Management’s Discussion and Analysis
For the years ended December 31, 2018 and December 31, 2017
General

This Management’s Discussion and Analysis (“MD&A”) of Nevada Copper Corp. (the “Company” or “Nevada Copper”) has been prepared by management as of March 27, 2019. This MD&A should be read in conjunction with the Company’s consolidated financial statements and notes thereto for the year ended December 31, 2018. The financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). The information contained within this MD&A is current to March 27, 2019.

All amounts are expressed in US Dollars unless otherwise indicated. Additional information relevant to the Company’s activities, including the Company’s current Annual Information Form dated March 28, 2018, can be found on SEDAR at www.sedar.com.

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

In 2018, the Company completed the following financing initiatives:

- Completion of an offering raising gross proceeds of approximately $102.9 million through the issuance of 256,410,256 common shares at a price of CAD$0.50 per share;
- The Company’s long-term debt was reduced to $95 million after a $42 million principal repayment using the proceeds from the above offering;
- The $3.5 million Pala Bridge Loan (as defined below under the heading “Liquidity, Cash Flow and Capital Resources”) was repaid;
- The Company’s convertible debt facility in the amount of $38 million was converted into common shares through the issuance of 95,561,944 common shares;
- Completion of a public offering of 180,771,021 common shares at a price of CAD$0.60 per common share for gross proceeds of approximately $82.75 million;
- Concurrent with the offering mentioned directly above, $15 million of outstanding indebtedness was automatically converted into 32,885,000 common shares of the Company; and
- Received the $70 million precious metals stream deposit from Triple Flag Mining Finance Bermuda Ltd. (“Triple Flag”).

After the above financing activities and approval from the Board of Directors, the Company:

- Commenced the construction of the Pumpkin Hollow underground project (the “Underground Project”) consisting of a 5,000 tons/per day underground mine and associated process plant; and
- Awarded the underground mining contract and surface construction lump sum engineering, procurement and construction (“EPC”) contract.

Description of Business

Nevada Copper was incorporated on June 16, 1999 under the Business Corporations Act (Yukon). The Company was continued into British Columbia under the Business Corporations Act (British Columbia) on November 16, 2006. The Company’s common shares are listed on the Toronto Stock Exchange (“TSX”) under the symbol “NCU”. The principal asset of the Company is the 100%-owned Pumpkin Hollow Copper Property (the “Property” or the “Project”), which comprises both an Underground Project and an Open Pit Project located in north-western Nevada, approximately ninety road miles southeast of Reno. The Property consists of a contiguous 36 square mile land package comprising private lands, patented and unpatented mineral claims.

Nevada Copper is currently engaged in the development of the Underground Project. The Underground Project is fully permitted, including construction of the concentrator and associated infrastructure. The Underground Project is currently under construction and is expected to commence production in Q4 2019.
On November 30, 2017, the Company filed a technical report titled “Nevada Copper Pumpkin Hollow Project NI 43-101 Technical Report: Pumpkin Hollow Development Options – Pre-feasibility Study 5,000 tons/day Underground Project; Feasibility Study for a 70,000 tons/day Open Pit/Underground Project”, effective as of September 15, 2017, as amended on January 3, 2018 (the “2017 Technical Report”). The 2017 Technical Report presented as “Case A” a pre-feasibility level study in respect of the independent development of an underground mine on the Project, with a mill throughput of 5,000 tons per day, and presented as “Case B” a feasibility level study in respect of the integrated development of underground and open pit mines on the Project, with a mill throughput of 70,000 tons per day.

The Company filed a technical report on SEDAR on October 11, 2018 (the “October 2018 Technical Report”). The October 2018 Technical Report, entitled “Pumpkin Hollow Development Options – NI 43-101 Technical Report: Pre-feasibility Study 5,000 tons/day Underground Project (Case A), Feasibility Study for a 70,000 tons/day Open Pit/Underground Project (Case B), and Preliminary Economic Assessment of an Open Pit Project with Initial Capacity of 37,000 tons/day and Expansion to 70,000 tons/day” (the “PEA”), has an effective date August 17, 2018. Following the filing of the October 2018 Technical Report, the British Columbia Securities Commission completed a review of the Company’s technical disclosure. See the Company’s press release, dated November 13, 2018, for further details.

The Company is preparing to file a new technical report for the Project (the “New Technical Report”) which is expected to, among other things, incorporate the results of the Company’s previously announced 2018 drilling program and evaluate, in addition to the Underground Project currently under construction, a standalone, staged, open pit mine development at a preliminary feasibility study level. The New Technical Report is expected to supersede all prior technical reports for the Project.

**Project Activities and Outlook**

As announced on August 28, 2018 the Company made a decision to commence construction activities for the Underground Project.

Site preparation and construction activities at the Underground Project during 2018 included:

- Installation of 4 Galloway winches and ropes;
- Refurbishment of Galloway and East Main shaft sub-collar;
- Installation and commissioning of underground contractor buildings and safety facilities;
- Installation of new Auxiliary hoist;
- East Main shaft vertical advance of 170’;
- Completion of both the 2850 and 2770 shaft stations;
- Mechanized mining on the 2850’ level;
- Completion of the East North ventilation shaft presink to 125’ below surface;
- East North ventilation shaft hoisting infrastructure installed, Galloway lowered and headframe nearly complete;
- Process plant earthworks nearly completed;
- 25 KV power line re-routed; and
- First foundations poured at the process plant site.

