

NEVADA COPPER CORP.
Management's Discussion & Analysis
For the year ended December 31, 2017

General

This Management's Discussion and Analysis ("MD&A") of Nevada Copper Corp. (the "Corporation" or "Nevada Copper") has been prepared by management as of March 28, 2018 and should be read in conjunction with the Corporation's audited consolidated financial statements and related notes for the year ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("GAAP" or "IFRS" as issued by the International Accounting Standards Board ("IASB")). The information contained within this MD&A is current to March 28, 2018.

Unless otherwise noted, comparative financial information contained in this MD&A has been prepared in accordance with IFRS. All amounts are expressed in thousands of US Dollars unless otherwise indicated. Additional information relevant to the Corporation's activities can be found on SEDAR at www.sedar.com.

Description of Business

Nevada Copper Corp. (the "Corporation" or "Nevada Copper" or "NCU") was incorporated on June 16, 1999 under the Business Corporations Act of the Yukon as "African Venture Corporation" and changed its name to "Astron Resources Corporation" on July 26, 1999, and subsequently to Nevada Copper Corp. on November 16, 2006. The Corporation's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "NCU". The principal asset of the Corporation is the 100%-owned Pumpkin Hollow copper project ("the Project") located in north-western 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 Pumpkin Hollow project. The Project is fully permitted for both an underground mine ("Underground Project"), or a combined underground/open pit, mine operation with associated copper concentrator and associated infrastructure. The Corporation filed a technical report on SEDAR on January 9, 2018 ("the Technical Report"). The Technical Report discloses the proposed development of a 5,000 tons/day underground project at a preliminary feasibility ("PFS") level. This is the primary focus of the Technical Report. This Technical Report also includes feasibility-level information on the potential development of a large 70,000 tons/day mine at Pumpkin Hollow with feed mainly from the nearby open pit deposits, which is from the same Mineral Resources as accessed in the Underground Project. This is referred to within the Technical Report as the Integrated Project (the "Integrated Project").

The Integrated Project, that was originally disclosed in a NI 43-101 2015 Feasibility Study Technical Report ("2015 IFS") for which the scientific and technical information is materially unchanged, remained a viable development option as of the date of that report. However, the focus in 2018 is to advance the Underground Project and to assess a staged development option for a separate open pit mine development. Over time during 2018, these activities will gradually eliminate the Integrated Project as a development option for Pumpkin Hollow.

The Project is located entirely on private lands owned or controlled by Nevada Copper. No Federal permits are required for construction or operations.

Highlights of 2018

Engineering firms have been engaged as of February 2018 in relation to advancement of the Underground Project. In addition, the underground mining development contract tender process is in progress with a contractor selection anticipated to be made in the first half of 2018. Geotechnical drilling has also commenced at the Pumpkin Hollow site to advance detailed mine planning.

Work has commenced on the optimisation and the reassessment of development options for the open pit mineral resources in particular the higher-grade North deposit. This includes a 10,000-meter surface drilling campaign. The drilling is focused on expanding areas of high grade mineralisation and, if successful, converting waste and inferred material into proven and probable reserves.

On December 21, 2017, the Corporation entered into arrangements for a construction financing and recapitalisation package (the “Restructuring”) designed to provide the Corporation with a comprehensive funding solution and clear pathway towards first production in 2019 from the Underground Project. The Restructuring consists of the following:

- a) approximately \$100,000 raised pursuant to an Offering (“the Offering”) from various investors, including Pala Investments Limited (“Pala”) and investment funds managed by Castl lake, L.P. (“Castl lake”);
- b) \$70,000 precious metals stream from Triple Flag Mining Finance Bermuda (“Triple Flag”), in relation to precious metal production from the Underground Project;
- c) \$80,000 senior secured loan from Red Kite Mine Finance, through its affiliate EXP T1 Ltd. (“Red Kite”);
- d) \$53,000 debt to equity conversion by Red Kite and Pala;
- e) \$25,000 working capital facility which Concord Resources Ltd. (“Concord”) has been mandated to arrange for the Corporation; and
- f) up to a \$60,000 equity backstop from Pala which can be utilised at the Corporation’s option (provided that, because of the Offering, the aggregate amount of such backstop has been reduced to approximately \$50,000).

The Offering

On January 19, 2018, the Corporation completed the Offering raising gross proceeds of \$128,205 CDN through the issuance of 256,410,256 Special Warrants at a price of \$0.50 CDN per Special Warrant. An aggregate of 98,450,896 Special Warrants (the “Pala Special Warrants”) were issued to Pala on the closing date, for total subscription proceeds from Pala of \$49,225 CDN. On the closing date, the Corporation paid Pala a backstop fee of \$600 in respect of a backstop arrangement under which Pala agreed to backstop up to \$30,000 in respect of the Offering, which backstop arrangement was not exercised by the Corporation.

An aggregate of 88,200,000 Special Warrants were issued to Castl lake on the closing date, for total subscription proceeds from Castl lake of \$44,100 CDN, which will result in Castl lake holding approximately 19.8% of the outstanding Common Shares on the exercise, or the deemed exercise, of Castl lake’s Special Warrants into Common Shares. NCU also entered into an investor rights agreement with Castl lake dated January 19, 2018, which provides Castl lake with certain rights, including the right to nominate one member of the Board and the right to participate in further equity offerings of the Corporation, in each case subject to Castl lake maintaining certain minimum percentage share ownership thresholds.

Scotia Capital Inc., National Bank Financial Inc. and Arlington Group Asset Management Limited acted as agents in relation to a brokered component of the January 19, 2018 equity offering.

Subsequent Equity Offering

As NCU advances a number of its development plans for the Underground Project and the Open Pit Project at the Pumpkin Hollow property, the Corporation intends to complete a further offering of Common Shares (or securities convertible into Common Shares) for aggregate proceeds together with the Offering of at least \$150,000 (net of applicable fees and expenses) on terms to be determined in the context of the market, in compliance with the policies of the TSX (the “Subsequent Equity Offering”). Scotia Capital Inc. and National Bank Financial Inc. have rights to be retained as joint bookrunners on the Subsequent Equity Offering.

Equity Backstop Funding Available at the Corporation’s Option

To ensure that the Corporation will be well-positioned to successfully implement the Subsequent Equity Offering at the time of its choosing and to take advantage of favourable market conditions, the Corporation has entered into certain equity backstop agreements that provide that Pala will purchase Common Shares (or securities convertible into Common Shares) for an aggregate amount of up to \$60,000 (provided that, as a result of the Offering, the aggregate amount of such backstop has been reduced to approximately \$50,000), which may be called by the Corporation at its option, to mitigate funding risks for the Corporation as it advances the Underground Project into construction.

In this respect, the Corporation has entered into a backstop agreement with Pala and Triple Flag dated December 21, 2017 (the “Equity Backstop”) whereby Pala has agreed to backstop an amount equal to \$125,000 less the combined net proceeds of the Offering and the Subsequent Equity Offering prior to June 30, 2019. In addition, the Corporation has also entered into an additional backstop agreement (the “Additional Equity Backstop”, collectively with the Equity Backstop, the “Subsequent Equity Offering Backstop”) with Pala where Pala has agreed to backstop an additional amount of \$25,000. Should the Corporation exercise its option under the aforesaid equity backstop

arrangements, the Common Shares (or securities convertible into Common Shares) that may be issued thereunder will be issued at a price that is to be agreed among the Corporation and Pala, provided such price shall not be less than the applicable market price at the time of such subscription less the maximum permitted discount under the policies of the TSX. Pala was paid 2% of their commitment amount in cash in respect of the equity backstop arrangements (the “Subsequent Equity Offering Backstop Fee”). The Subsequent Equity Offering Backstop is subject to certain conditions, including confirmation that funding of the Stream Deposit (as defined below) will occur concurrently and receipt of TSX approval.

The equity backstop arrangements provide NCU with significant flexibility to raise the remaining equity amount to complete construction of the Underground Project. The Corporation intends to raise the remaining funds from subsequent equity offerings prior to the commencement of construction of the Underground Project to take advantage of favourable market conditions.

Triple Flag Investment

The Corporation, Nevada Copper, Inc. (“NCI”), and Triple Flag have entered into a metals purchase and sale agreement dated December 21, 2017 (the “Stream Agreement”) whereby Triple Flag has committed to fund a deposit of \$70,000 (the “Stream Deposit”) against future sale and delivery by NCI 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. NCI will receive an ongoing payment of 10% of the spot price for each ounce of gold and silver delivered to Triple Flag. NCI 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 \$36,000 to Triple Flag, subject to certain adjustments. NCU and its subsidiaries have provided security for the performance of the obligations under the Stream Agreement over all their respective assets.

Funding of the Stream Deposit is conditional on, among other things, a decision to proceed with construction of the Underground Project on a fully funded basis (excluding working capital) and completion of the Subsequent Equity Offering. Triple Flag also provided \$10,000 of equity funding under the Offering.

Red Kite Debt Restructuring

The Corporation has entered into an amended and restated loan and security agreement dated January 19, 2018 with Red Kite (the “Red Kite Loan Agreement”). As part of the Restructuring, the Corporation’s outstanding indebtedness to Red Kite (the “Red Kite Loan”) of approximately \$136,000 under the loan and security agreement between the Corporation and Red Kite dated December 30, 2014, as amended (the “2014 Red Kite Loan and Security Agreement”) was reduced to \$95,000 by way of a payment to Red Kite of approximately \$42,200 from the proceeds of the Offering. Subject to completion of the Subsequent Equity Offering and compliance with TSX policies, another \$15,000 of outstanding indebtedness (the “Equity Conversion Amount”) will be converted into Common Shares, at a conversion price per Common Share equal to the average price per Common Share of the last \$50,000 of the first \$150,000 raised pursuant to the Offering and Subsequent Equity Offering, provided that the conversion price shall not be more than a 10% premium to the applicable 20 day volume-weighted average trading price of the Common Shares prior to such conversion.

The \$80,000 of remaining indebtedness consists of two tranches of \$40,000 each. Tranche one has a seven-year term, interest at LIBOR +8%, a two-year grace period on cash interest and 20 quarterly sculpted repayments. Tranche two has a nine-year term, interest at LIBOR +8.5% and a single repayment of principal and interest at maturity. If the Equity Conversion Amount is not converted into Common Shares as described above, it will be added to tranche one.

Pala Debt Conversion and Investor Rights Agreement

On the closing date of January 19, 2018, the outstanding indebtedness in the amount of approximately \$48,000 CDN under the third amended and restated loan and security agreement between the Corporation and Pala dated February 23, 2017, as amended (the “Pala Convertible Loan”) was converted into 95,561,944 Common Shares (the “Pala Conversion Shares”) at a conversion price of \$0.50 CDN per Pala Conversion Share.

In connection with the conversion of the Pala Convertible Loan, the Corporation and Pala entered into an investor rights agreement dated December 21, 2017, pursuant to which Pala has been granted the continuation of certain rights it held pursuant to the Pala Convertible Loan, including the right to nominate up to three members of the

Board, subject to Pala maintaining certain share ownership thresholds, and the right, so long as it holds at least 15% of the outstanding Common Shares, to participate in future equity offerings of the Corporation on a *pro rata* basis.

Working Capital Facility

The Corporation has entered into a marketing services agreement with Concord dated December 21, 2017, whereby Concord will act as the Corporation's marketing agent to support NCU in maximising the value of offtakes, advising on logistics and freight, and exploring product swaps with strategic offtakers to support further financing efforts.

Additionally, the Corporation has mandated Concord to source a working capital revolving facility (the "Working Capital Facility"), the intended key terms of which include a principal amount of available indebtedness of \$25,000, three-year term that is mutually extendable, interest rate of LIBOR + 3% and subordinated security to both the Red Kite Loan Agreement and the Stream Agreement. The entering of such Working Capital Facility is subject to receiving acceptable offers from potential lenders and finalising definitive documentation. There is no certainty such Working Capital Facility will be entered into or entered into on the terms set forth above.

Pala Bridge Loan

On November 14, 2017, Pala advanced the Corporation a bridge loan in the principal amount of \$3,500, to fund completion of the Technical Report and provide working capital. The bridge loan was repaid in full, along with accrued interest on the closing date of January 19, 2018.

Highlights of 2017

Effective November 14, 2017, Nevada Copper entered into a bridge loan facility with Pala in the maximum principal amount of \$3,500, of which \$2,500 was advanced in October and \$1,000 was advanced in December 2017. These funds were used to fund feasibility studies for the construction of an underground project at Pumpkin Hollow and for general working capital purposes. The bridge loan facility carries an interest rate of 7%. The interest charges are payable upon maturity. The bridge loan has a maximum term of six months and may be repaid earlier without penalty. The bridge loan was repaid in its entirety upon completion of the offering on January 19, 2018.

The Corporation has worked extensively with outside contractors to develop a pre-feasibility study. In addition, the Corporation has, with the assistance of the technical team of Pala operating under a technical service agreement, focused on financing alternatives for the completion of the underground mine build. The Corporation has maintained its permit compliance and kept the shaft de-watered in the case that the financing is secured in the short term.

In May 2017, Nevada Copper closed a non-brokered private placement with Pala at \$0.66 CDN per common share. This price represents a 10% premium to the volume weighted average price on the Toronto Stock Exchange for the 20 trading days ending May 18, 2017, for aggregate gross proceeds to Nevada Copper of approximately \$2,450,000 CDN. At closing, Nevada Copper issued 3,712,121 common shares. As a result of the private placement, Pala held an aggregate of 44,001,262 common shares, representing approximately 47.2% (increasing from 45.7%) of the total issued and outstanding common shares of Nevada Copper, totalling 93,178,482 common shares at December 31, 2017.

