NEVADA COPPER CORP.

Management’s Discussion and Analysis
For the nine months ended September 30, 2018
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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 November 14, 2018. This MD&A should be read in conjunction with the Company’s unaudited interim condensed consolidated financial statements and notes thereto for the three and nine months ended September 30, 2018. The financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and as applicable to interim financial statements. The information contained within this MD&A is current to November 14, 2018.

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.

Robert McKnight, P.Eng, David Swisher, PE, and Greg French, PG are non-independent qualified persons under National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”), and have approved the scientific and technical information in this MD&A.

Readers are cautioned that this MD&A contains forward-looking statements and that actual results may vary from management’s expectations. See “Forward-Looking Statements” at the end of this MD&A and the various risk factors and other matters discussed in the Company’s public disclosure at www.sedar.com.

Highlights

In Q3 2018, the Company:

- Completed 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 (CAD$108.5 million);
- Announced the construction decision for the Pumpkin Hollow Underground Project (the “Underground Project”);
- Received the US$70 million precious metals stream deposit from Triple Flag Mining Finance Bermuda Ltd. (“Triple Flag”);
- Awarded the underground mining contract and surface construction lump sum engineering, procurement and construction (“EPC”) contract; and
- Announced the results of a preliminary economic assessment for the development of the Pumpkin Hollow Open Pit Project (the “Open Pit Project”).

Description of Business

Nevada Copper was incorporated on September 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 project (the “Project”) located in northwestern Nevada, approximately ninety road miles southeast of Reno. The property consists of a contiguous 27 square mile land package comprising private lands, patented and unpatented mineral claims.

Nevada Copper is engaged in the development of the Project. The Project is fully permitted for the Underground Project, the copper concentrator and associated infrastructure. The Underground Project is currently under construction and is expected to commence production in Q4 2019. The Project is located entirely on private lands owned or leased by Nevada Copper.

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 (the “BCSC”) completed a review of the Company’s technical disclosure. As a result of the review, the Company issued a press release clarifying its technical disclosure. See the Company’s press release, dated November 13, 2018, for further details.

The Company is continuing its ongoing work on the preparation of a new technical report for the Project for release in Q1 2019 (the “New Technical Report”). The New Technical Report will supersede all prior technical reports for the Project and 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.

**Project Activities**

*Underground Project Activities*

The Company continued to advance construction activities for the Underground Project during Q3 2018.

Site preparation and construction activities during the quarter include:

- Installation of 4 Galloway winches and ropes;
- Refurbishment of Galloway and East Main shaft sub-collars;
- Installation and commissioning of underground contractor buildings and safety facilities;
- Construction of Auxiliary hoist pad and receipt of Auxiliary hoist;
- East Main shaft vertical advance of 90’ from the previous 1,900’ (2940’ mean sea level (msl)) level to the 1,990’ (2850 msl) level;
- 2850 shaft station development and approximately 120 feet of lateral development;
- Lowering of a single boom jumbo and LHD to the 2850’ level;
- Excavation of the East North ventilation shaft sub-collars area;
- East North ventilation shaft sub-collars concrete floor foundation completed; and
- Process plant earthworks began.

Additional milestones during the quarter contributing to Underground Project execution include:

- Procurement of long lead items for both underground and surface infrastructure;
- Major mobile equipment lease agreements negotiated;
- East North ventilation shaft engineering work largely completed; and
- Mobilization of Sedgman USA Inc. (“Sedgman”) (EPC surface contractor) project personnel to site.

Following the construction decision announced on August 28, 2018, the transition from pre-construction works to full-scale construction of the Underground Project commenced during the quarter.

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 Project to prepare the existing shaft and hoist infrastructure in advance of commencement of underground construction activities.

The 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 could 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, 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 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;
- Paste fill plant to return waste underground and fill open cuts;
- All electrical, instrumentation and communications equipment; and
- Parking, administrative buildings and maintenance facilities.

Corporate Developments

Executive Appointments

Subsequent to Q3 2018, Abraham Jonker was appointed as Chief Financial Officer of the Company effective October 1, 2018. Mr. Jonker has 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 non-Executive Chairman of Golden Reign Resources Ltd. 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.

Mr. Jonker, as part of this transition, has stepped down from his position as Non-Executive Director of the Company, effective October 1, 2018 and Mr. Bob McKnight, a highly experienced geological engineer with broad experience in the mining industry, has transitioned to a new role as Executive Vice President - Concentrate Sales and Logistics.

Subsequent to Q3 2018, 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 Gold Corporation (“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.