Additional milestones during 2018 contributing to Underground Project execution include:

- Securing of all underground mobile equipment through Caterpillar, Epiroc and Normet;
- East North ventilation shaft engineering work completed;
- Site administrative and change building bids completed; and
- Paste plant engineering work initiated.

The Company awarded a contract for shaft sinking and underground mine development work at the Project to Cementation, USA, Inc. (“Cementation”). This follows the earlier pre-works program carried out by Cementation at the Underground Project to prepare the existing shaft and hoist infrastructure in advance of commencement of underground construction activities.

The on-going underground mine development work includes:

- Finishing the sinking of the East Main shaft to the 2850 ft and 2770 ft levels;
- Carrying out lateral development at both the 2850 ft and 2770 ft levels;
- Beginning Alimak raise from the 2850 ft level to the 3450 ft level;
- Carrying out the engineering and procurement for East North ventilation shaft; and
• Sinking the East North ventilation shaft from surface to intersect the Alimak raise at the 3450 ft level.

Once the East North ventilation shaft is established, it will be used to hoist men, materials and ore to the surface. Concurrently, the sinking of the East Main shaft to the 2710 ft level and the installation of steel infrastructure, service hoist, auxiliary hoist and production hoist upgrades required for production will be completed.

In addition, Nevada Copper awarded an EPC contract for the surface plant and infrastructure for the Underground Project to Sedgman USA Inc. (“Sedgman”), a member of CIMIC Group, for a fixed price of US$118 million. The EPC contract follows several months of a detailed engineering and design program conducted by Sedgman incorporating a number of significant improvements to the earlier pre-feasibility study for the Underground Project published in November 2017.

The fixed price nature of the EPC contract provides Nevada Copper with significant cost protection for Underground Project delivery and the use of a leading mineral processing EPC contractor with knowledge of the Underground Project further de-risks project execution during ramp-up.

The surface works will include construction of:
• Ore and waste stacking conveyance system from the headframe to stockpiles;
• Crushing and grinding circuit;
• Flotation and thickening circuit;
• Filtering circuit;
• Dry stack waste disposal;
• Concentrate loading facility;
• Pastefill plant to return waste underground and fill open cuts;
• All electrical, instrumentation and communications equipment; and
• Parking, administrative buildings and maintenance facilities.

Mine and surface development will continue throughout 2019 and completion and initial production from the Underground Project is expected in Q4 2019. The construction of the Underground Project is proceeding substantially in accordance with the initial construction capital expenditure estimate of $197 million.

In addition, the Company intends to complete additional definition and extension drilling on the North deposit of the Open Pit Project.

Exploration Activity Update

Regional survey work has led to new prospects being identified and the Company has subsequently staked approximately 5,700 acres of unpatented claims, expanding the Property by 32% to the east. The staked claims appear to have good porphyry-style alteration and copper mineralization at surface. The Company is currently mapping and sampling the newly-acquired claims area, in addition to following-up on additional areas of high-grade surface skarn mineralization on its property.

Corporate Developments

2018 Executive Appointments

Matthew Gili was appointed as President and Chief Executive Officer of the Company effective May 1, 2018. Mr. Gili has over 20 years of experience in the mining industry, having served in a variety of senior executive roles at Barrick Gold Corporation (“Barrick”) and Rio Tinto. During his 15-year career with Rio Tinto, his appointments included Chief Operating Officer and Vice President of Resource Strategy for the Oyu Tolgoi project in Mongolia, Managing Director of Palabora Mining Company in South Africa, and Mine Manager at Greens Creek, Alaska.

Prior to joining Nevada Copper, he was with Barrick for the last five years. During his tenure, he was the Executive General Manager for the Cortez District in Nevada. Subsequently, he was the Chief Technical Officer for Barrick Gold.

Abraham Jonker was appointed as Chief Financial Officer of the Company effective October 1, 2018. Prior to this appointment, Mr. Jonker had been a member of the Board of Directors of the Company since May 2017 and served
as interim CEO between February 15, 2018 and May 1, 2018. He was previously Chief Financial Officer of Western Coal Corporation and currently serves as Lead Independent Director of the Board of Directors of Mandalay Resources Corporation and was the non-Executive Chairman of Golden Reign Resources Ltd. until November 2018. Mr. Jonker has 25 years of management, accounting and corporate finance experience. He is a registered Chartered Professional Accountant in British Columbia, (Canada) and holds equivalent accreditation in England, Wales and South Africa.

Effective October 1, 2018 Mr. Bob McKnight, a highly experienced geological engineer with broad experience in the mining industry, concurrently transitioned to a new role as Executive Vice President - Concentrate Sales and Logistics.

