NEVADA COPPER

TEAMWORK. INNOVATION. EXECUTION.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2022

November 14, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the three and nine months ended September 30, 2022

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the three and nine months ended September 30, 2022

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 14, 2022. Information herein is provided as of September 30, 2022, unless otherwise noted. The following discussion of performance, financial condition and outlook should be read in conjunction with the unaudited condensed consolidated interim financial statements for the quarter ended September 30, 2022 and 2021 ("consolidated interim financial statements") and the notes thereto, prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and International Accounting Standard 34 – Interim Financial Reporting.

Additional information relevant to the Company's activities, including the Company's Annual Information Form dated March 31, 2022 (the "AIF"), can be found on SEDAR at www.sedar.com. All amounts expressed herein are in US Dollars unless otherwise indicated.

Greg French, CPG, VP Head of Exploration of the Company and Steven Newman, Registered Member - SME, VP Technical Services of the Company, both non-independent Qualified Persons under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, 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

Q3 2022 Highlights

Set out below are highlights for the quarter ended September 30, 2022 ("Q3 2022") relating to the Company's operations at its Pumpkin Hollow Underground Mine (the "Underground Mine"), and activities related to its Pumpkin Hollow Open Pit Project (the "Open Pit Project") and broader exploration properties.

The consolidated financial and operational results discussed below and throughout this MD&A reflect the adjustments from the adoption of "Amendments to International Accounting Standards 16, Property, Plant & Equipment, Proceeds before Intended Use" ("Amendments to IAS 16") as discussed in detail in the "Financial Results" and " New Accounting Pronouncements" sections of this MD&A. As required by the Amendments to IAS 16, these adjustments were applied retrospectively and the comparatives have been restated.

An overview of certain key events that occurred subsequent to September 30, 2022 are also discussed below.

Underground Mine Operations

- **Suspension of Mining Activities** - At the end of Q2 2022, the underground mine encountered an unidentified weak rock structure in the main ramp to the East South Zone ("ES Zone") which delayed access to planned stopes and required additional drilling and geotechnical mitigation work. As a result of this event, together with limited access to the main ramp, slower than planned development and longer backfill cycles, the Company's development and mining activities were reduced during the month of June 2022. At the beginning of Q3 2022, due to the ongoing liquidity constraints, in part due to liquidity constraints as described above, 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.
- **Dike Crossing** – During Q3 2022, using the interim funding received from Pala Investments Limited ("Pala"), the Company advanced planning for the restart of operations at the Underground Mine and initiated phase 1 of the restart plan, which focused on completing the second dike crossing. Subsequent to Q3 2022, the Company substantially completed the second dike crossing.
- **Impairment** - During Q3 2022, the Company updated the life of mine ("LOM") plan 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 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 temporary 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 (a group of assets that generate independent cash inflows) as at September 30, 2022. Due to the Company's impairment assessment, mineral properties development costs were written down to its recoverable amount, which was determined based on fair value less cost of disposal method, and a non-cash impairment of approximately $298.9 million was recognized in the consolidated statements of operations and comprehensive income (loss).

Corporate

- **Funding** – During Q2 2022, Pala agreed to provide additional funding of up to $20 million 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. The Company drew $11.5 million under the May 2022 Promissory Note in Q2 2022 and drew the remaining $8.5 million in Q3 2022.

  During Q3 2022, the Company announced its proposed financing package to provide liquidity to the Company in order to support the restart and ramp-up of the Underground Mine (the "Restart Financing Package"). The Restart Financing Package closed on October 28, 2022. In Q3 2022, prior to the closing of the Restart Financing Package, Pala provided additional funding to the Company of $15 million ($1.5 million of which was provided subsequent to Q3 2022) pursuant to a promissory note entered into in August 2022 (the "August 2022 Promissory Note"). Further, subsequent to Q3 2022, Pala provided additional funding of $7.5 million to the

Company pursuant to another promissory note entered into in October 2022 (the "October 2022 Promissory Note"). Both the August 2022 Promissory Note and the October 2022 Promissory Note had a maturity date of November 30, 2022 and carried interest at 12% per annum on amounts drawn. Subsequently, upon closing of the Restart Financing Package, $20 million of indebtedness owing under the August 2022 Promissory Note and the October 2022 Promissory Note was subsequently 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.

- **Restart Financing Package** - The Company and its key financing partners entered into definitive agreements in respect of and 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 million) - Mercuria Energy Holdings (Singapore) Pte Ltd (Mercuria), a significant shareholder of the Company, provided $10 million, 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 million, 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 common shares of the Company on the Toronto Stock Exchange (the "TSX") as of the trading day prior to the applicable closing date. Mercuria also received 127,720,000 common share purchase warrants of the Company (the "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 (as defined below) are repaid at an earlier time. Mercuria also received 871,261 common shares of the Company in satisfaction of its reimbursable expenses totaling approximately $0.13 million.
    - Pala Equity Investment ($20 million) - Pala provided $20 million in exchange for 125,435,185 common shares of the Company at the Equity Subscription Price. The aggregate $20 million consideration consisted of the settlement of all of the principal amount outstanding under the August 2022 Promissory Note and $5 million outstanding under the October 2022 Promissory Note. The remaining $2.5 million 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 approximately $0.3 million 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 approximately $0.85 million.
    - Stream and Royalty Financing ($30 million) - Triple Flag Precious Metals Corp. ("Triple Flag") increased its existing net smelter returns royalty on the Open Pit Project from 0.7% to 2% for a purchase price of approximately $26.2 million, subject the Company's right to fully buy back the increased royalty percentage. In addition, Triple Flag accelerated the approximately $3.8 million remaining to be funded under the Company's existing metals purchase and sale agreement with Triple Flag (the "Stream Agreement"). Triple Flag funded its investment in two tranches, with $20 million funded at closing and the remaining $10 million 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 $0.23 million.

- KfW Facility Extension ($15 million committed) - The Company's senior credit facility (the "KfW IPEX-Bank Facility") with KfW IPEX-Bank GmbH ("KfW") was amended to provide for a new tranche of up to $25 million, of which Pala, Triple Flag and Mercuria have committed, in aggregate, the first $15 million as a backstop.
- Pala Debt Consolidation - The Company and Pala amended and restated the Company's amended and restated credit facility with Pala that was originally entered into in November 2021 (as amended and restated to September 30, 2022, the "2021 Credit Facility", and as so amended and restated to October 28, 2022, 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 approximately $76.1 million which includes the outstanding principal and accrued interest under the 2021 Credit Facility (approximately $54.8 million), the outstanding principal and accrued interest under the May 2022 Promissory Note (approximately $20.5 million) and a 4% deferred financing fee with respect to the May 2022 Promissory Note amount (approximately $0.8 million). 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 of the Company 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 million) - Pala provided the Company with a backstop funding commitment of up to $25 million 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 million 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 Resources Limited ("Concord") deferred interest and principal payments under the Company's working capital facility with Concord (the "Working Capital Facility").

