

NEVADA COPPER ANNOUNCES FINANCING PACKAGE

All amounts herein are in United States Dollars unless otherwise indicated.

Yerington, NV – December 9, 2020 – Nevada Copper Corp. (TSX: NCU) (“Nevada Copper” or the “Company”) is pleased to announce the execution of binding agreements with respect to a financing package that will provide liquidity for the continued ramp-up of operations at the Company’s underground project (the “Underground Project”).

Financing Package Highlights:

- The Company has entered into binding agreements with several of its existing financing partners to provide substantial additional liquidity to the Company for completion of the ramp-up of its Underground Project. The financing package will consist of the following components:
 - new cash resources of \$31,000,000 with a blended headline interest rate margin of 7%, of which approximately \$9,000,000 has already been advanced to the Company since the beginning of November 2020;
 - amendments to the Company’s senior credit facility providing a further \$26,000,000 in increased liquidity in the form of deferral of debt service payments; and
 - up to an additional \$25,000,000 of undrawn liquidity (including the accordion feature described below), available to the Company to assist as required with completing the ramp-up of operations at the Underground Project.

- The financing package provides a significant increase in balance sheet flexibility through four complementary facilities. The financing package includes the following elements:
 - **\$15,000,000 increase to senior credit facility:** the Company’s senior lender, KfW IPEX-Bank (“KfW”), has agreed to provide an additional \$15,000,000 under the existing senior credit facility (the “KfW Facility”) and defer \$26,000,000 of planned debt service under the KfW Facility until 2023;
 - **\$5,000,000 increase to working capital facility:** the Company’s offtaker, Concord Resources Limited (“Concord”), has agreed to provide access to an additional \$5,000,000 under the existing working capital facility (the “Working Capital Facility”);
 - **\$26,000,000 extension of unsecured debt:** the Company’s largest shareholder, Pala Investments Limited (“Pala”), has agreed to provide a three-year \$26,000,000 unsecured loan facility, which extends and replaces existing loans, including those under promissory notes, advanced by Pala to the Company and provides a new advance of \$7,000,000; and
 - **\$5,000,000 cost overrun facility:** in connection with the increase to the KfW Facility, Pala has also agreed to provide a corporate guarantee for a committed cost overrun contingency of \$5,000,000 in connection with the completion of the ramp-up of the Underground Project (the “COF”).

Mike Ciricillo, Chief Executive Officer of Nevada Copper stated: *“On behalf of the entire Company, I want to sincerely thank KfW for its ongoing support of the Company. The package not only meets the*

projected requirements of the ramp-up, but provides additional contingency headroom for the Company.”

Commenting on the ramp-up plans he added: *“With the Main Shaft materials handling system on track for mechanical completion in December, we expect to see hoisting rates increase significantly as planned in the coming weeks during final commissioning. Along with this significant milestone, the positive conclusion of KfW’s independent engineer review further validates our ramp-up plans.”*

As previously announced, the Company completed a geotechnical review and elected to reduce the size of certain early stopes in a localized area where initial ramp-up ore is 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 the Company’s costs in the short-term. The Company expects that the new financing package will address the cost increases resulting from the geotechnical changes and enable the Company to complete the ramp-up of the Underground Project.

The Company expects to close the financing package by the end of 2020 and will continue to review opportunities to supplement and optimize the financing package.

Further Details of the Financing Package:

Increase in KfW Facility

The Company’s wholly-owned subsidiary, Nevada Copper, Inc. (“NCI”), and KfW have entered into an amendment and restatement of the KfW Facility (the “Amended KfW Facility”) whereby KfW has agreed to provide an additional \$15,000,000 loan with a three year term, 12-month grace period and interest of LIBOR plus of 4.9% and a 12-month grace period for principal payments and cash sweeps. Under the Amended KfW Facility, KfW has also agreed to defer \$26,000,000 of planned debt service until 2023, including deferring the funding of the debt service reserve account from January 2022 to January 2023 and the deferral of the first and second amortization payments to be made in July 2022 and January 2023 to be made in pro rata installments over the remaining term of the facility starting at the end of July 2023.

Increase in Working Capital Facility

Concord has agreed to increase the availability under the Working Capital Facility by \$5,000,000. Following this increase, which the Company expects to be effective at the end of March 2021, the Working Capital Facility will have a total capacity of \$40,000,000 through its maturity date in 2023.

Pala Credit Facility

The Company has also entered into a binding commitment letter with Pala for a three-year approximately \$26,000,000 unsecured loan facility (the “Pala Credit Facility”). The Pala Credit Facility replaces and extends two outstanding promissory notes provided by Pala to the Company in October and November of 2020. The October promissory note in the amount of \$8,000,000 has been fully drawn. The promissory note provided in November was in the amount of up to \$15,000,000, of which \$9,000,000 has been advanced to the Company to date. The outstanding amounts under these existing promissory notes will be repaid with the proceeds of the Pala Credit Facility and the notes will be cancelled. In addition, a portion of the proceeds of the Pala Credit Facility will be used to pay Pala approximately \$1,700,000 as repayment for funds advanced by Pala to Concord on behalf of the Company under the Working Capital Facility earlier in 2020. Approximately \$7,000,000 in additional funds is expected to be advanced to the Company under the Pala Credit Facility. The definitive agreement for the Pala Credit Facility is expected to be entered into prior to the closing of the Amended KfW Facility.

The Pala Credit Facility will be available for an initial draw in the full amount of \$26,000,000, as described above, subject to the satisfaction of certain conditions. It will be a direct obligation of the Company and will not be guaranteed or secured by any of the Company's subsidiaries. The Pala Credit Facility will bear interest at LIBOR plus 9% per annum and will include a 3% arrangement fee and a 4% disbursement fee. There will be no common shares, warrants or other convertible securities of the Company issuable in connection with the Pala Credit Facility, other than the potential for interest and certain fees to be paid in shares rather than paid in cash or capitalized. Pala will be entitled to syndicate all or a portion of the Pala Credit Facility, which may result in higher interest and fees.

