amount of $2.3 million that the Company received in April 2020;
- Short-term loans provided by Pala under unsecured promissory notes in the aggregate amount of $17.3 million. Certain short-term loans were subsequently repaid with proceeds of the

Refinancing Transactions and the remaining short-term loans were subsequently repaid with proceeds of the Offering; and

- Completion of the Offering for net cash proceeds after debt repayments and fees of $27 million. See “Bought Deal Public Offering” in “Liquidity, Cash Flows and Financial Resources” for additional details.

The Company is in discussions with KfW-IPEX Bank and has received a term sheet from a third party for an additional credit line of $20 million to $30 million to fund its increased cash requirements in light of the geotechnical changes arising from recent definition drilling in the Upper East South zone. Discussions are also ongoing with other potential funding sources. Pala has confirmed it will continue to provide financial support to the Company until the end of the year, by which time the Company expects to complete a financing. There can be no assurance that a financing will be completed, and in the absence of sufficient financing, the Company may not be able to continue operations.

Management believes that through the financing referred to in the paragraph above, the Company’s cost reduction initiatives, the receipt of revenues from operations at the Underground Project, which are expected to increase if the ramp-up progresses as planned, and the financing activities outlined above, the operations at the Project will be able to continue. The Company expects that the working capital deficiency will be reduced by proceeds from a future financing transaction and the ramp up in copper sales after the commissioning of the material handling system is complete. However, the full extent of the impact of the COVID-19 pandemic on the Company and on the economy and commodity prices, including the copper price, is not known at this time. COVID-19 is expected to continue to have a materially negative impact on the Company’s operations and finances and the full extent of the impact cannot be reasonably estimated at this time. The Company is also subject to operational risks associated with the commissioning and ramp-up of the Underground Project.

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

Cash Flows

During the nine months ended September 30, 2020, cash used in operations was $6.5 million compared to $4.4 million during the same period in 2019. The increase was primarily driven by the increase in consulting and remuneration and professional fee expenses.

Cash outflow from investing activities during the nine-month period ended September 30, 2020 was $48.2 million compared to an outflow of $136.4 million in the same period in 2019. $75.6 million in Underground Project development costs were incurred during the period, offset by $3 million of pre-production sales. This compares to the $138.8 million incurred in the same period in 2019 due to the ramp-up of construction activities during that period. The cash outflow during 2020 was further offset by the $29.7 million net cash received pursuant to the Royalty Agreements and the amendment to the Stream Agreement in March and May 2020.

Financing activity inflows totalled $54.4 million during the nine-months ended September 30, 2020 compared to an inflow of $47.4 million in the same period in 2019. These financing activities during the period are described in more detail below:

- Completion of the Offering for net proceeds after debt repayments and fees of $27 million. See “Bought Deal Public Offering” below for additional details;
- the Company received $2.3 million from the Payroll Protection Program;

- Pala advanced the Company $17.3 million pursuant to promissory notes. Certain short-term loans were subsequently repaid with proceeds of the Refinancing Transactions and the remaining short-term loans were subsequently repaid with the proceeds the Offering;
- the Company paid cash interest of $4.2 million pertaining to the interest payments under the KfW IPEX-Bank Facility and the Working Capital Facility;
- the Company drew $33.7 million from the Working Capital Facility and repaid the $29.1 million balance outstanding at year end of which $3 million was repaid in product deliveries (pre-production sales), $1.5 million was paid in 13,594,000 Units under the Offering, $1.7 million was paid by Pala on behalf of the Company and $22.9 million was repaid in cash;
- the Company drew $14.6 million under the 2019 Credit Facility; and
- the 2019 Credit facility was replaced by the Convertible Loan (the Convertible Loan was subsequently repaid with proceeds of the Offering).

Positive cash flows from operations are not expected until the Company has completed the ramp-up in production rates. Upon completion of the ramp-up to a sufficient level at the Underground Project and the generation of the associated revenues from concentrate sales, the Company anticipates that it will no longer have negative cash flow from operating activities.