Recent Developments and Outlook

Underground Mine

Mine Development

As announced in the Company's July 4, 2022 press release, due to the geotechnical challenges that restricted access to the Company's planned ES Zone stopes, coupled with reduced ore delivery and the Company's liquidity constraints, the Company made the decision to temporarily suspend underground mining and development activities, as well as milling activities. The Underground Mine contractor significantly reduced their workforce, with only a small crew retained for management of hoist operations and pump management. Near the end of Q3 2022, the Company replaced the contractor crew with the Company's own workforce to run the hoist operations and pump management.

Restart Plan

During Q3 2022, the Company advanced planning for the restart of operations at the Underground Mine. The restart plan for the Underground Mine, as currently envisaged, will be executed in three phases:

- Phase 1 - Completion of the remaining dike crossings, certain capital projects and workforce development;
- Phase 2 - Underground stope and inventory development; and
- Phase 3 - Stope mining and mill start-up

The Company also completed a detailed Project Execution Plan (the "PEP"). The PEP details how the phased approach to the restart of the Underground Mine will be achieved, the recruitment plan, how capital projects will be managed, and how key risks will be mitigated, including key learnings from the previous operations.

During September 2022, using the interim funding provided by Pala, the Company entered Phase 1 by reinitiating development activities with one mining crew focused on completing the second dike crossing.

The following are the key components for the restart of the Underground Mine:

Completion of Detailed LOM Plan

The Company engaged John Wood Group PLC ("Wood") to update the Underground Mine LOM plan, which focuses on the larger, higher grade stopes of the East North Zone ("EN Zone"). The LOM plan has been completed with a planned optimized stoping sequence that would brings value forward in the LOM and derisk the restart by advancing development activities and building significant underground inventory ahead of restarting the mill in mid-2023.

Dike Crossings

Crossing of the dikes is critical to future mine development and operations. During Q3 2022, the second dike crossing advanced with grouting curtains and installation of grouted spiling. Subsequent to Q3 2022, in October 2022, the Company substantially completed the second dike crossing and is advancing beyond the dike feature. This critical achievement provides access to the higher-grade stopes of the EN Zone that is estimated to represent the highest value area of the underground reserve. This zone also represents the most competent geotechnical rock mass within the reserve which is expected to allow larger stopes to be extracted, significantly improving production efficiencies. The Company is encouraged by the rock quality being encountered beyond the dike as progress is made on development headings into the EN Zone, and appears to be as predicted by the geotechnical models. To date, nine of the first stopes to be mined have been drilled to provide critical data for final stope design in preparation for the commencement of mining in the second quarter of 2023.

Further, geotechnical drilling for the third dike crossing was completed during Q2 2022 and the required geological, geotechnical, and hydrological information from the core drilling is being applied to the final design. It is planned that the crew will proceed with the third and final dike crossing in Q4 2022, with completion anticipated for early 2023.

Capital Projects Reassessment

There are a suite of capital projects that are necessary to support production once the development of the Underground Mine is complete.

- Permanent de-watering system - The permanent de-watering system through the use of Geho pumps is necessary to meet the expected LOM requirements.
- Paste Plant - The original design of the paste plant was a combination of thickened tails and rehandled dry stack tails. Simple modifications to one pipe and the thickener cups would result in a single thickened tails flow sheet. These changes have the potential to lower mill operating costs as well as capital costs in both rehandle equipment and the need for the rehandle system. This also has the added benefit of potentially increasing mill throughput and availability by reducing the tons of tails that need to be filtered.
- Coarse Ore Bin ("COB 2") – The COB provides LOM materials handling. Excavation and ground support was in progress prior to the temporary suspension of the Underground Mine. Engineering is nearing final design for inclusion of a jaw crusher into the original civil support structure. The Company has also secured the remaining long-lead item for the COB 2 project, the underground jaw crusher, which is expected to be delivered in Q4 2022.
- Mining Equipment Assessment - A full assessment of the mining equipment fleet is required to assess repairs needed to increase and maintain the reliability of the fleet.

Underground Mine Capital Support Assessment

To support a sustainable increase in production at the Underground Mine there are several support projects that must be revisited and completed.

- *Vent Shaft and Fans* – Surface vent fans are in place and commissioned. The shaft work, new hoist and headframe need to be installed. The Company expects that this work would be sufficient for ventilation over the LOM.
- *Mobile Maintenance Shops* – Minimal work is required to finalize existing mobile maintenance shops and ensure parts are in place.
- *Support Ventilation Redesign* – A new LOM ventilation plan that simplifies the fans and ducting is ongoing and will be finalized based on the new LOM plan by Wood.
- *Electrical* – The majority of the existing electrical infrastructure has been focused on the ES Zone that is now planned to be mined later in the updated Underground Mine life. A new electrical development model that matches the Wood LOM plan is needed.

- De-watering – An underground hot water plan is required with permanent sumps and piping to ensure that hot water exits the Underground Mine quickly and does not contribute to the heat and humidity.
- Cold Clean Water – The underground water is too hot to use for equipment. Water that must be transported from the surface into the Underground Mine is currently too turbid and simple sand filters are required to be installed to make the water compatible for use with underground equipment. This filtered water could also be used to lower costs at the mill, which has similar challenges with turbidity in the process water.

The Company has signed a non-binding letter of intent ("LOI") with an engineering firm to bring critical capital projects to completion, including the COB2, permanent dewatering system, vent shaft rehabilitation and surface fans. The scope of the LOI includes delivery of construction execution plans within the next month. These execution plans would identify any procurement or fabrication of materials and equipment to complete the construction activities, labor requirements, and necessary activities ancillary to these capital projects.

Mine Development Contractor

The Company issued a tender for a new mining contractor to perform underground development activities and for completion of the remaining capital projects, including: (i) COB2; (ii) vent shaft stripping and surface fans installation; and (iii) Geho de-watering system. Confirmations of interest have been received from a number of established contractors that have reviewed the tender documentation, have visited the site, and have conducted a 'bid walk'. The contract is expected to be awarded in December.