Mark Wall was appointed as Chief Commercial Officer of the Company effective October 1, 2018. Mr. Wall has more than 22 years of experience in the mining industry, most recently as Senior Vice President & Operations Officer for Barrick where he was responsible for coordinating all aspects of Barrick’s portfolio of operations. Mr. Wall has significant experience in operations, risk management and sustainability. During his twelve years at Barrick he served as General Manager for the Veladero operations in Argentina, Barrick’s Vice President of non-financial assurance activities (Environment, Safety & Health, Maintenance, Technical Services, Community Relations and Security), and other senior roles. He also served on the Executive Committee of Australia’s largest open pit gold mine, a joint venture between Barrick and Newmont Mining Corporation. Prior to joining Barrick, Mr. Wall worked with Placer Dome Inc. and Western Mining Corporation.

Mr. Wall’s qualifications include a Master of Business Administration, Master of Management, Masters Certificate in Risk Management & Business Performance, Diploma of Project Management and Diploma of Mineral Processing.

New Directors in 2018

Matthew Gili, Tom Albanese, Ernie Nutter and Justin Cochrane joined the Board of Directors in 2018.

Mr. Albanese is currently a Director of Franco-Nevada Corporation. He was previously Chief Executive Officer and a Director of Vedanta Resources plc and Vedanta Limited from 2014 to 2017. Mr. Albanese was Chief Executive Officer of Rio Tinto plc from 2007 to 2013, and previously served on the boards of Palabora Mining Company and Turquoise Hill Resources Limited. Mr. Albanese holds a Master of Science degree in Mining Engineering and a Bachelor of Science degree in Mineral Economics both from the University of Alaska Fairbanks.

Mr. Nutter is a highly regarded mining analyst, formerly with one of the world's largest money managers, Capital Group, from 2004 until his retirement in 2017. Prior to this, he spent over 13 years with the Royal Bank of Canada (RBC) where he was Managing Director of RBC Capital Markets, Director of RBC’s Global Mining Research team and former Chairman of RBC Dominion Securities’ (now RBC Capital Markets) Strategic Planning Committee. Mr. Nutter holds a Bachelor of Science degree in Geology from Dalhousie University.

Mr. Cochrane is currently President and COO of Cobalt27 Capital Corp. with over 16 years of royalty and stream financing, M&A and corporate finance experience. He previously served as Executive VP and Head of Corporate Development for Sandstorm Gold Ltd. (“Sandstorm”). Prior to Sandstorm, Mr. Cochrane was a Vice President with National Bank Financial Inc., having spent 9 years in their investment banking group. Mr. Cochrane is a CFA charterholder and graduated from the University of British Columbia with a Bachelor of Commerce with honours with a major in Finance.

Pumpkin Hollow Project

The Pumpkin Hollow Property is the principal mining asset of the Company. The Property, located approximately 60 miles southeast of Reno, Nevada near Yerington, consists of approximately 23,200 acres of contiguous mineral rights including approximately 10,700 acres of private land and leased patented claims. The Property contains two adjacent but unconnected copper gold and silver deposits separated by approximately two miles. Since the Property was acquired by Nevada Copper in 2006, these deposits have been extensively drilled and the subject of several previous technical reports.

The eastern-most deposits are too deep for open pit mining and modelling by previous engineering studies has presented them as being amenable to mining by underground methods. The western-most deposits are larger and shallower, and modelling by previous engineering studies has presented them as being amenable to mining by open pit methods.
Permitting

The Company has obtained all material permits and approvals for the development and operation of the Project that are required at this time. However, 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. It is also possible that the Company may determine that it requires other supporting permits and approvals as the development of the Project advances, including due to the foregoing and regulatory changes and developments. There can be no assurance that those renewals, modifications and other permits and approvals will be obtained on a timely basis, if at all.

Financial Results

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

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Three Months Ended December 31,</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Consulting and remuneration</td>
<td>$255</td>
<td>$138</td>
</tr>
<tr>
<td>Public company expenses</td>
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<td>451</td>
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<tr>
<td>Administration expenses</td>
<td>142</td>
<td>84</td>
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<tr>
<td>Professional fees</td>
<td>1,228</td>
<td>2,071</td>
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<tr>
<td>Business development</td>
<td>-</td>
<td>69</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>(40)</td>
<td>80</td>
</tr>
<tr>
<td>Accretion expense</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>785</td>
<td>-</td>
</tr>
<tr>
<td>Interest and finance expenses</td>
<td>-</td>
<td>(1,901)</td>
</tr>
<tr>
<td>Derivative fair value change</td>
<td>(206)</td>
<td>(3,614)</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td>33</td>
<td>(15)</td>
</tr>
<tr>
<td>Debt extinguishment loss, net</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange loss</td>
<td>(23)</td>
<td>(88)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Loss and comprehensive loss $ (1,439) $ (8,448) $ (20,057) $ (6,589)

Loss per common share

Basic and diluted $(0.00) $(0.09) $(0.04) $(0.07)

4th Quarter Results

For the three months ended December 31, 2018, the Company reported a net loss of $1.4 million (or $0.00 basic and diluted loss per common share) compared to a net loss of $8.5 million for the corresponding period in 2017 (or $0.09 basic and diluted loss per common share).