Promissory Notes

Pala advanced $2.2 million to the Company in March 2020 prior to the Refinancing Transactions, which promissory note was repaid with the proceeds of the Refinancing Transactions. On June 15 and June 30, 2020, Pala provided advances to the Company of $5.5 million and $2.5 million, respectively, which were used primarily for the continued operation and development of the Underground Project, pursuant to the terms of unsecured promissory notes, bearing interest at 8% and maturing on September 15, 2020. A further $7.1 million was subsequently advanced by Pala in Q3 2020 pursuant to promissory notes on the same terms to assist the Company in meeting its short-term cash needs. These promissory notes were repaid in full with proceeds of the Offering.

Subsequent to period end, Pala provided further liquidity to the Company in the amount of up to $8 million pursuant to the terms of an unsecured promissory note, bearing interest at 8% and maturing on January 31, 2021. Pala has advanced the full $8 million to the Company under the promissory note, which was used primarily for the continued operation and construction of the Underground Project.

Bought Deal Public Offering

During the period, the Company completed the Offering, whereby 643,713,553 Units were issued at a price of CAD$0.15 per Unit (the "Offering Price"). Each Unit consisted of one common share and one- half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") of the Company. Each full Warrant entitles the holder thereof to purchase one common share at a price of CAD$0.20 per common share, for a period of 18 months following the closing of the Offering. The underwriters of the Offering exercised their Over-Allotment Option in full, which resulted in 23,790,000 additional Units being issued at the Offering Price (the "Over-Allotment Option"). Including the proceeds from the Over-Allotment Option, an aggregate of 667,503,553 Units were issued in the Offering. The gross proceeds from the Offering were approximately CAD$100 million.

The table below shows the reconciliation of the use of proceeds received from the Offering:

Description	Number of Units	Amount
Net cash proceeds received	262,328,000	$ 27,034
Extinguishment of the Convertible Loan	308,391,553	33,952
Extinguishment of Short-term Promissory Notes	83,190,000	9,328
Settlement under the Working Capital Facility	13,594,000	1,500
Total	667,503,553	$71,814

Working Capital Facility

On May 15, 2020, Concord agreed to defer the repayments that would otherwise have fallen due under the Working Capital Facility during the course of the Suspension. As a condition to the repayment deferral, Concord and the Company agreed that the outstanding Working Capital Facility balance would be reduced by rebasing to current copper, gold and silver prices (copper prices were lower on May 15, 2020 than when the advances were drawn). The rebasing amount was determined to be $3.2 million and the Company re-paid $1.5 million on July 28, 2020 through the issuance of 13,594,000 Units to Concord under the Offering at the Offering Price and the remaining $1.2 million was addressed through cash collateral posted by Pala.

Following recommencement of production at the Underground Project, the Company resumed its performance under its offtake arrangements with Concord on September 12, 2020 when it resumed shipments to Concord. As a result, the Company was able to draw $4.9 million from the Working Capital Facility on September 27, 2020. Subsequent to period end on October 1, 2020, the Company notified Concord of the cessation of the force majeure event under the offtake arrangements. In October, the Company continued to deliver 1,461 dmt at a concentrate grade of 25.5% copper

PPP Loan

On April 17, 2020, the Company received a loan under the Payroll Protection Program ("PPP Loan") in the amount of $2.3 million. The Payroll Protection Program is one of the COVID-19 relief measures provided by the United States federal government. It provides forgivable loans to small business owners to help them keep employees on payroll. The program is intended to provide an incentive for businesses to keep their workers on the payroll. Under the program, loan proceeds can be used for specified purposes including payroll costs, interest on mortgages, rent, and utilities. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels over a 24-week period from receipt of funds. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. Pursuant to the terms of the program, any amounts not forgiven accrue interest at a rate of 1% annually and are repayable in monthly principal and interest payments over a five year period. The PPP Loan is unsecured with no collateral, guarantees or financing fees.