The proceeds from the private placement were used to fund evaluation of various project development options at Pumpkin Hollow including advancing feasibility and technical studies for the construction of a smaller-scale, lower capital cost and higher-grade underground project as previously announced and for working capital purposes.

The Corporation issued 1,298,236 common shares at \$0.75 CDN to settle a DSU liability with former directors on their retirement. The fair value of the equity issued was \$710 (\$974 CDN).

In February 2017, Nevada Copper announced that, Pala, agreed to make a further investment of \$5,000 in the Corporation ("Pala Financing"). Additionally, Nevada Copper also successfully secured extensions to the loan maturities under its existing senior term loan facility with EXP T1 Ltd, an affiliate of Red Kite and its loan with Pala.

Nevada Copper's board of directors was reduced in size to six members with the retirement of Victor Bradley, Joe Giuffre, Paul Matysek and the departure of Mr. Bill Myckatyn, who did not stand for election at the annual general meeting ("AGM") held on April 28, 2017. With Mr. Bradley's retirement, the Corporation announced that Evgenij

Iorich has been appointed Non-Executive Chairman. Mr. Abraham (Braam) Jonker has joined the Board as an independent non-executive director.

2016 Highlights

In June 2016, Nevada Copper closed its previously-announced equity offering of common shares at \$0.60 CDN per common share (the "Offering"). The Offering, which was qualified by prospectus, was fully subscribed, including the full exercise of the 15% over-allotment option, resulting in total gross proceeds to the Corporation of \$4.6 million CDN. The final prospectus for the Offering was filed on June 3, 2016. At closing, Nevada Copper issued 7,666,667 common shares in the Offering, bringing the post-closing number of issued and outstanding common shares to 88,168,125.

A syndicate of agents, co-led by GMP Securities L.P. and Dundee Securities Ltd. (the "Co-Lead Agents") and including Haywood Securities Inc. (collectively with the Co-Lead Agents, the "Agents"), acted as agents in respect of the Offering. A total of 460,000 warrants, with an exercise price of \$0.60 CDN expiring on June 9, 2018, were issued to the Agents because of the closing of this equity offering.

The net proceeds from the Offering are to be used by the Corporation at its fully-permitted Pumpkin Hollow project in Nevada for engineering, ongoing property maintenance, and for working capital and general corporate purposes.

On June 3, 2016 the Corporation announced that its senior secured lender, EXP T1 Ltd., an affiliate of Red Kite has agreed to certain amendments to the senior loan agreement between the Corporation and Red Kite which waive all existing defaults under the senior loan facility, on the following basis:

1. Red Kite waived the existing defaults under its loan facility with the Corporation and lifted the forbearance under which the Corporation had been operating;
2. the requirement for the Corporation to complete a minimum \$10,000 financing was waived;
3. Red Kite advanced to the Corporation an additional \$3,000 draw under the current loan facility; and
4. The working capital covenant under the loan facility was amended such that the Corporation will be required to maintain minimum working capital of \$100.

The continuance of the foregoing waivers and the completion of the drawdown and amendments were subject to the receipt by the Corporation, on or before June 7, 2016, of the \$5,000 additional drawdown under the Corporation's subordinated convertible loan agreement with Pala. The Pala convertible debt was approved by a vote of disinterested shareholders at the Annual and Special Meeting of the shareholders of the Corporation held May 27, 2016. The Pala funds of \$5,000 were then advanced on June 3, 2016.

Pala Convertible Loan Facility History

In addition to the May 2017, non-brokered private placement of shares with Pala described above, the Corporation also closed an additional \$5,000 draw of Pala's convertible loan facility in February 2017. The conversion price for this tranche of the convertible loan from Pala, previously announced and funded earlier this year, will be adjusted in accordance with the terms of the loan from \$0.90 CDN to \$0.76 CDN, which represents 115% of the subscription price for the May 23, 2017 private placement.

Pala Financing was made available in the form of a convertible loan subordinated to the existing Red Kite loan facility, on terms described below, and adjusted conversion prices for the new \$5 million loan tranche as follows:

- interest rate of 12% per annum;
- maturity date of December 31, 2018;
- arrangement fee of \$200 payable out of the loan proceeds; and
- conversion price of \$0.90 CDN in respect of the new \$5,000 loan tranche, and interest and fees thereon, being the 15% premium to the average 20-day volume-weighted average price ("VWAP") closing price of the common shares on February 24, 2017, subject to potential adjustment such that the conversion price will not exceed 115% of the subscription price for any equity offering during the next six months. The principal loan amount plus accrued and unpaid interest may be converted at such conversion price into common shares of the Corporation at any time up to December 31, 2018 or prior to any voluntary prepayment.

Pala has been granted 2.5 million warrants with a 3-year term with an exercise price at \$0.97 CDN, being a 25% premium to the average 20-day VWAP closing market price of the common shares of the Corporation on February 24, 2017.

The maturity of Pala's outstanding convertible loans has been extended to December 31, 2018, such that the maturity is aligned with that of the new loan tranche.

The Corporation held an annual and special shareholder meeting on April 28, 2017, at which it sought and received disinterested shareholder approval of the new tranche of the Pala Convertible Loan Facility.

December 2016 amendment

The December loan amendment further improved the terms of the Pala Convertible Loan Facility as follows:

- Pala has extended the maturity date to January 10, 2018.

May 2016 amendment

The May loan amendments further improved the terms of the Pala Convertible Loan Facility as follows:

- Pala has waived the existing defaults under its loan facility with the Corporation;
- Pala advanced to the Corporation an additional \$5,000 draw under the current loan facility; and
- the working capital covenant under the loan facility was amended such that the Corporation will be required to maintain minimum working capital of \$100.

On April 22, 2016, the Corporation entered into definitive documentation regarding the amendment of its existing \$21.7 million subordinated loan facility into a convertible loan facility. Under the terms of the Pala Convertible Loan Facility, and subject to certain conditions:

1. **Pala Advance:** Pala will advance \$5,000 (the "Pala Advance"), such that an aggregate principal amount of \$26.7 million will be outstanding under the Pala Convertible Facility.
2. **Maturity Date:** The Pala Convertible Loan Facility will mature and be payable on the earliest of:
 - a. December 31, 2017;
 - b. the date when outstanding amounts under the Red Kite Loan Agreement are paid in full; and
 - c. a change of control event.
3. **Interest Rate:** 12% per annum an increase from 10% per annum previously. Interest will not be paid in cash but will accrue monthly.
4. **Voluntary Prepayment and Prepayment Fee:** All outstanding amounts under the Pala Convertible Loan Facility may be prepaid in full by the Corporation with payment of the following early repayment fee (the "Prepayment Fee") equivalent to:
 - a. 25% of outstanding amounts to be prepaid, if prepayment is made prior to December 31, 2016; and
 - b. 35% of outstanding amounts to be prepaid, if prepayment is made between January 1, 2017 and December 31, 2017.

The Prepayment Fee will be applicable on any repayment of the Pala Convertible Loan Facility prior to December 31, 2017.

5. **Conversion:** Pala may elect to convert the principal amount and any accrued and unpaid interest under the Pala Convertible Loan Facility, including the Prepayment Fee, if applicable, in full or in part, at the Conversion Price (as defined below), into common shares in the capital of the Corporation at any time up to the Maturity Date or upon any voluntary prepayment by the Corporation. The Conversion Price will be \$0.69 CDN per share, which represents the minimum of:
 - a. a 15% premium to the 20-day volume-weighted average price ("VWAP") of the common shares of the Corporation immediately prior to signing of the definitive loan documentation, and
 - b. 115% of the Issue Price in the Offering which was \$0.60 CDN per share.
6. **Arrangement Fee:** \$200 due upon execution, payable out of the proceeds of the Pala Advance.
7. **Warrants:** Pala was issued 2.5 million warrants with a 3-year term, exercisable to acquire common shares of the Corporation at an exercise price of \$1.20 CDN per share.
8. **Board Nomination Right:** Pala will be granted rights to nominate up to three members of the Board of Directors of the Corporation, subject to Pala maintaining certain share ownership thresholds.

9. Right to Purchase: Pala will be granted the right, so long as it holds at least 15% of the outstanding common shares of the Corporation, to participate in future equity offerings of the Corporation.

The Corporation held an annual and special shareholder meeting on May 27, 2016, at which it sought and received disinterested shareholder approval of the Pala Convertible Loan Facility.

Red Kite Loan History and Amendments since December 2014

The original \$200 million Red Kite Loan facility was executed on December 30, 2014 with amendments to this loan agreement announced on September 2015, January 2016, April 2016, May 2016, and February 2017 (as amended, the “Red Kite Loan Facility”).

Under a March 2017 amendment to the Red Kite loan facility, monthly interest payments for March 2017 to June 2017, of \$4,817, were prepaid from proceeds of the Pala Financing. Interest payments for the balance of 2017 and 50% of the 2018 monthly interest will be accrued. The milestone deadlines for project construction drawdown conditions to be satisfied and the date for first loan principal repayment have both been extended to December 31, 2018.

May 2016 amendment

The May loan amendments further improved the terms of the Red Kite Loan Facility as follows:

- Red Kite waived the existing defaults under its loan facility with the Corporation and lifted the forbearance under which the Corporation has been operating;
- the requirement for the Corporation to complete a minimum \$10,000 financing was waived and the working capital covenant under the loan facility will be amended such that the Corporation will be required to maintain minimum working capital of \$100.
- Red Kite advanced to the Corporation an additional \$3,000 draw under the current loan facility.

April 2016 amendment

The April loan amendments further improved the terms of the Red Kite Loan Facility as follows:

- reducing the required funding under a 2016 Offering to \$10,000 from \$15,000;
- extending the outside date for completion of the 2016 Offering to May 31, 2016 from April 15, 2016;
- reducing the working capital maintenance requirement to \$2,000 from \$5,000;
- confirms December 31, 2017 as the final date for satisfaction of the initial loan drawdown conditions;
- extending the outside date of first commercial production to March 31, 2020; and,
- eliminating the requirement for 2017 loan interest to be deposited in escrow by December 31, 2016, instead requiring only that interest be paid monthly in advance starting in January 2017.

Completion of the 2016 Financing brought the Corporation into compliance with the revised working capital covenant contained in the Red Kite Loan Facility and the balance sheet loan amounts were reclassified back from a current liability to a long-term liability.

January 2016 amendment

On January 2, 2016, Nevada Copper reached a further amendment to the Red Kite Loan Facility, pursuant to which Red Kite will not exercise its rights and remedies under the Red Kite Loan Facility because of the non-completion of a financing transaction. Under this January 2016 amendment, the Corporation had until April 15, 2016 to complete an alternative \$15,000 financing. These and other terms are set out below.

The key provisions of the January 2016 amendments were as follows:

1. Loan Agreement Extension. Red Kite has agreed to:
 - a. not exercise its rights and remedies under the Red Kite Loan Facility as a result of the non-completion of a financing transaction by December 31, 2015 and allow until April 15, 2016 for the completion of an alternative interim financing transaction in the minimum amount of \$15 million, following which the Red Kite Loan Facility will be in good standing;
 - b. reduce the minimum working capital requirement from \$10,000 to \$5,000; and

- c. subject to certain conditions, including depositing all loan interest cash payments due in 2017 into an escrow account by December 31, 2016, extend the project construction drawdown conditions by a further 12 months to December 31, 2017.
2. Off-take Buyback. In connection with the initial execution of the Loan Agreement, Nevada Copper entered into an offtake agreement pursuant to which Red Kite, assuming the full \$200 million drawdown, would have had the right to purchase up to 74.5% of the copper concentrates produced from the underground deposits at the Pumpkin Hollow Project. Red Kite's percentage offtake right is pro-rated based on the principal amount drawn under the Loan Agreement and based on current drawdowns; Red Kite had the right to purchase 33.5% of copper concentrate production from the underground deposits. The Corporation has agreed to buy, and Red Kite has agreed to sell its rights under the amended offtake agreement for \$10 million, this amount will be funded by an additional draw under the Loan Agreement.

The offtake buy-back reduces the percentage of the offtake from the Pumpkin Hollow underground deposits allocated to third parties from 59% to 25.5%. Copper concentrates derived from the larger open pit deposits remain 100% uncommitted. The offtake buyback price will allow for lowered smelter charges and better copper price certainty on this portion of the concentrates while also providing improved financial returns upon commencement of commercial production.

Legal Proceedings

In May 2016, the Corporation was served with a claim alleging that it was in breach of an expired option agreement. This agreement was in relation to an option to acquire a conservation easement on a property located more than 20 miles from the Corporation's Pumpkin Hollow copper project. The Corporation considers this complaint to be without legal merit and the Corporation will be vigorously defending the lawsuit. In February 2018 a settlement was reached regarding this claim and a settlement amount of \$575 was paid in March 2018.

The Corporation was served in July 2017 with a notice of civil claim from a former director, demanding payment in the amount of \$227 in connection with deferred share units granted to the former director prior to his resignation as a director in February 2017. In March 2018 a settlement was reached and an amount of \$201 was remitted to the former director.

