



TEAMWORK. INNOVATION. EXECUTION.

Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2022, and 2021
(Unaudited)

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of United States dollars) (Unaudited)

	September 30, 2022	December 31, 2021 (Restated - note 2)	January 1, 2021 (Restated - note 2)
Assets			
Current assets			
Cash and cash equivalents	\$2,344	\$51,616	\$21,839
Accounts receivable	25	72	88
Prepaid expenses and advance royalty	3,350	1,046	1,112
Inventory	4,437	3,713	—
Total Current Assets	10,156	56,447	23,039
Restricted cash	379	379	7,073
Mineral properties, plant and equipment (Note 3)	614,332	853,383	727,934
Non current advance royalty (Note 2)	4,850	4,414	4,802
Total Assets	\$629,717	\$914,623	\$762,848
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	\$54,665	\$45,650	\$45,211
Related party payable (Note 7)	1,665	38	2,837
Share-based compensation liabilities (Note 8)	1,267	1,817	581
Warrant derivative (Note 9)	2,831	23,374	12,477
Current portion of stream and royalty deferral (Note 6)	113,829	6,138	15,487
Working Capital Facility (Note 4)	20,125	20,095	32,880
Current portion of long-term debt (Note 5)	195,917	8,307	30,745
Total Current Liabilities	390,299	105,419	140,218
Long-term payable (Note 5)	975	975	—
Settlement payable - long-term (Note 6)	—	—	8,029
Share based compensation liabilities - long-term portion	302	191	895
Stream and royalty deferral (Note 6)	22,660	122,243	102,168
Long-term debt (Note 5)	26,561	165,269	139,527
Asset retirement obligation	6,082	5,971	6,219
Total Liabilities	446,879	400,068	397,056
SHAREHOLDERS' EQUITY			
Share capital	681,715	681,690	505,370
Other equity reserve	32,090	31,900	31,582
Accumulated other comprehensive loss	(3,578)	(3,578)	(3,578)
Deficit	(527,389)	(195,457)	(167,582)
Total Shareholders' Equity	182,838	514,555	365,792
Total Liabilities and Shareholders' Equity	\$629,717	\$914,623	\$762,848

General Information, Nature of Operations and Going Concern (Note 1)

Commitments and Contractual Obligations (Note 10)

Subsequent Events (Notes 1 and 17)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved by the Audit Committee on November 14, 2022

(Signed) "Ernest Nutter", Director

(Signed) "Lucio Genovese", Director

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Operations and Comprehensive Income (Loss)

(Expressed in thousands of United States dollars) (Unaudited)

Three and nine months ended September 30, 2022 and September 30, 2021

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021 (Restated - note 2)	2022	2021 (Restated - note 2)
Revenue (Note 11)	(\$1,033)	\$1,990	\$9,086	\$8,439
Cost of Sales (Note 12)				
Production costs	—	6,728	31,117	27,169
Transportation	—	570	2,025	1,921
Royalty and stream	(36)	160	476	1,159
Total cost of sales	(36)	7,458	33,618	30,249
Gross loss	(997)	(5,468)	(24,532)	(21,810)
Operating Expenses				
Care and maintenance expenses (Note 13)	16,218	—	16,218	—
General and administrative expenses	1,272	1,010	3,693	3,507
Share-based compensation (Note 8)	(310)	(1,805)	(414)	(122)
Loss on forward sales contract	—	—	—	3,075
Impairment of mineral properties development costs (Note 3)	298,865	—	298,865	—
Assets written off / loss on damaged assets	110	—	742	—
Loss from operations	(317,152)	(4,673)	(343,636)	(28,270)
Interest income	4	26	4	41
Interest and finance expenses (Note 14)	(9,155)	(2)	(9,166)	12
Derivative fair value gain (Note 9)	874	27,258	20,543	16,598
Foreign exchange gain (loss)	1	25	323	(39)
(Loss) income and comprehensive (loss) income	(\$325,428)	\$22,634	(\$331,932)	(\$11,658)
(Loss) earnings per share				
Basic and diluted	(\$0.73)	\$0.12	(\$0.74)	(\$0.06)
Weighted average number of common shares outstanding				
Basic	448,452,759	184,791,770	448,451,033	181,034,086
Diluted	448,452,759	185,390,529	448,451,033	181,034,086

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in thousands of United States dollars) (Unaudited)

Nine months ended September 30, 2022 and September 30, 2021

	Share Capital		Other Equity Reserve	Accumulated Other Comprehensive Loss	Deficit	Total
	Number of Shares	Amount				
Balances, December 31, 2020 (Restated Note 2)	148,826,299	\$505,370	\$31,582	(\$3,578)	(\$167,582)	\$365,792
Shares issued	36,306,129	42,458	—	—	—	42,458
Shares issuance costs	—	(2,266)	—	—	—	(2,266)
Share-based compensation	—	—	231	—	—	231
Comprehensive loss	—	—	—	—	(11,658)	(11,658)
Balances, September 30, 2021	185,132,428	\$545,562	\$31,813	(\$3,578)	(\$179,240)	\$394,557

	Share Capital		Other Equity Reserve	Accumulated Other Comprehensive Loss	Deficit	Total
	Number of Shares	Amount				
Balances, December 31, 2021 (Restated Note 2)	448,437,559	\$681,690	\$31,900	(\$3,578)	(\$195,457)	\$514,555
Shares issued	15,200	25	—	—	—	25
Share-based compensation	—	—	190	—	—	190
Comprehensive loss	—	—	—	—	(331,932)	(331,932)
Balances, September 30, 2022	448,452,759	\$681,715	\$32,090	(\$3,578)	(\$527,389)	\$182,838

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of United States dollars) (Unaudited)
Nine months ended September 30, 2022 and September 30, 2021

	September 30, 2022	September 30, 2021 (Restated -note 2)
Cash flows used in operating activities		
Loss and comprehensive loss	(\$331,932)	(\$11,658)
Adjustments for items not affecting cash:		
Derivative fair value gain (Note 9)	(20,543)	(16,598)
Impairment of mineral properties development costs (Note 3)	298,865	—
Depreciation	1,773	—
Interest and finance expenses	8,466	—
Assets written off / loss on damaged assets	742	—
Stock-based compensation	(414)	(122)
Interest income	—	(41)
	(43,043)	(28,419)
Changes in non-cash working capital items:		
Amounts receivable	47	(35)
Prepaid expenses	(1,890)	(423)
Accounts payable and accrued liabilities	3,336	591
Net cash used in operating activities	(41,550)	(28,286)
Cash flows used in investing activities		
Interest received	—	41
Stream payments (Note 6)	(672)	(563)
Cash moved (to)/from restricted cash, net	—	6,694
Development costs	(46,563)	(78,548)
Net cash used in investing activities	(47,235)	(72,376)
Cash flows from financing activities		
Common shares issued	25	31,632
Share issuance cost	—	(2,266)
Repayment of Promissory Notes	—	(15,747)
Proceeds from promissory notes (Note 5)	33,500	54,500
Proceeds from Working Capital Facility (Note 4)	22,533	65,250
Repayment of Working Capital Facility (Note 4)	(23,218)	(70,650)
Proceeds from 2021 Credit Facility (Note 5)	15,000	30,000
Lease payments	(5,340)	(6,583)
Interest paid	(2,137)	(3,970)
Financing fees paid	(850)	—
Net cash provided by financing activities	39,513	82,166
Decrease in cash and cash equivalents	(49,272)	(18,496)
Cash and cash equivalents, beginning of period	51,616	21,839
Cash and cash equivalents, end of period	\$2,344	\$3,343