Bonding Arrangements

On January 24, 2020, the Company entered, together with Pala, into indemnity agreements with a surety in connection with the issuance of a lien bond in an amount up to $26 million to the extent required in order to remove any liens that may be recorded on the property at the Project by the Company's previous contractor. On February 11, 2020 and June 8, 2020, the Company entered, together with Pala, into indemnity agreements with a surety in connection with the issuance of bonds of approximately $16.5 million to secure payment terms of the Company's new contractor, and of approximately $7 million for a reclamation bond. In connection with the foregoing agreements (collectively, the "Indemnity Agreements"), Pala undertook to guarantee the Company's obligations under the bonds. The Company entered into agreements with Pala pursuant to which the Company will indemnify Pala for any liabilities Pala suffers in connection with the bonding arrangements and pay to Pala an annual fee equal to 10% of the total amounts of the bonds for guaranteeing each of the bond obligations. In connection with the provision by Pala of the foregoing guarantees, $2.1 million of fees were satisfied through the issuance of an aggregate of 18,900,000 common shares to Pala on April 6, 2020, reflecting a price per common share equal to CAD$0.1575, the market price of the common shares at the time (the "Current Market Price"). The Company accrued $0.8 million payable to Pala at quarter-end pursuant to the 10% annual fees.

Hedging arrangement

Under the Working Capital Facility, the Company has the ability to fix the price of payable copper for monthly volumes to be delivered to Concord under its offtake arrangements on a rolling basis, allowing the Company to fix the price of copper to be delivered for an agreed period of time. Under these arrangements, the Company will be required to provide cash collateral to Concord in the event that during the course of such arrangements, as tested on a weekly basis, the variation margin exposure to Concord is over an agreed threshold amount, currently fixed at $3.5 million. Subsequent to period end, the Company fixed the pricing of 325 metric tonnes of payable copper delivered per month for the first six months of 2021 for prices ranging between $6,394 and $6,402 per metric tonne of payable copper.

Debt obligations previously held settled in 2020

2019 Credit Facility and Convertible Loan

On March 27, 2020, the Company entered into the Convertible Loan. The principal amount of the 2019 Credit Facility was repaid in full through the proceeds from the Convertible Loan. The Company had drawn the full $30 million available under the 2019 Credit Facility prior to it being repaid. All fees, interest and other expenses that accrued, were outstanding or became due as a result of the repayment of the 2019 Credit Facility in the aggregate amount of $3.4 million were satisfied through the issuance of an aggregate of 31,400,000 common shares to Pala on April 6, 2020, reflecting a price per common share equal to the Current Market Price.

See "*Bought Deal Public Offering*" for details of the Convertible Loan and its prepayment with the proceeds from the Offering.

Backstop Agreement

On March 27, 2020, Pala, the Company and Triple Flag Bermuda entered into the Backstop Agreement providing for up to $20 million of funding from Pala until December 31, 2021 if the Company was unable to raise capital from other sources.

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

Upon completion of the Offering on July 28, 2020, the Backstop Agreement expired in accordance with its terms.

The Company previously applied to the Toronto Stock Exchange (the "TSX") and received a "financial hardship" exemption from the requirements to obtain shareholder approval in respect of the Offering. As is normal practice when a listed issuer relies on the financial hardship exemption, the Company is under remedial delisting review by the TSX, which was extended after the completion of the Offering until November 20, 2020. The Company has requested a further 60-day extension of the delisting review. Although the Company believes that it will be in compliance with all continued listing requirements of the TSX upon the completion of a new financing referred to under "Liquidity" in "Liquidity, Cashflow and Financial Resources", no assurance can be provided as to the outcome of such review or continued qualification for listing on the TSX.