Solar Development Potential

On May 23, 2016, the City of Yerington City Council unanimously approved zoning for the majority of Nevada Copper Lands ("Nevada Copper Lands") in a newly created industrial district, M-2 - Special Industrial District. This new zoning designation includes not only mining, which was previously allowed, but also explicitly allows for solar energy generation and energy storage. For our proposed copper mining operation, a solar development at Pumpkin Hollow provides substantial direct benefits in lowered or shared electrical infrastructure costs.

The Corporation has completed the previously announced study ("Solar Study") with NV Energy Inc. ("NV Energy"), a unit of Berkshire Hathaway Energy, to examine solar energy generation at Pumpkin Hollow in conjunction with our proposed Project. The study has shown that Pumpkin Hollow has immediate solar potential on the Project lands that can be further expanded in the future. The study was funded entirely by NV Energy.

As a result of the positive outcome of the Solar Study, Nevada Copper and NV Energy are discussing a strategic alliance to develop both near term development and long-term expansion of solar opportunities in the future.

The potential benefits of a solar development to Nevada Copper are reduced or shared electrical infrastructure costs that would lower capital costs, plus a modest income stream from the lease of land to the solar facility.

The following are the highlights of progress on a solar development:

- The Solar Study has identified approximately 800-900 acres of land with high solar irradiation (6.5-7.0 kW-hr/square meter/day) and 100-120 mW of solar generation capacity that is immediately available and ideally suited for solar generation facilities.
- There are ideal slopes, soil, geotechnical, surface hydrology and constructability conditions for installation of solar arrays in these areas;

- The M-2 zoning designation explicitly includes both the mining uses contemplated at Pumpkin Hollow and permits "commercial solar energy conversion systems and energy storage systems".
- There are an additional 1,000 + acres zoned M-2 that can be developed for solar energy generation in the future, that represents an additional approximately 150 mW of solar generation capacity and a long-term total of approximately 250 mW.
- Upon completion of mining an additional 500-1,000 acres of mine facilities could be converted to solar generation;
- Solar generation could provide power to the grid, augment power supply to the mine and offset potential peak demand charges;
- The Corporation can co-develop electrical distribution and transmission infrastructure to lower and share capital costs between the mine and solar generation, adding value to both the mine and solar projects.

The Corporation continues to have discussions with many companies that may be interested in a full range of solar and energy development opportunities at Pumpkin Hollow, including solar energy generation, energy storage, power management and onsite industrial uses linked to solar power generation.

Solar power generation was one of the key industrial opportunities afforded by the Corporation's acquisition of the large private land package. This is due to both the industrial zoning of the entire site and lack of any requirements for land use permits, as well as the high solar potential of the area. According to data published by the National Renewable Energy Lab ("NREL"), the Pumpkin Hollow project area, has a high level of solar irradiation, 6.5-7.0 kilowatt hours per square meter per day (kW-hr/m²/day).

Corporate Developments

Advisory Board

On February 22, 2018 the Corporation formed an Advisory Board to assist with corporate, technical, operational, and financing strategies. Mr. Tom Albanese has been appointed to the Advisory Board as of February 22, 2018. Mr. Albanese has a Master's Degree in Mining Engineering and a Bachelor of Science Degree. 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. Also, Mr. Albanese was Chief Executive Officer of Rio Tinto plc from 2007 to 2013, and previously served on the Boards of Ivanhoe Mines Limited, Palabora Mining Company and Turquoise Hill Resources Limited.

Mr. Ernie Nutter has also been appointed to the Advisory Board. Mr. Nutter holds a Bachelor of Science degree in Geology. Mr. Nutter is a highly regarded mining analyst, formerly with Capital Group from 2004 until 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.

On March 1, 2018, John Nagulendran also joined the advisory board. Mr. Nagulendran is a Managing Partner and the General Counsel of Pala Investments, and formerly held roles with the corporate and mining and metals practices at Herbert Smith Freehills. He holds a Bachelor of Laws degree from King's College London.

CEO Retirement

Mr. Giulio Bonifacio has retired from the Corporation as of February 15, 2018. Mr. Bonifacio founded Nevada Copper in 2005 and, over a 12-year period, led the Corporation's efforts which included resource expansion, feasibility studies and the successful permitting of both the underground and open pit deposits at the Corporation's Pumpkin Hollow project in Nevada.

Board of Director Changes

On May 23, 2017, the Corporation announced the appointment of a new director Mr. Abraham (Braam) Jonker as an independent non-executive director to its Board of Directors. Mr. Jonker is a registered Chartered Professional Accountant in British Columbia (Canada), England and Wales as well as South Africa. He is also a member of the Chartered Institute of Management Accountants in the United Kingdom and holds a Master's Degree in South African and International Tax from the Rand Afrikaans University. Mr. Jonker has more than 20 years of extensive

management, accounting and corporate finance experience across five continents, mostly in the mining industry. Nevada Copper's board of directors now stands at six members including Stephen Gill, Evgenij Iorich, Braam Jonker, Giulio Bonifacio, Lucio Genovese, and Michael Brown.

On May 27, 2016 the Corporation announced the appointment of two new directors, Mr. Lucio Genovese and Mr. Bill Myckatyn. Mr. Genovese is an independent director, as was Mr. Myckatyn, who however did not stand for election at the Annual General Meeting (AGM) on April 28, 2017. They replaced each of Mr. Daniel Dumas and Mr. James Askew.

Land Bill, Open Pit Permitting and Water Rights

On October 13, 2015, Nevada Copper received the deed of sale and completed the Federal Land Acquisition, acquiring 9,145 acres (14.3 square miles) of land from the City of Yerington ("the City"). This parcel of land surrounds the Corporation's current 1,538 acres (2.4 square miles) of private land and constitutes the majority of the 10,059 acres of Federal land acquired by the City from the Bureau of Land Management ("BLM") in August 2015. Pursuant to the Corporation's agreement with the City, deeding the land to Nevada Copper was the final step in the land acquisition process. The City retains 914 acres in the extreme northwestern area for public amenity purposes.

The Corporation now owns or controls 10,683 acres (16.7 square miles) of privately-owned land that encompasses 100% of the proposed 70,000 tons per day Pumpkin Hollow copper project development. The land is zoned "M1 Industrial" under City planning statutes, a zoning that allows for any proposed mine development. The Corporation controls all surface and mineral rights on the private lands, plus an additional 6,830 acres (10.7 square miles) of unpatented BLM mineral claims contiguous to the private land, and 914 acres of minerals right on surface land retained by the City for a total of 18,427 acres (28.8 square miles) of mineral rights.

Nevada Copper will be reviewing the additional exploration potential on the acquired private land, particularly on the northern and westerly extensions to the North open pit deposit. Federal permits for drilling are no longer required for any future exploration activity on this private land.

Nevada Copper has annual water rights to 4,224 acre-feet (5.2M cubic meters), sufficient for 100% of its anticipated Pumpkin Hollow project water needs, including the large Stage 2 open pit project. Notably, the entire project area is outside of irrigated lands in Mason Valley. Detailed studies have demonstrated that groundwater in the mine project area is not hydraulically connected to the alluvial aquifers in Mason Valley and project operations will not impact that important aquifer.

Iron Mineral Resources and Magnetite Concentrate Study

Drilling in the South open pit area for the iron metallurgical test bulk sample has been completed. In April 2015, the Corporation announced a Memorandum of Understanding ("MOU") with a large multi-national steel producer to assess opportunities to exploit Pumpkin Hollow's iron resource. The assessments would include drill sampling consisting of six holes for a total of 8,500 feet (2,600 meters). Drill results have now been received with results reported for both iron and copper dominated zones.

Measured and indicated iron mineral resources total 235 million tons grading 30.7% iron using a 20% cut-off, were disclosed in the Technical Report. Note that mineral resources that are not categorised as mineral reserves have not demonstrated economic viability. The assessments would include drill sampling, mine planning, engineering studies and metallurgical work. These studies will determine if a by-product magnetite (iron oxide) stream from the copper tailings at a future Pumpkin Hollow concentrator would be suitable as feed for downstream iron ore processing for use in steelmaking. Other work would focus how mining plans could be modified to deliver additional magnetite in the copper concentrator feed while minimising loss of copper. Magnetite recovery circuits are not uncommon at copper operations which also contain magnetite in their mill feed.

PUMPKIN HOLLOW MINERAL RESERVES AND RESOURCES

Case A

The primary purpose of Case A is to disclose the PFS information regarding the feasibility of advancing the Pumpkin Hollow Property through mining the Eastern Area at 5,000 stpd using underground mining techniques. This project is referred to as Case A ("Case A").

Case B

In 2015, TetraTech prepared a Feasibility Study (“2015 IFS”) on an integrated 70,000 stpd process plant and associated infrastructure, an average of 63,500 stpd of mill feed was from an open pit mine, with the remaining 6,500 stpd from an underground mine.

This integrated project is described in a NI 43-101 report issued on July 9, 2015. This “Integrated Project” is referred to as Case B (“Case B”).

The scientific and technical information and assumptions contained in the 2015 NI 43-101 report relating to Case B have not changed to any material degree and Case B remains a relevant and viable development option for the Property.

The Pumpkin Hollow Property encompasses both the Case A and Case B development options referred to as Projects. Both Case A and Case B projects have been fully permitted since NCU desired to retain optionality for the Pumpkin Hollow Property development.

Mineral Resource

The Mineral Resource estimates were prepared by TetraTech based on the results of all drilling up to the end of 2013. The effective date of this Mineral Resource estimate is April 15, 2015. The Mineral Resource estimate for the Western Area deposits has been updated from estimates stated in 2013 and the Eastern Area deposits have been updated from estimates in stated 2013. The 2015 drilling has not been used to modify the current mineral resource estimate. TetraTech confirmed that there has been no material change in the current Mineral Resources estimate. In addition, there has been no change in sampling protocols. This includes drilling, sample preparation, analytical method, verification, and security measures. TetraTech has deemed that no revision to the current Mineral Resource estimate is required.

Geologic and grade models for the deposits in the Pumpkin Hollow Property area have been generated for this estimate. The Western Area contains three deposits, referred to as the North, South, and Southeast. The Eastern Area consists of the East and E2 deposits.

The Western Area has been modelled and presented as being amenable to surface mining methods, whereas the Eastern Area has been modelled and presented as being amenable to underground mining methods. For this reason, different cut-off grades have been used for each of the Western and Eastern Areas.

Table 1-1 and Table 1-2 detail Mineral Resources of the Eastern Underground Area and Western Open Pit Areas respectively. In addition to cut-off grade, Mineral Resources of the Western Area have been constrained to an optimised pit shell and Mineral Resources of the Eastern Area have been limited to the 0.5% Cu mineralised shell interpretation.

Table 1-1: Mineral Resource Underground Eastern Area

Category	Cut-off Grade %Cu	Tons (million)	Grade %Cu	Contained Cu lb (million)	Grade Au oz/st	Contained Au ozs (thousand)	Grade Ag oz/st	Contained Ag ozs (thousand)	Grade %Fe	Contained Fe Tons (million)
Measured	0.75	12.1	1.60	389	0.006	74	0.127	1,541	18.7	2.3
Indicated	0.75	41.9	1.33	1,114	0.005	217	0.112	4,716	17.6	7.4
Measured + Indicated	0.75	54.1	1.39	1,503	0.005	291	0.116	6,257	17.8	9.6
Inferred	0.75	29.2	1.09	636	0.003	87	0.064	1,875	12.8	3.7

Notes:

- Includes East and E2 deposits
- Measured and Indicated Resources are stated as inclusive of reserves,
- Columns may not total due to rounding,
- Resources are constrained by a 0.5% Cu mineralised interpretation

Table 1-2: Mineral Resource Open Pit Western Area

Category	Cut-off Grade %Cu	Tons (million)	Grade %Cu	Contained Cu lb (million)	Grade Au oz/st	Contained Au ozs (thousand)	Grade Ag oz/st	Contained Ag ozs (thousand)	Grade %Fe	Contained Fe Tons (million)
Measured	0.15	271.3	0.42	2,299	0.001	394	0.048	12,932	16.1	43.6
Indicated	0.15	295.1	0.43	2,541	0.001	356	0.046	13,690	11.2	33.2
Measured + Indicated	0.15	566.4	0.43	4,840	0.001	750	0.047	26,621	13.6	76.8
Inferred	0.15	8.0	0.52	83	0.001	6	0.052	414	6.1	0.5

Notes:

- Includes North, South, and Southeast deposits
- Measured and Indicated Mineral Resources are stated as inclusive of those Mineral Resources that were converted to Mineral Reserves,
- Columns may not total due to rounding

Mineral Reserve Estimates

Underground Reserves

The estimation of proven and probable mineable reserves involved the application of several modifying factors to the measured and indicated mineral resource values as provided in the Properties block models. The parameters included net smelter royalty (“NSR”) cut-off determination, stope design, external dilution and mining recovery.

Case A

For Case A, the Mineral Reserve base was limited to the Mineral Resources of the Eastern Area deposits. After application of the modifying factors to the Mineral Resource, the resulting estimated Proven and Probable Mineral Reserves totalled in Table 1-3 below.

An NSR cut-off value of \$US 46/st ore was used, reflecting estimated costs for mining, processing and G&A, based on a contractor-miner scenario until steady-state production is achieved, followed by an owner-miner scenario thereafter. The NSR cut-off value is not a break-even value, rather an elevated value intended to target higher grade material. Metal pricing assumptions are \$US 3.00 /lb, \$1,343/oz. and \$US 19.86/oz. for Cu, Au and Ag respectively. Mineable Shape Optimiser (“MSO”) was used to interrogate the resource block models to determine preliminary economic stope shapes with design considerations give to rock mechanics, mining method and equipment manoeuvring capabilities.