Supplemental cash flow disclosures (Note 15)

The accompanying Notes are an integral part of these condensed consolidated interim financial statements.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

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

For the three and nine months ended September 30, 2022 and September 30, 2021

1. General Information, Nature of Operations and Going Concern:

Nevada Copper Corp. is the parent company of its consolidated group (the “Company” or “Nevada Copper”). The Company was incorporated on June 16, 1999 under the Business Corporations Act (Yukon) and was continued into British Columbia under the Business Corporations Act (British Columbia) on November 16, 2006. Nevada Copper is incorporated and domiciled in Canada, and its registered office is at Suite 250-200 Burrard Street, Vancouver, British Columbia, V6C 3L5. The Company is a mining company engaged in the exploration, development and operation of its copper project (the “Project”) at its Pumpkin Hollow Property (the “Property”) in Western Nevada, USA, and in particular, the construction and commissioning (“ramp-up”) of its underground mine at the Property (the “Underground Mine”).

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) and International Accounting Standard 34 – Interim Financial Reporting applicable to a going concern entity.

At September 30, 2022, the Company had a working capital deficiency (current assets less current liabilities) of \$380,143 (2021 - \$48,972). For the nine months ended September 30, 2022, the Company recorded a net loss of \$331,932 (nine months ended September 30, 2021 loss - \$11,658) and the cash used in operating activities was \$41,550 (2021 – \$28,286). As at September 30, 2022, capital commitments due in the next twelve months were \$5,802.

The Company's development and mining activities were reduced during the month of June 2022 due to a combination of operational and geotechnical challenges encountered at the Underground Mine and liquidity constraints resulting from higher than budgeted cash outflows. At the beginning of the current quarter, due to ongoing liquidity constraints, the Company took measures to significantly reduce underground mine site and operation expenditures, with only limited operational activities being undertaken to protect the Company's assets. During the current quarter, using interim funding received from Pala Investments Limited ("Pala"), the Company advanced planning for the restart of operations at its Underground Mine initiated phase 1 of the restart plan which focused on completion of second dike crossing. Subsequent to September 30, 2022, the Company closed a financing package to support the restart and ramp-up of the Underground Mine (the "Restart Financing Package") (refer to Note 17), which provides up to \$123 million (including \$20 million already provided by Pala prior to the closing of the Restart Financing Package) of liquidity to the Company in order to support the restart and ramp-up of the Underground Mine. The Company intends to use the available new cash proceeds from the Restart Financing Package to fund the ramp-up costs, to fund outstanding vendor payments and for general corporate purposes. The aggregate amount of the ramp-up costs and outstanding vendor payments exceed the amount of new cash proceeds to be received by the Company in the Restart Financing Package. As a result, the Company continues to negotiate with vendors for deferral of payments beyond the ramp-up phase and continues to evaluate other additional financing options, including public offering.

During the second quarter of 2022, the Company missed a required make whole payment under its working capital facility with Concord Resources Limited (“Concord”) (the “Working Capital Facility”) for the month of June 2022 which resulted in a breach of its covenants thereunder. The Company's default under the Working Capital Facility, among other things resulted in cross-defaults and other defaults under the Company's amended and restated senior credit agreement with KfW IPEX Bank (the "KfW IPEX Bank Facility"), the Company's amended and restated credit facility with Pala (the "2021 Credit Facility") and the Company's stream agreement with Triple Flag International Ltd., ("Triple Flag") as amended ("the Stream Agreement") (collectively the "Long-Term Financing Arrangements"). These defaults were continuing as at September 30, 2022. As a result of such defaults, the other counter parties to the Long-Term Financing Arrangements were contractually entitled to request, subject to certain steps being taken, repayment of the outstanding amounts thereunder. Subsequent to September 30, 2022, on October 28, 2022 upon the closing of the Restart Financing Package, Concord and the other counterparties to the Long-Term Financing Arrangements waived such defaults and their rights to take, enforce or exercise any action, right, power or remedy under the respective agreements that they may otherwise have had as a result of the occurrence and continuance of the such defaults.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

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

For the three and nine months ended September 30, 2022 and September 30, 2021

During the quarter ended September 30, 2022, the Company, also, defaulted on lease payments to Epiroc Financial Solutions USA LLC ("Epiroc") and Normet America's Inc ("Normet") due to non-payment of amounts due under the lease agreements. Subsequent to September 30, 2022, the Company remediated these defaults by paying the overdue lease payments to Epiroc and Normet. Further, the Company did not make payments that were due to certain vendors. As a result, the Company received a notice of default from some of these vendors indicating they intend to pursue their available remedies. Certain of the Company's vendors placed liens on the Company's properties. The Company is in discussions with these vendors regarding the timing of payments and services and supplies.

The ability of the Company to continue as a going concern, to realize the carrying value of its assets, and to discharge its liabilities when due, are dependent on, amongst other things, results from operations, the ability to complete the ramp-up process at the Underground Mine in accordance with the Company's timing and cost expectations, an increase in concentrate production and sales, favourable copper market conditions and the ability to defer certain vendor payments beyond the ramp-up phase and obtain additional financing. There can be no assurance that these requirements will be achieved. In addition, there can be no assurance that the actual costs to complete the ramp-up will not be greater than expected by the Company or that further significant ramp-up delays will not occur. If the above requirements are not achieved or in the absence of sufficient financing being arranged, the Company may not be able to complete the ramp-up or continue to carry on business in the ordinary course. These factors give rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

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

2. Significant Accounting Policies:

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and do not include all the information required for full financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ending December 31, 2021.

These condensed consolidated interim financial statements were approved for issue by the board of directors of the Company on November 14, 2022.

b) Use of judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions, and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingencies at the date of the consolidated financial statements, along with reported amounts of revenues and expenses during the period. Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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, 2021. Also, refer to note 6 for significant judgement made by management in relation to the Stream Agreement.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

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

For the three and nine months ended September 30, 2022 and September 30, 2021

c) Adoption of New Accounting Policies and Restatement

Amendments to International Accounting Standards (“IAS”) 16, Property, Plant & Equipment, Proceeds Before Intended Use

During the first quarter of 2022, the Company adopted Amendments to International Accounting Standards (“IAS”) 16, Property, Plant & Equipment, Proceeds Before Intended Use. The Company adopted the accounting policy retrospectively. The amended standard prohibits the Company from deducting any proceeds from selling items produced from the cost of building an item of mineral interest, plant, and equipment, while bringing that asset to be capable of operating in the manner intended by management. With the adoption of the amended standard, revenue from sales of copper recovered, and related costs while bringing a mine into a condition necessary for it to be capable of operating in the manner intended by management are recognized in profit or loss in accordance with applicable standards.

