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COMMITMENT – ALIGNMENT - PERFORMANCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2024

May 8, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the three months ended March 31, 2024

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For the three months ended March 31, 2024

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Nevada Copper Corp. (the "Company" or "Nevada Copper") has been prepared by management as at May 8, 2024. The following discussion of performance, financial condition and outlook should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024 and 2023 ("Consolidated 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 April 2, 2024 (the "AIF"), can be found on SEDAR+ at www.sedarplus.ca. All amounts expressed herein are in United States Dollars unless otherwise indicated. Amounts expressed in C$ refer to Canadian dollars.

Greg French, CPG, Vice President, Exploration of the Company and Steven Newman, Registered Member - SME, Vice President, Technical Services of the Company, both non-independent Qualified Persons under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (NI 43-101) (a "Qualified Person"), 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 AIF at www.sedarplus.ca.

HIGHLIGHTS

Highlights for the quarter ended March 31, 2024 ("Q1 2024") relating to the Company's Pumpkin Hollow underground copper mine (the "Underground Mine") include:

- **Liquidity** - At March 31, 2024, the Company had a working capital deficiency (current assets less current liabilities) of $115.4 million and cash and cash equivalents of $0.3 million. As stated in the Company's April 22, 2024 press release, the Company requires further funding to complete the commissioning and ramp-up of the Underground Mine and continue carrying on business in the normal course. The Company previously entered into an exclusivity agreement with a third party regarding a proposal for additional financing and a potential change of control transaction. While the exclusivity period relating thereto has lapsed, discussions are continuing. The Company is also in discussions with its key stakeholders and other parties in order to obtain funding and/or enter into a change of control transaction. There can be no assurance that any such discussions will progress or that any funding or transaction will be obtained or entered into. Also subsequent to March 31, 2024, as a result of the Company's liquidity situation, it has breached certain covenants in its various agreements with lenders, contractors, and suppliers. The Company is working with these parties and its potential funding sources to address these matters. However, there is no assurance as to if and when the Company will be able to resolve them and in the absence of resolution and subject to any applicable cure period, such breaches would give lenders rights to issue demand notices for repayment and/or other remedies in connection with the loans. In the absence of securing sufficient funding in the near term, the Company will not be able to continue carrying on business in the normal course and may need to take steps to seek creditor projection.

- **Processing Plant** - During Q1 2024, 97,576 tons of ore were processed producing 1,092,112 pounds of copper. Restart and commissioning of the mill continued in Q1 2024, though the process plant operated intermittently primarily due to the premature failure of a power transformer, and a failure of the concentrate thickener rake lifting mechanism. Commissioning of the paste plant, utilizing thickened tails, occurred in Q1 2024 as stope mining resumed.
- **Capital Projects** - During Q1 2024, the upper portion of the underground crusher and ore handling system project consisting of the truck dump and grizzly, rock breaker, and coarse ore handling bin was commissioned as a supplementary ore pass. With all project excavation and concrete foundations complete, the final mechanical and electrical installation of the crushing and conveying equipment is being tendered under a fixed price agreement and the Company has paused construction activities pending the award of such agreement.
- **Underground Development** - During Q1 2024, Small Mining Development, LLC ("SMD") continued to ramp-up lateral development completing 3,733 feet of development, a 20% increase from the fourth quarter of 2023 ("Q4 2023"). As at March 31, 2024, 13 ore stopes were fully developed containing an estimated 218,281 tons of ore that are available for stope mining.

DESCRIPTION OF BUSINESS

Nevada Copper Corp. is a mining company whose principal asset is the 100%-owned Pumpkin Hollow Copper Property (the “Property”). The Property is located in northwestern Nevada and 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 for additional details with respect to the Property.

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 completed construction of the production shaft and plant for the Underground Mine in the third quarter of 2019, and the first concentrate was shipped in December 2019. Mining operations at the Underground Mine were suspended in April 2020, in part due to the COVID pandemic. The Underground Mine was restarted in August 2020 and continued commissioning during 2021 and through the first two quarters of 2022. However, in response to operational inefficiencies and liquidity constraints, during the third quarter of 2022 ("Q3 2022"), mining, processing and development activities were suspended at the Underground Mine to significantly reduce operational expenditures. The plan for the restart of operations at the Underground Mine (the "Restart Plan") was developed through Q3 2022 and the fourth quarter of 2022 ("Q4 2022") to identify critical projects required to address operational inefficiencies and to achieve commercial production. Work related to the Restart Plan commenced with the closing of a financing package by the Company in Q4 2022 and continued throughout 2023. SMD, Nevada Copper's mining development contractor, mobilized and commenced underground lateral development activities in the second quarter of 2023 ("Q2 2023") and the process plant was restarted in Q4 2023.

