



Teamwork • Innovation • Execution

Pumpkin Hollow Operations

61 E. Pursel Lane

Yerington, NV 89447

**NEWS RELEASE 2023**

**NEVADA COPPER ANNOUNCES SIGNIFICANT FINANCING PACKAGE  
SUPPORTING COMPLETION OF THE UNDERGROUND MINE RAMP-UP;  
SIGNIFICANT DEBT REDUCTION**

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OR FOR DISSEMINATION IN THE UNITED STATES*

*ALL FIGURES BELOW EXPRESSED IN U.S. DOLLARS UNLESS OTHERWISE NOTED*

**Up to \$70 million of restart and ramp-up financing supported by significant shareholders:**

- \$35 million bought deal public equity offering of Units with subscription commitments from Pala Investments Limited (“**Pala**”) and Mercuria Energy Holdings (Singapore) Pte. Ltd. (“**Mercuria**”)
- \$10 million available under the existing senior credit facility; Nevada Copper to seek lender consent for a further \$10 million expansion to the senior credit facility
- Up to \$10 million of new loan proceeds from Pala
- \$5 million cash proceeds from warrant exercise by Mercuria

**Up to an additional \$45 million of funding to support the ramp-up of the Underground Mine:**

- \$25 million funding facility from Pala and Mercuria, accessible at Nevada Copper’s option
- Up to \$15 million of stream deliveries financed through Triple Flag Precious Metals Corp. (“**Triple Flag**”) commitments under the senior credit facility, at the election of Nevada Copper
- \$5 million copper option to Mercuria

**Equitization of \$82 million of debt:**

- Retirement of all currently outstanding Pala debt under its credit facility with the Company via exercise of warrants held by Pala

**Key Benefits of Transaction include:**

- Provides funding towards nameplate production capacity for the Underground Mine (as defined below) by the end of 2023
- Exercise of Pala warrants strengthens balance sheet through \$82 million reduction in debt
- Demonstrates key shareholder support and confidence in the Underground Mine and other opportunities across the Pumpkin Hollow land holdings
- Allows immediate mobilization of leading US underground mining contractor, Small Mine Development, LLC (“**SMD**”)

**Yerington, NV – May 9, 2023 – Nevada Copper Corp. (TSX: NCU) (OTC: NEVDF) (FSE: ZYTA) (“Nevada Copper” or the “Company”)** is pleased to announce a financing package providing up to \$115 million to advance the ramp-up of the Company’s Pumpkin Hollow underground mine (the “**Underground Mine**”), with the goal of achieving nameplate production capacity of 5,000 tons per day by the end of 2023.

**Randy Buffington, President & CEO, commented,** “We continue to make excellent progress on our capital and development projects in preparation for restart of mining in the second half of 2023. With significant progress delivered across capital projects, drilling and mine development, in addition to the mobilization of SMD as the underground mining contractor, we are moving swiftly to complete the ramp-up of the Underground Mine. With significant copper mineral reserves and resources and once operating at nameplate capacity, the Underground Mine will support the global drive towards electrification and a renewable energy future. This financing positions us to advance our ramp-up of the Underground Mine and meet our goal of achieving steady state operations by the end of 2023.”

The Company has entered into an agreement with Scotia Capital Inc. (“**Scotiabank**”), on behalf of a syndicate of underwriters (collectively, the “**Underwriters**”), pursuant to which the Underwriters have agreed to purchase on a bought deal basis 173,705,000 units of the Company (the “**Units**”) at a price of C\$0.27 per Unit (the “**Offering Price**”) for aggregate gross proceeds of approximately C\$47 million (the “**Offering**”).

Each Unit will consist of one common share of the Company (each a “**Common Share**”) and one-half of one Common Share purchase warrant (each full warrant, a “**Warrant**” and collectively the “**Warrants**”). Each Warrant will be exercisable for one Common Share (each a “**Warrant Share**”) at a price of C\$0.34 per Warrant Share at any time for a period of 16 months following closing of the Offering.

The Company has granted the Underwriters an option, exercisable in whole or in part, at the sole discretion of the Underwriters, at any time for a period of 30 days from and including the closing of the Offering, to purchase from the Company up to an additional 15% of the Units sold under the Offering, on the same terms and conditions of the Offering to cover over-allotments, if any, and for market stabilization purposes (the “**Over-Allotment Option**”). The Over-Allotment Option may be exercised by the Underwriters to purchase additional Units, Common Shares, Warrants or any combination thereof. In the event the Over-Allotment Option is exercised in full, the aggregate gross proceeds of the Offering to the Company will be approximately C\$54 million.

The Units will be offered by way of a short form prospectus to be filed in all provinces of Canada, except Quebec. The Offering is expected to close on or about May 30, 2023, subject to the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Toronto Stock Exchange (the “**TSX**”) and applicable securities regulatory authorities.

The Company intends to use the net proceeds of the Offering and those contemplated under the Financing Agreement (as defined below) to continue funding the restart and ramp-up of the

Company's Pumpkin Hollow Underground Mine and for general corporate purposes, including working capital.