The entity measures the cost of those items applying the measurement requirements of IAS 2. There is an impact of this adoption on the comparative numbers presented for 2021. Previously, in the first quarter of 2021, proceeds from the sale of copper concentrate and related costs from the Project that was in development was netted against mineral properties, plant, and equipment. Mineral properties development costs also included advance royalty payments of \$5,826 at December 31, 2020, \$5,348 at June 30, 2021 and \$5,402 at December 31, 2021 which have been reclassified to a separate line item in the statements of financial position. These amounts are included in the "Impact of adoption of IAS 16 Amendment" column in tables below. Accordingly, numbers as at January 1, 2021, are restated as follows:

	Amount previously disclosed as at January 1, 2021	Impact of IAS 16 Amendment and reclass adjustment	Restated balance as at January 1, 2021, following the adoption of IAS 16
Mineral, Property Plant and Equipment	\$738,761	\$(10,827)	\$727,934
Deficit	\$(162,581)	\$(5,001)	\$(167,582)
Shareholder’s Equity	\$370,793	\$(5,001)	\$365,792

Nevada Copper Corp.

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

For the three and nine months ended September 30, 2022 and September 30, 2021

Amounts for the three and nine months ended September 30, 2021, are restated as follows:

	Amount previously disclosed for September 30, 2021	Impact of IAS 16 Amendment and reclass adjustment	Restated balance for September 30, 2021, following the adoption of IAS 16
<u>For the three months ended September 30, 2021</u>			
Revenue	\$—	\$1,990	\$1,990
Cost of sales	\$—	(\$7,458)	(\$7,458)
Net Income	\$28,102	(\$5,468)	\$22,634
Income per share	\$0.15		\$0.12
<u>For the nine months ended September 30, 2021</u>			
Revenue	\$—	\$8,439	\$8,439
Cost of sales	\$—	(\$30,249)	(\$30,249)
Net Income (loss)	\$10,152	(\$21,810)	(\$11,658)
Income (loss) per share	\$0.06		(\$0.06)
Cash used in operating activities	(\$6,476)	(\$21,810)	(\$28,286)
Cash used in investing activities	(\$94,200)	\$21,811	(\$72,389)
<u>Balance at September 30, 2021</u>			
Mineral Property, Plant and Equipment	\$854,116	(\$32,229)	\$821,887
Deficit	(\$152,429)	(\$26,811)	(\$179,240)
Shareholder's Equity	\$421,368	(\$26,811)	\$394,557

Amounts for the year-ended December 31, 2021 are restated as follows:

	Amount previously disclosed for the year ended December 31, 2021	Impact of IAS 16 Amendment and reclass adjustment	Restated balance for the year-ended December 31, 2021, following the adoption of IAS 16
Revenue	\$—	\$11,139	\$11,139
Cost of Sales	\$—	(\$39,853)	(\$39,853)
Mineral, Property Plant and Equipment	\$892,500	(\$39,117)	\$853,383
Deficit	(\$161,742)	(\$33,715)	(\$195,457)
Shareholder's Equity	\$548,270	(\$33,715)	\$514,555
Net Income (loss)	\$839	(\$28,714)	(\$27,875)
Earnings (loss) per share	\$0.00		(\$0.14)
Cash used in operating activities	(\$7,862)	(\$28,714)	(\$36,576)
Cash used in investing activities	(\$127,271)	\$28,714	(\$98,557)

Inventory

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes direct labour and materials; non-capitalized development costs; freight; and overhead costs. Net realizable value is determined with reference to relevant market prices, less applicable variable selling costs and estimated remaining costs of completion to bring the inventories into saleable form.

Ore stockpiles represent stockpiled ore that have not yet completed the production process, and are not yet in a saleable form. Finished goods inventories represent metals concentrates in saleable form that have not yet been sold. Materials and supplies inventories represent consumables used in the production process, as well as spare parts and other maintenance supplies that are not classified as capital items.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

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

For the three and nine months ended September 30, 2022 and September 30, 2021

The quantity of recoverable metal in stockpiled ore and in the processing circuits is an estimate which is based on the tons of ore added and removed, expected grade and recovery. The quantity of recoverable metal in concentrate is an estimate using initial assay results.

Revenue Recognition

Under IFRS 15, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of the goods or services and the Company has satisfied its performance obligations. Determining the timing of the transfer of control, at a point in time or over time, requires judgment.

Cash received in advance of meeting these conditions is recorded as advance payments on product sales. In the case of Pumpkin Hollow's copper concentrate, control is generally transferred upon shipment of the product as product is loaded and released in railcars, is placed over the ship's rails at the port of loading, in limited circumstances, upon delivery to the concentrate shed at the shipping port or when delivered to the port of discharge. Under the terms of the Company's concentrate sales contracts, the final sales amount is based on final assay results and quoted market prices which may be in a period subsequent to the date of sale. Revenues for these sales, net of treatment and refining charges are recorded when the customer obtains control of the concentrate, based on an estimate of metal contained using initial assay results and forward market prices for the expected date that final sales prices will be fixed.

The period between provisional pricing and final settlement can be up to four months. This settlement receivable is recorded at fair value each reporting period by reference to forward market prices until the date of final pricing, with the changes in fair value recorded as an adjustment to revenue.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

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

For the three and nine months ended September 30, 2022 and September 30, 2021

3. Mineral Properties, Plant and Equipment:

	Mineral Properties Development Costs	Plant & Equipment	Rights of Use Assets	Deposits	Total
Cost:					
As at December 31, 2020 (Restated, Note 2)	\$ 698,067	\$ 2,917	\$ 36,128	\$ 1,539	\$ 738,651
Additions	159,888	488	2,471	(1,472)	161,375
IAS 16 Adjustments (Note 2)	(28,290)	—	—	—	(28,290)
As at December 31, 2021 (Restated)	\$ 829,665	\$ 3,405	\$ 38,599	\$ 67	\$ 871,736
Additions	66,307	—	—	(67)	66,240
Lease modification / reassessment*	—	—	(861)	—	(861)
Lease modification / reassessment*	—	—	(1,260)	—	(1,260)
As at September 30, 2022	\$ 895,972	\$ 3,405	\$ 36,478	\$ —	\$ 935,855
Accumulated depreciation and impairment:					
As at December 31, 2020	\$ —	\$ 1,414	\$ 9,303	\$ —	\$ 10,717
Additions	—	—	7,636	—	7,636
As at December 31, 2021	\$ —	\$ 1,414	\$ 16,939	\$ —	\$ 18,353
Additions	—	—	4,763	—	4,763
Impairment	298,865	—	110	—	298,975
Assets written off	—	—	(568)	—	(568)
As at September 30, 2022	\$ 298,865	\$ 1,414	\$ 21,244	\$ —	\$ 321,523
Net Book Value					
As at December 31, 2020 (Restated, Note 2)	\$ 698,067	\$ 1,503	\$ 26,825	\$ 1,539	\$ 727,934
As at December 31, 2021 (Restated)	\$ 829,665	\$ 1,991	\$ 21,660	\$ 67	\$ 853,383
As at September 30, 2022	\$ 597,107	\$ 1,991	\$ 15,234	\$ —	\$ 614,332

*Adjustment resulting from a change in management's assessment in relation to the exercise of a purchase option for certain assets and a change in the lease payment schedule.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

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

For the three and nine months ended September 30, 2022 and September 30, 2021

Project costs capitalized for the period ended September 30, 2022 and 2021 on the Property consist of the following:

	September 30, 2022	Additions 2022	December 31, 2021 (Restated, Note 2)	2021 Additions (Restated, Note 2)	December 31, 2020 (Restated, Note 2)
Property payments	\$1,961	\$—	\$1,961	\$—	\$1,961
Water rights	3,050	95	2,955	188	2,767
Drilling	43,276	974	42,302	—	42,302
Geological consulting, exploration & related	8,459	—	8,459	—	8,459
Feasibility, engineering & related studies	27,605	—	27,605	—	27,605
Permits/environmental	14,295	50	14,245	516	13,729
Underground access, hoist, head frame, power & related	385,603	42,189	343,414	72,801	270,613
Processing plant – engineering procurement	134,819	—	134,819	—	134,819
Surface infrastructure	33,435	1,591	31,844	2,127	29,717
Site costs	67,350	4,890	62,460	21,569	40,891
	719,853	49,789	670,064	97,201	572,863
Depreciation	21,961	3,792	18,169	7,768	10,401
Asset retirement obligation	5,119	62	5,057	(248)	5,305
Capitalized interest	106,032	6,693	99,339	16,101	83,238
Stock-based compensation	5,997	235	5,762	(309)	6,071
Stream accretion	37,010	5,736	31,274	11,085	20,189
Total	\$895,972	\$66,307	\$829,665	\$131,598	\$698,067
Less: Impairment	(\$298,865)	(\$298,865)	\$—	\$—	\$—
Total after impairment	\$597,107	(\$232,558)	\$829,665	\$131,598	\$698,067

Asset impairments

When an impairment indicator of mineral properties, plant and equipment exists, an impairment assessment is conducted at the level of the CGU (a group of assets that generate independent cash inflows). An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount.

During the quarter ended September 30, 2022, the Company updated their life of mine ("LOM") model for the Underground Mine, wherein the Company noted a decrease in estimated recoverable copper and increase in costs over the LOM. There was also an increase in costs identified in the budgeting process completed during the quarter and a reduction in analyst's consensus short term copper price estimates. The above factors, in addition to the decline in the Company's market capitalization relative to net assets as at September 30, 2022 and suspension of mining, development and milling activities at the Underground Mine, were identified as impairment indicators. As a result, management performed an impairment assessment on the Pumpkin Hollow CGU as at September 30, 2022. The recoverable amount of the CGU was based on a fair value less cost of disposal method using a discounted cash flow model. The determination of the recoverable amounts included the following significant assumptions: production based on quantities of recoverable reserves and resources, future metal prices, capital and operating costs, the estimated ramp-up period for the Underground Mine and the discount rate.

Management's estimates of the quantity of recoverable reserves and resources are based on information compiled by qualified persons. The estimate of the recoverable amount as at September 30, 2022 was based upon an estimated completion of the ramp-up of the Underground Mine by the third quarter of 2023.

Nevada Copper Corp.

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The recoverable amount was calculated taking into account a number of LOM options. As studies progress, this will lead to the selection of a preferred option with detailed cost, scheduling, and production assumptions, which may lead to a change in management's estimate of the recoverable amount. Management's estimate of the recoverable amount also included high-level risk adjustments to net cash flows to reflect the inherent uncertainty of assumptions for development capital, schedule and mineral resources. As a result of the Company's impairment assessment, a non-cash impairment of \$298,865 was recognized in the consolidated statements of operations and comprehensive income (loss).

The model is most sensitive to the estimated long-term copper prices, the discount rate, estimated operating costs, the timing of the ramp-up of production at the Underground Mine and the timing of development decision for the Open Pit Project.

Metal prices

The metal prices used to calculate recoverable amounts at September 30, 2022 were based on analysts' consensus price estimates and are summarized in the following table:

Metal prices	2023 - 2025	Long term
Copper price (\$/lb)	\$3.70	\$3.60

Operating and capital costs

Underground Mine operating costs and capital expenditures are based on LOM plans and forecasts using management's best estimates as at September 30, 2022 considering that the Underground Mine is still in the ramp-up phase, and the asset has not yet reached commercial production. Such estimates include a comparison to historical costs, where applicable. Operating costs and capital expenditures at the open pit mining project at the Property (the "Open Pit Project") were based on the LOM plans and forecasts using management's best estimates with reference to the Company's most recently filed technical report.

Reserves and resources

Future estimated production was based on recoverable reserves and resources estimates by qualified persons when preparing the most recently filed technical report, or management's latest LOM model as at September 30, 2022.

Discount rate

Discount rates used for the present value of the LOM cash flows were based on the weighted average cost of capital for similar companies and adjusted for risk and current market information. The Company used a 11% real after-tax discount rate for the Underground Mine and 12% real after-tax discount rate for the Open Pit Project in the calculation of the recoverable value of the CGU as at September 30, 2022.

Sensitivity analysis

The Company has performed the following sensitivity analysis -

	a 5% change in long term copper price	a 5% change in operating costs	a 1% change in discount rate	6 months delay in ramp-up of the underground project	1 year delay in the development decision for the open pit project.
Change in recoverable amount	\$138,081	\$69,406	\$72,153	\$19,985	\$37,272

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4. Working Capital Facility

Balance at December 31, 2020	\$32,879
Advance	80,442
Interest accrual	2,143
Repayments	(95,369)
Balance at December 31, 2021	\$20,095
Advances	22,533
Interest accrual	1,315
Repayments	(23,818)
Balance at September 30, 2022	\$20,125

In 2019, Nevada Copper Inc. ("NCI"), the Company's wholly owned subsidiary, entered into the revolving Working Capital Facility with Concord for up to \$35,000 which provides for advances of up to 85% of the value of expected deliveries up to four months in advance of deliveries prior to commercial production at the Underground Mine, and three months thereafter, on a revolving basis. Interest on advance payments will be payable at LIBOR plus 7.5% prior to commercial production at the Underground Mine and LIBOR plus 5% thereafter, maturing in 2024, unless terminated in accordance with the terms of any offtake agreement. There is no penalty or charge for early repayment in respect of the Working Capital Facility. The availability of funds under the Working Capital Facility increased from \$35,000 to \$40,000 on April 1, 2021, subject to attaining certain defined production rates. Drawdowns under the Working Capital Facility in excess of \$35,000 prior to commencement of commercial production at the Underground Mine will bear interest at LIBOR plus 8.5%

During the nine months ended September 30, 2022, the Company made repayments of \$23,818, of which \$7,718 was in concentrate deliveries and \$16,100 was settled in cash. As previously noted, the Company failed to make a required make whole repayment under the Working Capital Facility for June 2022 and during the quarter ended September 30, 2022, which resulted in a breach of its covenants thereunder. This default was continuing as at September 30, 2022. As a result, Concord had a right to cancel the Working Capital Facility and demand all or part of the advance payments. Subsequent to September 30, 2022, on October 28, 2022 upon the closing of the Restart Financing Package, the Company obtained a waiver for this default.