The transverse longhole stoping method has been selected as optimal for all zones (EN, ES and E2), based on safety, mining recovery and dilution, productivity and the ability to mine large spans given the ground conditions. Stopes will be extracted through a bottom up sequence, reducing lead time and requirements for upfront development in most instances. In the E2 zone, there are some narrower parts of the orebody which have been identified as being favourable for longitudinal longhole stoping methods, since this will provide maximum efficiency in operating lateral development.

Approximately 51% of the total measured and indicated mineral resource in the Eastern Area deposits were converted to a mineral reserve by the mine plan, due to the targeting of higher grade ore within the deposits. The stated proven and probable reserves estimate has been shown to be economic on the basis of reasonable cost assumptions and NSR values assigned to the resource model.

Table 1-3 Case A Mineral Reserve Estimate (Underground)

Category	Tons (million)	Cu %	Au oz/ton	Ag oz/ton
Total Reserves				
Proven	7.4	1.85	0.007	0.144
Probable	16.5	1.47	0.006	0.138
Net Reserves	23.9	1.59	0.006	0.139

Dilution was estimated to be between 2.5% and 5.0% for primary stopes, and 10% for secondary stopes. An external dilution grade of 0.75% Cu was applied to primary stopes, and a range of 0.19% to 0.38% Cu dilution grade was applied to secondary stopes. These external dilution grades were assigned based on the Case A underground mining method and geologic wireframe boundaries. A mining recovery ranging from 94.9% to 95.7% was then applied to the diluted stope shapes.

Case B

For Case B, the underground Mineral Reserve base was limited to the Mineral Resources of the East Area deposits. After application of the modifying factors to the Mineral Resource, the resulting Proven and Probable Mineral Reserves totalled 32.6 million tons grading 1.29% Cu, 0.005 oz/ton for gold and 0.113 oz/ton for silver, limited to the East deposit.

An NSR cut-off value of \$29/st ore was used, with metal pricing of \$3.00/lb, \$1,250/oz. and \$18.00/oz. for Cu, Au and Ag respectively. Stopes were digitised around the target areas with design considerations give to rock mechanics and equipment manoeuvring capabilities.

Approximately 60% of the total Measured and Indicated Mineral Resource in the East Deposit was converted to a Mineral Reserve by the mine plan. The reserves have been shown to be economic and are reasonable for the statement of Proven and Probable Mineral Reserves.

The Eastern Area deposits Mineral Reserve listed in Table 1-4 was generated from the Mineral Resource after the application of the NSR cut-off, stope design, external dilution, recovery, and other modifying factors.

Table 1-4 Case B Mineral Reserve Estimate (Underground)

Category	Tons	Cu	Au	Ag
	(million)	%	oz/ton	oz/ton
Total Reserves				
Proven	8.9	1.59	0.006	0.124
Probable	23.7	1.17	0.005	0.109
Total Reserves	32.6	1.29	0.005	0.113

Dilution was estimated to be between 1.4% and 2.4% for primary stopes, and 10.7% to 11.4% for secondary stopes. An external dilution grade of 0% Cu was used for primary and secondary stopes. These grades were assigned to the external dilution material based on the geologic wireframe boundaries. An expected mining recovery of 95% was then applied to the diluted stope shapes.

Open-Pit Reserves

Case A

There is no open pit mining in Case A.

Case B

The open pit portion of Case B includes mine plans (including open pit mine and dump design, production plans, mining equipment selection, and mine operating cost estimates) and determination of mine capital and operating cost estimates. The open pit mining operations are located on the west half of the property area and include the mine rock storage facility (“MRSF”) and two open pits - the North Pit and the South Pit.

Pit shells were determined using Whittle optimisation. A breakeven cut-off was applied to obtain pit shells, then mining costs were removed within the shells to make more material economic, given the material needs to be mined and moved as ore or waste once within the shells. Cu grade was used as the only determining revenue factor.

The North cone used a breakeven cut-off grade of 0.162% Cu, and an internal cut-off grade of 0.134% Cu. The South cone used a breakeven cut-off grade of 0.165% Cu, and an internal cut-off grade of 0.137% Cu. Both the

breakeven cut-off and the internal cut-off were calculated using \$2.80 Cu price. All pit optimisation results tabulated in this report are determined on a 0.15% Cu cut-off, this is slightly more conservative than the calculated internal cut-offs and match the cut-off used in the resource reporting.

The ultimate pit proven and probable reserves are provided in Table 1-5. These reserves are based on the pit designs discussed in later sections of this study. The reserves have been shown to be economic and are reasonable for the statement of proven and probable reserves.

Table 1-5: Case B Mineral Reserve Estimate Western Area (Open Pit)

Category	Tons	Cu	Au	Ag
	(million)	%	oz/ton	oz/ton
Total Reserves				
Proven	265.5	0.397	0.001	0.046
Probable	273.8	0.384	0.001	0.043
Total Reserves	539.3	0.390	0.001	0.044

Mining Methods

Case A

The underground mine was planned as a 5,000 stpd operation.

Case A has one mining area. The Eastern Area is planned to be mined by underground methods, specifically longhole stoping, with predominantly cemented paste fill methods.

Underground mining zones included in the mine plan extend between the 1040 and 2840 Levels. Access to the mine will be via a vertical shaft. Mining will be performed using the productive mechanised transverse longhole mining method, with cemented paste fill (“CPF”) in the primary and some secondary stopes, and uncemented paste fill (“UPF”) or unconsolidated rock fill of remaining secondary stopes. While waste rock can be hoisted to the surface and disposed of on the waste rock stockpile, this is only planned during initial development, until the surface paste fill plant is commissioned. Once at steady-state production, all waste rock is planned to remain underground to be used as backfill for secondary stopes.

One production/service shaft and three ventilation / emergency egress shafts are included in the mine design. Stopes will be 100 ft high by 50 ft wide for East South and E2 zones, and 75 ft high by 50 ft wide for East North zone.

Mining will be carried out using longhole drilling and blasting, with ore and waste material mucked using LHDs, direct to ore passes or to remuck bays situated for optimum materials handling. Ore material will be transported via haul trucks and/or ore passes to the Coarse Ore Bins (“COBs”) for storage before being hoisted out of the mine. Haul trucks will be used to transport ore material from the remuck bays to the COBs, or to transport waste to the backfill levels. Primary crushing is located on the surface.

Un-crushed rock will be conveyed to skips and hoisted to the surface, then crushed and stockpiled, for either direct-feed to the processing plant or stockpiling to the low-grade stockpile.

For all stopes that will be backfilled using CPF or UPF, a bulkhead will be constructed at all access points and the stope will be filled with paste delivered by a piping network from the paste plant. The paste plant will be located on the surface and booster pumps will be used where necessary to transfer paste fill through the mine workings to the fill point.

Case B

Case B has two separate mining areas. The Eastern Area is planned to be mined by underground methods (longhole stoping with paste backfill) and the Western Area is planned to be mined by open pit mining methods (conventional truck and shovel). During this period the underground mine will produce as much plant feed as possible and the open pit will supplement to provide an even feed rate of material into the process plant.

Case B Underground

The underground mine was planned as a 6,500 stpd operation.

Underground mining zones included in the mine plan occur at depths ranging from approximately 800 ft to 2,800 ft. Access to the mine will be via a vertical shaft and mining will be performed using a productive mechanised transverse longhole mining method with paste fill. When available, excess waste rock will be used as backfill when paste fill is not required.

One production/service shaft and two ventilation / emergency egress shafts are included in the mine design. Stopes will be 100 ft high by 50 ft wide for East South and E2 zones, and 75 ft high by 50 ft wide for East North zone.

Mining will be carried out using longhole drilling and blasting, with ore and waste material mined by LHDs. The LHDs will then transfer the material to haul trucks at remuck bays situated for optimum haulage distance. Haul trucks will be used to transport mined material to ore passes feeding jaw crushers. The underground mining fleet will be diesel powered. Primary crushing is located underground.

Crushed rock will be conveyed to skips and hoisted to the surface and transported by haul truck to the processing plant or a waste rock dump.

Once a stope is mined out, a bulkhead will be constructed at the access point and the stope will be filled with paste delivered by a piping network. The paste plant will be located on the surface and booster pumps will be used where necessary to transfer paste fill through the mine workings to the fill point.

Case B Open Pit

The open-pit mine was planned as a 63,500 stpd operation.

The open pit mine has been planned using diesel single pass blasthole drills, Ultra-class haul trucks and rope shovels. Production blasthole drilling for both ore and waste material will utilise Atlas PV-271 diesel drills (with the extended 65 ft mast). Primary mine production is achieved using P&H 4100 electric rope shovels along with CAT 797 haul trucks.

The open pit ore zones comprise the North and South deposits. The open pit deposits will be developed sequentially. The North open pit deposit will be developed first, starting with a pre-strip once mining equipment has arrived and been assembled at site, and when electric power is available to the shovel. Ore is mined and delivered to a primary gyratory crusher located adjacent to the pit and then conveyed to the mill. Open pit mill feed will come from the North deposit for the first 13 years when mining will transition to the South deposit.

All waste material is hauled by truck out of the pit and directly to the MRSF. The total MRSF design will contain 100% of the expected waste material planned to be generated - approximately 1.9 billion tons of material. The current MRSF design is approximately 650 ft high, located to the west of the pits.

A stockpile of the ore uncovered and removed during the initial “pre-stripping” period of waste movement from the North Pit area along with surplus low-grade ore mined during standard mining operations is planned to be placed near the Processing Area’s Feed Ore Stockpile. This pile will initially contain approximately 3.6 Mst of above cut-off ore material. At its maximum the stockpile will contain upwards of 10 Mst at times. These stockpiled tons will be used as a “surge pile” to smooth the small production “bumps” that occur during the regular production periods of the open pit mine.

Recovery Methods

Case A

The processing plant has been designed to process 5,000 stpd of copper ore. The plant and the unit operations therein are designed to produce a marketable concentrate targeted at 26.0% Cu or greater.

The plant will consist of a coarse ore storage facility, a semi-autogenous grinding (“SAG”) mill, a ball mill comminution (“SABC”) circuit, rougher flotation, regrind circuit, and cleaner flotation; to liberate, recover, and upgrade copper from underground ore. Flotation concentrate will be thickened, filtered, and sent to a concentrate load out stockpile for subsequent transport/shipping.

Dry stack tailings (“DST”), in conjunction with underground paste backfill, are the preferred means of final deposition having substantially less water contained than tailings discharged directly from a concentrator. DST will be produced by thickening and filtering the final flotation tailings. The underground paste backfill portion of the tailings will be thickened, classified, filtered and combined with cement before being deposited in the underground mine workings.

Thickening and filtration of tailings allows for better process water management and control. Process water will be recycled from the tailings and concentrate thickener overflows. Fresh water will generally be used only for pump gland service, mill lube cooling, SAG mill ring motor cooling, reagent preparation, and safety showers / eyewash stations.

The process plant will consist of the following unit operations and facilities:

- Coarse ore receiving and storage area from the underground mine. Ore will have already passed through primary crushing on the surface. A radial stacker can stockpile direct to the coarse ore stockpile, or slew to stack low grade for transport to the adjacent low-grade stockpile
- A coarse ore stockpile and reclaim system
- A combined SAG/ball mill grinding circuit incorporating cyclones for classification
- A SAG mill pebble crushing circuit
- A rougher flotation circuit
- A rougher concentrate regrinding circuit
- A 1st cleaner, 2nd cleaner, and cleaner-scavenger flotation circuit
- Concentrate thickening and filtration circuits, including a concentrate storage shed
- Tailings thickening and filtration circuits
- Tailings disposal at a dry-stack storage facility, and
- A paste-backfill plant to be used on a regular but intermittent basis.

Case B

The processing plant has been designed to process 70,000 stpd of ore; the sum of the combined output from the surface mining (approximately 63,500 stpd) operations and the underground mining (6,500 stpd) operations. The SPF and the unit operations therein are designed to produce a marketable concentrate targeted at 25.5% Cu or greater.

The SPF will consist of a coarse ore storage facility, a SAG mill/twin ball mill comminution circuit, rougher flotation, regrind circuit, and cleaner flotation; to liberate, recover, and upgrade copper from the run of mine (“ROM”) ores. Flotation concentrate will be thickened, filtered, and sent to a concentrate load out stockpile for subsequent transport/shipping.

DST, in conjunction with underground paste backfill, are the preferred means of final deposition having substantially less water contained than tailings discharged directly from a concentrator. DST will be produced by thickening and filtering the final flotation tailings. The underground paste backfill portion of the tailings will be thickened and combined with cement and fly ash before being deposited in the underground mine workings.

Thickening and filtration of tailings allows for better process water management and control. Process water will be recycled from the tailings and concentrate thickener overflows. Fresh water will generally be used only for pump gland service, mill lube cooling, SAG mill ring motor cooling, reagent preparation, and safety showers / eyewash stations.

The process plant will consist of the following unit operations and facilities:

- Coarse ore receiving and storage area from the open pit and underground mines. The surface and underground ores will have their own independent stockpile. Ore will have already been passed through primary crushing in separate crushing areas;
- A coarse ore stockpile reclaim system accommodating the surface and underground ore stockpiles. The reclaim from these stockpiles will then be blended together prior to feeding the ores into the process facility;
- A combined SAG/ball mill grinding circuit incorporating hydrocyclones for classification;
- A SAG mill pebble crushing circuit;
- A rougher flotation circuit;
- A rougher concentrate regrinding circuit;
- A 1st cleaner, 2nd cleaner, and cleaner scavenger flotation circuit;
- A concentrate thickening and filtration circuit including a concentrate stockpile and dispatch area;
- Tailings thickening and filtration circuits;
- Underground tailings paste plant; and
- Tailings disposal at a DST facility.