BUSINESS DEVELOPMENT

Capital Projects

Underground crusher and ore handling system – During Q1 2024, the completed portion of the underground ore crushing and handling project i.e. the upper ore loading pocket, grizzly and rock breaker were commissioned and utilized as an ore pass to improve rock handling capability. Also, all major concrete pours for the ore handling and crushing equipment were completed. The project scope was suspended at that point to enable the Company to complete a bidding process for a fixed price contract for installation of the crush, convey, and load mechanical systems. Several qualified bids have been received and are being reviewed for award upon financing being available to complete the project. The surface crusher remains in place to continue crushing material until the underground crusher is constructed and commissioned.

EN Zone Paste supply - During Q1 2024, the Company completed drilling a large diameter cased hole for delivery of paste to East North Zone ("EN Zone") stoping areas. The surface pumping and piping installation to deliver paste from the paste plant to the borehole is in the detailed design stage.

Underground Maintenance Shop - During Q1 2024, the Company completed concrete work and electrical installation for expansion of the underground maintenance shop. Installation of beam and crane in the new bay is expected to be completed in the second quarter of 2024. Increased space will accommodate additional maintenance requirements as mining rates are increased thereby improving equipment availability.

Funding

During Q1 2024, Pala Investments Limited ("Pala"), the Company's largest shareholder, provided additional advances of $24.7 million to the Company pursuant to the Unsecured Loan (as defined below). While Pala has continued to financially support the Company, it is under no obligation to do so and there can be no assurance that Pala will continue providing any funding.

As previously disclosed, the Company entered into an exclusivity agreement with a third party regarding a proposal for additional financing and a potential change of control transaction. While the exclusivity period relating thereto has lapsed, discussions are continuing. The Company is also in discussions with its key stakeholders and other parties in order to obtain funding and/or enter into a change of control transaction. There can be no assurance that any such discussions will progress or that any funding or transaction will be obtained or entered into. Pala and other existing stakeholders of the Company have been providing limited interim funding to the Company. These stakeholders are under no obligation to provide additional funding. Certain of these stakeholders have confirmed to the Company their intention to provide limited additional funding for a short period. In the absence of securing sufficient funding in the near term, the Company will not be able to continue carrying on business in the normal course and may need to take steps to seek creditor protection.

Subsequent to March 31, 2024, the Company received funding of $4,455 and $4,055 from Pala and an affiliate of Triple Flag Precious Metals Corp. ("Triple Flag"), respectively, to allow the Company to continue to pursue the financing discussions.

DISCUSSION OF OPERATIONS

Lateral Development

		Three Months Ended March 31,	
		2024	2023
Capital and operating development	feet	3,733	496

Lateral development

During Q1 2024, the Company, through its contracted development contractor SMD, continued to advance ramp and stope development, primarily in the EN Zone with secondary stope development completed in the East South Zone. During Q1 2024, the Company completed 3,733 feet of development as compared to 3,115 feet completed in Q4 2023. Rock quality being encountered beyond the dikes, as development headings are progressed into the EN Zone, is competent and consistent with the geotechnical model.

During Q1 2024, lateral development remained below the contract specified rate due to lower staffing, lower productivity principally resulting from inexperienced crews and lower equipment availability. Towards the end of the quarter development target rates were reduced, reflecting the financial constraints of the Company.

With the development completed to date, the Underground Mine has 13 stopes available with top and bottom development completed representing approximately 218,281 tons of ore available for future stope mining.

Mining operations

		Three Months Ended March 31,	
		2024	2023
Stope ore mined	tons	28,755	—
Stope ore grade	%Cu	1.3 %	—
Development ore mined	tons	57,263	1,863
Development ore grade	%Cu	0.6 %	0.4 %
Ore hoisted	tons	120,312	8,451
Hoisted copper grade	%Cu	0.7 %	0.6 %

During Q1 2024, the Company hoisted 120,312 tons of development ore and stope ore, as compared to 91,700 tons of development ore hoisted in Q4 2023.