5. Long Term Debt:

	September 30, 2022	December 31, 2021
Current portion of debt:		
KfW IPEX-Bank Facility	\$118,950	\$8,307
2021 Credit Facility	\$52,047	\$—
Lease liabilities	\$11,246	\$—
2022 promissory notes	\$13,674	\$—
Total current portion of debt	\$195,917	\$8,307
KfW IPEX-Bank Facility	\$—	\$117,521
2021 Credit Facility	—	14,455
Lease liabilities	6,147	33,293
2022 promissory notes	20,414	—
Total long-term debt	\$26,561	\$165,269

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a) KfW IPEX Bank Facility:

	Tranche A		Tranche B	
	Sep 30, 2022	Dec 31, 2021	Sep 30, 2022	Dec 31, 2021
Opening balance	\$105,239	\$104,902	\$13,540	\$13,066
Interest and accretion expense	4,147	4,729	1,151	1,540
Interest payments	(1,134)	(2,181)	(402)	(450)
Extension fee	—	(1,150)	—	(150)
Gain on modification	—	(1,061)	—	(466)
Closing balance	\$108,252	\$105,239	\$14,289	\$13,540
Interest payable classified as current liability under Accounts payable and accrued liabilities	2,838	927	753	331
Balance disclosed as Current portion of Loan term debt (Refer note below)	\$105,414	\$104,312	\$13,536	\$13,209

The KfW IPEX-Bank Facility contains certain financial and non-financial affirmative and restrictive covenants. The Company's default under the Working Capital Facility, among other things, resulted in a cross-default and other defaults under the KfW IPEX-Bank Facility. During the quarter, the Company failed to pay the interest due on this facility. Such defaults were continuing as at September 30, 2022. As a result of this default, KfW IPEX-Bank was contractually entitled to request, subject to certain steps being taken, repayment of the outstanding amount thereunder. As such, the outstanding balance was presented as a current liability as at September 30, 2022.

Subsequent to September 30, 2022, on October 28, 2022 upon the closing of the Restart Financing Package, the Company obtained a waiver from KfW IPEX-Bank for such default. Further, subsequent to September 30, 2022, on October 28, 2022, the KfW IPEX-Bank Facility was amended as part of the Restart Financing Package to provide for a new tranche of up to \$25,000, of which Pala, Triple Flag and Mercuria Energy Holdings (Singapore) Pte Ltd ("Mercuria") have committed, in aggregate, the first \$15,000 as a backstop.

b) 2021 Credit Facility

	Sep 30, 2022	Dec 31, 2021
Opening balance	\$33,293	\$—
Advance	15,000	30,000
Accretion expense	319	77
Interest capitalized	3,435	1,692
Loss on Modification	—	1,524
Closing balance	\$52,047	\$33,293

During the nine months ended September 30, 2022, the Company drew \$15,000 under the accordion feature of the 2021 Credit Facility ("Accordion") and disbursement fees of \$600 (4% on the total drawdown of the Accordion) were added to the principal amount payable to Pala upon maturity of the 2021 Credit Facility. Interest payable of \$3,435, for the period ended September 30, 2022 was added to the principal amount of the 2021 Credit Facility and is payable on maturity of the A&R Credit Facility.

As at September 30, 2022, the principal outstanding balance for the 2021 Credit Facility was \$54,251 (Dec 31, 2021- 35,224) including loan arrangement, extension and disbursement fees of \$4,025 (Dec 31, 2021- 3,425) and unpaid capitalized interest of \$5,226 (Dec 31, 2021- \$1,799).

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The 2021 Credit Facility contains certain financial and non-financial affirmative and restrictive covenants. The Company's default under the Working Capital Facility, among other things, resulted in a cross-default and other defaults under the 2021 Credit Facility. Such defaults were continuing as at September 30, 2022. As a result of this default, Pala was contractually entitled to request, subject to certain steps being taken, repayment of the outstanding amount thereunder. As such, the outstanding balance was presented as a current liability as at September 30, 2022.

Subsequent to September 30, 2022, on October 28, 2022 upon the closing of the Restart Financing Package, the Company obtained a waiver from Pala for such default. Further, subsequent to September 30, 2022, on October 28, 2022, the Company and Pala amended and restated the amended and restated 2021 Credit Facility on substantially the same terms as the amended and restated 2021 Credit Facility (the "A&R Credit Facility"), other than as described below. The A&R Credit Facility has a principal amount of approximately \$76,156, which includes the outstanding principal and accrued interest under the 2021 Credit Facility (approximately \$54,797), the outstanding and accrued interest under the May 2022 Promissory Note (as defined herein) (approximately \$20,537) and a 4% deferred financing fee with respect to the May 2022 Promissory Note amount (approximately \$821).

c) Lease Liabilities

The following table shows the change to the Company's lease liabilities:

	Sep 30, 2022	Dec 31, 2021
Opening balance	\$ 22,762	\$ 27,391
Additions	—	2,471
Accretion	1,052	1,666
Lease modification	(1,082)	—
Lease payments	(5,340)	(8,766)
Closing balance	\$ 17,392	\$ 22,762
Current portion	11,246	8,307
Long-term portion	6,147	14,455

The undiscounted minimum lease payments in respect of the above lease liabilities are expected to be \$8,913 for the next twelve months.

Further, the average term of the Company's lease liabilities ranges from 40 months to 60 months. The undiscounted lease payments exclude leases that are classified as short-term and leases for low-value assets, which are not recognized as lease liabilities.

During the quarter, the Company failed to pay lease payments to Epiroc and Normet, resulting in defaults under the respective lease agreements. These defaults were continuing as at September 30, 2022. As a result of these defaults, Epiroc and Normet were contractually entitled to, subject to certain steps being taken, terminate lease or take possession of equipment or demand repayment of the outstanding amount thereunder. As such, the outstanding balance was presented as a current liability at September 30, 2022. Subsequent to September 30, 2022, the Company remediated these defaults by paying the overdue lease payments to Epiroc and Normet.

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d) 2022 Promissory Notes

In May 2022, Pala agreed to provide additional funding of up to \$20,000 pursuant to a promissory note (the "May 2022 Promissory Note"). The May 2022 Promissory Note had a maturity date of December 31, 2023 and carried interest at 8% per annum on amounts drawn. During the nine month ended September 30, 2022, the Company drew the full \$20,000 under the May 2022 Promissory Note. As at September 30, 2022, \$20,415 including accrued and unpaid interest of \$415 was outstanding under the May 2022 Promissory Note.

In August 2022, Pala agreed to provide additional funding of up to \$17,500 pursuant to a promissory note (the "August 2022 Promissory Note"). The August 2022 Promissory Note had a maturity date of November 30, 2022 and carried interest at 12% per annum on amounts drawn. During the nine month ended September 30, 2022, the Company drew \$13,500 under the August 2022 Promissory Note. As at September 30, 2022, \$13,674 including accrued and unpaid interest of \$174 was outstanding under the August 2022 Promissory Note.

Subsequent to September 30, 2022, the Company drew an additional \$1,500, under the August 2022 Promissory Note. Also, subsequent to September 30, 2022, in October 2022, Pala agreed to provide additional funding of up to \$20,000 pursuant to a promissory note (the "October 2022 Promissory Note"). The October 2022 Promissory Note had a maturity date of November 30, 2022 and carried interest at 12% per annum on amounts drawn. During the nine months ended September 30, 2022, the Company drew \$7,500 under the October 2022 Promissory Note.

Subsequent to September 30, 2022, on October 28, 2022 upon the closing of the Restart Financing Package, the May 2022 Promissory Note was consolidated into A&R Credit Facility and the August 2022 Promissory Note and October 2022 Promissory Note were converted into equity of the Company in connection with Pala's subscription for common shares of the Company, with the remaining amounts owing repaid in cash after the closing of the Restart Financing Package (Refer to Note 17).