Outlook

With the second stage of financing completed, the Company will continue the advancement of engineering and construction of the Underground Project with the focus on the following activities:

1.) Underground mine development:
- complete the main shaft to its final depth and equip the shaft for haulage of materials;
- sink a secondary shaft for ventilation and emergency egress; and
- start lateral underground development and establishment of the initial necessary underground infrastructure and stope development to allow for sustained mining operations.
2.) Surface plant and infrastructure development:
   - Execute construction of the process plant;
   - Construct a paste plant and tails dewatering facilities; and
   - Construct other surface support infrastructure.

3.) Procure all remaining underground support and processing equipment.

Mine and surface development will continue throughout 2018 and 2019 and completion and initial production from the Underground Project is expected in Q4 2019.

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

**Pumpkin Hollow Project**

The Pumpkin Hollow Property (the “Pumpkin Hollow Property” or the “Property”) is the principal mining asset of the Company. The Property, located approximately 60 miles southeast of Reno, Nevada near Yerington, consists of approximately 17,500 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 (“Eastern Area”) 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. Development of the deposits can therefore be made as either (i) a separate underground mine and process facility and/or a separate open pit mine and process facility, or (ii) an “Integrated” development with both underground and open pit mines feeding a single process facility. Three alternative development options have been established and analyzed by the Company in order to confirm the long-term development options for the Project.

In July 2015, a technical report feasibility study was completed and filed on SEDAR. This 2015 study evaluated the development of mines on both the open pit and underground deposits, providing mill feed to a single large 70,000 short tons per day (stpd) concentrator (“2015 IFS”). The technical and scientific information in the 2015 study is materially unchanged and relevant and remains as one of the viable development options (cases) for the Property. This is presented in the October 2018 Technical Report as “Case B”.

In early 2017, Nevada Copper retained Sedgman Canada Limited and Mining Plus Pty Ltd to complete a Prefeasibility Study (“PFS”) that evaluates a potential 5,000 stpd underground copper mine, processing plant and associated infrastructure, accessing the Eastern Area underground deposits. This PFS was disclosed as “Case A” in a technical report filed on SEDAR in December 2017 and as amended in January 2018. This technical report, which superseded and replaced all previous technical reports, also disclosed the 2015 IFS as “Case B”.

**October 2018 Preliminary Economic Assessment (PEA)**

Following the successful completion of financing transactions for the construction of the underground mine portion of the Project on a standalone basis (Case A), the Company decided to re-scope the development of the open pit by examining the potential to also develop the open pit on a standalone basis. Similar to the 2017 pre-feasibility study in respect of Case A, the PEA presents an alternative to the integrated development of the Project (Case B) by utilizing a phased development approach to implement the Company’s “margin-over-ton” philosophy. The PEA focuses on a fresh mining perspective for the open pit, with a focus on project value and economic returns by reducing throughput for the first part of the mine life, reducing tonnage and concentrating on higher grade mineralized material. The PEA approach proposes an initial production rate of 37,000 stpd followed by an optional expansion of mining and processing facilities to 70,000 stpd.
Following the filing of the October 2018 Technical Report which included the PEA, the BCSC completed a review of the Company’s technical disclosure. As a result of the review, the Company issued a press release clarifying its technical disclosure. See the Company’s press release, dated November 13, 2018, for further details.

**Permitting**

The Company has obtained all material permits and approvals for the development and operation of the Project as described in the October 2018 Technical Report. 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**

(UNAUDITED – EXPRESSED IN UNITED STATES DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting and remuneration</td>
<td>$171</td>
<td>$111</td>
<td>$1,565</td>
<td>$393</td>
</tr>
<tr>
<td>Public company expenses</td>
<td>456</td>
<td>83</td>
<td>1,609</td>
<td>348</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>428</td>
<td>73</td>
<td>933</td>
<td>212</td>
</tr>
<tr>
<td>Professional fees</td>
<td>1,069</td>
<td>55</td>
<td>1,839</td>
<td>119</td>
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<tr>
<td>Business development</td>
<td>-</td>
<td>36</td>
<td>73</td>
<td>139</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>130</td>
<td>106</td>
<td>1,872</td>
<td>131</td>
</tr>
<tr>
<td></td>
<td>2,254</td>
<td>464</td>
<td>7,891</td>
<td>1,342</td>
</tr>
<tr>
<td>Interest income</td>
<td>621</td>
<td>1</td>
<td>949</td>
<td>9</td>
</tr>
<tr>
<td>Interest and finance expenses</td>
<td>-</td>
<td>(1,348)</td>
<td>(991)</td>
<td>(3,643)</td>
</tr>
<tr>
<td>Derivative fair value change</td>
<td>201</td>
<td>(1,294)</td>
<td>(1,545)</td>
<td>6,829</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td>-</td>
<td>1</td>
<td>(549)</td>
<td>1</td>
</tr>
<tr>
<td>Debt extinguishment loss, net</td>
<td>-</td>
<td>-</td>
<td>(7,737)</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange (loss) gain</td>
<td>(413)</td>
<td>(18)</td>
<td>(854)</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>409</td>
<td>(2,658)</td>
<td>(10,727)</td>
<td>3,201</td>
</tr>
<tr>
<td>Net income (loss) and comprehensive income (loss)</td>
<td>$(1,845)</td>
<td>$(3,122)</td>
<td>$(18,618)</td>
<td>$1,859</td>
</tr>
</tbody>
</table>