The $7.0 million decrease in net loss period to period is mainly driven by:

- $0.2 million derivative fair value loss compared to a 2017 loss of $3.6 million relating to the derivatives recognized as part of the Convertible Pala Debt (as defined below under the heading “Liquidity, Cash Flow and Capital Resources”);
- $Nil in interest expense compared to $1.9 million during the three months ended December 31, 2017 due to the conversion of the Pala Convertible Debt and the extinguishment of the Pala Bridge Loan (as defined below under the heading “Liquidity, Cash Flow and Capital Resources”) earlier during 2018; and
- $0.8 million decrease in public company, administration and professional fee expenses, including expenses relating to the Company’s development and financing activities.
2018 Year End Results

For the year ended December 31, 2018, the Company reported a net loss of $20.1 million (or $0.04 basic and diluted loss per common share) compared to a net loss of $6.6 million for the corresponding period in 2017 (or $0.07 basic and diluted earnings per common share).

The $13.5 million increase in net loss period to period is mainly driven by the Company’s refinancing and restructuring initiatives in 2018 and include:

- $7.7 million debt extinguishment loss as a result of the refinancing of the long term debt in favour of affiliates of Red Kite Mine Finance (collectively, “Red Kite”) (2017 - $Nil);
- $1.8 million derivative fair value loss (2017 gain of $3.2 million) as a result of recognizing a new embedded derivative liability in the refinanced Red Kite long-term loan that had a fair value of $1.2 million as at December 31, 2018 and a further $1 million that was recorded as a derivative fair value loss on the convertible derivative option in the convertible portion of Red Kite’s Refinanced Loan (as defined below under the heading “Liquidity, Cash Flow and Capital Resources”);
- $1.3 million increase in consulting and remuneration from $0.5 million in 2017 to $1.8 million in 2018 partly due to the payment of benefits under the employment contracts of certain senior officers during the year and partly as a result of the increased activities underway during the period under review;
- $0.5 million increase in other expenses resulting from a settlement of a claim related to an expired option agreement;
- $3.7 million increase in public company, administration and professional fee expenses, including expenses relating to the Company’s development and financing activities;
- $1.6 million increase in stock option expenses related to the stock options granted and vested during the period. No options were granted during the comparable period in 2017; and
- The above increases were offset by the decrease in interest expense from $5.6 million in 2017 to $1 million due to the conversion of the Pala Convertible Debt and the extinguishment of the Pala Bridge Loan and an increase in interest income of $1.7 million in 2018 due to higher cash balances

Pumpkin Hollow Project Expenditures

Project costs capitalised for the year ended December 31, 2018 on the Property consist of the following:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property payments</td>
<td>$1,961</td>
<td>$-</td>
<td>$1,961</td>
<td>$-</td>
<td>$1,961</td>
</tr>
<tr>
<td>Advance royalty payments</td>
<td>4,626</td>
<td>1,463</td>
<td>3,163</td>
<td>-</td>
<td>3,163</td>
</tr>
<tr>
<td>Water rights</td>
<td>2,438</td>
<td>188</td>
<td>2,250</td>
<td>279</td>
<td>1,971</td>
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<tr>
<td>Drilling</td>
<td>42,302</td>
<td>1,145</td>
<td>41,157</td>
<td>-</td>
<td>41,157</td>
</tr>
<tr>
<td>Geological consulting, exploration &amp; related</td>
<td>8,459</td>
<td>536</td>
<td>7,923</td>
<td>-</td>
<td>7,923</td>
</tr>
<tr>
<td>Feasibility, engineering &amp; related studies</td>
<td>25,318</td>
<td>3,956</td>
<td>21,362</td>
<td>1,779</td>
<td>19,583</td>
</tr>
<tr>
<td>Permits/environmental</td>
<td>12,494</td>
<td>850</td>
<td>11,644</td>
<td>63</td>
<td>11,581</td>
</tr>
<tr>
<td>East deposit underground project</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground access, hoist, head frame, power &amp; related</td>
<td>106,339</td>
<td>27,438</td>
<td>78,901</td>
<td>1,140</td>
<td>77,761</td>
</tr>
<tr>
<td>Engineering procurement</td>
<td>45,133</td>
<td>34,583</td>
<td>10,550</td>
<td>-</td>
<td>10,550</td>
</tr>
<tr>
<td>Surface infrastructure</td>
<td>5,796</td>
<td>1,992</td>
<td>3,804</td>
<td>-</td>
<td>3,804</td>
</tr>
<tr>
<td>Site costs</td>
<td>19,892</td>
<td>4,548</td>
<td>15,344</td>
<td>1,494</td>
<td>13,850</td>
</tr>
<tr>
<td></td>
<td>274,758</td>
<td>76,699</td>
<td>198,059</td>
<td>4,755</td>
<td>193,304</td>
</tr>
<tr>
<td>Depreciation</td>
<td>750</td>
<td>60</td>
<td>690</td>
<td>53</td>
<td>637</td>
</tr>
<tr>
<td>Asset retirement obligation</td>
<td>909</td>
<td>909</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capitalised interest</td>
<td>57,453</td>
<td>9,494</td>
<td>47,959</td>
<td>15,975</td>
<td>31,984</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>5,903</td>
<td>1,405</td>
<td>4,498</td>
<td>103</td>
<td>4,395</td>
</tr>
<tr>
<td>Stream accretion</td>
<td>2,613</td>
<td>2,613</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$342,386</strong></td>
<td><strong>$91,180</strong></td>
<td><strong>$251,206</strong></td>
<td><strong>$20,886</strong></td>
<td><strong>$230,320</strong></td>
</tr>
</tbody>
</table>
For the year ended December 31, 2018, the Company incurred $91.1 million of Project expenditures compared to $20.9 million for the same period in 2017. The $70.0 million increase reflects the resumption of the advance royalty payments which was deferred in 2017, commencement of drilling activities, engineering design work, site preparation / pre-works and construction activities. The focus during the comparative period in 2017 was care and maintenance activities only.