Ore Stockpile

During Q1 2024, ore stockpiled underground was hoisted to surface and is now available for milling. As at March 31, 2024, the surface ore stockpile was approximately 120,170 tons, with the majority being lower-grade development ore with an estimated average grade of 0.50% Cu.

Milling Operations

		Three Months Ended March 31,	
		2024	2023
Ore milled	tons	97,576	0
Copper grade milled	%Cu	0.7 %	— %
Copper recovery	%Cu	83.9 %	— %
Concentrate copper grade	%Cu	20.0 %	— %
Copper produced	klb	1,092	0
Copper sold	klb	905	0

In October 2023, the Company recommenced processing operations to allow the process team to commission the mill, optimize reagent addition, and establish and reinforce operating procedures to achieve consistent operations. The mill is being commissioned on lower grade ore stockpiles and is expected to transition to a combination of mined stope ore and stockpiled ore.

Milling operations were impacted early in the quarter due to a premature failure of a power transformer that resulted in a fifteen-day stoppage to source and install a replacement transformer. The Company is investigating the failure cause and any recovery opportunity from the original supplier. Milling operations were also impacted due to a failure of the concentrate thickener rake lifting mechanism that resulted in ten-day stoppage. The Company completed repairs required to resume operations, and is working with the vendor for a permanent solution for the thickener to operate as designed.

During Q1 2024, efforts continued to identify and correct deficiencies and constraints principally focused on mill water management, slurry pump availability and filter presses. While progress has been made, addressing these issues has resulted in intermittent stoppages to perform maintenance, replace equipment, and improve monitoring systems. In parallel, training of the mill operating team has continued.

During Q1 2024, the mill continued to demonstrate during periods of consistent operations that copper recoveries, concentrate grades, and moisture are consistent with plans, despite processing lower grade ores. During the quarter, thickened tails paste plant operations were commenced to support stope mining.

FINANCIAL RESULTS

Financial results for the quarter ended March 31, 2024:

(Expressed in thousands of USD, except per share amounts)	**Three Months Ended March 31,**	
	2024	**2023**
Revenue	$3,554	$—
Cost of Sales		
Production costs	3,858	—
Net realizable value adjustment	12,969	562
Depreciation	781	—
Transportation	444	—
Royalty and stream	167	—
Total cost of sales	18,219	562
Gross loss	(14,665)	(562)
Operating Expenses		
Care and maintenance and restart expense	—	9,789
General and administrative expense	2,297	1,783
Share-based compensation	(149)	2,102
Loss from operations	(16,813)	(14,236)
Interest income	—	53
Interest and finance expense	—	(12,253)
Derivative fair value gain (loss)	1,016	(9,449)
Debt modification (loss) gain	(303)	487
Other income	130	—
Foreign exchange loss	(25)	(2)
Loss and comprehensive loss	($15,995)	($35,400)
Loss per share		
Basic and diluted	($0.01)	($0.05)

In Q1 2024, the Company reported a net loss of $16.0 million (or $0.01 basic and diluted loss per common share), compared to a net loss of $35.4 million in the first quarter of 2023 ("Q1 2023") (or $0.05 basic and diluted loss per common share). The change is primarily due to the following:

- **Revenue -** During Q1 2024, the Company sold 904,788 pound of copper in copper concentrate for net revenue of $3.6 million. There were no concentrate sales during Q1 2023, as milling operations were suspended.
- **Cost of sales** - During Q1 2024, the Company recognized cost of sales of $18.2 million, including a net realizable value adjustment ("NRV") of $13.0 million on ore and concentrate stockpile. The NRV adjustment resulted from higher production costs in the pre-commercial production period. No ore was processed during Q1 2023.
- **Care and maintenance and restart expense** - As both mining and milling activities resumed there were no care and maintenance expenditures during Q1 2024. During Q1 2023, both mining and milling operations were suspended, and the Company incurred $9.8 million of care and maintenance expenditures.