**Income (loss) per common share**

<table>
<thead>
<tr>
<th></th>
<th>Basic and diluted</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(0.00)</td>
<td>$(0.03)</td>
<td>$(0.04)</td>
<td>$ 0.02</td>
</tr>
</tbody>
</table>

For the three months ended September 30, 2018, the Company reported a net loss of $1.8 million (or $0.00 basic and diluted loss per common share) compared to a net loss of $3.1 million for the corresponding period in 2017 (or $0.03 basic and diluted loss per common share).

The $1.3 million decrease in net loss period to period is mainly driven by:
- $0.2 million derivative fair value gain compared to a 2017 loss of $1.3 million relating to the derivatives recognized as part of the Pala Convertible Debt (as defined below under the heading “Liquidity, Cash Flow and Capital Resources”);
- $Nil in interest expense compared to $1.3 million during the three months ended September 30, 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 the 2018 calendar year; and
- $1.7 million increase in public company, administration and professional fee expenses, including expenses relating to the Company’s development and financing activities.
For the nine months ended September 30, 2018, the Company reported a net loss of $18.6 million (or $0.04 basic and diluted loss per common share) compared to a net income of $1.9 million for the corresponding period in 2017 (or $0.02 basic and diluted earnings per common share).

The $20.5 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);
- $1.5 million derivative fair value loss (2017 gain of $6.8 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 $0.8 million as at September 30, 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”);
- $1.2 million increase in consulting and remuneration from $0.4 million for the nine months ended September 30, 2017 to $1.6 million for the nine months ended September 30, 2018 partly due to the payment of benefits under the employment contracts of certain senior officers during the period 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.
- $1.8 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 $3.6 million during the nine months ended September 30, 2017 to $1 million due to the conversion of the Pala Convertible Debt and the extinguishment of the Pala Bridge Loan.

Pumpkin Hollow Project Expenditures

Project costs capitalised for the nine months ended September 30, 2018 on the Property consist of the following:

(Expressed in thousands of United States dollars) (Unaudited – Prepared by Management)