Capitalised interest costs in 2018 were $9.5 million compared to the capitalised interest costs in 2017 of $16 million due to the debt refinancing that occurred during the year.

Liquidity, Cash Flow and Capital Resources

Financial Condition (Expressed in thousands of United States dollars)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$108,055</td>
<td>$385</td>
</tr>
<tr>
<td>Other current assets</td>
<td>263</td>
<td>224</td>
</tr>
<tr>
<td>Other assets</td>
<td>4,453</td>
<td>10,197</td>
</tr>
<tr>
<td>Mineral properties, plant, and equipment</td>
<td>363,224</td>
<td>251,449</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$475,995</strong></td>
<td><strong>$262,255</strong></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$19,258</td>
<td>$3,907</td>
</tr>
<tr>
<td>Stock-based compensation liabilities</td>
<td>212</td>
<td>1,547</td>
</tr>
<tr>
<td>Current portion of long term debt</td>
<td>28</td>
<td>70,038</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td><strong>19,498</strong></td>
<td><strong>75,492</strong></td>
</tr>
<tr>
<td>Long term debt</td>
<td>89,759</td>
<td>113,532</td>
</tr>
<tr>
<td>Stream deferral</td>
<td>72,613</td>
<td>-</td>
</tr>
<tr>
<td>Asset retirement obligation</td>
<td>1,822</td>
<td>895</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>183,692</strong></td>
<td><strong>189,919</strong></td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td><strong>292,303</strong></td>
<td>72,336</td>
</tr>
<tr>
<td></td>
<td><strong>$475,995</strong></td>
<td><strong>$262,255</strong></td>
</tr>
</tbody>
</table>

As of December 31, 2018, the Company had a cash balance of $108.1 million, excluding restricted cash. The Company’s working capital (current assets less current liabilities) as at December 31, 2018, was $88.8 million compared with a working capital deficit of $73.9 million as at December 31, 2017.

The increase in the Company’s working capital in 2018 was due to the equity offerings completed in January 2018 with gross proceeds of approximately $102.9 million through the issuance of 256,410,256 common shares at a price of CAD$0.50 per share and in July 2018 with gross proceeds of approximately $82.75 million through the issuance of 180,771,021 common shares at a price of CAD$0.60 per share.

The Company and Triple Flag entered into a metals purchase and sale agreement on December 21, 2017 (the “Stream Agreement”) whereby Triple Flag committed to fund a deposit of $70 million (the “Stream Deposit”) against future sale and delivery by Nevada Copper of an amount of gold and silver referenced to 90% of the gold and silver production from the Underground Project, calculated based on a fixed ratio of 162.5 ounces of gold for each 1 million pounds of copper in concentrate produced and 3,131 ounces of silver for each 1 million pounds of copper in concentrate produced. The Company received the $70 million Stream Deposit on September 6, 2018 following the announcement of the decision to proceed with construction of the Underground Project. The Company will receive an ongoing payment of 10% of the spot price for each ounce of gold and silver delivered to Triple Flag. The Company has a one-time option on March 31, 2020 to reduce the amount of gold and silver to be delivered under the Stream Agreement to 55% of the gold and silver production from the Underground Project (based on the fixed ratios noted
above) by making a payment of $36 million to Triple Flag, subject to certain adjustments. The Company and its subsidiaries have provided security for the performance of the obligations under the Stream Agreement over all of their respective assets.

The Company recorded the Stream Deposit as a stream deferral and will recognize amounts in income as its performance obligations are satisfied. The amortization of the amount is calculated on a per unit basis using the estimated total number of silver and gold ounces expected to be delivered to Triple Flag over the life of the Underground Project.

The above cash inflows from investing and financing activities were offset by cash outflows from investing activities related to Project development expenditures and deposits related to development costs in the amount of $58.8 million and $20.5 million, respectively, for the year ended December 31, 2018.

In addition, the following cash outflows resulted from financing activities during the year ended December 31, 2018:

- $42 million was repaid to Red Kite (in partial satisfaction of the previous loan facility provided by it) from proceeds of the January 2018 equity offering. This reduced the Red Kite long-term debt outstanding to $95 million (the “Refinanced Loan”). $80 million of the Refinanced Loan balance consists of two tranches of $40 million each and the remaining $15 million tranche was converted into 32,885,000 common shares of the Company concurrent with the completion of the equity financing in July 2018. The Company and its subsidiaries have provided security for the performance of the obligations under the Refinanced Loan over all of their respective assets.