Infrastructure

Case A

Infrastructure at the Property is well developed. County Road (“CR”) 827 and CR 208 provide existing paved access to the site. Access to the site is proposed via minor upgrades to E Pursel Lane from this sealed road network adjacent to the site. The City of Yerington, Nevada and Yerington Municipal Airport are both approximately eight miles from the site. The Reno-Tahoe International Airport is an 80-mile drive from the site.

Key aspects of the layout design include:

- Minimisation of movement of bulk materials (low grade ore, waste ore and tailings) to reduce Opex costs
- Minimisation of interaction between light vehicles (including delivery trucks) and heavy vehicles (moving low grade ore and/or dry stacked tailings) and minimisation of interaction between pedestrians and vehicles for improved safety

The layout was developed taking into account the location of the existing production shaft and winder house, and other existing surface facilities, existing topography and features, including the existing roads, the existing 120kV power line and the Case B footprint.

Access within the site will be via unsealed roads. The site and relevant facilities within the site will be fenced.

Proposed support facilities include:

- Administration complex
- Parking areas
- Process plant workshop and store
- Process plant dry
- Concentrate storage shed
- Truck scales
- Sewage treatment plant treating a gravity only sewerage reticulation system
- Potable water treatment plant
- Fuel facility; and
- Truck wash.

The following infrastructure currently exists on the site as is intending to be kept in-situ:

- Waste Rock Stockpile

- Mine operations office
- Mine warehouse
- Mine workshop
- Mine dry; and
- Explosive storage compound

Fresh water supply is sourced from dewatering wells. Potable water will be sourced from well WW-01 after treatment through a reverse osmosis treatment plant. A sewage treatment plant, meeting the city of Yerington standards, will dispose of treated effluent into the tailings thickener.

Several diversion channels have been proposed to divert surface water run on to minimise non-contact and potential contact water volumes to be managed. There are currently existing pipelines with three destinations for disposal of non-contact mine dewatering water, all terminating in water reuse, rapid infiltration basins or irrigation to pasture. The following is proposed to manage other non-contact water:

- Two new basins are proposed adjacent to Little Pumpkin Hollow
- An additional lined sedimentation pond will be constructed in parallel to Pond E4, to allow each to be dried offline to de-silt by excavator or loader during operations
- Two mine stormwater management basins adjacent to the processing facilities and the mine waste rock stockpile respectively.

A total of two potential contact water ponds or secondary containment ponds will be required; one pond will be located next to the processing facilities, the other adjacent to the Dry Stack Tailings (DST) pad.

The 120-kV transmission line runs from a service point on the NV Energy system to the proposed 120 kV switchyard. The Nevada Energy meter will be installed at the 120-kV switchyard. The main substation will have an incoming 120 kV source serving a 30 MVA power transformer. The voltage will be stepped down to a utilisation voltage for distribution at 4.16kV. The facility will be a fenced compound, and will include the transformer, outdoor 120 kV switchgear, neutral earthing resistor, 4.16 kV switchboard, demountable switchroom, substation services. This voltage will be fed into substations to supply the various electrical demands for surface and underground.

Concentrate will be trucked to a transload facility at Wabuska for transfer to rail to either:

- A west coast terminal (the ports of Vancouver, Oakland or Stockton were considered) for shipping to Asia or Europe; or
- A North American market.

Being a shaft accessed underground mine, two skip hoisting through the main shaft will be used to transport ore and waste material out of the mine. A loadout conveyor and skip loading system will transfer material from the COBs and place it into the skips.

Other underground infrastructure will include the following:

- Workshop
- Explosives magazine
- Mine dewatering system
- Power supply reticulation
- Compressed air supply network
- Potable water supply network
- IT and communications network
- Escape ways.

Case B

Infrastructure at the Property is well developed. CR 827 and CR 208 provide existing paved access to the site. A new access road will be constructed to the north to connect directly to US Highway 95A, a major north-south route in central Nevada. A rail line runs approximately 13 line miles north of the site. The City of Yerington, Nevada and Yerington Municipal Airport are both approximately eight miles from the site. The Reno-Tahoe International Airport is an 80 mile drive from the site.

The following are the main surface facilities that support the mining and processing operations:

- Power Substation
- Mine Rock Pile
- Fuel Storage Tank
- Raw Water Tanks
- Covered Storage and Yard
- Paste Thickener
- Mine Rock Storage Facility (MRSF)
- Process Facility
- Pebble Crushing
- DST Facility
- Process and Mine Office Buildings
- Administration Building
- Parking Area
- Truck Shop
- Tailings Filtration Plant
- Truck Scale
- Site Entrance Security Building
- Wastewater Treatment Plant
- Potable Water Treatment Plant
- Powder Magazines; and
- Settling Basins.

Initial road surfacing will be provided by a local quarry. Once production starts, road surfacing for maintenance and future roads will use on-site materials. When possible, proposed access roads will follow topography and existing roads. Newly constructed and altered roads will be designed and constructed per Lyon County standards. Existing roads will be regraded and capped with an all-weather surface. Road capping material will come from a nearby quarry and will be supplied by a third-party contractor. Signage is required to meet the design requirements; this includes regulatory, preventative and informative signage. Speed limits will be posted on-site for safety and will be strictly enforced.

A package sewage treatment plant, meeting State of Nevada standards for publicly owned treatment works will be supplied by a qualified vendor and contractor and constructed west of the filtration area. Sewage will be collected at main working areas and package lift stations will be constructed to pump sewage water to the treatment plant. After the wastewater is treated, effluent water will be used for plant process water and will be stored until process water is needed. When process make-up water is not required from the sewage treatment plant and the effluent water storage tank is full, effluent will drain by gravity to a nearby infiltration basin.

Process make-up water will be delivered from wells on site or piped 6 miles from an existing pipeline take off point. This water pipeline, which is connected to the City of Yerington water supply, is shared with an existing user but has been oversized to allow for Nevada Copper's future usage. From the pipeline take-off point, a new extension will be constructed to the site and water will be distributed within the mine site through the potable water pipeline or the raw water pipeline.

Electrical service will be delivered via a 120-kV overhead line that will enter the site near the northeast corner of the site. For this report this location is referenced as "Metering Point Switchyard" as this location will be where NVE installs its revenue metering. From the Metering Point Switchyard one portion of the 120-kV transmission line (with

13.8 kV underbuild) continues south to the East Shaft Substation (approximately 0.83 miles). Two 13.8 kV distribution lines (approximately 0.96 miles each), emanating from the East Shaft Substation, extend to the south to provide service to the associated above ground electrical facilities at the E2 Vent location.

Another 120-kV line (with 13.8 kV underbuild) begins at the Metering Point Switchyard and continues west to the Tailings/Filtration Substation (approximately 1.35 miles). From the Tailing/Filtration Substation, the line continues west then south to the Process Facility Substation (approximately 2.97 miles). Line switches, 120 kV and 13.8 kV, are included near the Administration Building to isolate the Process Facility line segments for maintenance purposes. From the Process Facility Substation, two parallel 13.8 kV distribution lines will extend out to the edge of the North and South Pits (approximately 0.45 miles) where they will split to continue into the pits (approximately 3.40 miles total in length).

NCU plans to transport concentrate from site to the US west coast where the concentrate will be exported to East Asia. They will be trucked approximately 20 miles to a new rail loading facility to be constructed on UP tracks. The truck route is via a new mine access road north to State Highway 95A and on to the train loading facility. Concentrates will be railed to a west coast bulk port for shipping to smelters.

Preferred options are to transport concentrate to a proposed new terminal to be constructed at a site in the eastern San Francisco Bay area or the existing bulk terminal at the Port of Vancouver, Washington. The Bay area site is about 330 miles by rail closer than the Vancouver Washington terminal, the terminal has been proposed with the operational date of 2017 to 2018.

Market Studies and Contracts

Case A

There are several possibilities for marketing the concentrates, including Asian, US domestic and European smelters, the latter likely under a concentrates swap arrangement. For cashflow purposes, average concentrate transportation costs are estimated at \$75 per wet metric tonne based on product moved:

- via the Port of Vancouver, Washington; and
- to North American consumers.

There is an existing offtake contract covering 25.5% of the Case A copper concentrates.

Case B

The most likely markets for the NCU concentrates are in Asia, specifically Japan, Korea and China. While the West Coast ports are the shipping options, future alternatives for shipping some Cu concentrates to other markets in North America by truck or rail have not been ruled out.

There are no offtake contracts covering the Case B copper concentrates.

Environmental Studies, Permitting and Social or Community Impact

Both Case A and Case B have been fully permitted since NCU desired to retain optionality for the Pumpkin Hollow Property development. Therefore, the permit applications were structured to include:

- A stand-alone 6,500 stpd (maximum) underground mine and dedicated process facility
- A stand-alone 62,500 stpd (maximum) open pit mine with a different, dedicated process facility; or
- A combined 70,000 stpd (maximum) underground and open pit mine with a single process facility.

The location of the process facility for the 6,500 stpd or 62,500 stpd cases are the same, but the throughput is different. In any case, the permits are for the “maximum throughput”. Any configuration with a lower throughput, such as Case A, does not require a revised permit, as long as:

- The process is fundamentally the same (mine, crush, grind, float, filtered tailings, dry stack tailings disposal facility), then
- The environmental controls are the same for containment of process fluids and control of emissions from air emissions sources.

Most developments require changes during final design and Cases A and B will also require changes from the original permit. These changes are permit compliance items that require notification and submission of revised designs to the respective Nevada state agencies. Items include any changes in location, configuration and/or size of environmental control facilities to ensure that the changes meet design requirements in the permits and regulations. These design changes are considered “engineering design changes” (“EDCs”) or minor modifications to the permit and are not a new permit or “major modification” that require a new application and public notice and review.

Both Case A and Case B developments will be completed on 100% privately-owned lands because of the Yerington Land Conveyance (see Section 20.2.6 Yerington Land Conveyance). Both Case A and B developments are now under local and Nevada state oversight. There is no other nexus under federal statutes and regulations that require federal environmental permits or preparation of an environmental impact statement pursuant to the National Environmental Policy Act (“NEPA”). There are no endangered species located on or near the property, no surface waters, no jurisdictional waters of the US that require a permit, no designated wilderness near the property, no Class I air quality designations, no critical habitat areas, no sage grouse (a species of concern in Nevada), and no wildlife migration zones that cause environmental constraints.

Archaeological surveys were performed on all the private lands owned or controlled by NCU, including the Case A and B areas, in 2011-2012. There are currently three prehistoric sites and two historic sites, a total of five sites, within the federal lands that were conveyed to NCU that are either recommended for eligibility on the national register of historic places (three sites) or require further evaluation (two sites). These sites are now administered by the Nevada State Historical Preservation Office (“SHPO”) pursuant to a Memorandum of Understanding amongst the SHPO, BLM, City and NCU, and will be evaluated and mitigated (data recovery, recordation and collection and recovery of artifacts (if necessary)) prior to any disturbance. In any event, none of these are within the area of disturbance of the Property. The Property area does not affect any Native American Reservation Lands or sacred sites.

Case A

Social or Community Impacts

The Case A and B developments occur entirely within Lyon County, Nevada, which has historically the highest unemployment rate in the state. The site is expected to bring more than 500-600 direct and indirect jobs to the area.

A major element of the work leading up to the Case A design included approval of the Special Use Permit (“SUP”) by the Lyon County Board of Commissioners. On June 11, 2013 the Lyon County Planning Commission recommended approval for a 6,500 stpd underground mine by a unanimous vote. Subsequently, on June 20, 2013, the Lyon County Commission unanimously approved the County SUP for an underground development. Approval of the SUP was a critical milestone for obtaining the permits necessary to support Case A and is notable in that they confirm that there is strong local support for the site. An additional SUP is not required for future stages of mine development at Pumpkin Hollow since both the Case A & B developments now lay entirely within the City of Yerington boundaries as a result of annexation by the City after the Federal land acquisition in 2015.

Approvals, Permits and Licenses

Case A will require approvals, permits and licenses for various components of the work.

Mine Closure

The area within the Case A perimeter fence is approximately 1,200 acres. Of this area, a total of approximately 220 acres will be disturbed as part of mining operation. A portion of this area will not be reclaimed - permanent water management diversion channels and select infrastructure that will be retained for post-mining industrial use. Reclaimed areas will include the waste rock stockpile, low grade stockpile, DST facility, reclamation material

stockpiles, infrastructure which will be removed at closure, and water management features which will be reclaimed at closure.

Case B

Social or Community Impacts

Case B occurs entirely within Lyon County, Nevada, which had the highest unemployment rate in the state. The larger Case B development is estimated to bring more than 800-1,000 direct jobs and 2,000-3,000 indirect jobs to the area.

In addition to the local advocacy as described by the SUP above, there have been no formal objections to either the Case A and B from environmental groups or other non-governmental organisations.

Approvals, Permits and Licenses

Case B has received its key construction and operating permits but will require routine approvals, permits and licenses of lesser importance for other components of the work.