<table>
<thead>
<tr>
<th></th>
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<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>$1,961</td>
<td>$-</td>
<td>$1,961</td>
</tr>
<tr>
<td>Advance royalty payments</td>
<td>4,261</td>
<td>1,098</td>
<td>3,163</td>
<td>3,163</td>
<td>-</td>
<td>3,163</td>
</tr>
<tr>
<td>Water rights</td>
<td>2,435</td>
<td>185</td>
<td>2,250</td>
<td>2,159</td>
<td>188</td>
<td>1,971</td>
</tr>
<tr>
<td>Drilling</td>
<td>42,715</td>
<td>1,558</td>
<td>41,157</td>
<td>41,157</td>
<td>-</td>
<td>41,157</td>
</tr>
<tr>
<td>Geological consulting, exploration &amp; related</td>
<td>10,579</td>
<td>2,656</td>
<td>7,923</td>
<td>7,923</td>
<td>-</td>
<td>7,923</td>
</tr>
<tr>
<td>Feasibility, engineering &amp; related studies</td>
<td>22,585</td>
<td>1,223</td>
<td>21,362</td>
<td>20,853</td>
<td>1,270</td>
<td>19,583</td>
</tr>
<tr>
<td>Permits/environmental</td>
<td>11,921</td>
<td>277</td>
<td>11,644</td>
<td>11,701</td>
<td>120</td>
<td>11,581</td>
</tr>
<tr>
<td>East deposit underground project Underground access, hoist, head frame, power &amp; related</td>
<td>90,785</td>
<td>11,884</td>
<td>78,901</td>
<td>78,602</td>
<td>841</td>
<td>77,761</td>
</tr>
<tr>
<td>Eng. procurement</td>
<td>26,725</td>
<td>16,175</td>
<td>10,550</td>
<td>10,550</td>
<td>-</td>
<td>10,550</td>
</tr>
<tr>
<td>Surface infrastructure</td>
<td>4,529</td>
<td>725</td>
<td>3,804</td>
<td>3,804</td>
<td>-</td>
<td>3,804</td>
</tr>
<tr>
<td>Site costs</td>
<td>18,964</td>
<td>3,620</td>
<td>15,344</td>
<td>14,974</td>
<td>1,124</td>
<td>13,850</td>
</tr>
<tr>
<td></td>
<td>237,460</td>
<td>39,401</td>
<td>198,059</td>
<td>196,847</td>
<td>3,543</td>
<td>193,304</td>
</tr>
<tr>
<td>Depreciation</td>
<td>715</td>
<td>25</td>
<td>690</td>
<td>677</td>
<td>40</td>
<td>637</td>
</tr>
<tr>
<td>Capitalised interest</td>
<td>54,364</td>
<td>6,405</td>
<td>47,959</td>
<td>43,718</td>
<td>11,734</td>
<td>31,984</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>5,467</td>
<td>969</td>
<td>4,498</td>
<td>4,498</td>
<td>103</td>
<td>4,395</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$298,006</strong></td>
<td><strong>$46,800</strong></td>
<td><strong>$251,206</strong></td>
<td><strong>$245,740</strong></td>
<td><strong>$15,420</strong></td>
<td><strong>$230,320</strong></td>
</tr>
</tbody>
</table>

- 8 -
For the nine month period ended September 30, 2018, the Company incurred $46.8 million of Project expenditures compared to $15.4 million for the same period in 2017. The $30.9 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 ended September 30, 2017 was care and maintenance activities only.

Capitalised interest costs were $6.4 million for the nine month period ended September 30, 2018 compared to the capitalised interest costs for the nine month period ended September 30, 2017 of $11.7 million due to the debt refinancing that occurred during the year.

Liquidity, Cash Flow and Capital Resources

Financial Condition (Unaudited – Expressed in thousands of United States dollars)

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$152,858</td>
<td>$385</td>
</tr>
<tr>
<td>Other current assets</td>
<td>525</td>
<td>224</td>
</tr>
<tr>
<td>Other assets</td>
<td>449</td>
<td>10,197</td>
</tr>
<tr>
<td>Mineral properties, plant, and equipment</td>
<td>316,971</td>
<td>251,449</td>
</tr>
<tr>
<td>Total assets</td>
<td>$470,803</td>
<td>$262,255</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$19,035</td>
<td>$3,907</td>
</tr>
<tr>
<td>Stock-based compensation liabilities</td>
<td>357</td>
<td>1,547</td>
</tr>
<tr>
<td>Current portion of long term debt</td>
<td>181</td>
<td>70,038</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>19,573</td>
<td>75,492</td>
</tr>
<tr>
<td>Long term debt</td>
<td>86,600</td>
<td>113,532</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>70,500</td>
<td>-</td>
</tr>
<tr>
<td>Asset retirement obligation</td>
<td>895</td>
<td>895</td>
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<tr>
<td>Total liabilities</td>
<td>177,568</td>
<td>189,919</td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td>293,235</td>
<td>72,336</td>
</tr>
<tr>
<td></td>
<td>$470,803</td>
<td>$262,255</td>
</tr>
</tbody>
</table>

As of September 30, 2018, the Company had a cash balance of $152.9 million, excluding restricted cash. The Company’s working capital as at September 30, 2018, was $133.8 million compared with a working capital deficit of $73.9 million as at December 31, 2017.

The increase in the Company’s working capital during the nine month period ended September 30, 2018 is 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.

In addition, 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 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 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 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 deferred 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 $38.3 million and $18.8 million, respectively, for the nine month period ended September 30, 2018.