Pala, the Company's largest shareholder, has agreed to purchase an aggregate of C\$33.5 million of Units under the Offering (the "**Pala Subscription Commitment**"). If sufficient funds are raised in the Offering from third-party investors (other than Pala and Mercuria), Pala will not subscribe for its maximum Subscription Commitment, and may not subscribe for any Units if aggregate gross proceeds of C\$40.2 million in the Offering are otherwise raised from such other third-party investors.

Mercuria, another significant shareholder of the Company, has agreed to subscribe for an aggregate of C\$6.7 million of Units under the Offering (and together with the Pala Subscription Commitment, the "**Subscription Commitments**") on the terms and conditions of the Offering.

Additionally, on May 9, 2023, the Company entered into a binding financing package agreement with Pala, Mercuria and TF R&S Canada Ltd., an affiliate of Triple Flag, the Company's stream and royalty financing partner (the "**Financing Agreement**"), with respect to the transactions described below.

### **Warrant Exercises**

In conjunction with the Offering, Pala has committed to the Company that it will exercise all of the Common Share purchase warrants (the "**Pala Warrant Exercise**") that it has been issued in connection with the amendment and restatement of the credit facility (the "**Credit Facility**") between the Company and Pala, entered into in October 2022 as part of the Company's October 2022 financing (the "**Pala Warrants**"). Concurrent with closing of the Offering, Pala will exercise such maximum number of Pala Warrants such that, after giving effect to the Offering (including any subscription by Pala under the Subscription Commitment), Pala's ownership interest in the Company will be 49.99% (the "**Initial Pala Exercise**"). The exercise price in respect of the Pala Warrant Exercise will be paid through the extinguishment of debt under the Credit Facility. Promptly following closing of the Offering (including the Initial Pala Exercise), Pala and the Company intend to submit customary filings to applicable U.S. governmental authorities pursuant to the *United States Hart-Scott-Rodino Antitrust Improvements Act of 1976* to permit Pala to exceed a 49.99% ownership interest in the Company (the "**HSR Filings**"). Following submission of the HSR Filings, an approximate 30-day regulatory review period will commence. Pala has committed to exercise the balance of the remaining outstanding Pala Warrants (the "**Subsequent Pala Exercise**") promptly following expiry of the review period or clearance by the applicable regulatory authorities, whichever occurs earliest (the "**HSR Clearance**"). Upon the completion of the Subsequent Pala Exercise, all amounts outstanding under the Credit Facility will be deemed fully repaid. This will result in the approximately \$82 million currently outstanding principal amount and accrued interest under the Credit Facility being repaid.

Additionally, in conjunction with the Offering, Mercuria has agreed to exercise \$5 million of the Common Share purchase warrants that it was issued in connection with the Company's October 2022

financing (collectively, the “**Mercuria Warrant Exercise**”, and together with the Pala Warrant Exercise, the “**Warrant Exercises**”).

Upon the completion of the Warrant Exercises and after giving effect to the Offering (assuming there is no exercise of the Over-Allotment Option and no other issuances of Common Shares), Pala’s ownership interest in the Company on a non-diluted basis would increase from approximately 43% to approximately 64% (assuming Pala is required to fund its full Subscription Commitment in the Offering and receipt of applicable regulatory clearance) and Mercuria’s ownership interest in the Company on a non-diluted basis would decrease from approximately 24% to approximately 17%.

***Additional \$10 Million Committed under the KfW Facility Extension Tranche; Seeking further \$10 million Expansion under the KfW Facility***

On October 28, 2022, a new tranche of up to \$25 million (the “**Extension Tranche**”) was added to the Company’s senior credit facility (the “**KfW Facility**”) with KfW IPEX-Bank GmbH (“**KfW**”), of which Pala, Mercuria, and Triple Flag committed, in aggregate, the first \$15 million, which has since been drawn by the Company. Pursuant to the Financing Agreement, Pala, Mercuria and Triple Flag commit to provide the remaining \$10 million undrawn amount under the Extension Tranche, with Pala, Mercuria and Triple Flag committing to each provide \$3.33 million of the Extension Tranche (the “**Extension Funding**”), in accordance with the terms and conditions of the Extension Tranche.

Pursuant to the Financing Agreement, the Company, Pala, Mercuria and Triple Flag have agreed to support the expansion of the Extension Tranche by \$10 million, to an aggregate amount of \$35 million. Such extension is subject to the approval of KfW and the Company’s other lenders. If such approval is obtained, each of Pala, Mercuria and Triple Flag would provide \$3.33 million of such extended tranche and any draws under such extension would be made in accordance with the terms and conditions of the KfW Facility.

***Deliveries under Stream Agreement Temporarily Financed through Extension Tranche***

The Company and Triple Flag have agreed that certain metal deliveries that become due to Triple Flag under the Company’s stream agreement with Triple Flag will be financed through loans or advances committed by Triple Flag under the Extension Tranche (subject to refreshed draw room becoming available thereunder) up to a maximum of \$15 million for 2023, and, subject to certain conditions, for 2024.