- **General and administrative expense** - General and administrative expenses totaled $2.3 million during Q1 2024, an increase from $1.8 million during Q1 2023, primarily due to increase in legal and general corporate expenditures.
- **Share-based compensation** - During Q1 2024, the Company recognized a share-based compensation gain of $0.1 million, compared to a share-based compensation expense of $2.1 million during Q1 2023. The share-based compensation gain, during Q1 2024, resulted from a decrease in the share price of the Company's common shares. During Q1 2023, the share price of the Company's common shares increased, resulting in a share-based compensation expense.
- **Interest and finance expense** - During Q1 2024, an interest and finance cost of $13.9 million was capitalized in mineral properties, plant, and equipment. As development of the Underground Mine was temporarily suspended during Q1 2023, interest and finance expense of $12.3 million was recognized in the statement of operations and comprehensive loss.
- **Derivative fair value gain (loss)** - A non-cash mark-to-market fair value gain of $1.0 million was recorded during Q1 2024, as compared to mark-to-market fair value loss of $9.4 million in Q1 2023, related to the derivative liability of the Company’s warrants. The share price of the Company's common shares decreased in Q1 2024. The derivative fair value loss recognized during Q1 2023 was related to the derivative liability of the Company’s warrants and embedded derivatives in the Company's credit facility with Pala and was primarily driven by an increase in the share price of the Company's common shares.
- **Debt modification (loss) gain -** The debt modification loss, during Q1 2024, was related to $3.9 million payable to Pala pursuant to the Unsecured Loan being reclassified to the credit facility with Pala. The debt modification gain during Q1 2023, related to capitalization of interest into the principal amount under the Company's senior credit facility (as amended, the "KfW IPEX-Bank Facility") with KfW IPEX Bank Limited ("KfW") and the deferral of interest payment under the credit facility with Pala.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited quarterly financial information for Q1 2024 and the prior seven most recently completed quarters:

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

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Revenue	$3,554	$4,570	$—	$—	$—	$—	($1,033)	$5,027
Net (Loss) Income	($15,995)	($7,863)	($16,272)	($1,314)	($35,400)	($26,014)	($325,428)	$2,321
Net (Loss) Income per share (Basic and Diluted)	$(0.01)	$(0.01)	$(0.01)	$0.00	$(0.05)	$(0.04)	$(0.73)	$0.01
Mineral properties, plant, and equipment	$708,619	$686,193	$657,713	$632,865	$621,296	$615,411	$614,332	$915,614
Total Assets	$726,670	$703,372	$676,239	$681,673	$645,135	$647,769	$629,717	$927,246
Working Capital Deficit	($115,357)	($83,584)	($61,881)	($36,170)	($59,954)	($42,382)	($380,143)	($359,352)
Total non-current liabilities	$360,041	$354,357	$344,665	$336,401	$404,963	$383,505	$56,580	$52,507
Shareholders’ Equity	$233,601	$248,632	$251,547	$260,674	$157,786	$193,134	$182,838	$508,198

- Financial results of the last eight quarters include the impact of the timing of previous financing transactions, variability of copper concentrate sales, and capital expenditures incurred.

- During Q1 2024, the Company recognized an NRV adjustment of $13.0 million in relation to development ore mined.
- During Q4 2023, the Company recognized an NRV adjustment of $4.9 million in relation to ore and concentrate stockpile and a derivative fair value gain of $1.9 million driven by a decrease in the share price of the Company's common shares.
- During the third quarter of 2023 ("Q3 2023"):
  - the Company recognized a derivative fair value gain of $4.1 million driven by a decrease in the share price of the Company's common shares; and
  - the Company incurred care and maintenance and restart expenses of $3.1 million which were not eligible to be capitalized in accordance with IAS-16, and recognized an NRV adjustment of $16.3 million in relation to development ore mined.
- During Q2 2023:
  - the Company recognized a derivative fair value gain of $31.2 million driven by a decrease in the share price of the Company's common shares; and
  - the Company incurred care and maintenance and restart expenses of $12.0 million and interest and finance costs of $12.7 million, which were not eligible to be capitalized in accordance with IAS-16.
- During Q1 2023:
  - the Company recognized a derivative fair value loss of $9.4 million driven by an increase in the share price of the Company's common shares; and
  - the Company incurred care and maintenance expenses of $9.8 million and interest and finance costs of $12.3 million, which were not eligible to be capitalized in accordance with IAS-16.
- During Q4 2022:
  - the Company recognized a debt extinguishment loss of $3.1 million related to the amendment in the Company's credit facility with Pala;
  - the Company recognized a derivative fair value loss of $1.5 million on the fair valuation of warrants; and
  - the Company incurred care and maintenance expenses of $6.8 million and interest and finance costs of $11.2 million, which were not eligible to be capitalized in accordance with IAS-16.
- During Q3 2022, the Company recognized an impairment of $298.8 million. The Company incurred care and maintenance expenses of $16.2 million and interest and finance costs of $9.1 million, which were not capitalized, as the operations at the Underground Mine were suspended.
- During the second quarter of 2022 ("Q2 2022"), the Company recognized a non-cash mark to market fair value gain of $15.1 million resulting from a decrease in the fair market value of common share purchase warrants of the Company.
- During Q2 2022 and Q3 2022, as a result of non-payment of amounts due under the Company's working capital facility with Concord Resources Limited ("Concord") (the "Working Capital Facility") and other matters, there was a default under the Working Capital Facility with Concord and cross-defaults under the KfW IPEX-Bank Facility, the credit facility with Pala and the stream agreement with Triple Flag (collectively the "Long-Term Financing Arrangements"). Therefore, all liabilities related to the Long-Term Financing Arrangements were classified as current at June 30, 2022 and at September 30, 2022.