In addition, the following cash outflows resulted from financing activities during the nine month period ending September 30, 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 Investments Limited (“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 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.
Summary of Quarterly Results

Selected consolidated financial information for the most recent eight financial quarters is as follows:

<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>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>
<td>2,435</td>
</tr>
<tr>
<td>Total assets</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>
<td>244,516</td>
</tr>
<tr>
<td>Project expenditure (cumulative)</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>
<td>230,320</td>
</tr>
<tr>
<td>Total noncurrent liabilities</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>
<td>165,600</td>
</tr>
<tr>
<td>Shareholders’ equity</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>
<td>76,408</td>
</tr>
<tr>
<td>Net profit (loss)</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>
<td>(4,842)</td>
</tr>
<tr>
<td>Net profit (loss) per share</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>
<td>(0.05)</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 September 30, 2018. Additionally, two Pala executives, Evgenij Iorich and Stephen Gill, are on the Company’s Board of Directors as at September 30, 2018.

During the nine month period ended September 30, 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 $2.1 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 $1.1 million (2017 -$1.6 million) and is not recorded in the consolidated statements of financial position. During the nine month period ended September 30, 2018, $1 million was paid to a senior officer upon his departure from the Company.

During the nine months and three months ended September 30, 2018, $0.5 million (2017-$nil) and $0.2 million (2017-$nil) was earned in director fees. As of September 30, 2018, accounts payable and accrued liabilities include director fees and expenses payable of $0.4 million (2017- $0.5 million).

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

The following table sets forth the Company's known contractual obligations as at September 30, 2018:

<table>
<thead>
<tr>
<th>Contractual obligations</th>
<th>Total</th>
<th>1 year</th>
<th>2-3 years</th>
<th>4-5 years</th>
<th>5 years+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$19,035</td>
<td>$19,035</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Obligations under EPC contracts</td>
<td>12,650</td>
<td>12,650</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DCU and DSU payable</td>
<td>357</td>
<td>357</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>165,685</td>
<td>-</td>
<td>12,245</td>
<td>31,818</td>
<td>121,622</td>
</tr>
<tr>
<td><strong>Total USD obligations</strong></td>
<td>$197,727</td>
<td>$32,042</td>
<td>$12,245</td>
<td>$31,818</td>
<td>$121,622</td>
</tr>
<tr>
<td>Office lease</td>
<td>$40</td>
<td>$40</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New office lease</td>
<td>410</td>
<td>114</td>
<td>273</td>
<td>23</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total CAD obligations</strong></td>
<td>$450</td>
<td>$154</td>
<td>273</td>
<td>23</td>
<td>-</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

Management is responsible for establishing and maintaining adequate internal controls over financial reporting (“ICFR”). Any system of ICFR, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There were no material changes in the Company’s ICFR during the nine months ended September 30, 2018.

New Accounting Pronouncements

Certain recent accounting pronouncements have been included under Note 2c in the Company’s September 30, 2018 unaudited interim 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 4 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 lessors and lessees. 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 is evaluating the impact of the adoption on IFRS 16 but has yet to make any final conclusions.

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 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 following are areas where significant estimations have been made or where measurements are uncertain:

i. Mineral property assets. The measurement and impairment of mineral properties are based on various judgments and estimates. These include the determination of the 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. 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 tax 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 changes to the amount of deferred tax assets.

iii. 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 stock-based compensation expense reported.

iv. Discount rate of loans. The loans are initially recognised at fair value, calculated as the net present value of the liability based upon discount rates used by comparable issuers and accounting at amortised cost using the effective interest rate method.

v. To determine the transaction price for streaming agreements and the revenue to be recognized as control transfers, the Company must make estimates with respect to interest rates implicit in the agreements and future production of the life of mine and Mineral Resources and Reserves quantities. These estimates are subject to variability and may have an impact on the timing and amount of revenue recognized. The Company also exercises judgment in the identification of performance obligations under its streaming contracts and the allocation of the transaction price thereto. Specifically, management considered the customer’s rights in relation to future production and the interrelationship of the customer’s ability to benefit from this right and related extraction activities performed by the Company, as well as the Company’s role as an agent to deliver future refined metal following extraction activities it performs.

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 November 14, 2018:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common shares issued and outstanding</td>
<td>661,933,584</td>
</tr>
<tr>
<td>Total stock options outstanding</td>
<td>22,411,500</td>
</tr>
<tr>
<td>Total warrants outstanding</td>
<td>5,000,000</td>
</tr>
</tbody>
</table>

Forward-Looking Statements

Certain of the statements made and information contained herein contain forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning: the development and 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; and access to additional financing.

Forward-looking statements or 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”, “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 are subject to known or 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 or 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; legal and regulatory proceedings and community actions; 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; 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 materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information. The Company disclaims any intent or obligation to update forward-looking statements or information except as required by law. Readers are also referred to the full discussion of the Company’s business contained in the Company’s reports filed with the securities regulatory authorities in Canada.