Mine Closure

The area within the Case B perimeter fence is approximately 6,700 acres. Of this area, a total of approximately 4,500 acres will be disturbed as part of mining operation. A portion of this area will not be reclaimed, including the north and south pits, permanent water management diversion channels, and select infrastructure that will be retained for post-mining industrial use. A total area of approximately 3,300 acres will be reclaimed, including the mine rock storage facilities, DST facility, reclamation material stockpiles, infrastructure which will be removed at closure, and water management features which will be reclaimed at closure.

Capital and Operating Costs

Case A

Initial Capital Costs

The capital cost estimate (“CAPEX”) consists of direct costs, indirect costs (including Owner costs) and contingency. The Initial CAPEX for the Case A Project development option of the Pumpkin Hollow Property is approximately \$182.4 million, subject to qualifications, assumptions, and exclusions. The initial capex estimate is at a Pre-Feasibility level with an accuracy of +/-25%.

The Initial Capital Costs Summary and distribution are shown in Table 1-6.

Table 1-6: Initial Capital Costs Summary

Item	US\$ millions
Direct Costs	
Underground mining	42.3
Process Plant (including Concentrate Handling)	59.9
Infrastructure and Tailings	49.9
Indirect Costs	
Infrastructure - EPCM Costs	7.0
Sales & Tax Use Tax on Purchased Equipment	Included in Directs
Construction Indirects	4.6
Owner's Costs	8.8
Spares and First Fills	0.6
Commissioning and Start up	0.4
Total Indirect Costs	21.7

Total Direct and Indirect Costs	173.4
Contingency	9.0
Total Initial Capital	182.4

Sustaining Capital

Sustaining capital over mine life totals \$110.6 million and includes: replacement of, and additions to, underground mobile equipment; lease costs for the initial mining fleet; reclamation costs; and expenditures on the tailings storage facility. Table 1-7 shows the breakdown of the sustaining capital costs. The sustaining capex estimate is at a Pre-Feasibility level with an accuracy of +/-25%.

Table 1-7: Life of Mine (“LOM”) Total Sustaining Capital Expenditures

Area	US\$ millions
Underground Mine Development	67.7
Process Plant, Infrastructure and Tailings	32.3
Deferred Capital	3.5
Contingency	7.1
Total Sustaining Capital	110.6

Operating Costs

The LOM operating costs average \$44.52 per ton milled. The first 1.5 years of costs are higher with use of a mining contractor. LOM site unit operating cash costs are as summarised in Table 1-8.

Table 1-8: LOM Unit Operating Cost Summary

Area	LOM operating cost US\$/ton-ore milled (Contractor Miner)	LOM Operating Cost US\$/ton-ore milled (Owner Miner)
Mining	35.33	27.20
Processing	12.65	12.65
General and Administrative	4.57	3.98
Total	52.55	43.83

Case B

Initial Capital Costs

The CAPEX consists of four main parts: direct costs, indirect costs, contingency, and Owner’s costs, as described below. The CAPEX estimate for the Case B development option for the Pumpkin Hollow Property is approximately \$1,041m, subject to qualifications, assumptions, and exclusions. The capital cost summary and distribution are shown in Table 1-9. The initial capex estimate is at a Feasibility level with an accuracy of +/-15%.

Table 1-9: Initial Capital Costs (\$000s)

Cost Category	Initial (\$000s)
Direct Costs	
100 Open Pit Mine	\$262,709
200 Underground Mine	\$80,611
300 Ore Handling	\$12,169
400 Process Facility	\$267,910
500 DST Facility	\$69,229
600 Infrastructure	\$88,171
700 Water Management	\$17,815
800 Environmental and Reclamation	\$12,418
Total Directs	\$811,032
Indirect Costs	
911 Construction Indirects	\$65,595
912 Spares and Warehouse Inventory	\$9,825
913 Initial Fills	\$4,500
914 Freight and Logistics	\$14,947
915 Commissioning and Start-Up	\$2,354
916 EPCM	\$57,910
917 Vendor and Consulting Assistance	\$798
Total Indirects	\$155,929
Subtotal	\$966,961
Contingency	\$67,066
Owner Costs	\$6,699
Total Capital	\$1,040,727

Sustaining Capital

Sustaining capital over mine life totals approximately \$634m. The sustaining capex estimate is at a Feasibility level with an accuracy of +/-15%.

Open pit mine, underground mine, process facility, and DST facility all utilise leased mobile equipment. Leases are capitalised during the pre-production period, then reported in the operating costs during the production.

Table 1-10: Sustaining Capital Costs (\$000s)

Cost Category	Sustaining (\$000s)
Direct Costs	
100 Open Pit Mine	\$222,143
200 Underground Mine	\$157,597
300 Ore Handling	\$2,434
400 Process Facility	\$52,325
500 DST Facility	\$78,694
600 Infrastructure	\$0
700 Water Management	\$1,582
800 Environmental and Reclamation	\$41,293
Total Directs	\$556,068
Indirect Costs	
911 Construction Indirects	\$35,280
912 Spares and Warehouse Inventory	\$2,358
913 Initial Fills	\$0
914 Freight and Logistics	\$1,487
915 Commissioning and Start-Up	\$0
916 EPCM	\$0
917 Vendor and Consulting Assistance	\$0
Total Indirects	\$39,125
Subtotal	\$595,193
Contingency	\$38,938
Owner Costs	\$0
Total Capital	\$634,130

Operating Costs

LOM operating costs are summarised in Table 1-11. Further details are available in Section 24. The operating cost estimate is at a Feasibility level of accuracy.

Table 1-11: LOM Operating Costs

Cost Category	Unit Cost (\$/st-ore)	Unit Cost (\$/st-waste)	Unit Cost (\$/st-milled)
Open Pit Mining-Ore	\$1.575	-	-
Open Pit Mining-Waste	-	\$1.165	-
Underground Mining	\$24.059	-	-
Underground Haul	\$1.250	-	-
Process Facility	-	-	\$4.732
Tailings Management	-	-	\$0.171
Water Management	-	-	\$0.003
Environmental and Reclamation	-	-	\$0.014
GandA	-	-	\$0.400
Subtotal	-	-	\$11.796
OP Equipment Lease	\$0.162	\$0.160	-
UG Equipment Lease	\$0.349	-	\$0.020
Process Equipment Lease	-	-	\$0.0002
Tailings Equipment Lease	-	-	\$0.010
Subtotal	-	-	\$12.520
Nevada State Minerals Tax	-	-	\$0.284
Total Operating Costs	-	-	\$12.805

Refining charges, transportation, and royalties are not included in the operating cost estimate.

Economic Analysis

Case A

Base Case

Base case metal prices employed the mean of analyst’s consensus prices for copper gold and silver from 2017 to 2021, thereafter the prices were held constant. These base case metals prices are shown in the table below:

Table 1-12: Base Case Metal Prices

		2017	2018	2019	2020	2021	2022+
Consensus Copper Prices	\$/lb	\$2.62	\$2.66	\$2.83	\$3.05	\$3.14	\$3.20
Consensus Gold Prices	\$/oz	\$1,254	\$1,268	\$1,276	\$1,285	\$1,284	\$1,325
Consensus Silver Prices	\$/oz	\$17.31	\$18.21	\$18.77	\$19.40	\$19.53	\$20.01
<i>Source: Consensus Economics Inc. - August 2017</i>							

In addition to the base case prices, the economics were also examined with alternate metals price scenarios with copper prices lower and higher than current spot prices as shown below. Gold and silver prices were held constant at the levels show due to their low importance relative to copper. All prices were held constant.

Table 1-13: Alternate Metal Price Scenarios

		Low	High
Copper	\$/lb	\$2.60	\$3.50
Gold	\$/oz	\$1,300	\$1,300
Silver	\$/oz	\$17.00	\$17.00

The economic analysis of the Case A development at a copper price of \$3.00/lb, results in an after tax Net Present Value as a discount rate of 5% (NPV5%) of \$247 million; an Internal Rate of Return of 22.9% and a capital payback period of 4.9 years. The life of the mine is 13.1 years. Other metal price sensitivity cases are summarized below.

Table 1-14: Comparison of economic analysis

		Low Case	Base Case	High Case
Copper Price	\$/lb	\$2.60	Consensus**	\$3.50
Gold Price	\$/oz	\$1,300	Consensus**	\$1,300
Silver Price	\$/oz	\$17	Consensus**	\$17
		US\$M	US\$M	US\$M
Net Smelter Revenue*, after royalty	LOM	\$1,582	\$1,941	\$2,150
Operating Margin	LOM	\$518	\$876	\$1,085
Operating Margin	Avg/Yr	\$40	\$67	\$83
Undiscounted Net Cashflow	Pre-tax	\$224	\$582	\$791
NPV 0%	After-tax	\$212	\$496	\$658
NPV 5%	Pre-tax	\$108	\$356	\$510
NPV 5%	After-tax	\$100	\$301	\$421
IRR	Pre-tax	13.4%	27.2%	36.8%
IRR	After-tax	12.8%	25.2%	33.6%
Payback - years	After-tax	6.50	4.75	4.00

* Note: Net revenues less smelter charges, concentrate transport and site operating costs.

** Consensus prices as shown on Table 1-12

Case B

The Case B development option is at a Feasibility level of study and the cost estimates and economics are prepared on a quarterly basis for the calendar years for production years 1 -4 and annually thereafter. Based upon design criteria presented in this report, the level of accuracy of the estimate is considered ±15%.

Case B economics are summarised below based upon the inputs disclosed:

		Low Case	Base Case	High Case
Copper Price	\$/lb	\$2.85	\$3.15	\$3.75
Gold Price	\$/oz	\$1,200	\$1,200	\$1,200
Silver Price	\$/oz	\$18	\$18	\$18
(In Millions of US Dollars)				
Net Smelter Revenue, after royalty		\$10,768	\$11,990	\$14,434
Net Cash Flow	Pre-tax	\$1,831	\$2,992	\$5,315
Net Cash Flow	After-tax	\$1,584	\$2,514	\$4,249
Annual Net Cash Flow	Yr. 1-5 avg.	\$204	\$262	\$366
Pre-tax Operating Margin*	Yr. 1-5 avg.	\$300	\$380	\$540
NPV 5%	Pre-tax	\$659	\$1,362	\$2,768
NPV 5%	After-tax	\$534	\$1,100	\$2,155
IRR	Pre-tax	11.30%	17.50%	28.80%
IRR	After-tax	10.40%	15.60%	24.60%
Payback - years	Pre-tax	7.9	4.2	2.8
Payback - years	After-tax	8.2	4.7	3.2

Mine Life is 23 years with cash costs (excluding equipment leases and Nevada State Minerals tax) of \$1.67/lb-Cu, \$1.49/lb-Cu net of by-product credits; and initial capital of \$1.04 billion, sustaining capital of \$634 million, and total capital of \$1.67 billion.

All costs and economic results are presented in Q2 2015 US dollars. Quantities and values are presented using US Customary units unless otherwise specified. No escalation has been applied to capital or operating costs. No gearing apart from equipment leasing is assumed in the analysis.

Technical economic tables and figures presented in this appendix require subsequent calculations to derive subtotals, totals, and weighted averages. Such calculations inherently involve a degree of rounding. Where these occur, they are not considered to be material.

USE OF PROCEEDS

The net proceeds received by the Corporation from the Offering, after deducting the Finders' Fees of \$1.1 million, the payment of the Offering Backstop Fee and the estimated expenses of the Offering of approximately \$2.2 million, are approximately \$124.2 million CDN.

Using the Bank of Canada average daily exchange rate for January 17, 2018 of \$1.00 = US\$0.8048, the net proceeds in US dollars, after the deduction of the Agents' Fee and estimated expenses, equals US\$100 million. The Corporation intends to allocate the net proceeds of the Offering as follows:

	US\$ Millions
Net Proceeds	\$100
Partial Repayment of Red Kite Loan ⁽¹⁾	\$42.2
Repayment of Pala Bridge Loan	\$3.5
Payment of Subsequent Equity Offering Backstop Fee ⁽²⁾	\$1.2
Payment of Technical Services Fees to Pala ⁽³⁾	\$1.8
Advancement of Engineering and Construction of Underground Project ⁽⁴⁾	\$42.1
Additional Drilling and Engineering Optimisations of the Open Pit Project	\$4.0
Corporate General and Administrative Expenses	\$2.4
General Working Capital ⁽⁵⁾	\$2.8
Total Use⁽⁶⁾	\$100

- (1) The proceeds of the Red Kite Loan were used primarily for the development of the Underground Project, including construction of the production-size shaft, hoist, headframe and associated infrastructure.
- (2) This figure does not include a payment made by the Corporation to Pala in the amount of \$600 in respect of the Offering Backstop Fee, which amount is considered as an expense of the Offering.
- (3) The Corporation paid Pala an aggregate of \$1,785 for technical services provided by Pala management members to the Corporation from February 2017 to December 2017, pursuant to the terms of a technical services agreement between the Corporation and Pala dated February 23, 2017.
- (4) The independent development of the Underground Project is further described as “Case A” in the Amended Technical Report.
- (5) Working capital may include routine operating and administrative expenses, capital expenditures and/or exploration and development of mineral properties.
- (6) While the Corporation intends to spend the funds available to it as stated above, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or advisable.

Objectives and Milestones

The partial repayment of the Red Kite Loan, the repayment of the Pala Bridge Loan and the Payment of the Subsequent Equity Backstop Fee were completed concurrently with the completion of the Offering.