- The Company also repaid the entire $3.5 million bridge loan that was advanced by Pala to the Company on November 14, 2017 (the “Pala Bridge Loan”). The Pala Bridge Loan was repaid in full, along with accrued interest, upon completion of the January 2018 equity offering. In addition, the convertible debt in favour of Pala owing under the third amended and restated loan and security agreement between the Company and Pala dated February 23, 2017 (the “Pala Convertible Debt”) was converted into common shares of the Company at a conversion price of CAD$0.50 per share. The Pala Convertible Debt balance at the time of conversion was $38.5 million (CAD$47.8 million). This resulted in the issuance of 95,561,944 common shares to Pala.

The Company has secured as of August 28, 2018 a commitment from Pala, to make available to the Company, at the Company’s election, a standby subordinated loan facility of up to $25 million at market terms to be mutually agreed and on intercreditor terms acceptable to the Company’s secured lenders. The commitment has been provided should the Company require funds over the next 12-to-24 months following the date of the commitment for various corporate purposes, including but not limited to, costs of the Underground Project, advancement of the Open Pit Project and exploration drilling.

The Company is currently in the development stage and as a result, it is not yet generating revenue. The Company is reliant upon its existing cash and other sources of potential funding to:

1. Complete construction of the Underground Project, and to take it into full production with positive steady state cash flow;
2. Continue delineation drilling and advance engineering studies on the Open Pit Project; and
3. Address other corporate costs.

The Company continuously assesses its cash requirements and sources of funds in order to optimize its financing strategy. Management believes that, based on its existing cash and financing sources and through access to additional debt and equity capital that may be available to it in the future, the Company should have access to sufficient funds to meet its requirements.

The Company is continuing discussions with potential export credit agency-backed project finance lenders with the objective to further optimize its balance sheet for the long-term. Such discussions may provide the opportunity to substantially reduce the cost of the Company’s debt service and attract strong finance partners for potential future open pit development. Discussions are also ongoing relating to associated agreements to complement such a project finance facility, including a working capital facility, and should it be required or preferable, other financing, such as a standby/overrun facility, as well as offtake arrangements. (collectively, the “Financing Arrangements”). There is no assurance that the Company will obtain any or all of the components of the Financing Arrangements.
Summary of Quarterly Results
The following table sets forth selected unaudited quarterly financial information for each of the eight most recent quarters:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Working capital</td>
<td>88,820</td>
<td>133,810</td>
<td>29,335</td>
<td>41,923</td>
<td>(73,917)</td>
<td>(2,717)</td>
<td>(1,032)</td>
<td>2,114</td>
</tr>
<tr>
<td>Total assets</td>
<td>475,995</td>
<td>470,803</td>
<td>313,076</td>
<td>307,827</td>
<td>262,255</td>
<td>255,544</td>
<td>250,936</td>
<td>248,955</td>
</tr>
<tr>
<td>Project expenditure (cumulative)</td>
<td>342,386</td>
<td>298,006</td>
<td>270,593</td>
<td>258,501</td>
<td>251,206</td>
<td>245,740</td>
<td>240,642</td>
<td>234,966</td>
</tr>
<tr>
<td>Total noncurrent liabilities</td>
<td>164,194</td>
<td>157,995</td>
<td>100,424</td>
<td>98,524</td>
<td>114,427</td>
<td>171,702</td>
<td>164,968</td>
<td>170,247</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>292,303</td>
<td>293,235</td>
<td>204,481</td>
<td>206,205</td>
<td>72,336</td>
<td>80,784</td>
<td>83,906</td>
<td>76,112</td>
</tr>
<tr>
<td>Net profit (loss)</td>
<td>(1,439)</td>
<td>(1,845)</td>
<td>(4,173)</td>
<td>(12,601)</td>
<td>(8,448)</td>
<td>(3,122)</td>
<td>5,277</td>
<td>(296)</td>
</tr>
<tr>
<td>Net profit (loss) per share</td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.01)</td>
<td>(0.05)</td>
<td>(0.09)</td>
<td>(0.03)</td>
<td>0.06</td>
<td>(0.01)</td>
</tr>
</tbody>
</table>

Transactions with Related Parties

Pala is a related party in relation to the Company as a result of its 36.5% shareholding in Nevada Copper as at December 31, 2018. Additionally, two Pala executives, Evgenij Iorich and Stephen Gill, are on the Company’s Board of Directors as at December 31, 2018.

During 2018, the following transactions were entered into and/or completed with Pala:
- Pala subscribed for common shares in the aggregate amount of $41.1 million (CAD$51.4 million) in the January and July 2018 equity offerings;
- Repayment of the Pala Bridge Loan in the amount of $3.5 million upon the completion of the January 2018 equity offering;
- Conversion of the Pala Convertible Debt into shares at a conversion price of CAD$0.50 per share upon the completion of the January 2018 equity offering. The Pala Convertible Debt balance at the time of conversion was $38.5 million (CAD$47.8 million). This resulted in the issuance of 95,561,944 shares to Pala;
- Back stop fees in the aggregate amount of $1.8 million paid to Pala in respect of the January and July 2018 equity offerings;
- Repayment of accounts payable of $2.7 million to Pala in respect of technical and other services rendered; and
- Interest paid or accrued of $1.2 million in favour of Pala under the Pala Convertible Debt and the Pala Bridge Loan.