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 March 31, 2024**	**As at December 31, 2023**
Current assets		
Cash and cash equivalents	$287	$739
Accounts receivable	288	244
Prepaid expenses and advance royalty	8,290	8,179
Inventory	8,806	7,637
Total Current Assets	17,671	16,799
Current liabilities		
Accounts payable and accrued liabilities	$28,092	$18,974
Related party payable	2,482	1,957
Share-based compensation liabilities	1,334	1,641
Warrant derivative	905	1,921
Current portion of stream and royalty deferral	7,580	11,580
Working Capital Facility	4,127	8,624
Short-term debt	66,013	42,910
Current portion of long-term debt	22,495	12,776
Total Current Liabilities	133,028	100,383
Working capital deficit	($115,357)	($83,584)

As at March 31, 2024, the Company had cash and cash equivalents of $0.3 million. The Company's working capital (current assets less current liabilities) as at March 31, 2024 was negative $115.4 million compared to negative $83.6 million as at December 31, 2023. The working capital deficit increase from December 31, 2023 was due to the accumulation of accounts payable resulting from delays in payments and an increase in short-term debt.

As previously disclosed, the Company entered into an exclusivity agreement with a third party regarding a proposal for additional financing and a potential change of control transaction. While the exclusivity period relating thereto has lapsed, discussions are continuing. The Company is also in discussions with its key stakeholders and other parties in order to obtain funding and/or enter into a change of control transaction. There can be no assurance that any such discussions will progress or that any funding or transaction will be obtained or entered into. Pala and other existing stakeholders of the Company have been providing limited interim funding to the Company. During Q1 2024, Pala provided additional advances of $24.7 million to the Company pursuant to the Unsecured Loan (as defined below). These stakeholders are under no obligation to provide additional funding. Certain of these stakeholders have confirmed to the Company their intention to provide limited additional funding for a short period. In the absence of securing sufficient funding in the near term, the Company will not be able to continue carrying on business and may need to take steps to seek creditor protection.

Also, during Q1 2024, the Company drew down $0.3 million from the refreshed draw room available under its credit agreement with KfW IPEX-Bank Limited. The drawing during the quarter was committed by Triple Flag.

Subsequent to March 31, 2024, the Company received funding of $4.5 million and $4.1 million from Pala and an affiliate of Triple Flag, respectively to allow the Company to continue to pursue the financing discussions.

Subsequent to March 31, 2024, as a result of the Company's liquidity situation, it has breached certain non-financial covenants in the KfW IPEX-Bank Facility, the Third A&R Pala Credit Facility, the Unsecured Loans, and in various agreements with contractors and suppliers. The Company is working with these parties and its potential funding sources to address these matters. However, there is no assurance as to if and when the Company will be able to resolve them and in the absence of resolution and subject to any applicable cure period, such breaches would give lenders rights to issue demand notices for repayment and/or other remedies in connection with the above referenced loans, and potentially, the Working Capital Facility and the Stream Agreement.