Stoping in the higher grade EN Zone

The EN Zone is expected to be the highest value area within the Underground Mine and the updated mine plan was optimized to provide access to the highest grade, most profitable ore first. The EN Zone area is accessed through the three dike crossings, two of which are completed. Stoping in the higher grade EN Zone is scheduled to commence in the third quarter of 2023.

Mill restart

The mill will resume operations once sufficient ore inventory is available to run the processing plant more efficiently. Currently, mill restart is scheduled to commence in the third quarter of 2023. If the restart plan for the Underground Mine is executed as planned and on schedule, management anticipates that underground production will ramp-up to hoisting rates of approximately 3,000 tons per day ("tpd") in the third quarter of 2023, increase to 4,000 tpd in the fourth quarter of 2023 and further increase to 5,000 tpd in the first quarter of 2024.

Open Pit Project

The Open Pit pre-feasibility study ("PFS"), with an effective date of January 21, 2019, demonstrated enhanced economics for the Open Pit Project. The Open Pit Project reserves currently stand at 3,590 million pounds proven and probable from 385.7 million tons grading 0.47% copper.

The Company is in the process of updating the PFS study for the Open Pit Project at the Pumpkin Hollow property. The work is seeking to demonstrate increased contained metal and improved economics as compared to the existing report. A technical report summarizing the PFS is expected to be completed in Q1 2023.

The Open Pit Project has all the material permits required at this time for mine construction and operations. The Company has also progressed the planned studies for a potential solar project, and this work will be incorporated into the Open Pit PFS update. Further updates on the solar studies will be provided upon completion of the next phase of study work and further updates on Open Pit Project advancement plans will be communicated in due course.

Exploration

The Company has continued to evaluate its extensive mineral landholdings at and around Pumpkin Hollow. Review of the detailed aeromagnetic surveys and continued surface reconnaissance will provide a broader understanding of the geologic model and targeting across Nevada Copper's land package.

The review will help direct exploration activities in 2022 on newly acquired lands and targets around the existing deposits subject to cash availability. Surface mapping and sampling has begun on the new ground which will target areas for trenching and follow-up drilling. The areas of work include Copper Ridge, Porphyry, Tedeboy, Mountain View, and Black Mountain targets. Geophysical and structural targets around the existing deposits are expected to be followed up with drilling.

The Company expects to continue to advance its high-priority targets in accordance with cash availability.

COVID-19 and Global Supply Chain

After an initial increase in the number of COVID-19 cases affecting the Company's employees and contractors during 2021, the number of COVID-19 cases has decreased and has had a minimal impact on operations during 2022 to date.

Supply shortages and extended lead times for parts and supplies due to global supply chain challenges continue to impact the Company's operations. The Company is also experiencing inflationary pressures on various commodities including steel and fuel.

SUBSEQUENT EVENTS

Subsequent to the end of Q3 2022;

- the Company drew $1.5 million under the August 2022 Promissory Note. Pala also provided an additional $7.5 million of interim funding to the Company pursuant to the October 2022 Promissory Note while the Company advanced discussions with its key financing partners. $20 million 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 Company closed the Restart Financing Package (see the "Q3 2022 Highlights - Corporate" section of this MD&A), which provides up to $123 million (including $20 million already advanced by Pala pursuant to the August 2022 Promissory Note and the October 2022 Promissory Note) of liquidity to the Company in order to support the restart and ramp-up of the Underground Mine.

- In connection with the Restart Financing Package, the Company was granted a "financial hardship" exemption from the TSX requirements to obtain shareholder approval of certain components of the Restart Financing Package. As a consequence, the TSX placed the Company under remedial delisting review, which is normal practice when a listed issuer seeks to rely on this exemption. Although the Company believes that it will be in compliance with all continued listing requirements of the TSX after giving effect to the Restart Financing Package, no assurance can be provided as to the outcome of such review or continued qualification for listing on the TSX.

DESCRIPTION OF BUSINESS

Nevada Copper is a mining company whose principal asset is the 100%-owned Pumpkin Hollow Copper Property (the "Property"). The Property is in northwestern Nevada and primarily consists of approximately 24,300 acres of contiguous mineral rights including approximately 10,800 acres of owned private land and leased patented claims. See "Description of Business" in the AIF.

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 Mine" 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 Mine 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 AIF.

The Company has completed construction of the processing plant for the Underground Mine. The ramp-up of the Underground Mine continued during the first two quarters of 2022, but during Q3 2022, mining, processing and development activities were temporarily suspended to significantly reduce the Underground Mine site and operational expenditures.

BOARD AND MANAGEMENT CHANGES

Subsequent to the end of Q3 2022, effective November 1, 2022, the Company appointed Randy Buffington (President and Chief Executive Officer of the Company) to the board of directors of the Company.

Further, subsequent to the end of Q3 2022, effective November 4, 2022, the Company appointed Guillaume de Dardel, Head of Energy Transition Metals and part of the Energy Transition desk at Mercuria, to the board of directors of the Company. Mr. de Dardel studied in Sao Paulo and Switzerland and holds a BA HSG (magna cum laude) from the University of St. Gallen. Mercuria was granted a nomination right to the board of directors of the Company in connection with its equity investment in the Restart Financing Package and Mr. de Dardel is its nominee.

Additionally, subsequent to the end of Q3 2022, the Company appointed Mr. Greg Martin as Executive Vice President and Chief Financial Officer of the Company effective November 21, 2022. Mr. Martin is a Certified Professional Accountant (C.G.A.), holds an MBA from the University of Western Ontario and a Bachelor of Applied Science from the University of British Columbia. Mr. Martin has nearly 30 years of experience in various financial and business development roles, primarily in the mining sector. He has held senior finance roles in several multi-national mining and mining-related companies including SSR Mining Inc., NovaGold Resources Inc., Finning International Inc., Zincore Metals Inc. and Placer Dome Inc.