SUMMARY OF QUARTERLY RESULTS

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

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

	2020 Sep-30	**2020 Jun-30**	**2020 Mar-31**	**2019 Dec-31**	**2019 Sep-30**	**2019 Jun-30**	**2019 Mar-31**	**2018 Dec-31**
Working Capital (Deficiency)	(103,162)	(101,317)	(81,431)	(73,570)	(24,315)	17,320	30,816	88,820
Total Assets	721,326	686,557	661,244	608,720	563,576	539,832	498,956	475,995
Development Property (Project expenditure)	683,129	647,159	617,317	573,316	524,212	466,661	400,754	342,386
Total noncurrent liabilities	239,050	270,760	262,258	215,354	202,168	195,684	173,867	164,194
Shareholders' Equity	377,154	311,406	306,928	318,561	320,857	320,727	291,916	292,303
Net Profit (Loss)	$(2,582)	$(2,457)	(11,989)	(2,719)	(750)	457	(2,368)	(1,439)
Net Profit (Loss) per share	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00

Financial results during the last eight quarters reflect the decrease in working capital as a result of the decrease in cash and increase in accounts payable and accrued liabilities as the construction of the Underground Project progressed. The Company's total assets increased throughout these quarters as development property expenditures were incurred. The Company's noncurrent liabilities and shareholder's equity increased as a result of debt and equity financings undertaken during the last eight quarters.

RELATED PARTY TRANSACTIONS

Pala is a related party to the Company as a result of its approximately 40.0% (2019 – 35.8%) shareholding in the Company as at September 30, 2020. Additionally, three Pala executives are on the Company's board of directors as at September 30, 2020.

During the nine-month period ended September 30, 2020, the Company entered into the following transactions with Pala:

- $0.3 million (2019 - $0.2 million) was incurred for technical and other services;
- Replacement of the 2019 Credit Facility with the Convertible Loan settled on March 27, 2020;
- The Backstop Agreement, which was subsequently terminated on July 28, 2020;
- The Indemnity Agreements;
- $1.7 million payment of cash collateral made to Concord on behalf of the Company and related fee payable to Pala;
- Issuance of 57,800,000 common shares in connection with the Refinancing Transactions;
- Issuance of 180,262,677 Units for the extinguishment of the Convertible Loan and 83,190,000 Units for the extinguishment of short-term promissory notes; and
- Short-term loans provided through unsecured promissory notes in the aggregate amount of $17.3 million. Certain short-term loans were subsequently repaid with proceeds of the Refinancing Transactions and the remaining short-term loans were subsequently repaid with proceeds of the Offering.

As at September 30, 2020, the Company owed Pala an aggregate of $2.6 million (2019 - $Nil) relating to fees in connection with the Indemnity Agreements and the payment to Concord described above on behalf of the Company.

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

During the period, a $0.2 million termination payment was paid to former key management individuals and the Company agreed to a $0.4 million termination payment to certain former key management individuals.

During the period, $0.8 million (2019 - $0.5 million) was incurred in director fees. As of September 30, 2020, accounts payable and accrued liabilities include director fees and expenses payable of $0.4 million (2019 - $0.2 million).

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

As at September 30, 2020, the Company had the following consolidated contractual obligations:
(Expressed in thousands of United States dollars)

		Payments due by period			
Contractual obligations	Total	1 year	2-3 years	4-5 years	5 years+
Accounts payable, accrued liabilities and related party payables	$46,685	$46,685	-	-	-
Construction contractual obligations	$10,701	$10,701	-	-	-
Working Capital Facility	$28,823	$28,823	-	-	-
KfW IPEX-Bank Facility	$125,462	$2,233	$32,986	$44,248	$45,995
Equipment leases	$33,443	$2,077	$16,081	$14,731	$554
Asset Retirement obligation	$5,898	-	-	-	$5,898
Office lease	$61	$12	$49	-	-
Total USD obligations	$251,073	$90,531	$49,116	$58,979	$52,447
	CAD	CAD	CAD	CAD	CAD
Office lease	$159	$34	$125	$-	$-
Total CAD obligations	$159	$34	$125	$-	$-

LEGAL

On November 5, 2019, Cementation, which was the principal underground contractor of the Underground Project until January 30, 2020, filed a claim against the Company's wholly-owned subsidiary, Nevada Copper, Inc. ("NCI") in the Second Judicial District of Nevada for breach of contract and other claims related to the mining development contract for the Underground Project. On January 30, 2020, after NCI terminated its contract with Cementation, NCI filed counterclaims against Cementation for breach of contract and declaratory relief. Cementation filed an amended complaint on April 10, 2020 alleging additional tort claims, which NCI responded to on April 24, 2020. Cementation also filed a motion for injunctive relief on May 13, 2020 relating to use of hoist software, which NCI opposed on May 27, 2020. The court entered a stipulation among the parties on July 9, 2020 that allows NCI to continue to use Cementation's hoist software through completion of sinking operations on the vent shaft. The litigation relates to the progress and costs of construction development for the Underground Project. Damages claimed by Cementation are approximately $17 million, while damages claimed by NCI are approximately $88 million.