On December 21, 2023, the Company entered into separate loan agreements with Pala and Mercuria Holdings (Singapore) PTE Ltd. ("Mercuria") (together referred as the "Unsecured Loans" and individually as the "Unsecured Loan") with respect to the outstanding amount of $29.5 million and $0.3 million previously payable to Pala under the Company's prior funding commitment from Pala and Mercuria.

The Unsecured Loans mature on December 21, 2024, and carry interest at adjusted Term Secured Overnight Financing Rate ("Term SOFR") plus margin with interest payable on maturity. Adjusted Term SOFR equals Term SOFR plus 0.15%. The margin is 9% for the first $15 million and $10 received from Pala and Mercuria, respectively and 10% for the additional advances received from Pala. Also, a 5% disbursement fee is payable on the additional advances from Pala, which is added to the principal amount, when amounts are drawn. The Company issued 280,044,832 common share purchase warrants to Pala (together with any additional warrants issued to Pala in relation to the Unsecured Loan, the "Pala Unsecured Loan Warrants") and 95,122,130 common share purchase warrants to Mercuria, with an exercise price of C$0.14 per warrant expiring on December 21, 2024. Upon exercise of these warrants, the exercise price is payable by way of deemed repayment and set-off of outstanding amounts under the Unsecured Loans. Exercise of the foregoing warrants are subject to the Company obtaining shareholder approval, which it plans to seek at its next annual meeting of shareholders. The Company is in the process of issuing warrants to Pala, with the same terms as the Pala Unsecured Loan Warrants, in relation to the additional advances received during Q1 2024.

As a result of delays in the ramp-up of the Underground Mine, the Company has not yet achieved project completion as defined in the credit agreement with KfW IPEX-Bank Limited. The Company intends to discuss with KfW an extension of the project completion date which is currently June 30, 2024. There can be no assurance that the extension will be agreed upon by KfW.

The Company currently has limited financial resources and the aggregate amount of capital and operating costs (net of cash inflows from the sale of concentrate) for the next twelve months, combined with residual vendor payments, debt service costs, and corporate costs, exceeds the amount of cash and funding currently available to the Company. See "COMMITMENTS AND CONTRACTUAL OBLIGATIONS" below. The Company requires further funding to complete the commissioning and ramp-up of the Underground Mine and continue carrying on business in the normal course.

As discussed above, Pala and other existing stakeholders have been providing limited interim funding to the Company. These stakeholders are under no obligation to provide additional funding. In the absence of securing sufficient funding from existing stakeholders and/or third parties in the near term, the

Company will not be able to continue carrying on business and may need to take steps to seek creditor protection.

The ability of the Company to continue as a going concern, to realize the carrying value of its assets, and to discharge its liabilities when due, is dependent on, amongst other things, positive cash flow being generated from operations, the ability to complete the commissioning and ramp-up the Underground Mine to its nameplate milling capacity of 5,000 tpd in accordance with the Company's timing and cost expectations, an increase in copper concentrate production and sales, favorable copper market conditions, securing further funding, and remediation of covenants breached in various agreements with lenders, contractors and suppliers. There can be no assurance that these requirements will be achieved and in the absence of additional funding being arranged, the Company may not be able to continue to carry on business in the ordinary course. The combination of these factors gives rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Cash Flow

Quarterly cash flow

During Q1 2024, cash used in operating activities was $16.1 million compared to $12.3 million used during Q1 2023.

Cash used in investing activities during Q1 2024 was $4.9 million, compared to $14.0 million used in Q1 2023.

Financing activities during Q1 2024 provided $17.8 million, compared to $13.8 million during Q1 2023.

During Q1 2024, financing activities included the draw of $0.3 million available under the new tranche of the KfW IPEX-Bank Limited, the draw of $24.7 million under the Unsecured Loans, the net repayment of $4.6 million of the Working Capital Facility, and the repayment of $2.3 million of lease liabilities.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

As at March 31, 2024, the Company had the following consolidated 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	$30,571	$30,571	$—	$—	$—
Construction contractual obligations	$5,702	$5,702	$—	$—	$—
Working Capital Facility	$4,127	$4,127	$—	$—	$—
KfW IPEX-Bank Facility	$247,318	$23,741	$80,499	$143,078	$—
Equipment leases	$7,122	$5,805	$1,317	$—	$—
Third A&R Pala Credit Facility	$13,021	$—	$13,021	$—	$—
Pala Unsecured Loan	$65,002	$65,002	$—	$—	$—
Mercuria Unsecured Loan	$11,779	$11,779	$—	$—	$—
Asset retirement obligation	$5,331	$—	$—	$—	$5,331
Total obligations	**$389,973**	**$146,727**	**$94,837**	**$143,078**	**$5,331**

See "LIQUIDITY AND GOING CONCERN RISK, CASH FLOW AND FINANCIAL RESOURCES " above for liquidity and going concern discussion.