6. Stream and Royalty Deferral

	Stream deferral	Royalty deferral
Balance at December 31, 2020	\$98,432	\$19,223
Accretion	9,190	1,895
Amounts delivered under the stream	(359)	—
Balance at December 31, 2021	\$107,263	\$21,118
Accretion	7,238	1,542
Amounts delivered under the stream	(672)	—
Balance at September 30, 2022	\$113,829	\$22,660

The Company's default under the Working Capital Facility, among other things, resulted in a cross default and other defaults under the Stream Agreement. These defaults continued as at September 30, 2022. As a result of this default, Triple Flag was contractually entitled to request, subject to certain steps being taken, repayment of the outstanding amount thereunder. Management exercised significant judgment in determining that the balance continues to be accounted for under IFRS 15 - Revenue from contracts with customers. However, since Triple Flag was contractually entitled to terminate the Stream Agreement as at September 30, 2022, the Company's obligation for the stream deferral was disclosed as a current liability. There is no cross-default clause in the Royalty agreements entered into between the Company and Triple Flag.

Subsequent to September 30, 2022, on October 28, 2022 upon the closing of the Restart Financing Package, the Company obtained a waiver from Triple Flag for such default in connection with the closing of the Restart Financing Package.

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The table below shows the short term and long-term portion of stream and royalty deferral liability.

	September 30, 2022	December 31, 2021
Stream deferral		
Current portion	\$ 113,829	\$ 6,138
Long term portion	—	101,125
Royalty deferral		
Current portion	\$ —	\$ —
Long term portion	22,660	21,118

7. Related Party Transactions:

Pala is a related party to the Company because of its approximate 37% (2021 – 37%) shareholding in the Company as of September 30, 2022 (48% as of the date hereof). Additionally, as of September 30, 2022, three of the seven directors of the Company are Pala executives (as at the date hereof, three of nine directors are Pala executives). The Company has an independent directors committee to review and approve related party transactions.

During the nine months ended September 30, 2022, the Company entered into the following transactions with Pala:

- Guarantee fee totaling \$929 (2021 - \$976),
- Interest charges incurred on the 2021 Credit Facility and capitalized to the 2021 Credit Facility totaling \$3,435 (2021 - \$1,424),
- Technical and other services fees of \$60 (2021 - \$108),
- Proceeds from draws under the 2021 Credit Facility (Refer Note 5b), and
- Proceeds from draws under the May 2022 Promissory Note and the August 2022 Promissory Note (Refer Note 5d)

As of September 30, 2022, the Company owed Pala \$1,665 for accrued fees for technical and other services and certain guarantees, (2021 - \$311) including fees accrued in connection with the indemnity agreements relating to bonding arrangements and the guarantee provided by Pala in connection with the KfW IPEX- Bank Facility.

Subsequent to the end of the third quarter of 2022, the Company drew \$1,500 under the August 2022 Promissory Note and Pala provided an additional \$7,500 of funding pursuant to the October 2022 Promissory Note. Further, on October 28, 2022, as part of the Restart Financing Package, the Company entered into transactions with Pala (see Note 17).

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.

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8. Share-Based Compensation:

a) Share Purchase Options:

	Number of Options	Weighted average exercise price (CAD)
Outstanding December 31, 2020	4,151,217	\$5.90
Granted	2,458,857	1.60
Forfeited	(1,948,193)	5.00
Outstanding December 31, 2021	4,661,881	\$5.00
Granted	821,342	0.64
Forfeited	(1,012,287)	1.16
Outstanding September 30, 2022	4,470,936	3.02
Exercisable September 30, 2022	2,901,089	\$4.09

On April 12, 2022, 821,342 stock options were granted at a weighted-average exercise price of CAD\$0.64 to officers and employees exercisable for a period of five-year with a three-year vesting period. The weighted-average fair value attributable to the stock options granted was CAD\$0.41.

As at September 30, 2022, there were 47,493,541 stock options available for issuance under the Company's Stock Option Plan.

During the nine months ended September 30, 2022, \$190 (2021 - \$231) in stock-based compensation was recorded upon stock options vesting to officers and employees, of which \$24 (2021 -\$93) was charged to operations.

The Company uses the Black-Scholes option pricing model to value its stock options, which requires management to make estimates that are subjective and which may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following weighted average assumptions were used:

	September 30, 2022
Risk free interest rate	2.52%
Expected dividend yield	0%
Expected stock price volatility	79.0%
Expected life in years	5 years
Expected forfeitures	10%

The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed stock option life. The expected volatility is based on the Company's historical common share prices. The expected average stock option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. Expected forfeitures are based on historical forfeitures of the Company's stock options.

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The following table summarizes the stock options outstanding and exercisable as at September 30, 2022:

Exercise price (in CAD)	Outstanding		Exercisable	
	Number outstanding	Weighted average remaining life (years)	Number outstanding	Weighted average remaining life (years)
\$0.64 - \$2.10	2,718,029	3.17	1,148,182	2.53
\$4.40-\$6.70	1,752,907	0.96	1,752,907	0.96
	4,470,936	2.30	2,901,089	1.58

b) Deferred share units (“DSUs”):

	Number of DSUs
Outstanding December 31, 2020	584,644
Granted	3,140,525
Outstanding Exercised	(342,074)
Outstanding Forfeited	(112,764)
Outstanding December 31, 2021	3,270,331
Granted	2,337,701
Outstanding September 30, 2022	5,608,032

On April 12, 2022, 2,337,701 DSUs were granted to directors and advisors. The weighted-average fair value attributable to DSUs granted was CAD\$0.63. All the DSUs vested immediately on the grant date and the Company recorded a stock-based compensation expense of \$1,167 on the grant date.

At September 30, 2022, the DSU payable amount was \$921 compared to \$1,808 on December 31, 2021. During the nine months ended September 30, 2022, the Company recognized a stock-based compensation gain of \$832 (September 30, 2021 - Stock based compensation gain of \$287) in the consolidated statement of operations.

c) Performance and Restricted Share Units:

The Company has a Performance Share Unit and Restricted Share Unit Plan that allows employees to receive short term and long-term incentive plan compensation in the form of performance share units (“PSUs”) and restricted share units (“RSUs”). PSUs and RSUs issued under the Performance Share Unit and Restricted Share Unit Plan entitle the holder to a cash payment at the end of a three-year performance period equal to the number of RSUs or PSUs granted, adjusted for a performance factor and multiplied by the quoted market value of a common share.

Under the Performance Share Unit and Restricted Share Unit Plan, the following grants and cancellations occurred during the year:

	Number of PSUs
Outstanding December 31, 2020	383,449
Granted	1,743,650
Forfeited	(828,218)
Outstanding December 31, 2021	1,298,881
Granted	934,465
Forfeited	(1,011,436)
Outstanding September 30, 2022	1,221,910

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	Number of RSUs
Outstanding December 31, 2020	2,586,652
Granted	2,859,157
Forfeited	(1,188,948)
Outstanding December 31, 2021	4,256,861
Granted	3,331,705
Settled	(426,646)
Forfeited	(1,035,647)
Outstanding September 30, 2022	6,126,273

During the nine months ended September 30, 2022, \$459 (2021 - stock-based compensation gain of \$766) in stock-based compensation was recorded in relation to these units, of which \$248 (2021 - \$27) was charged to operations and \$211 (2021 - stock-based compensation gain of \$793) was capitalized to development costs.