The Company has entered into management agreements with certain senior officers. In the event that there is a change of control, the Company may be required to pay severance payments ranging from six months to twenty-four months of salary for these senior officers. The amount of this contingent liability is $1.2 million (2017-$1.6 million) and is not recorded in the consolidated statements of financial position. During 2018, $1 million was paid to a senior officer upon his departure from the Company.

During the year ended December 31, 2018, $0.5 million (2017-$nil) was incurred in director fees. As of December 31, 2018, accounts payable and accrued liabilities include director fees and expenses payable of $171 (2017-$488).

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.
**Contractual Obligations and Commitments**

The Company has capital expenditure contracted for in the amount of $26.5 million but not recognised as liabilities as at the date of this MD&A.

The Company leases offices and equipment under non-cancellable operating leases expiring within two to five years:

<table>
<thead>
<tr>
<th>Payments due by period</th>
<th>Office lease</th>
<th>Equipment leases</th>
<th>Total USD obligations</th>
<th>Office lease</th>
<th>Equipment leases</th>
<th>Total CAD obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>$140</td>
<td>5,485</td>
<td>$5,625</td>
<td>CAD</td>
<td>CAD</td>
<td>$398</td>
</tr>
<tr>
<td>2-3 years</td>
<td>$46</td>
<td>1,043</td>
<td>$1,089</td>
<td>$114</td>
<td>$273</td>
<td>$273</td>
</tr>
<tr>
<td>4-5 years</td>
<td>$94</td>
<td>2,135</td>
<td>$2,229</td>
<td>$11</td>
<td>$11</td>
<td>$11</td>
</tr>
<tr>
<td>5 years+</td>
<td>$-</td>
<td>1,996</td>
<td>$1,996</td>
<td>$-</td>
<td>$311</td>
<td>$311</td>
</tr>
</tbody>
</table>

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements that are not disclosed in the Contractual Obligations section above.

**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 issue is ensuring all transactions are properly authorised and identified and entered into a well-designed, robust and clearly understood accounting system on a timely basis to minimise risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with IFRS, unauthorised receipts and expenditures, or the inability to provide assurance that unauthorised acquisitions or dispositions of assets can be detected. The relatively small size of the Company makes the identification and authorisation 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 CEO and CFO evaluated the effectiveness of the Company’s DCP and ICFR as required by NI 52-109 issued by the Canadian Securities Administrators. They concluded that as of December 31, 2018, the Company’s design and operation of its DCP and ICFR were effective in providing reasonable assurance that material information regarding this report, and the consolidated financial statements and other disclosures was made known to them on a timely basis and reported as required and that the financial statements present fairly, in all material aspects, the financial condition, results of operations and cash flows of the Company as of December 31, 2018. The CEO and CFO also concluded that no material weaknesses existed in the design of the ICFR.

The Company continually reviews and enhances its system of controls and procedures. However, because of the inherent limitation in all control system, management acknowledges that ICFR will not prevent or detect all misstatements due to error or fraud.

**New Accounting Pronouncements**

Certain recent accounting pronouncements have been included under Note 2r in the Company’s December 31, 2018 consolidated financial statements.
The Company adopted the new IFRS 9 accounting standard that became effective as of January 1, 2018. Modifications to financial liabilities are treated differently under IFRS 9 as compared to IAS 39. The Company’s Red Kite long-term debt has been modified four times since inception. Under IAS 39, the Company did not recognise a gain or loss at the date of modification of the loan as these prior modifications were not considered significant enough to constitute an extinguishment. Under IFRS 9, a gain or loss at the date of a modification would be recognized in profit or loss regardless of whether the change in terms are considered significant.

The Company has re-calculated the cash flows under each of the four prior amendments upon adoption of IFRS 9. This analysis resulted in a $4.9 million increase in the carrying value of the Red Kite loan and a corresponding charge to accumulated deficit as at January 1, 2018.

The Company has not identified any other implications of the transition to IFRS 9.

Leases (IFRS 16), effective for annual periods beginning on or after January 1, 2019, provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17 Leases and its associated interpretive guidance. Significant changes were made to lessee accounting with the distinction between operating and finance leases removed and assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets).

The Company began applying IFRS 16 on January 1, 2019. The impact of this new standard has not yet been quantified. However, the Company expects to record lease obligation liabilities and rights of use assets on its consolidated balance sheet, which will increase the Company’s debt and property, plant and equipment balances.

**Critical Accounting Estimates**

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Although these estimates are based on management’s expectations for the likely outcome, timing and amounts of events or transactions, actual results could differ from those estimates. Areas requiring the use of management estimates include the determination of assumptions used in valuing stock-based compensation, valuation of and the determination of the remaining life of mineral property, plant and equipment, estimating future asset retirement obligations, estimating convertible debt, and estimating accrued liabilities.