RELATED PARTY TRANSACTIONS

Pala is a related party to the Company because of its significant shareholding (61.7% as at March 31, 2024) in the Company. Additionally, as at March 31, 2024, two of the nine directors of the Company were Pala executives.

During the three months ended March 31, 2024, the Company entered into the following transactions with Pala:

- In relation to the third amended and restated credit facility with Pala dated December 21, 2023, the Company accrued interest of $0.3 million. As at March 31, 2024, $10.1 million was payable under the Third A&R Pala Credit Facility.
- In relation to the Unsecured Loan, the Company received $24.7 million pursuant to the Unsecured Loan and accrued interest of $2.5 million. As at March 31, 2024, $55.6 million was payable to Pala under the Unsecured Loan.
- The Company recognized an expense of $0.4 million (2023 - $0.3 million) for guarantee fees. As of March 31, 2024, the Company owed Pala $1.9 million for fees accrued in connection with the guarantee provided by Pala for the KfW IPEX- Bank Facility.

Effective October 28, 2022, Mercuria is a related party because of its significant shareholding (17.2% as at March 31, 2024) in the Company. Also, a Mercuria executive is a director of the Company.

During the three months ended March 31, 2024, in relation to the Unsecured Loan with Mercuria, the Company accrued interest of $0.4 million pursuant to the Unsecured Loan. As at March 31, 2024, $10.4 million was payable to Mercuria under the Unsecured Loan.

As of March 31, 2024, the Company owed its directors $0.5 million (2023 - nil) for accrued directors fees.

Related party transactions, including compensation payments to key management personnel, are recorded at the amount paid or received as established by contract or as agreed upon by the Company and the related party. The Company has a committee of independent directors to review and approve related party transactions.

LEGAL

There are no active material litigation proceedings.

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 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 unauthorized 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. Given the Company’s small size, the internal control procedures established 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 months ended March 31, 2024, that materially affect 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.

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, 2023. The preparation of Condensed Consolidated Interim 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 Condensed Consolidated Interim Financial Statements:

- Mineral reserve and resource estimates
- Recoverable amount of mineral properties, plant, and equipment
- Provision for reclamation and remediation
- Fair valuation of warrants

FINANCIAL INSTRUMENTS

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

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

a) Market risks:

i) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The KfW IPEX-Bank Facility, the Working Capital Facility with Concord, the Unsecured Loans and the Third A&R Pala Credit Facility with Pala currently provide for interest at a market rate plus a fixed margin. A 1% decrease or increase in market rates of interest would have an impact of +/- $0.1 million on the Company's interest expense.

ii) Foreign currency risk:

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

At March 31, 2024, the Company held C$0.00 million (2023 - C$0.04 million) in cash and cash equivalents in its parent entity with a functional currency of U.S. dollars. At March 31, 2024, the Company had C$1.0 million (2023 - C$0.4 million) in accounts payable. A +/- 10% change in the Canadian exchange rate would have had an immaterial impact for the three months ended March 31, 2024.

b) Commodity price risk:

Fluctuations in the market price of copper and other metals may significantly adversely affect the value of the Company's securities and the ability of the Company to develop the Project.

Market prices can be affected by numerous factors beyond the Company's control, including levels of supply and demand for a broad range of industrial products, economic growth rates of various international economies, expectations with respect to the rate of inflation, the relative strength of various currencies, interest rates, speculative activities, global or regional political or economic circumstances and sales or purchases of copper or other metals by holders in response to such factors.

c) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, restricted cash, reclamation bond, and amounts receivable. The Company has reduced its credit risk by investing its cash and cash equivalents in high quality Canadian chartered banks. The Company's maximum exposure to credit risk is $0.9 million as at March 31, 2024 (2023 - $1.3 million), being the carrying value of cash and cash equivalents, restricted cash and amounts receivable.

d) Liquidity risk:

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

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 AIF, which is available on SEDAR+ at www.sedarplus.ca.