FINANCIAL RESULTS

(Expressed in thousands of USD, except per share amounts)	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	Q3 2022	**Q3 2021 (Restated)**	**2022**	**2021 (Restated)**
Revenue	($1,033)	$1,990	$9,086	$8,439
Cost of Sales				
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	16,218	—	16,218	—
General and administrative expenses	1,272	1,010	3,693	3,507
Stock-based compensation	(310)	(1,805)	(414)	(122)
Loss on forward sales contract	—	—	—	3,075
Impairment of mineral properties development costs	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	(9,155)	(2)	(9,166)	12
Derivative fair value gain	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)

For the nine months ended September 30, 2022, the Company reported a net loss of $331.9 million (or $0.74 basic and diluted loss per common share, compared to a net loss of $11.7 million for the nine months ended September 30, 2021 (or $0.06 basic and diluted loss per common share). The change in the net loss is primarily due to the following:

- **Revenue -** The Company recognized net pre-operational revenue of $9.1 million for the nine months ended September 30, 2022, compared to $8.4 million during the nine months ended September 30, 2021. Concentrate sales totaled 4,501 tons of copper concentrate sold in the nine months ended September 30, 2022 compared to 5,940 tons of copper concentrate sold in the nine months ended September 30, 2021. The average realized copper price (revenue divided by pounds of copper sold during the period) for the nine months ended September 30, 2022 was $4.63 per pound of copper compared to $2.90 per pound of copper realized on sales in the nine months ended September 30, 2021. During 2021, copper sales were subject to a forward sales contract at approximately $2.90 per pound of copper; whereas in 2022, concentrate sales were based on the prevailing market price of the metal.
- **Cost of sales** - Cost of sales totaled $33.6 million for the nine months ended September 30, 2022 compared to $30.2 million for the nine months ended September 30, 2021. The higher cost of sales was primarily due to higher mining costs incurred during the nine months ended September 30, 2022 as a result of more material being mined and higher mining contractor and labor costs.
- **Care and maintenance -** As mentioned above, during Q3 2022, the Company temporarily suspended development of mine and milling operations at the Underground Mine to significantly reduce underground mine site and operational expenditures, with only limited operational activities being undertaken to protect the Company's assets. Expenditures totaling $16 million incurred during the care and maintenance period was recognized as an expense in the statement of operations and other comprehensive income (loss).
- **Impairment of mineral properties development costs** - As discussed above, during Q3 2022, the Company recognized a non-cash impairment of approximately $298.9 million in the consolidated statements of operations and comprehensive income (loss).
- **General and administrative expenses** - General and administrative expenses totaled $3.7 million for the nine months ended September 30, 2022, similar to the nine months ended September 30, 2021.
- **Share-based compensation** - Share-based compensation reduced by $0.3 million in the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, due to a decrease in the share price of the Company's common shares which resulted in lower share based liabilities and the forfeiture of stock options and restricted share units.
- **Derivative fair value gain** - A non-cash mark to market fair value gain of $20.5 million was recorded for the nine months ended September 30, 2022 (September 30, 2021 - gain of $16.6 million), related to the derivative liability of the Company’s warrants. The decrease in the fair market value of the warrants as at September 30, 2022 was primarily driven by the decrease in the Company’s share price as at September 30, 2022 and the expiration of the warrants issued in July 2020 and January 2021.
- **Interest and finance expenses** - During Q3 2022, as development of the Underground Mine was temporarily suspended, the interest and finance expenses incurred during Q3 2022 was recognized as an expense in the statement of operations and other comprehensive income (loss).

For the quarter ended September 30, 2022, the Company reported a net loss of $325.4 million (or $(0.73) basic and diluted loss per common share), compared to a net income of $22.6 million for the quarter ended September 30, 2021 (or $0.12 basic and diluted earnings per common share). The change is primarily due to the following:

- **Revenue -** As mining and milling operations at the Underground Mine were temporarily suspended, there were no concentrate sales during the quarter ended September 30, 2022, Further the Company has recognized a final settlement adjustment of $1.0 million in relation to concentrate sales in prior periods. During Q3 2021, the Company sold 1,277 tons of copper concentrate.
- **Cost of sales** - As mining and milling operations at the Undergound Mine were temporarily suspended, there was no concentrate sales, and therefore, no cost of sales during the quarter ended September 30, 2022.
- **Impairment of mineral properties development costs** - During Q3 2022, the Company recognized a non-cash impairment of $298.9 million in the consolidated statements of operations and comprehensive income (loss).
- **General and administrative expenses** - General and administrative expenses totaled $1.3 million for the quarter ended September 30, 2022, similar to the quarter ended September 30, 2021.
- **Share-based compensation** - Share-based compensation reduced by $1.5 million in Q3 2022 from Q3 2021, due to decrease in the share price of the Company's common shares which resulted in lower share based liabilities and forfeiture of stock options and restricted share units during the quarter.
- **Derivative fair value gain (loss)** - A non-cash mark to market fair value gain of $0.9 million was recorded for the quarter ended September 30, 2022 (Q3 2021 - gain of $27.3 million), related to the derivative liability of the Company's warrants. The decrease in the fair market value of the warrants as at September 30, 2022 was primarily driven by the decrease in the share price of the Company's common shares as at September 30, 2022 and the expiration of the warrants issued in July 2020, which resulted in the decrease in the warrant liability and the corresponding recognition of the mark to market fair value gain.
- **Interest and finance expenses** - During Q3 2022, as development of the Underground Mine was temporarily suspended, the interest and finance expenses incurred during Q3 2022 was recognized as an expense in the statement of operations and other comprehensive income (loss).

Pumpkin Hollow Project Expenditures

Project costs capitalized for the period ended September 30, 2022, on the Project consisted of the following (expressed in $‘000):

	September 30, 2022	**2022 Additions**	**December 31, 2021 (Restated)**	**2021 Additions (Restated)**	**December 31, 2020 (Restated)**
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**

During the first quarter of 2022, Nevada Copper adopted Amendments to IAS 16. 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 concentrate recovered and related costs while bringing a mine in 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 - Inventories. The restated amounts in the table above reflect the impact of the adjustments required by the Amendments to IAS 16.

For the nine months ended September 30, 2022, the Company incurred $66.3 million of Project-related expenditures compared to $131.6 million in the nine months ended September 30, 2021. The Company's focus during the nine month period, when operations at the Underground Mine were not suspended, was further advancement of the underground development, ramp-up of production and further advancement of construction and implementation of critical infrastructure. After the temporary suspension was implemented, only limited operational activities were undertaken to protect the Company’s assets.

During the nine months ended September 30, 2022, the primary capital projects that were advanced included the dry commissioning of the surface ventilation fans, the dike crossings, the completion of phase 1 piping as well as approximately half of phase 2 piping for the underground paste plant, the wet commissioning of the surface paste plant (which identified equipment repairs and modifications needed prior to final commissioning), the completion of the excavation of the third ore pass, the commencement of the excavation and ground support for COB2, and advanced lateral development.

During Q3 2022, the Company updated the LOM plan for the Underground Mine, wherein the Company noted a decrease in estimated recoverable copper and increase in costs over the LOM. The Company also observed an increase in costs during the budgeting process completed during the quarter and a reduction in analyst 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 temporary 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 ramp up by the third quarter of 2023.