9. Warrants:

The table below shows the movement of the warrant derivative liability:

	Triple Flag	July 2020 Offering	January 2021 Offering	November 2021 Offering	2021 Credit Facility	Total
Balance at December 31, 2020	\$681	\$11,796	\$—	\$—	\$—	\$12,477
Initial valuation	—	—	—	14,016	8,454	22,470
Fair value adjustment	(405)	(10,507)	2,970	(442)	(3,189)	(11,573)
Balance at December 31, 2021	\$276	\$1,289	\$2,970	\$13,574	\$5,265	\$23,374
Fair value adjustment	(243)	(1,289)	(2,969)	(11,642)	(4,399)	(20,543)
Balance at September 30, 2022	\$33	\$—	\$1	\$1,932	\$866	\$2,831

The fair value of the warrants was \$2,831 as at September 30, 2022. The change in the fair value of the warrants for the nine months ended September 30, 2022 of \$20,543 was recorded as a derivative fair value gain in the Statement of Operations and Comprehensive Loss. The majority of the loss was largely driven by a decrease in the price of the Company's common shares and publicly traded warrants.

The input assumptions used in the Black-Scholes valuation are listed below:

	Triple Flag Warrants		Credit Facility Warrants	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
Risk-free interest rate	3.61 %	1.21 %	3.47 %	1.24 %
Expected dividend yield	0	0	0	0
Expected stock price volatility	99.3 %	88.6 %	92.7 %	82.2 %
Expected life in years	2.5	3.2	3.3	4.2

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10. Commitments and Contractual Obligations:

Significant capital expenditures contracted for at the end of the reporting period but not recognised as liabilities are as follows:

	September 30, 2022	December 31, 2021
Property, plant, and equipment	\$5,802	\$1,960

11. Revenue:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021 (Restated -	2022	2021 (Restated -
Metal contained in concentrate	\$—	\$2,222	\$10,213	\$8,961
Final settlement adjustment	(1,028)	—	(711)	470
Gross Revenue	(1,028)	2,222	9,502	9,431
Less: Treatment and refining cost	(5)	(232)	(416)	(992)
Revenue	(\$1,033)	\$1,990	\$9,086	\$8,439

Final settlement adjustment includes the changes in the fair value of concentrate trade receivables due to changes in base metal prices.

12. Cost of Sales:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021 (Restated - note 2)	2022	2021 (Restated - note 2)
Mining cost	\$—	\$3,496	\$15,593	\$13,392
Milling cost	—	2,261	7,180	8,964
Site, general and administrative	—	971	6,071	4,813
Net realizable value adjustment on stockpile inventory	—	—	2,273	—
Transportation	—	570	2,025	1,921
Royalty and stream payments	(36)	160	476	1,159
Total Cost of Sales	(\$36)	\$7,458	\$33,618	\$30,249

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13. Care and maintenance

During the quarter, the Company temporarily suspended mining and milling operations at the Underground Mine to significantly reduce the Underground Mine site and operational expenditures, with only limited operational activities being undertaken. Expenditures incurred during the care and maintenance period are recognized as expenses in the statement operations and other comprehensive income (loss). Expenditures incurred during this period included:

	Three and Nine Months Ended September 30, 2022
Salaries and wages	\$3,782
Contractor services	3,648
Consumables	175
Site costs	4,792
Legal costs	3,041
Depreciation	781
Total	\$16,218

14. Interest and finance expense

Capitalization of borrowing costs was suspended during the care and maintenance period and costs incurred during the quarter were recognized as expenses in the statement operations and other comprehensive income (loss). Interest and finance expense during the period included:

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
KFW IPEX Bank Facility	\$2,331	\$2,331
Working Capital Facility	561	561
2021 Credit Facility	1,639	1,639
2022 Promissory Notes	553	553
Stream and Royalty Deferral	3,045	3,045
Lease liabilities, other interests and bank charges	1,026	1,037
Total	\$9,155	\$9,166

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15. Supplemental Cash Flow Information:

	September 30, 2022	September 30, 2021
Non-cash investing and financing activities:		
Depreciation capitalized in MPPE	\$3,843	\$3,727
Stock based compensation included in MPPE	\$235	\$977
Asset retirement obligation change	\$62	\$—
MPPE included in accounts payable and accrued liabilities change	\$4,781	\$8,166
Rights of use assets acquired under finance lease	\$—	\$2,471
Accretion on stream deferral	\$5,736	\$5,347
Interest capitalized in MPPE	\$6,697	\$6,564
Extinguishment of Pala promissory note	\$—	\$8,194
Units issued to settle accrued liabilities	\$—	\$3,337
Forgiveness of PPP Loan	\$—	\$2,376
Shares issued in Sedgman settlement	\$—	\$2,000

16. Financial Instruments:

(a) Fair value measurements:

The carrying amounts for cash and cash equivalents, restricted cash, accounts payable and accrued liabilities, approximate fair values due to the immediate or short-term maturities of these financial instruments. The following is a classification of fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value of the Company's debt was determined using Level 2 inputs:

	September 30, 2022		December 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Working Capital Facility (Note 4)	\$20,125	\$20,125	\$20,095	\$20,095
KfW IPEX-Bank Facility (Note 5a)	122,541	133,592	117,521	119,487
2021 Credit Facility (Note 5b)	52,047	54,258	33,293	35,059
May 2022 Promissory Note (Note 5d)	20,414	20,414	—	—
August 2022 Promissory Note (Note 5d)	13,674	13,674	—	—
	\$228,801	\$242,063	\$170,909	\$174,641

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For the three and nine months ended September 30, 2022 and September 30, 2021

(b) Financial risk factors:

The Company manages its exposure to financial risks, including foreign exchange risk and interest rate risk, based on a conservative framework to protect itself against adverse rate movements. All transactions undertaken are to support the Company's ongoing business and the Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company's board of directors oversees management's risk management practices by setting trading parameters and reporting requirements.

The Company's activities are exposed to financial risks: market risk (including currency exchange risk and interest rate risk), credit risk and liquidity risk.

c) Market risks:

i) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The KfW IPEX-Bank Facility (Note 5a), the Working Capital Facility (Note 4) and the A&R Credit Facility (previously the 2021 Credit Facility until the amendment and restatement on October 28, 2022) (Note 5b) currently provide for interest at a market rate plus a fixed margin. Due to the capitalization of borrowing during the construction phase, the Company's sensitivity to a 1% decrease or increase in market rates of interest would have an immaterial effect on the Company's interest expense.

ii) Foreign currency risk:

The Company is exposed to currency fluctuations on its foreign currency monetary assets and liabilities. A significant change in the currency exchange rate between the U.S. dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

At September 30, 2022, the Company held CAD\$681 (2021 - CAD\$58,734) in cash and cash equivalents in its parent entity with a functional currency of U.S. dollars. At September 30, 2022, the Company had CAD\$945 (2021 - CAD\$4,308) in accounts payable.

A +/- 10% change in the Canadian exchange rate would have had an immaterial impact for the six months ended September 30, 2022.

iii) Commodity price risk:

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.