Financing the ramp-up of the Underground Mine

The Company requires further funding to complete the ramp-up of the Underground Mine. The Company had previously entered into an exclusivity agreement with a third party regarding a proposal for additional financing and a potential change of control transaction. While the exclusivity period relating thereto has lapsed, discussions are continuing. The Company is also in discussions with its key stakeholders and other parties in order to obtain funding and/or enter into a change of control transaction. There can be no assurance that any such discussions will progress or that any funding or transaction will be obtained or entered into. Pala and other existing stakeholders of the Company have been providing limited interim funding to the Company. These stakeholders are under no obligation to provide additional funding. In the absence of securing sufficient funding in the near term, the Company will not be able to continue carrying on business and may need to take steps to seek creditor protection. As a result of the Company's liquidity situation, it has breached certain covenants in various agreements with lenders, contractors, and suppliers. The Company is working with these parties and its potential funding sources to address these matters. However, there is no assurance as to if and when the Company will be able to resolve them and in the absence of resolution and subject to any applicable cure period, such breaches would give lenders rights to issue demand notices for repayment and/or other remedies in connection with the loans.

The ability of the Company to complete the ramp-up of the Underground Mine is also dependent on, among other things, capital projects completion and costs, results from operations, progress in accordance with the Company's timing and cost expectations, an increase in concentrate production and sales and favorable copper market conditions. There can be no assurance that these requirements will be achieved.

If the requirements described in the paragraphs above are not achieved or other material adverse events or delays occur, in the absence of sufficient financing being arranged, the Company may not be able to complete the ramp-up of the Underground Mine or continue to carry on business.

Ramp-up of operations at the Underground Mine to its nameplate capacity

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. 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 restart will likely impact the Company's revenue and cash flow. The risks and challenges associated with ramp-up, include unforeseen geological formations, the implementation of new mining and recovery processes, unexpected geotechnical conditions, unexpected hydrological conditions and maintaining water pumping capabilities 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 the 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 ramped up its operations to a sufficient level at the Underground Mine. The inability to successfully ramp-up its operations at the Underground Mine on time and within budget expectations is likely to have a material adverse effect on the Company.

Mine Planning

In 2022, the Company utilized Wood Canada Limited ("Wood") to review and revise the development and mine plan. The Wood plan was the basis for the Restart Plan. Since completion of the Wood plan, short term mine planning has been completed by internal Company resources.

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 restart 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 favorable to the Company or at all. In the absence of any required financing, the Company may not be able to continue operations.

OUTSTANDING SHARE DATA

As of May 8, 2024, there were 1,429,567,214 common shares of the Company issued and outstanding, 9,143,743 share options outstanding, 12,505,160 deferred share units outstanding, 26,204,456 restricted share units outstanding, 3,313,767 performance share units outstanding and common share purchase warrants outstanding as per the table below:

Warrant Tranche	**Number outstanding**	**Exercise Price [C$]**
2023 Unit Offering	98,019,200	$0.3400
Credit Facility Warrants	15,000,000	$0.8553
Triple Flag Warrants	1,500,000	$2.2500
Mercuria 2022 Warrants	101,871,235	$0.2592
Pala 2023 Credit Facility Warrants	55,610,514	$0.1446
Pala 2023 Unsecured Loan Warrants	280,044,832	$0.1446
Mercuria 2023 Unsecured Loan Warrants	95,122,130	$0.1446
Total	**647,167,911**	

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: a potential transaction regarding additional financing and a potential change of control; the financing needs of the Company; creditor protection proceedings; the Company's plans for the Project, the Company’s mine development, production and restart plans and activities (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 and future exploration activities and the objectives and results thereof; 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.

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 need for additional capital and no assurance can be given regarding the availability thereof; the ability of the Company to complete the restart and ramp-up of the Underground Mine within the expected cost estimates and timeframe; results of exploration programs; the impact of the effects 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 unexpected challenges; ground conditions; water management; cost overruns relating to development, construction and 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 AIF and in the section “Risk and Uncertainties” of this MD&A. 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 restart and ramp-up of operations at the Underground Mine in accordance with management's plans and expectations; no material adverse impacts from the effects of 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 (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 and Uncertainties" herein 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.sedarplus.ca. 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.