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 recoverable amount. Management's estimate of 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 $298.9 million 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 Project were based on 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

LIQUIDITY AND GOING CONCERN RISK, CASH FLOW AND FINANCIAL RESOURCES

Liquidity and going concern risk

Working capital deficit

(Expressed in thousands of US dollars, except per share amounts)	**As at September 30, 2022**	**As at December 31, 2021 (Restated)**
Current assets		
Cash and cash equivalents	$2,344	$51,616
Accounts receivable	25	72
Prepaid expenses and advance royalty	3,350	1,046
Inventory	4,437	3,713
Total Current Assets	10,156	56,447
Current liabilities		
Accounts payable and accrued liabilities	$54,665	$45,650
Related party payable	1,665	38
Share-based compensation liabilities	1,267	1,817
Warrant derivative	2,831	23,374
Current portion of stream and royalty deferral	113,829	6,138
Working Capital Facility	20,125	20,095
Current portion of long-term debt	195,917	8,307
Total Current Liabilities	390,299	105,419
Working capital deficit	($380,143)	($48,972)

As at September 30, 2022, the Company had cash and cash equivalents of $2.3 million. The Company's working capital (current assets less current liabilities) as at September 30, 2022 was negative $380.1 million compared to negative $48.97 million as at December 31, 2021. The working capital deficit increased from December 31, 2021 primarily due to the decrease in cash and cash equivalents used for the development of the Underground Mine and reclassification of long term liabilities as current due to the breach of certain covenants under the Company's Long-Term Financing Arrangements (as defined below).

As at September 30, 2022, capital commitments due in the next twelve months are $5.8 million.

During Q2 2022, the Company breached certain of its loan covenants as described below:

- Working Capital Facility: The Company experienced higher than budgeted net cash outflows because of delays in the ramp-up period of the Underground Mine. The Company, therefore, failed to make a required repayment under the Working Capital Facility for the month of June 2022, which constituted a breach of certain loan covenants thereunder. As a result of such default, Concord was contractually entitled to cancel the Working Capital Facility and demand all or part of the advance payments.
- Long-Term Financing Arrangements: The KfW IPEX-Bank Facility, the 2021 Credit Facility and the Stream Agreement (collectively, the "Long-Term Financing Arrangements") each contain certain affirmative and restrictive covenants. The Company's default under the Working Capital Facility, among other things, resulted in cross-defaults and other defaults under each of the Long-Term Financing Arrangements. As a result of such defaults, lenders to the Long-Term Financing

Arrangements were contractually entitled to request, subject to certain steps being taken, repayment of the outstanding amounts thereunder.

The defaults noted above were continuing as at September 30, 2022. As such, the outstanding balances under the Long-Term Financing Arrangements have been presented as current liabilities as at September 30, 2022.

Subsequently, on October 28, 2022, upon closing of the Restart Financing Package, Concord and the other counter parties to the Long Term Financing Arrangements waived the defaults noted above 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 above such defaults.

During Q3 2022, the Company also defaulted on lease payments to Epiroc Financial Solutions USA LLC ("Epiroc) and Normet Americas Inc ("Normet") (collectively the "Lessors"). As a result of such defaults, the Lessors had the right to terminate the lease agreements, demand the obligations due under the lease agreements or may take possession of the equipment subject to the lease agreement. As such defaults were continuing as at September 30, 2022, the outstanding balances under the Epiroc and Normet lease agreements have been presented as current liabilities as at September 30, 2022. Subsequent to September 30, 2022, the Company remediated these defaults by paying the overdue lease payments to Epiroc and Normet. The Company was also in default of other vendor payment obligations, resulting in liens and other encumbrances being placed on the property at the Underground Mine.

If the above defaults had been remediated as at September 30, 2022, the working capital deficit (the "Adjusted Working Capital Deficit") as at September 30, 2022 would have been $92.1 million. The Adjusted Working Capital Deficit is a Non-IFRS financial measure included in this MD&A to supplement the Company's financial statements which are presented in accordance with IFRS. The Company believes that these measures provide investors with an alternate view to evaluate the liquidity of the Company. Non-IFRS financial measures do not have any standardized meaning prescribed under IFRS. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of working capital per the financial statements to the Adjusted Working Capital Deficit:

Adjusted Working Capital Deficit	**As at September 30, 2022**
Working capital deficit per financial statements (refer table above)	$(380,143)
Adjustments for debt classified as current due to default	
KfW IPEX-Bank Facility	$118,950
2021 Credit Facility	$52,047
Stream and royalty deferral	$113,829
Non-current portion of lease liability classified as current due to default	$3,224
Adjusted working capital deficit	**$(92,093)**

Subsequent to the end of Q3 2022, on October 28, 2022, upon closing of the Restart Financing Package, the Company also settled (i) the related party payable totaling $1.7 million for accrued fees for technical and other services and certain guarantees and (iii) the August 2022 Promissory Note included in the current portion of long term debt totaling $13.5 million, in each case, by issuing common shares of the Company.

The Company's liquidity during the period ended September 30, 2022 was impacted by several factors, including:

- Operational and geotechnical challenges resulting in delay in East South stope mining;
- Reduced concentrate production and sales (compared to expectations) as a result of lower than expected development rates achieved; and
- Requirement to repay draws under the Working Capital Facility primarily in cash rather than in concentrate deliveries.

Prior to the end of Q2 2022, while the Company had achieved acceleration of the Underground Mine ramp up, a number of events had occurred since the beginning of the year, which prevented the Company from achieving its intended growth in levels of development progress and concentrate production. These included lower than planned productivity from its mining contractor, lower than expected equipment availability, the loss of a remote loader caused by the sidewall failure of a stope (which has now been replaced), a delay with respect to the completion of the second dike crossing, continued supplier delivery issues and an unidentified weak rock structure. The loss of the remote loader both reduced expected revenue in January 2022 and constrained productivity during Q1 2022, and resulted in additional maintenance and rental costs. An unidentified weak rock structure in the main ramp to the ES Zone delayed the access to planned stopes and requires additional drilling and geotechnical mitigation work to reinforce the area prior to proceeding. As noted herein, during Q3 2022, due to the cumulative impact of these factors and liquidity issues, the Company temporarily suspended mining activities at the Underground Mine.

During Q3 2022, management was in discussions with the Company's key financing partners with respect to the Restart Financing Package. In the interim, Pala provided an aggregate of $22.5 million of additional funding through further promissory notes (including $9 million provided subsequent to Q3 2022).