The areas that require significant estimations or where measurements are uncertain are as follows:

i) Mineral reserve estimates

The Company estimates its ore reserves and mineral resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43-101 - Standards for Disclosure of Mineral Projects (NI 43-101). Reserves are used in the calculation of depreciation, impairment assessment, and for forecasting the timing of payment of mine closure, reclamation, and rehabilitation costs. There are uncertainties inherent in estimating ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecasted prices of commodities, exchange rates, production costs, or recovery rates could have a material impact in the future of the Company’s financial position and results of operations.

ii) Stock-based compensation

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options and share purchase warrants granted. This model requires management to estimate the volatility of the Company’s future share price, expected lives of stock options and future dividend yields. Consequently, there is significant measurement uncertainty in the fair value of stock-based compensation expense reported.
iii) Discount rate of loans

The loans are initially recognized at fair value, calculated as the net present value of the liability based upon discount rate issued by comparable issuers and accounted for at amortised cost using the effective interest rate method.

iv) Provision for reclamation and remediation

The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment.

In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management’s best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

The areas that require significant judgment or where measurements are uncertain are as follows:

i) Mineral properties, plant, and equipment and exploration and evaluation assets

The measurement and impairment of mineral properties, plant and equipment are based on various judgments and estimates. These include the determination of technical and commercial feasibility of these properties, which incorporates various assumptions for mineral reserves and/or resources, future mineral prices and operating and capital expenditures for the properties.

ii) Impairment review

The evaluation of asset carrying values for indicators of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, budgets, forecasts, and life of mine estimates. The determination of fair value less costs to sell and value in use requires management to make estimates and assumptions about expected production, sales volumes, commodity prices, mineral reserves, operating costs, taxes, restoration costs, and future capital expenditure. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may have an impact on the estimate of recoverable amount of the assets. In such circumstances some or all the carrying value of the assets may be impaired with the impact recorded in profit or loss.

iii) Taxation

Tax provisions are recognised to the extent that it is probable that there will be future outflow of funds to a taxation authority. Such provisions often require judgment on the treatment of certain taxation matters that may not have been reported to or assessed by the taxation authority at the date of these financial statements. Differences in judgment by the taxation authority could result in changes to actual taxes payable by the Company.

Deferred tax assets are recognised to the extent that certain taxable losses or deferred expenditures will be utilised by the Company to reduce future taxes payable. The amount of deferred tax assets recognised, if any, is based on objective evidence that the Company will generate sufficient future taxable income to utilise these deferred assets, as well as the expected future tax rates that will apply to these assets.

Changes to the Company’s ability to generate sufficient taxable income or changes to enacted tax rates could result in the recognition of deferred tax assets or liabilities.

iv) Modification verses extinguishment of financial liability
Judgment is required in applying IAS 39 and IFRS 9 Financial Instruments: Recognition and Measurement to determine whether the amended terms of the loan agreements are a substantial modification of an existing financial liability and whether it should be accounted for as an extinguishment of the original financial liability.

v) Functional currency

The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

vi) Going concern

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay its ongoing operation expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

vii) Convertible debt

In accordance with the substance of the contractual arrangement, convertible debentures are compound financial instruments which are accounted for separately by their components: a financial liability and an equity instrument.

The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount factors, and the presence of any derivative financial instruments.

viii) Achievement of Production Phase

Once a mine reaches the operating levels intended by management, depreciation of capitalized costs begins. Significant judgment is required to determine when certain assets of the Company’s reach this level. Management considers several factors including, completion of a reasonable period of commissioning and consistent operating results being achieved at a pre-determined level of design capacity.

Risk Factors

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. Certain of these risks and uncertainties are described under the heading “Risk Factors” in the Company’s Annual Information Form dated March 28, 2018 which is available on SEDAR at www.sedar.com.

Share Data

Capital Structure as of March 27, 2019:

- Common shares issued and outstanding: 661,933,584
- Total stock options outstanding: 36,362,019
- Total warrants outstanding: 5,000,000

Forward-Looking Statements

Certain of the statements made and information contained herein contain forward-looking information within the meaning of applicable Canadian and United States securities laws. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning: the Company’s plans at the Project; the ongoing construction of the Underground Project; the commencement of production at the Underground Project; the other plans of Nevada Copper with respect to the development, construction and commercial production at the Project;
ongoing work on a new technical report and the objectives and results thereof; and ongoing discussions relating to financing and offtake matters and the objectives and results thereof.

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

Forward-looking statements and information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements and information, including, without limitation, risks and uncertainties relating to: history of losses; requirements for additional capital; dilution; adverse events relating to construction and development; cost overruns; loss of material properties; interest rates increase; global economy; no 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 may differ from what is indicated and the difference may be material; legal and regulatory proceedings and community actions; accidents; title matters; regulatory restrictions; permitting and licensing; volatility of the market price of the Company’s common shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry as well as those factors discussed in the section entitled “Risk Factors” in this MD&A and the Company’s Annual Information Form dated March 28, 2018. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements and information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on Nevada Copper and the risks and challenges of its business, investors should review Nevada Copper’s filings that are available at www.sedar.com.

Readers are advised not to place undue reliance on forward-looking statements and information. The forward-looking statements and information contained herein are made as of the date of this MD&A (or as otherwise indicated) and the Company disclaims any intent or obligation to update forward-looking statements and information except as required by law.