Underground Project

The advancement of engineering and construction of the Underground Project will focus on the highest priority activities that affect the critical path for development and include:

1. For the underground mine: a) complete the main shaft to its final depth and equip the shaft for haulage of materials; b) sink a secondary shaft for ventilation and emergency egress; and c) start lateral underground development and establishment of the initial necessary underground infrastructure and stope development to allow for sustained mining operations.
2. For surface plant and infrastructure: a) complete detailed engineering of the process plant, paste plant and tails dewatering facilities; and b) the associated surface earthworks, electrical and other infrastructure.
3. Determining and ordering long lead-time processing equipment and other equipment.

The expenditure program above is anticipated to be started in Q1 2018 and continue during 2018. Most of the activities above will be completed by the end of 2018. Subject to the completion of successful financing to fund additional construction costs of the Underground Project, including the completion of the Subsequent Equity Offering and the drawdown of the Stream Deposit pursuant to the Stream Agreement, the Corporation anticipates that initial production from the Underground Project will be in the second half of 2019.

Additional Drilling and Engineering Optimisations of the Open Pit Project

Additional drilling and engineering optimisations of the Open Pit Project will include: a) definition and extension drilling on the North deposit; and, b) engineering and scoping level economic evaluations related to a reduced-tonnage, higher grade mine design as compared with that contemplated by previous studies. This program is expected to be completed by Q3 of 2018.

Corporate General and Administration

The above noted corporate general and administrative expenses will include payment of expenses associated with the Corporation’s head office located in Vancouver, including the payment of employee salaries, benefits and travel, Directors’ expenses, insurance, office rent & utilities and sundry office expenses over approximately a 12-month period.

The Corporation had no source of revenue from operations and negative operating cash flow for its most recent financial year. Additional financing will be required to support the Corporation’s operating and investing activities, as the Corporation plans to continue to expand its operations in the foreseeable future. To the extent the Corporation has negative cash flows in future periods, the Corporation may use a portion of its general working capital (including the proceeds of the Offering) to fund such negative cash flow.

Pumpkin Hollow Project Expenditures

Project costs capitalised for the year ended December 31, 2017 on the Pumpkin Hollow Copper Development Property consists of the following:

Development Costs (expressed in thousands of United States dollars)			
	Dec. 31, 2017	2017 Expenditures	Dec. 31, 2016
Property payments	\$1,961	\$-	\$1,961
Advance royalty payments	3,163	-	3,163
Water rights	2,250	279	1,971
Drilling	41,157	-	41,157
Geological consulting, exploration & related	7,923	-	7,923
Feasibility, engineering & related studies	21,362	1,779	19,583
Permits/ environmental	11,644	63	11,581
East deposit underground project			
Underground access, hoist, head frame, power, & related	78,901	1,140	77,761
Engineering procurement	10,550	-	10,550
Surface infrastructure	3,804	-	3,804
Site costs	15,344	1,494	13,850
	198,059	4,755	193,304
Depreciation	690	53	637
Capitalised interest	47,959	15,975	31,984
Stock-based compensation	4,498	103	4,395
Total Development Costs	\$251,206	\$20,886	\$230,320

Year ended December 31, 2017 compared to the year ended December 31, 2016

For the year ended December 31, 2017, the Corporation incurred \$20,886 of project expenditures compared to \$19,231 for the year in 2016. In the current year the focus has entirely been on updating feasibility study work as well as care and maintenance activities whilst maintaining the Project's permits. The focus during the comparative period ended December 31, 2016 was also care and maintenance activities only.

The feasibility costs in the year ended December 31, 2016 were \$nil as the previous feasibility study had been completed. Feasibility study costs incurred for the year December 31, 2017 were \$1,779 as a new feasibility was started and completed in 2017.

During the year ended December 31, 2017 the east deposit underground project costs were minimised as the Corporation focused on care and maintenance. The underground access, hoist, headframe, power & related costs incurred for the year ended December 31, 2016 of \$1,697 were also minimised as the focus was care and maintenance costs only.

Capitalised interest costs were \$14,625 for the year ended December 31, 2016 compared to the capitalised interest costs for the year ended December 31, 2017 of \$15,975. The change in expenditure is a result of the change in the long-term debt facility balance.

Selected Financial Information

<u>(Thousands, except per share amounts)</u>	<u>Year ended December 31, 2017</u>	<u>Year ended December 31, 2016</u>	<u>Year ended December 31, 2015</u>
Net gain (loss)	(6,589)	(28,968)	(4,998)
Net gain (loss) per share	(0.07)	(0.34)	(0.06)
Total cash and cash equivalents	385	4,801	2,217
Working capital (deficit)	(62,182)	2,435	(119,328)
Total noncurrent liabilities	114,427	165,600	1,075
Total liabilities	189,919	168,108	122,976
Total assets	262,255	244,516	223,953
Shareholders' equity	72,336	76,408	100,977

Summary of Quarterly Results

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

(In thousands of dollars except amounts per share)	2017	2017	2017	2017	2016	2016	2016	2016
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Working capital	(62,182)	(2,717)	(1,032)	2,114	2,435	4,566	6,572	(135,162)
Total assets	262,255	255,544	250,936	248,955	244,516	240,719	239,382	226,041
Development property	251,206	245,740	240,642	234,966	230,320	225,067	220,120	215,481
Total noncurrent liabilities	114,427	171,702	164,968	170,247	165,600	158,587	154,677	1,075
Shareholders' equity	72,336	80,784	83,906	76,112	76,408	80,324	81,286	88,488
Net profit (loss)	(8,448)	(3,122)	5,277	(296)	(4,842)	(1,356)	(10,278)	(12,492)
Net profit (loss) per share	(0.09)	(0.03)	0.06	(0.01)	(0.05)	(0.02)	(0.11)	(0.16)

In Q4 2017 the working capital deficit was \$62,182 because the convertible debt for Pala was classified as short term. The working capital since December 31, 2017 has significantly improved given the equity raise, the restructuring of the Red Kite debt, and the repayment of the Pala bridge loan and the conversion of the Pala Convertible debt.

In Q1 2016 the working capital deficit was over \$100 million because the long-term debt was re-classified to short-term debt because of the Corporation being in default for two outstanding loans at that time.

In Q1 2016, the Corporation bought back a percentage of the off-take from Red Kite for consideration of \$10,000 and as such realised over a \$10,000 loss during the quarter. In Q2 2016, the Corporation realised a loss on extinguishment of the short-term Pala debt of \$11,424 again resulting in a loss of over \$10M in the quarter.

For the three-month period ended December 31, 2017 and the three-month period ended December 31, 2016

The net loss in the quarter ended December 31, 2016 primarily relates to stock-based compensation expense of \$1,179 issued in the quarter to directors and employees. In addition, there was a \$3,527 loss in relation to the change in the derivatives of the convertible debt. This loss was partially offset by the \$1,165 gain for the Red Kite embedded derivative. In the quarter ended December 31, 2017 there was an increase in professional fees incurred in relation to the restructuring work that was ongoing. In addition, interest and finance expenses for Q4 were \$1,901. During the quarter ended December 31, 2017 there was a loss recognised in regard to the derivatives of the Corporation.

For the year ended December 31, 2017 and the year ended December 31, 2016

For the year ended December 31, 2016, the Corporation had a net loss of \$28,968 or \$0.34 per share compared to December 31, 2017, where the Corporation had a net loss of \$6,589 or \$0.08 per share. The loss for the current year decreased significantly against the comparative period because of the 2016 loss of \$11,424 on the changed terms relating to the amended Pala loan agreement. In addition, in the 2016 year there was a \$10,000 expense relating to the re-purchase of part of the off-take agreement relating to the Red Kite debt. A significant cost during the 2017 year were the professional fees of \$2,190. There were also interest and finance charges of \$5,544 recognised in 2017 this is an increase of \$2,217. The increased interest and finance expenses were offset by the derivative fair value gain of \$3,215.

Liquidity and Capital Resources

As of December 31, 2017, the Corporation had a cash balance of \$385, excluding restricted cash. The Corporation's working capital deficiency as at December 31, 2017, was \$62,182 compared with working capital of \$2,435 as at December 31, 2016. The decrease in the Corporation's working capital during the year ended December 31, 2017 is due to spend on care and maintenance activities and feasibility work. From July 2017 until January 2018 Red Kite has deferred interest payments under the Red Kite Loan Facility. In addition, the convertible debt as at December 31, 2017 is considered short term as its maturity date is December 31, 2018.

After year end, with receipt of the net proceeds of the Offering, the Company's working capital position has significantly improved long with reduced debt from conversion of the Pala convertible, repayment of the Pala bridge loan and reduction of the Red Kite loan to \$95,000.

Transactions with Related Parties

Pala is a related party because it is a Corporation that currently holds 53.5% of Nevada Copper shares. Additionally, three Pala executives, Evgenij Iorich, Stephen Gill, and Michael Brown, are on the Corporation's Board of Directors as at December 31, 2017.

The Pala convertible facility is carried at amortised cost in the consolidated financial statements and the convertible option and the warrants of the convertible facility are recorded at their respective fair values as at June 3, 2016 and the reporting date as they are classified as derivatives. Changes in the fair values of these financial instruments are recorded in profit or loss.

	Loan facility	Deferred financing fees	Total
December 31, 2016	\$29,035	\$(204)	\$28,831
Advance	5,000	(2,372)	2,628
Interest accrued	4,197	-	4,197
Accretion expense	-	829	829
December 31, 2017	\$38,232	(\$1,747)	\$36,485

	Convertible Derivative	Warrants Derivative	Total
December 31, 2016	\$11,900	\$468	\$12,368
New tranche issued	1,656	451	2,107
Change in fair value	(2,570)	(170)	(2,740)
December 31, 2017	\$10,986	\$749	\$11,735

The change in value was recognised in the consolidated statement of operations as derivative fair value gain of \$2,740 for the year ended December 31, 2017 (December 31, 2016 – (\$983)).

Upon closing of the January 2018 Offering and the Red Kite debt restructuring the Pala convertible debt was converted into shares at a conversion price of \$0.50 CAD per share. The indebtedness to Pala at the time of conversion was \$38,351 (\$47,781 CAD). This resulted in the issuance of 95,561,944 shares to Pala. Pala has been granted the continuation of certain rights it held pursuant to the Pala convertible loan, including the right to nominate up to three members of the Board, subject to Pala maintaining certain share ownership thresholds, and the right, as long as Pala holds 15% of the outstanding shares, to participate in future equity offerings on a *pro rata* basis.

During October 2017, Pala, a related party, advanced funds to the Corporation (the "Pala Bridge Loan") as a short-term bridge loan. The Pala Bridge Loan has a maximum principal amount of \$3,500, carries an interest rate of 7% and the interest is payable at maturity. The Pala Bridge Loan has a maximum term of six months and may be repaid earlier without penalty. The loan was advanced in two tranches. The first tranche of \$2,500 was received in October and the second tranche, of \$1,000, was received in December. Through year end interest of \$25 was due on these funds. After year end, the entire Pala Bridge Loan was repaid upon completion of the January 2018 Offering.

As of December 31, 2017, accounts payable and accrued liabilities include director fees and expenses payable of \$488, management fees of 1,785, and a DSU payable of \$749, of which \$174 is owed to the related party Michael

Brown, \$129 is owed to the related party Evgenij Iorich, and \$104 is owed to the related party Stephen Gill. The DSUs were granted as part of the compensation package for the directors.

At the annual general meeting held April 28, 2017 the shareholders of the Corporation approved the settlement of DSU liabilities through the issuance of common shares at the price of \$0.75 CDN per share. This settlement agreement resulted in the issuance of 1,298,236 shares to eight (8) former directors of the Corporation.

The Corporation has entered into management agreements with certain senior officers. In the event that there is a change of control, or for dismissal without cause, the Corporation may be required to pay severance payments ranging from one to three years of salary and benefits for these senior officers in amounts totalling \$1,580 (CDN \$1,982).

Related party transactions are recorded at the amount paid or received as established by contract or as agreed upon by the Corporation and the related party.

Commitment

Effective May 4, 2006, the Corporation entered into an Option Agreement to acquire a ten-year lease for mining rights (the "Lease") to the Pumpkin Hollow Copper Development Property. The initial lease expired May 4, 2016 and was extended for a second 10-year period. The Corporation may extend the Lease for up to two additional terms of ten years each after the second lease term expires in 2026, subject to performing continuous mining activities, payment of advance royalty payments of at least \$3,000 in the first ten-year term and payment of production royalties and minimum royalty payments of \$10,000 in each subsequent ten-year term.

Under the terms of the Lease, the Corporation has made option payments totalling \$600 during the period May 4, 2007 to May 4, 2011.

After May 4, 2011, the Corporation is required to pay advance royalty payments of \$600 annually until the first expiry date of the Lease on May 4, 2016 with a minimum total of \$3,000. Quarterly payments of \$150 are required. The Corporation is current with all required Lease payments and advance royalty payments. Cumulative advance royalty payments made total \$3,163 as of December 31, 2017. Under an agreement with RGGGS the leaseholder, the Corporation was able to defer advance royalty payments for 2017 (see below). Payments to RGGGS will recommence in 2018.