On October 28, 2022, the Company closed the Restart Financing Package (as explained above), which provides up to $123 million of liquidity to the Company in order to support the restart and ramp-up of the Underground Mine (see "Q3 2022 Highlights – Corporate"). However, there can be no assurance that the Company will be able to satisfy the conditions for access to the remaining funds under the Restart Financing Package.

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 exceeds 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 a public equity offering.

The ability of the Company to complete the ramp-up of the Underground Mine is dependent on, among other things, the ability to complete the ramp-up process in accordance with the Company's timing and cost expectations, an increase in concentrate production and sales, favourable copper market conditions, results from operations 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. The foregoing gives rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Cash Flow

During the nine months ended September 30, 2022, cash used in operating activities was $41.6 million compared to $28.3 million during the nine months ended September 30, 2021.

Cash outflow from investing activities during the nine months ended September 30, 2022, was $47.2 million compared to an outflow of $72.4 million in the nine months ended September 30, 2021. The Company used $46.6 million of cash for Underground Mine development during the nine months ended September 30, 2022. This compares to the $78.5 million of cash used for Underground Mine development during the nine months ended September 30, 2021.

Financing activities during the nine months ended September 30, 2022 provided $39.5 million, compared to an inflow of $82.2 million for the nine months ended September 30, 2021.

During the nine months ended September 30, 2022, the financing activities consisted of the following transactions:

- The Company drew down $22.5 million under the Working Capital Facility and delivered 4,501 tons of concentrate at an average grade of 22% copper under the Working Capital Facility and made cash repayments of $16.1 million in lieu of concentrate deliveries.
- The Company drew $15 million under the accordion feature (the "Accordion") of the 2021 Credit Facility.
- Pala provided interim funding of $20 million pursuant to 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.
- Pala provided additional interim funding of $13.5 million pursuant to 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. Subsequent to Q3 2022, the Company received an additional $1.5 million under the August 2022 Promissory Note and $7.5 million under 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, 2021, financing activities consisted of the following transactions:

- The Company received aggregate net proceeds of $29.4 million from its public offering of units in January 2021 (the "the January 2021 Offering").
- Funds advanced under the 2021 Credit Facility during the nine months ended September 30, 2021 were $30 million.
- The Company drew $65.3 million under the Working Capital Facility and repaid $70.7 million in cash and concentrate deliveries.
- The Company received $54.5 million in connection with the Amended June Promissory Note.
- The above was offset by $15.7 million in promissory note repayments, $6.7 million of lease obligation payments and $4 million in interest payments.

Positive cash flows from operations are not expected until the Company has significantly advanced the ramp-up in production rates. The Company anticipates that it will have negative cash flow from operating activities until completion of the ramp-up to a sufficient level at the Underground Mine and the generation of the associated revenues from concentrate sales.

SUMMARY OF QUARTERLY RESULTS

The summary of the prior periods' selected unaudited quarterly financial information has been restated as a result of the adoption of the Amendment to IAS 16 (See the "New Accounting Pronouncements" section below for more information on the impact of the restatement).

The following table sets forth selected unaudited quarterly financial information for the quarter ending September 30, 2022 and the prior seven most recently completed quarters subsequent to the restatement as a result of the adoption of the Amendments IAS 16 (Expressed in thousands of United States dollars, except per share amounts):

				Selected unaudited quarterly information restated for the adoption of the amendment to IAS 16				
	September 30, 2022	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**
Working Capital (Deficiency)	($380,143)	($359,352)	($95,492)	($49,960)	($260,271)	($255,706)	($109,400)	($118,203)
Total Assets	$629,717	$927,246	$906,019	$914,623	$831,646	$810,050	$784,476	$762,848
Development Property (Project expenditure)	$614,332	$915,614	$891,592	$858,785	$827,304	$796,693	$765,894	$733,760
Total non-current liabilities	$56,580	$52,507	$290,839	$294,649	$172,856	$174,909	$274,402	$256,838
Shareholders' Equity	$182,838	$508,198	$505,640	$514,555	$394,556	$369,769	$390,783	$365,792
Revenue	($1,033)	$5,027	$5,092	$2,701	$1,990	$2,063	$4,386	$4,194
Net (Loss) Income	($325,428)	$2,321	($8,825)	($16,216)	$22,633	($23,697)	($10,595)	($2,352)
Net (Loss) Income per share	$(0.73)	$0.01	$(0.02)	$(0.06)	$0.12	$(0.13)	$(0.06)	$(0.02)
Net (Loss) Income per share (diluted basis)	$(0.73)	$0.01	$(0.02)	$(0.06)	$0.12	$(0.13)	$(0.06)	$(0.02)

- Financial results of the last eight quarters include the impact of the timing of previous financing transactions, the variability of copper concentrate sales and capital expenditures incurred.
- During the quarter ended September 30, 2022, the Company recognized an impairment of $298.8 million and expenses of $16.2 million for care and maintenance of the Underground Mine. Also, the finance costs of $9.1 million incurred during the period were not capitalized as the Underground Mine was under care and maintenance.
- During the quarter ended June 30, 2022 and quarter ended September 30, 2021, the Company recognized a non-cash mark to market fair value gain of $15.1 million and $27.3 million respectively. The mark to market fair value gain for both quarters resulted from a decrease in fair market value of warrants.
- For the quarters ended June 30, 2021 and September 30, 2021, the KfW-IPEX Bank Facility was classified as a current liability. During Q4 2021 certain terms of the KfW-IPEX Bank Facility were amended resulting in the liability being classified as long term debt from December 31, 2021 onwards.

- During the quarter ended June 30, 2022, as a result of non-payment of amounts due under the Working Capital Facility and other matters, there was a cross-default on the Long-Term Financing Arrangements. The default was continuing at September 30, 2022. Therefore, all these liabilities were classified as current at June 30, 2022 and at September 30, 2022.
- The Company's total assets increased throughout the quarters, prior to Q3 2022 as development property expenditures were incurred. The Company's shareholder's equity prior to Q3 2022 increased as a result of equity financings undertaken.

RELATED PARTY TRANSACTIONS

Pala is a related party to the Company because of its approximate 37% (Q3 2021 - 37%) shareholding in Nevada Copper 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 were 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 following related party transactions were incurred with Pala:

- Guarantee fee totaling $0.9 million (2021 - $1.0 million);
- Interest charges incurred on the 2021 Credit facility and capitalized to the 2021 Credit Facility totaling $3.4 million (2021 - $1.4 million);
- Technical and other services fees of $0.1 million (2021 - $0.1 million);
- Proceeds from draws under the 2021 Credit Facility totaling $15 million; and
- Proceeds from draws under the May 2022 Promissory Note and the August 2022 Promissory Note totaling $33.5 million.