If the Company raises additional funds after the date hereof prior to June 30, 2021 (the "Availability Period"), in certain instances, up to \$15,000,000 will be required to be repaid to Pala from the proceeds of the new financings. Upon a repayment from a future financing, such amount may be reborrowed by the Company, subject to certain conditions, including that the Company's financial resources plus any amounts drawable under the Pala Credit Facility will be sufficient to complete the ramp-up and achieve positive cash flows before the end of 2021. During the Availability Period, Pala will be paid a 4% per annum commitment fee on amounts available to be reborrowed. The Pala Credit Facility will also include an accordion feature whereby, subject to the agreement of the parties and the satisfaction of other applicable conditions, additional drawings of up to \$15,000,000 would be permitted at any time prior to the maturity date. Voluntary prepayments under the Pala Credit Facility will be subject to a prepayment premium, which will also apply in the case of a change of control.

Funds advanced under the Pala Credit Facility will be primarily used to fund the construction and ramp-up of the Underground Project, as well as for the general working capital needs of the Company.

The negotiation and approval of the commitment letter for the Pala Credit Facility and the fee for the guarantee arrangements and the mechanics for the funding of the COF under the guarantees (each as described below) in connection with the Amended KfW Facility was supervised on behalf of the Company by a committee of independent members of the Company's board of directors. The committee will also supervise the negotiation and approval of the definitive agreement providing for the Pala Credit Facility.

Cost Overrun Facility

In connection with the Amended KfW Facility, the Company will provide the COF to NCI for up to \$5,000,000 on substantially the same terms as the cost overrun facility that was provided by the Company to NCI in May 2019 when the KfW Facility was entered into. The COF may be drawn only once all other existing sources of funding have been utilized and if construction costs at the Underground Project exceed the current estimate.

Pala will provide a corporate guarantee to KfW in respect of both the \$15,000,000 additional loan amount under the Amended KfW Facility and the \$5,000,000 COF amount (collectively, the "Guaranteed Amount") and a pledge of certain of Pala's assets. The Company will compensate Pala for its commitments under the corporate guarantee and related pledge arrangements at a rate of 8% per annum of any outstanding Guaranteed Amount, which may be payable in cash, shares or deferred to the next payment date and will be subject to a prepayment premium in certain circumstances, including on a change of control. If Pala is required to fund the COF under its guarantee, it may elect to inject funds into the Company by way of a loan on similar terms as the Pala Credit Facility or by way of a subscription for shares at the maximum discount permitted by the policies of the Toronto Stock Exchange (the "TSX").

Conditions to the Financing Package

Completion of the closing of the Amended KfW Facility and the drawdown of funds thereunder is subject to a number of conditions, including NCI's receipt of \$6,000,000 pursuant to the Pala Credit Facility, the consent of the Federal Republic of Germany through Euler Hermes for the Amended KfW Facility and the provision of the guarantee and collateral package by Pala referred to above. The effectiveness of the increase to the Working Capital Facility is conditional upon the \$15,000,000 drawdown under the Amended KfW Facility being completed. In addition, the Pala Credit Facility is subject to the approval of the TSX. Approval by the Company's shareholders of the Pala Credit Facility and the related guarantee arrangements, as well as a share consolidation, is a requirement of the Pala Credit Facility. Shareholder approval is not a condition for the closing of draws under the Pala Credit Facility, but will result in an event of default if not obtained at the Company's next annual general meeting. The Company expects that all conditions to funding under the Amended KfW Facility and the Pala Credit Facility will be satisfied by the end of 2020. However, there can be no assurance that all such conditions to funding will be satisfied in this timeframe, or at all.

Advisors

Torys LLP and Shearman & Sterling LLP acted as legal counsel to the Company and Milbank LLP acted as legal counsel to KfW.

About Nevada Copper

Nevada Copper (TSX: NCU) is a copper producer and owner of the Pumpkin Hollow copper project. Located in Nevada, USA, Pumpkin Hollow has substantial reserves and resources including copper, gold and silver. Its two fully permitted projects include the high-grade underground mine and processing facility, which is now in the production stage, and a large-scale open pit project, which is advancing towards feasibility status.

NEVADA COPPER CORP.

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Cautionary Language

This news release includes certain statements and information that constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts are forward-looking statements. Such forward-looking statements and forward-looking information specifically include, but are not limited to, statements that relate to the completion of the transactions described above and the timing in respect thereof, other potential future financings and the completion of the ramp-up of the Underground Project. There can be no assurance that the transactions described above will be completed. If the financing package is not completed, then absent obtaining other financing, the Company may not be able to continue operations.

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

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

Forward-looking statements 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: the ability of the Company to complete the new financing package within the necessary timeframe; the ability of the Company to complete the ramp-up of the Underground Project within the expected cost estimates and timeframe; the state of financial markets; the impact of COVID-19 on the business and operations of the Company; history of losses; requirements for additional capital 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; labor disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade of mineralization or recovery rates from management's expectations and the difference may be material; legal and regulatory proceedings and community actions; the outcome of 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 Company's common shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry as well as those risks discussed in the Company's Management's Discussion and Analysis in respect of the year ended December 31, 2019 and in the section entitled "Risk Factors" in the Company's Annual Information Form dated May 15, 2020. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. The forward-looking information and statements are stated as of the date hereof. The Company disclaims any intent or obligation to update forward-looking statements or information except as required by law.

The Company 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. Accordingly, readers should not place undue reliance on forward-looking statements and information.