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

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR"). Any system of ICFR, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no significant changes in the Company's internal controls during the quarter ended September 30, 2020 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

OFF-BALANCE SHEET ARRANGEMENTS

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Although these estimates are based on management's expectations for the likely outcome, timing and amounts of events or transactions, actual results could differ from those estimates. These areas of judgment and critical accounting estimates are consistent with those reported in the Company's audited consolidated financial statements for the year ended December 31, 2019 and the accompanying Management's Discussion and Analysis, except as updated below:

a) Use of judgments and estimates

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated audited financial statements for the year ended December 31, 2019, except as described below.

Significant judgment was required in conjunction with arriving at the Company's accounting policies related to the Royalty Agreements and the amendment to the Stream Agreement completed in March 2020, including the characterization of the transactions, whether control has been transferred on the underlying mineral interests and whether related services are distinct from the mineral interests. In addition, because the transactions were entered into concurrently, the Company's future statements of operations will also be affected by significant estimation related to the allocation of consideration to the various components of the transaction on the basis of stand-alone selling price.

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

During the period ended September 30, 2020, the Company made efforts to safeguard the health of its employees, while continuing to operate safely and responsibly maintain employment and economic activity. These measures combined with commodity market fluctuations resulting from COVID-19 have affected the Company's financial results.

The Company performed an impairment test and determined that there was no impairment to its mineral property, plant and equipment as at September 30, 2020. There is heightened potential for impairments of these assets and possibly other assets. In the current environment, assumptions about future commodity prices, exchange rates, interest rates and customer credit performance are subject to greater variability than normal, which could in the future significantly affect the valuation of the Company's assets, both financial and non-financial. Short-term prices for copper have fluctuated significantly in 2020; however, given the relatively short duration of these market movements and market participants' views of commodity prices over a longer horizon, the long life of many of the Company's assets have remained largely unchanged. As an understanding of the longer-term impacts of COVID-19 on commodity, credit and equity markets develops, there is heightened potential for changes in these views.

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

b) Going concern

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

c) Impairment review

The evaluation of asset carrying values for indicators of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions relating to COVID-19 and related judgements and estimates mentioned above, budgets, forecasts, and life of mine estimates. The determination of fair value less costs to sell and value in use requires management to make estimates and assumptions about expected production, sales volumes, commodity prices, mineral reserves, operating costs, taxes, restoration costs, and future capital expenditure. The test to determine the recoverable amount of the Project assumes a re-start of the process plant in the latter half of Q3 2020 for the purpose of the September 30, 2020 impairment test. Assumptions related to ongoing operations are subject to revision based on government mandated measures, other impacts relating to the COVID-19 pandemic and other factors and may impact the recoverable amount of the Project in subsequent periods. In addition, any further negative impacts of COVID 19 could have a material adverse impact to the value of the Project. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may have an impact on the estimate of the recoverable amount of the assets. In such circumstances, some or all the carrying value of the assets may be impaired with the impact recorded in profit or loss.

RISKS AND UNCERTAINTIES

The Company and its future business, operations and financial condition are subject to various risks and uncertainties, including due to the nature of its business and the present stage of development of its mineral properties. Certain of these risks and uncertainties are described in this MD&A and under the heading “Risk Factors” in the Company’s Annual Information Form dated May 15, 2020, which is available on SEDAR at www.sedar.com.