As at September 30, 2022, the Company owed Pala $1.7 million for accrued fees for technical and other services and certain guarantees (December 31, 2021 - $0.3 million), 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. 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.

Subsequent to the end of Q3 2022, the Company drew $1.5 million under the August 2022 Promissory Note and Pala provided an additional $7.5 million of funding pursuant to the October 2022 Promissory Note. Further, subsequent to the end of Q3 2022, as part of the Restart Financing Package, the Company entered into transactions with Pala (see "Restart Financing Package" above).

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

As at September 30, 2022, capital commitments due in the next twelve months are $5.8 million.

As at September 30, 2022, 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	$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**

LEGAL

During Q2 2022, the Company failed to make a payment of $0.5 million pursuant to a settlement agreement dated February 3, 2021 (the "Settlement Agreement") with Sedgman USA Inc. ("Sedgman"). Consequently, Sedgman filed a complaint seeking compensatory damages and pre-judgment writ of attachment against certain property belonging to the Company for the satisfaction of any judgment that may be recovered by Sedgman. During Q3 2022, the Second Judicial District Court granted the application for pre-judgment writ of attachment in favor of Sedgman on certain property of the Company, not exceeding the amount payable per the Settlement agreement. Also in Q3 2022, Sedgman filed a motion for judgment on the pleadings, to which the Company filed an opposition on November 7, 2022.There were no changes in Q3 2022 to the settlement agreements reached with Cementation USA, Inc..

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer (the “CEO”), and the Chief Financial Officer (the “CFO”) of the Company are responsible for establishing and maintaining the Company’s disclosure controls and procedures (“DCP”) including adherence to the Disclosure Policy adopted by the Company. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Company so that they may evaluate and discuss this information and determine the appropriateness and timing for public release.

The CEO and the CFO are also responsible for the design of internal controls over financial reporting (“ICFR”). The fundamental goal is ensuring all transactions are properly authorized and identified and entered into a well-designed, robust and clearly understood accounting system on a timely basis and to minimize risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with IFRS, and failure to detect unauthorised receipts, expenditures, and unauthorized acquisitions or dispositions of assets. The relatively small size of the Company makes the identification and authorization process relatively efficient and a process for reviewing ICFR has been developed. To the extent possible given the Company's small size, the internal control procedures provide for separation of duties for receiving, approving, coding and handling of invoices, entering transactions into the accounts, writing checks and wire requests and also require two signers on all payments.

The Company continually reviews and enhances its systems of controls and procedures. However, because of the inherent limitation in all control systems, management cautions that ICFR will not prevent or detect all misstatements due to error or fraud. There have been no significant changes in the Company's internal control over financial reporting during the three and nine months ended September 30, 2022, that materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not currently have any off-balance sheet arrangements.

NEW ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Pronouncement (Amendments to IAS 16)

During the first quarter of 2022, Nevada Copper adopted the Amendment to IAS 16. The Company adopted this 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 a condition to be capable of operating in the manner intended by management. With the adoption of the amended standard, revenue from sales of copper concentrate 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.

The comparative numbers and the opening balance of the deficit for 2021 were restated to reflect the impact of the Amendments to IAS 16. Accordingly, numbers as at January 1, 2021, are restated as follows:

	Amount previously disclosed as at January 1, 2021	**Impact of adoption of IAS 16 Amendment**	**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

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
For the three months ended September 30, 2021			
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
For the nine months ended September 30, 2021			
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)
Balance at September 30, 2021			
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)	$(0.14)
Cash used in operating activities	($7,862)	($28,714)	($36,576)
Cash used in investing activities	($127,271)	$28,714	($98,557)

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are presented in Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2021. The preparation of consolidated financial statements in accordance with IFRS requires management to establish accounting policies and to make judgements, estimates and assumptions that affect both the amount and timing of assets, liabilities, income and expenses. Some of these estimates require judgments about matters that are inherently uncertain.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the significant judgments and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- Mineral reserve and resource estimates
- Provision for reclamation and remediation
- Recoverable amount of mineral properties, plant and equipment
- Going concern
- Achievement of Commercial Production

New Accounting Policies

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, or 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.

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 metal 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.

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.

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. Risks and uncertainties are described in this MD&A and under the heading "Risk Factors" in the Company's AIF, which is available on SEDAR at www.sedar.com.

Risks associated with the financing of the Underground Mine

The Company closed the Restart Funding Package in order to fund the restart and ramp-up of the Underground Mine. The Company received partial funding on the closing of the Restart Financing Package. However, there can be no assurance that the Company will be able to satisfy the conditions for access to the remaining funds under the Restart Financing Package. Also, in order to complete the ramp-up of the Underground Mine, and to satisfy vendor payments outstanding, the Company will require additional funding. In the absence of access to remaining funds under the Restart Financing Package and sufficient additional funding being arranged, the Company may not be able to complete the ramp-up of the Underground Mine or continue to carry on business in the ordinary course.

Ramp-up of operations at the Underground Mine

In addition to challenges associated with restarting mining activities at the Underground Mine, the ramp-up process is by its nature subject to a variety of operational and technical risks associated with mining projects, including with respect to mine planning as described below. See "Risk Factors – Mine Planning". These activities may also be subject to COVID-19 impacts as described in the section below. As a result, there can be no assurance that the ramp-up process will progress on the currently expected timeline or within expected cost parameters. It is common for projects in the ramp-up phase to experience unanticipated problems and for there to be unexpected costs associated with delays. Delays in ramp-up will likely impact the Company's revenue and cash flow. There are a number of risks and challenges associated with ramp-up, including unforeseen geological formations, the implementation of new mining and recovery processes, unexpected geotechnical conditions, and the underlying characteristics and quality of mineralogy of deposits. In addition, any delay in performance by the Company's contractor will delay the completion of ramp-up at the Underground Mine and may result in additional costs being incurred by the Company beyond those already incurred and budgeted.

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 advanced its ramp-up to a sufficient level at the Underground Mine. The inability to successfully ramp-up production at the Underground Mine on time and within budget expectations is likely to have a material adverse effect on the Company.

The Company has been working to complete the crossing of a water-bearing dike structure. While the first crossing has been completed and second crossing is substantially completed, the third crossings has not yet been successfully completed. This has delayed the progress of development towards the East North stoping area. The delays in and additional work required to complete the dike crossings has resulted in increased costs and delayed development progress.

The ability of the Company to complete the ramp-up is dependent on, among other things, results from operations, progress 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 obtain additional required 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 other material adverse events or delays occur then, 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. This may result in, among other things, its secured lenders becoming able to enforce their security over the Company's assets.