***Deferred Funding Agreement***

Upon the closing of the Offering, Pala and Mercuria have agreed to enter into a deferred funding agreement in favour of the Company (the “**Deferred Funding Agreement**”), pursuant to which Pala and Mercuria will provide up to \$15 million and \$10 million, respectively, subject to certain conditions, to be drawn pro rata by the Company, if required, until June 30, 2024. To the extent that the gross proceeds of the Offering, including any exercise of the Over-Allotment Option, exceeds \$39.5 million, the \$25 million deferred funding amount will be reduced, pro rata, on a dollar-for-dollar basis. These funds, if required, will be advanced in exchange for Common Shares, convertible and/or non-convertible debt of the Company.

The closing of the Offering is conditional on the execution of the Deferred Funding Agreement, as well as the completion of the Initial Pala Exercise, the Mercuria Warrant Exercise and the Extension Funding.

Pala has also agreed to provide \$10 million in debt funding to the Company (some of which has already been advanced).

Consistent with the Company's stated plans and prior disclosure, the Company has retained SMD as its underground lateral development contractor.

### ***Mercuria Copper Option***

Pursuant to the Financing Agreement, the Company has agreed to grant Mercuria an option to acquire, for an aggregate purchase price of \$5 million, call options on a portion of the Company's copper production on market terms to be agreed between the Company and Mercuria (the "**Copper Option**"). The Copper Option is subject to compliance with regulatory requirements (including any required approvals by the TSX), any required third-party consents (including the Company's lenders, if required) and the approval by the independent directors of the Company.

### ***Concord Extension***

On April 27, 2023, the Company and Concord Resources Limited ("**Concord**") agreed to extend the term of the Company's working capital facility with Concord (the "**Working Capital Facility**") for 36 months upon satisfaction of certain completion conditions, which would allow the Company to recommence draws under the Working Capital Facility upon the resumption of concentrate deliveries to Concord.

### ***Delisting Review***

In connection with the Company's October 2022 financing, the Company was granted a "financial hardship" exemption from the TSX requirements to obtain shareholder approval of certain components of the 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. The TSX has since confirmed that no remedial action is required by the Company in respect of the delisting review and that it satisfied the TSX's applicable requirements for continued listing. As a result of the foregoing, the delisting review has now been lifted by the TSX.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

## About Nevada Copper

Nevada Copper (TSX: NCU) is the owner of the Pumpkin Hollow copper project located in Nevada, USA with substantial mineral reserves and resources including copper, gold and silver. Its two permitted projects include the higher-grade Underground Mine and processing facility, which is undergoing a restart of operations, and a large-scale open pit PFS stage project.

**Randy Buffington**  
President & CEO

*For additional information, please see the Company's website at [www.nevadacopper.com](http://www.nevadacopper.com), or contact:*

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### **Cautionary Language on Forward Looking Statements**

This news release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts are forward-looking statements. Such forward-looking statements and forward-looking information specifically include, but are not limited to, statements that relate to the completion of the Offering and the timing thereof, the Subscription Commitments, the timing of the Warrant Exercises, the availability of the undrawn portion of the Extension Tranche, the execution of the Deferred Funding Agreement, the use of proceeds of the Offering and the Financing Agreement, regulatory matters relating to the HSR Clearance and the achievement of the nameplate capacity of the production at the Underground Mine and the timing thereof. There can be no assurance that the Offering or the Warrant Exercises or the other transactions referred to herein will be completed or that ramp-up of the Underground Mine and the achievement of nameplate production capacity will occur or will not cost more than expected and require the Company to raise additional financing. There can be no assurance that any such additional financing will be available on terms that are favourable to the Company or at all.

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

Such risks and uncertainties include, without limitation, those relating to: the ability of the Company to complete the restart and ramp-up of the Underground Mine within the expected cost estimates and timeframe; the impact of COVID-19 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 restart 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 restart and ramp-up of the Underground Mine; loss of material properties; interest rate increases; global economy; limited history of production; future metals price fluctuations; speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labor disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade of mineralization or recovery rates from management's expectations and the difference may be material; legal and regulatory proceedings and community actions; 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 Management's Discussion and Analysis in respect of the year ended December 31, 2022 and in the section entitled "Risk Factors" in the Company's Annual Information Form dated March 20, 2023. The forward-looking statements and information contained in this news release 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 restart and ramp-up of operations at the Underground Mine in accordance with management's plans and expectations; no material adverse impacts from COVID-19 going forward; the Company will be able to obtain sufficient additional funding to complete the restart and ramp-up of the Underground Mine, 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. 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 "Risks and Uncertainties" in the Company's Management's Discussion and Analysis in respect of the year ended December 31, 2022 and "Risk Factors" in the Company's Annual Information Form dated March 20, 2023, 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](http://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.