The Corporation was obligated to make exploration and development expenditures on the Property of at least \$4,000 during the first three years of the Lease, with expenditures of at least \$500 each year, and an additional \$4,000 during the 4th through 6th years of the Lease, with expenditures of at least \$500 each year. The Corporation fully satisfied these expenditure obligations by 2008. Pursuant to the terms of the Lease the Corporation notified RGGGS of its intention to extend the lease for the period May 2, 2016 to May 2026. This notice has been acknowledged and accepted by RGGGS and provision was made for payment of the residual balance of the \$3,000 minimum advance royalty in the first lease term. On January 9, 2017 an agreement with RGGGS was reached which deferred payments in 2017. In consideration for this deferral, RGGGS royalty rates increased from 1% to 2% for non-ferrous metals and the royalty rate for ferrous metals increased from \$0.10 per ton to \$0.20 per ton. These increased royalty rates apply only to an area of interest provision extending one mile from, but excluding, the patented core project land representing the current mineable reserve leased from RGGGS pursuant to the RGGGS lease. That is, they do not apply to the current mineable reserve.

The Corporation has entered into a five-year lease agreement for offices commencing December 2013. The Corporation has management agreements with certain members of senior management as noted in Transactions with Related Parties. In the event that there is a change of control, the Corporation is committed to pay severance payments equivalent of one to three years of salary.

The following table sets forth the Corporation's known contractual obligations as at December 31, 2017:

Contractual obligations	Payments due by period				
	Total	1 year	2-3 years	4-5 years	5 years+
Lease obligation – payment on Pumpkin Hollow Property (i)	\$9,963	\$1,463	\$1,200	\$1,200	\$6,100
First amendment to lease – payment of water rights on property	1,612	189	378	227	818
City of Yerington –advanced water service payments	394	88	175	131	-
Accounts payable and accrued liabilities	3,907	3,907	-	-	-
DCU and DSU payable	1,547	1,547	-	-	-
Pala advance	3,525	3,525	-	-	-
Convertible debt	43,076	43,076	-	-	-
Long-term debt (ii)	175,022	19,969	111,126	43,927	-
Total USD obligations	\$239,047	\$73,765	\$112,879	\$45,485	\$6,918
	CDN	CDN	CDN	CDN	CDN
Office lease	\$217	\$217	-	-	-
Total CAD obligations	\$217	\$217	-	-	-

(i) The commitment in the table above is the obligation if the Corporation does not renew the Pumpkin Hollow property lease. The Corporation can pay quarterly installments to the lessor if the lease is renewed.

(ii) These values reflect accrued interest through loan maturity.

Previously, the Corporation had entered into certain construction and engineering contracts relating to the construction of the underground shaft. Work incurred on these contracts were billed monthly and therefore are not listed as commitments. There are currently no material construction or engineering contracts in force.

Off-Balance Sheet Arrangements

The Corporation has no Off-Balance Sheet arrangements that are not disclosed in the Commitment 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 Corporation are responsible for establishing and maintaining the Corporation's disclosure controls and procedures ("DCP") including adherence to the Disclosure Policy adopted by the Corporation. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Corporation 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 Corporation makes the identification and authorisation process relatively efficient and a process for reviewing ICFR has been developed. To the extent possible given the Corporation'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 Corporation's DCP and ICFR as required by NI 52-109 issued by the Canadian Securities Administrators. They concluded that as of December 31, 2017, the Corporation'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 Corporation as of December 31, 2017. The CEO and CFO also concluded that no material weaknesses existed in the design of the ICFR.

The Corporation 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.

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 or where measurements are uncertain are as follows:

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 Corporation.

Deferred tax assets are recognised to the extent that certain taxable losses or deferred expenditures will be utilised by the Corporation to reduce future taxes payable. The amount of deferred tax assets recognised, if any is based on objective evidence that the Corporation 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 Corporation's ability to generate sufficient taxable income or changes to enacted tax rates could result in the recognition of deferred tax assets.

iii) Stock-based compensation

The Corporation 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 Corporation'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 rate issued by comparable issuers and accounting for at amortised cost using the effective interest rate method.

Risk Factors

If the Corporation's programs are successful, additional funds will be required for the development of an economic ore body and to place it into commercial production. The business of mineral exploration and extraction involves a high degree of risk with very few properties that are explored ultimately achieving commercial production. As a mining Corporation in the development stage, the future ability of the Corporation to conduct exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means. In turn, the Corporation's ability to raise such funding depends in part upon the market's perception of its management and properties, but to a great

degree upon the mineral prices and the marketability of securities of speculative mineral exploration and development companies.

The development of any ore deposits found on the Corporation's exploration properties depends upon the Corporation's ability to obtain financing through any or all of equity financing, debt financing, the joint venturing of projects, or other means. There is no assurance that the Corporation will be successful in obtaining the required financing and there is no assurance that the requirements for further drawdowns under the credit Facility will be met.

Risks associated with secured debt.

The Corporation's obligations under the Red Kite Loan Facility and the Pala Convertible Loan Facility are secured against all of the Corporation's assets. Any failure to meet any of the payment obligations under the Red Kite Loan Facility or the Pala Convertible Loan Facility, or otherwise adhere to the covenants therein or fulfill the other obligations thereunder, may trigger an event of default and a demand for full immediate repayment of all amounts outstanding under such credit facilities. Interest on the Red Kite Loan Facility has been prepaid to June 2017. The balance of 2017 interest will be accrued to loan principal, but commencing in January 2018, 50% of monthly interest will be payable in cash. If the Corporation is not able to further amend the Red Kite Loan Facility and the Pala Convertible Loan Facility, or to refinance such obligations pursuant to its strategic review process, it will need to identify additional sources of financing to satisfy such obligations or refinance these obligations.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's loan agreement with Red Kite currently provides for interest at LIBOR plus 10% per annum, subject to a minimum interest rate of 11%. Due to the capitalisation of borrowing costs and the minimum interest rate provision, and as long as LIBOR is less than 1%, the Corporation's sensitivity to a 1% decrease or increase in market rates of interest would have an immaterial effect on the Corporation's interest expense. The Corporation's loan agreement with Pala currently provides for interest at 12% per annum.

Development projects are uncertain and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production

Mine development projects, including the project, require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors such as: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future copper, silver, and gold prices, and anticipated capital and operating costs of these projects. The project has no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of Proven and Probable Mineral Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project: unanticipated changes in grade and tons of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labour, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in metals prices, and accidents, labour actions and force-majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. It is likely that actual results for the project will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favourable than currently estimated, our business, results of operations, financial condition and liquidity could be materially adversely affected.

The Corporation has a lack of operating history and has no history of earnings.

The Corporation and its predecessor companies have no history of earnings. The Corporation has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Corporation is through the sale of its equity shares or by way of debt facilities. While the Corporation may generate additional working capital through the operation, development, sale or possible syndication of its properties, there is no assurance that any such funds will be generated.

The Corporation is dependent on key personnel and the absence of any of these individuals could result in a significantly negative effect on the Corporation.

The success of the Corporation and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key personnel. The loss of their services to the Corporation may have a material adverse effect on the Corporation. The Corporation does not presently have “key person” life insurance for any of its officers.

There are significant risks associated with exploration and development activities including industrial accidents, flooding, environmental hazards, technical problems and labour disputes which could materially adversely affect future mining operations and the Corporation’s financial position.

There is no certainty that the expenditures made or to be made by the Corporation in the exploration of its properties will result in discoveries of mineralised material in commercially viable quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits. Mining operations generally involve a high degree of risk which even with a combination of experience, knowledge and careful evaluation may not be able to overcome. The business of mining is subject to a variety of risks such as industrial accidents, flooding, environmental hazards such as fires, technical failures, labour disputes and other accidents at the mine facilities. Such occurrences, against which the Corporation cannot or may elect not to insure, may delay production, increase production costs or result in liability. The payment of such liabilities may have a material adverse effect on the Corporation’s financial position.

Estimates of Mineral Reserves and Resources may not be realised

The Mineral Reserves and Resources estimates contained in this MD&A are only estimates and no assurance can be given that any particular level of recovery of minerals will be realised or that an identified Resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Corporation relies on laboratory-based recovery models to project estimated ultimate recoveries by mineral type. Actual recoveries may exceed or fall short of projected laboratory test results. In addition, the grade of mineralisation ultimately mined may differ from the one indicated by the drilling results and the difference may be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short term factors, such as the need for an orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of those operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in proven and probable reserves or Resources, grades, waste-to-ore ratios or recovery rates may affect the economic viability of projects. The estimated proven and probable reserves and Resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

The Corporation’s activities on its properties are subject to environmental regulations, approvals and permits.

All phases of the Corporation’s operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation’s operations, or its ability to develop its properties economically. Before production may commence on any property, the Corporation must obtain regulatory and environmental approvals and permits. There is no assurance such approvals and permits will be obtained on a timely basis, if at all. Compliance with environmental and other regulations may reduce profitability, or preclude economic development of a property entirely.

The Corporation is in competition with other mining companies that have greater resources and experience.

The resource industry is intensely competitive in all of its phases, and the Corporation competes with many companies possessing greater financial resources and technical facilities. Competition could adversely affect the Corporation's ability to acquire suitable producing properties or prospects for exploration in the future.

The business of exploration for minerals and mining involves a high degree of risk, as few properties that are explored are ultimately developed into producing mines.

Mineral exploration is a speculative business, characterised by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Corporation may be affected by numerous factors which are beyond the control of the Corporation and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, any of which could result in the Corporation not receiving an adequate return on invested capital.

Marketability of natural resources which may be discovered by the Corporation will be affected by numerous factors beyond its control.

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of Mineral Resources are discovered, a profitable market will exist for the sale of such minerals. Factors beyond the control of the Corporation may affect the marketability of any mineral occurrences discovered. The price of minerals has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the control of the Corporation, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the United States dollar relative to the Canadian dollar and other currencies), interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Some of the directors of the Corporation are involved with other mineral resource companies and may have a conflict of interest in negotiations on a project that is also of interest to the Corporation.

Certain of the directors of the Corporation are directors or officers of other mineral resource companies and, to the extent that such other companies may be interested in a project also of interest to the Corporation, or may in the future participate in one or more ventures in which the Corporation participates, such directors may have a conflict of interest in negotiating and concluding terms respecting such other projects or the extent of such participation. In the event that such a conflict of interest arises, at a meeting of the directors of the Corporation, a director who has such a conflict will abstain from voting for or against the approval of such acquisition or participation. In the appropriate cases, the Corporation will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program.

Title Matters

In those jurisdictions where the Corporation has property interests, the Corporation makes a search of mining records in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, or concessions. The ownership and validity of mining claims and concessions are often uncertain and may be contested. There is, however, no guarantee that title to the Corporation's properties and concessions will not be challenged or impugned in the future. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

Shareholder Dilution

It is likely that additional capital required by the Corporation will be raised through the issuance of additional equity securities, resulting in dilution to the Corporation's shareholders.

Share price risk

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Corporation, including the market for all resource sector shares, the breadth of the public market for the stock, the need for certain Funds to sell shares for external reasons other than those relevant to the Corporation and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares of the Corporation on the exchanges on which the common shares are listed suggests that the share price will be volatile. In the previous eight quarters, between January 1, 2016 and December 31, 2017, the Corporation's shares traded in a range between CDN\$0.46 and CDN\$1.05 per share.

Insurance risks

Although the Corporation maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining Corporation's operations. Nevada Copper may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Currency risk

The Corporation is exposed to currency fluctuations in the acquisition of foreign currencies. The Corporation holds balances in cash and cash equivalents, accounts payable and accrued liabilities in foreign currencies (CDN dollars) and is therefore exposed to gain or losses on foreign exchange.

Legal Proceedings against Foreign Directors.

The Corporation is incorporated under the laws of British Columbia, Canada, and some of the Corporation's directors and officers are residents of Canada. Consequently, it may be difficult for United States investors to effect service of process within the United States upon the Corporation or upon its directors or officers, or to realise in the United States upon judgments of United States courts predicated upon civil liabilities under the United States Securities Exchange Act of 1934, as amended. Furthermore, it may be difficult for investors to enforce judgments of US courts based on civil liability provisions of the US Federal securities laws in a foreign court against the Corporation or any of the Corporation's non-US resident officers or directors.

Outlook

The Corporation will continue to focus its development efforts in the United States for purposes of the exploring and developing copper projects, in particular Pumpkin Hollow, and acquiring additional copper properties, should opportunities to do so present themselves.

As a development stage Corporation, the future liquidity of the Corporation will be affected principally by the level of its development expenditures and by its ability to raise an adequate level of capital through the capital and debt markets. The Corporation will be required to complete additional funding in order to meet its business objectives. The Corporation will continue to evaluate its funding requirements on a go forward basis in an effort to meet its future development and growth initiatives.

Share Data

Capital Structure as of March 28, 2018:

Common shares issued and outstanding:	445,150,682
Total stock options outstanding:	6,693,500
Total warrants outstanding:	5,460,000

Forward-Looking Statements

Certain of the statements made and information contained herein may 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 Corporation's ability to secure a strategic partner or other project financing arrangement, plans at the Pumpkin Hollow Project; the assumptions in the financial analysis prepared in connection with the FS on the Pumpkin Hollow Project; the timing of granting of any future permits, estimated metal production and the timing thereof; the possibility of future iron magnetite revenues; the possibility of any solar development at the project; any metal pricing, capital and operating and cash flow estimates contained in the FS; and the access to financing and appropriate equipment and sufficient labour. 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 include, but are not limited to, statements or information with respect to known or unknown risks, uncertainties and other factors which may cause the actual industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Forward-looking statements or 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; loss of its 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 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 Corporation'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 Corporation disclaims any intent or obligation to update forward-looking statements or information except as required by law, and you are referred to the full discussion of the Corporation's business contained in the Corporation's reports filed with the securities regulatory authorities in Canada.