Mine Planning

As previously disclosed, through the geotechnical analysis that the Company has completed at the Underground Mine, it elected to reduce the size of certain early stopes in a localized area where initial ramp-up ore is planned. This reduction in early stopes resulted in an increase to the cost estimates required to complete the ramp-up at the Underground Mine and delayed the ramp-up process. In addition, delays in completing the necessary dike crossing and associated geotechnical conditions indicate that re-sequencing stope extraction near the dike will be required which may require changes to the mine plan and impact ore delivery. The Company also believes that there will not be mineralized material in the dike structure, contrary to previous expectations. The Company is in the process of reviewing and revising the mine plan to most efficiently address these issues and those identified in the section above. Further significant delays in completing the third dike crossing may further delay planned mining sequences and may necessitate further mine plan changes.

The Company continues to advance its mine planning analysis, including related costs and timing implications. It is possible that the cost parameters may change over the course of the ramp-up and mine planning process for various reasons, including results relating to geotechnical analysis and further changes to the mine planning. If the Company requires additional funding in the future in light of revised cost projections, such funding may not be available on terms favourable to the Company or at all. In the absence of any required financing, the Company may not be able to continue operations.

COVID-19

COVID-19 has caused severe disruptions in regional economies and the world economy and financial and commodity markets in general. The transmission of COVID-19 and efforts to contain its spread resulted in international, national and local border closings, travel restrictions, significant disruptions to business operations, supply chains and customer activity and demand, service cancellations, workforce reductions and other changes, significant challenges in healthcare service provision and delivery, mandated closures and quarantines, as well as considerable general concern and uncertainty, all of which have negatively affected the Company's operations and the economic environment in general and may in the future have further impacts. Together with the mining industry as a whole, the Company continues to be significantly impacted by supply chain delays and inflation.

The Company has had localized workplace COVID-19 incidents at the Underground Mine affecting its employees and its contractors. While those incidents have been addressed pursuant to the Company's policies, the continued spread of the virus and further infections of COVID-19 may lead to work-stoppages and/or additional protocols and work restrictions at the Underground Mine, which could potentially delay the Company's ramp-up process and lead to suspensions of operations, depending on the nature of any future outbreaks. The Company has also been experiencing labour availability constraints as a result of the pandemic.

Future impacts of COVID-19 may adversely affect the Company's ability to complete the ramp-up and operation of the Underground Mine and to comply with its covenants under its contracts, including under the KfW IPEX-Bank Facility, the Working Capital Facility, the A&R Credit Facility and other credit facilities/financing arrangements.

OUTSTANDING SHARE DATA

As of November 11, 2022, there were 658,637,952 common shares of the Company issued and outstanding, 4,470,936 share options outstanding, 5,608,042 deferred share units outstanding, 6,126,273 restricted share units outstanding, 1,221,910 performance share units outstanding and common share purchase warrants outstanding as per the table below:

Warrant Tranche	**Number outstanding**
November 2021 Offering Warrants[1]	132,374,442
Credit Facility Warrants[1]	15,000,000
Triple Flag Warrants[2]	15,000,000
Pala October 2022 Warrants	398,723,212
Mercuria October 2022 Warrants	127,720,000

On September 17, 2021, the Company completed a share consolidation (the "Share Consolidation") of its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares. The common shares began trading on the Toronto Stock Exchange on a post-consolidation basis on September 21, 2021. The common shares, units, per share and per unit amounts have been restated in this MD&A (other than as noted herein) to reflect the Share Consolidation for comparative purposes.

[1] – These warrants were issued after the Share Consolidation. One warrant is required to be exercised to purchase one common share.

[2] – These warrants were issued prior to the Share Consolidation. The number of warrants outstanding following the Share Consolidation did not change. However, as a result of the Share Consolidation, the respective exercise prices of the warrants increased by a factor of 10, and ten (10) warrants are now required to be exercised to purchase one (1) common share (rather than the one (1) for one (1) exchange before the Share Consolidation).

FORWARD-LOOKING STATEMENTS

This MD&A contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities laws. All statements in this MD&A, other than statements of historical facts, are forward-looking statements. Such forward-looking information and forward-looking statements specifically include, but are not limited to, statements and information that relate to: financing requirements; discussions with vendors; the need for additional funding; Nevada Copper’s plans for the Project; the Company’s mine development, production and ramp-up plans (including as may be affected by ongoing future technical work) and the expected timing, costs and results thereof; expected commencement of positive cash flow from operating activities; the ongoing exploration activities and the objectives and results thereof; the impacts of the COVID-19 pandemic on the global economy and the Company; future ore and concentrate production rates; and the other plans of Nevada Copper with respect to the exploration, development, construction and commercial production at the Project. There can be no assurance that the Company will be able to satisfy the conditions for access to the remaining funds under the Restart Financing Package.

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: requirements for additional capital and no assurance can be given regarding the availability thereof; the outcome of discussions with vendors; the ability of the Company to complete the ramp-up of the Underground Mine within the expected cost estimates and timeframe; the impact of the COVID-19 pandemic on the business and operations of the Company; the state of financial markets; history of losses; 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 Mine; 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; 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; dependence on management information systems and cyber security risks; volatility of the market price of the Company's securities; 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 AIF and in the section "Risk Factors" of this MD&A and the Company's Management's Discussion and Analysis in respect of the year ended December 31, 2021. The forward-looking statements and information contained herein are based upon assumptions management believes to be reasonable, including, without limitation: no adverse developments in respect of the property or operations at the Project; no material changes to applicable laws; the ramp-up of operations at the Underground Mine in accordance with management's plans and expectations; no worsening of the current COVID-19 related work restrictions; reduced impacts of COVID-19 going forward; the Company will be able to obtain sufficient additional funding to complete the ramp-up; 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-looking information and statements are stated as of the date hereof (or as otherwise indicated). The Company disclaims any intent or obligation to update forward-looking statements or information except as required by law. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information and statements, there may be other factors that could cause actions, events or results not to be as anticipated, estimated or intended. Specific reference is made to "Risk Factors" herein, and in the Company's Management's Discussion and Analysis in respect of the year ended December 31, 2021 and "Risk Factors" in the AIF for a discussion of factors that may affect forward-looking statements and information. Should one or more of these risks or uncertainties materialize, should other risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results and events may vary materially from those described in forward-looking statements and information. For more information on the Company and the risks and challenges of its business, investors should review the Company's filings that are available at www.sedar.com. 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 or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.