The Company restarted production at the Underground Project in August 2020 and the ramp-up of operations is expected to be substantially complete during Q1 2021. The ramp-up process is by its nature subject to a variety of operational and technical risks associated with mining projects of this type. Ramp-up activities will also be subject to compliance with operational restrictions relating to the COVID-19 pandemic mandated by government authorities which are subject to change and potential expansion. As a result, there can be no assurance that the ramp-up process will occur and progress on the expected timeline or within expected costs parameters. The Company has to date experienced negative cash flow from operating activities and has a significant working capital deficiency. Positive operating cash flows are not expected to be achieved until the Company has completed its ramp-up to a sufficient level at the Underground Project. The inability to successfully ramp-up production at the Underground Project on time and within revised budget expectations is likely to have a material adverse effect on the Company and its stock price. In light of recent geotechnical changes relating to initially smaller stopes during the ramp-up period at the Underground Project, the Company’s costs are expected to increase in the short-term. As a result of the additional costs associated with this change in mine plan during the ramp-up period, management has concluded that the Company will require additional funding over the next four months as it completes the ramp-up process. There can be no assurance that a financing will be completed, and in the absence of sufficient financing, the Company may not be able to continue operations.

FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained herein contain forward-looking information and forward-looking statements within the meaning of applicable Canadian and United States securities laws. Such forward-looking statements and forward-looking information specifically include, but are not limited to statements and information that relate to: Nevada Copper’s plans for the Project; the impacts of the COVID-19 pandemic on the global economy and the Company, the Company’s mine development and ramp-up plans (including as may be affected by the updated geological model, revised geotechnical design parameters and final mine plan) and the expected timing, costs and results thereof; ongoing needs for additional funding; potential financings and the amount and timing in respect thereof; future ore and concentrate production rates; expected commencement of positive cash flow from operating activities; the ongoing exploration activities and the objectives and results thereof; the ongoing disputes with Nevada Copper’s prior contractor and its engineering, procurement and construction contractor; and the other plans of Nevada Copper with respect to the exploration, development, construction and commercial production at the Project.

Forward-looking statements and information include statements regarding the expectations and beliefs of management. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as “plans”, “expects”, “potential”, “is expected”, “anticipated”, “is targeted”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements or information should not be read as guarantees of future performance and results. They are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and events to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Such risks and uncertainties include, without limitation, those relating to: the ability of the Company to complete a new financing in a sufficient amount of funds and within the necessary timeframe; the state of financial markets; the impact of the COVID-19 pandemic on the business and operations of the Company; history of losses; requirements for additional capital and no assurance can be given regarding the availability thereof; dilution; adverse events relating to milling operations, construction, development and ramp-up, including the ability of the Company to address underground development and process plant issues; ground conditions; cost overruns relating to development, construction and ramp-up of the Underground Project; loss of material properties; interest rates increase; global economy; limited history of production; future metals price fluctuations; speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labour disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade of mineralization or recovery rates from management's expectations and the difference may be material; legal and regulatory proceedings and community actions; the outcome of the disputes with the Company's contractors; accidents; title matters; regulatory approvals and restrictions; increased costs and physical risks relating to climate change, including extreme weather events, and new or revised regulations relating to climate change; permitting and licensing; volatility of the market price of the common shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry, as well as those risks discussed in the Company's Management's Discussion and Analysis in respect of the year ended December 31, 2019 and in the section entitled "Risk Factors" in the Company's Annual Information Form dated May 15, 2020. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements and information. The forward-looking statements and information contained herein are based upon assumptions management believes to be reasonable, including, without limitation: no adverse development in respect of the property at the Project; no material changes to applicable laws; the ramp-up of operations at the Underground Project in accordance with management's plans and expectations; no worsening of the current COVID-19 related work restrictions; reduced impacts of the COVID-19 pandemic in the medium-term and long-term; no material adverse change to the price of copper from current levels; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. The forward-information and statements are stated as of the date hereof. Nevada Copper disclaims any intent or obligation to update forward-looking statements or information except as required by law. Readers are referred to the additional information regarding Nevada Copper's business contained in Nevada Copper's reports filed with the securities regulatory authorities in Canada. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on Nevada Copper and the risks and challenges of its business, investors should review Nevada Copper's filings that are available at www.sedar.com.

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