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.

iv) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, restricted cash, reclamation bond, and amounts receivable. The Company has reduced its credit risk by investing its cash and cash equivalents in high quality Canadian chartered banks. The Company's maximum exposure to credit risk is \$2,723 as at September 30, 2022 (2021 - \$52,067), being the carrying value of cash and cash equivalents, restricted cash and amounts receivable.

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v) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities (refer to Note 1 for more details). The Underground Mine is in the ramp-up stage and as a result has not yet generated sufficient revenue to support the Company's obligations. The Company is reliant on its current cash balance, cash flow from pre-operational production revenue and cash inflows from its financing transactions to fund the completion of the construction and commissioning of the Underground Mine, and to take it into commercial production with positive steady state cash flow and other corporate costs.

As at September 30, 2022, the Company had the following consolidated contractual cash flow obligations:

Contractual obligations	Payments due by period				
	Total	1 year	2-3 years	4-5 years	5 years+
Accounts payable, accrued liabilities and related party payables	\$57,297	\$57,297	\$—	\$—	\$—
Construction contractual obligations	\$5,802	\$5,802	\$—	\$—	\$—
Working Capital Facility	\$22,265	\$22,265	\$—	\$—	\$—
KfW IPEX-Bank Facility	\$167,262	\$9,651	\$42,559	\$60,331	\$54,721
Equipment leases	\$23,570	\$8,913	\$14,549	\$108	\$—
2021 Credit Facility	\$74,992	\$6,208	\$12,433	\$56,351	\$—
May 2022 Promissory Note	\$22,418	\$—	\$22,418	\$—	\$—
August 2022 Promissory Note	\$13,944	\$13,944	\$—	\$—	\$—
Asset retirement obligation	\$8,977	\$—	\$—	\$—	\$8,977
Total obligations	\$396,527	\$124,080	\$91,959	\$116,790	\$63,698

The Company continuously assesses its cash requirements and its sources of funds in order to optimize its financing strategy.

17. Subsequent events:

- Pala provided an additional \$7,500 through the October 2022 Promissory Note while the Company continued discussions with its financing partners. The October 2022 Promissory Note had a maturity date of November 30, 2022 and carried interest at 12% per annum on amounts drawn. \$20,000 of indebtedness owing under the August 2022 Promissory Note and the October 2022 Promissory Note were subsequently converted into equity of the Company in connection with Pala's subscription for common shares of the Company in the Restart Financing Package, with the remaining amounts owing repaid in cash after the closing of the Restart Financing Package. The \$20,000 of indebtedness outstanding under the May Promissory Note was consolidated into the A&R Credit Facility. The amounts owing under these promissory notes were converted to equity and or repaid in cash as part of the close of the Restart Financing Package.
- The Company closed the Restart Financing Package on October 28, 2022. A summary of the key components of the Restart Financing Package are described below:
 - Mercuria Equity Investment (\$20,000) - Mercuria, a significant shareholder of the Company, provided \$10,000, its first tranche of funding in exchange for 62,717,593 common shares of the Company at a subscription price of C\$0.2160 per common share (the "Equity Subscription Price") and deposited \$10,000, its second tranche of funding, into escrow. Mercuria's second tranche of funding will be released upon the satisfaction or waiver of certain conditions in exchange for common shares of the Company at a subscription price equal to a 15% discount to the five-day volume weighted average price of the Company's common shares on the Toronto Stock Exchange as of the trading day prior to the applicable closing date. Mercuria also received 127,720,000

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common share purchase warrants of the Company ("Mercuria Warrants") each entitling Mercuria to, subject to satisfying certain vesting conditions (including the exercise of the Pala Warrants (as defined below)), acquire one common share of the Company at an exercise price of C\$0.2592 until January 31, 2026, subject to acceleration in the event that all amounts under the A&R Credit Facility are repaid at an earlier time. Mercuria also received 871,261 common shares of the Company in satisfaction of its reimbursable expenses totaling \$193.

- Pala Equity Investment (\$20,000) - Pala provided \$20,000 in exchange for 125,435,185 common shares of the Company at the Equity Subscription Price. The aggregate \$20,000 consideration consisted of the settlement of all of the principal outstanding under the August 2022 Promissory Note and \$5,000 outstanding under the October 2022 Promissory Note. The remaining \$2,500 outstanding under the October 2022 Promissory Note and accrued interest on the August 2022 Promissory Note and the October 2022 Promissory Note, in the amount of \$341 in aggregate, was repaid to Pala on closing of the Restart Financing Package. Pala also received 5,330,995 common shares of the Company in satisfaction of its reimbursable expenses totaling \$850.
- Stream and Royalty Financing (\$30,000) - Triple Flag increased its existing net smelter returns royalty on the Open Pit Project from 0.7% to 2% for a purchase price of \$26,192, subject to the Company's right to fully buyback of the increased royalty percentage. In addition, Triple Flag accelerated the \$3,808 remaining to be funded under the Stream Agreement. Triple Flag funded its investment in two tranches, with \$20,000 funded at closing and the remaining \$10,000 deposited into escrow to be released upon the satisfaction or waiver of certain conditions. Triple Flag will also receive 1,459,208 common shares of the Company in satisfaction of its reimbursable expenses totaling \$233.
- KfW Facility Extension (\$15,000 committed) - The KfW IPEX-Bank Facility was amended to provide for a new tranche of up to \$25,000, of which Pala, Triple Flag and Mercuria have committed, in the aggregate, the first \$15,000 as a backstop.
- Pala Debt Consolidation - The Company and Pala entered into the A&R Credit Facility, on substantially the same terms as the 2021 Credit Facility, other than as described below. The A&R Credit Facility has a principal amount of \$76,156 which includes the outstanding principal and accrued interest under the 2021 Credit Facility (\$54,797), the outstanding and accrued interest under the May 2021 Promissory Note (\$20,537) and 4% deferred financing fee with respect to the May 2022 Promissory Note amount (\$821). In connection with the A&R Credit Facility, 398,723,212 common share purchase warrants of the Company were issued to Pala ("Pala Warrants"). Each Pala Warrant entitles Pala to acquire one common share at an exercise price equal of C\$0.2592. The Pala Warrants will expire on January 31, 2026 subject to acceleration in the event that all amounts under the A&R Credit Facility are repaid at an earlier time.
- Additional Backstop Support (\$25,000) - Pala provided the Company with a backstop funding commitment of up to \$25,000 for future funding to be provided in exchange for issuances of common shares of the Company, convertible and/or non-convertible debt of the Company (the "Backstop"). The amount available pursuant to the Backstop will be reduced, from time to time, by amounts raised by the Company pursuant to alternative financings after the closing of the Restart Financing Package. The Company may exercise the Backstop if, subject to other conditions, an aggregate of \$65,000 of the committed funding (excluding Pala's equity contribution, which has already been funded) under the Restart Financing Package has been made available to the Company. In connection with the Backstop, Pala received 6,271,759 common shares of the Company, at a price equal to the Equity Subscription Price, representing a 4% commitment fee.
- Deferrals under Senior Project Facility and Working Capital Facility: KfW deferred three interest payments under the KfW IPEX-Bank Facility. Concord deferred interest and principal payments under the Working Capital Facility.