



NEVADA COPPER CORP.

Consolidated Condensed Interim Financial Statements
For the three months ended March 31, 2016 and three months ended March 31, 2015

NEVADA COPPER CORP.

Consolidated Condensed Interim Statements of Financial Position

(Expressed in thousands of United States dollars)

(Unaudited – Prepared by Management)

	March 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$1,154	\$2,217
Amounts receivable	27	218
Prepaid expenses	135	138
	<u>1,316</u>	<u>2,573</u>
Restricted cash	743	1,930
Deposits	91	114
Deferred financing fees (note 6)	8,146	7,961
Mineral properties, plant, and equipment (note 4)	215,745	211,375
	<u>226,041</u>	<u>223,953</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (notes 7 and 9)	4,505	4,714
Short term debt (note 5)	21,595	20,954
Current portion of long term debt (notes 6 and 12)	110,378	96,233
	<u>136,478</u>	<u>121,901</u>
Asset retirement obligation	1,075	1,075
	<u>137,553</u>	<u>122,976</u>
Shareholders' equity:		
Share capital (note 9)	155,840	155,840
Other equity reserve (note 9)	25,077	25,074
Accumulated other comprehensive loss	(3,578)	(3,578)
Deficit	(88,851)	(76,359)
	<u>88,488</u>	<u>100,977</u>
	<u>\$226,041</u>	<u>\$223,953</u>

Subsequent events (notes 6 and 12)

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

Approved on behalf of the Board on May 16, 2016:

(Signed) "Victor Bradley", Director

(Signed) "Giulio Bonifacio", Director

NEVADA COPPER CORP.

Consolidated Condensed Interim Statements of Operations and Comprehensive Loss

(Expressed in thousands of United States dollars)

(Unaudited – Prepared by Management)

Three month period ended March 31, 2016 and March 31, 2015

	March 31, 2016	March 31, 2015
Expenses:		
Consulting and remuneration	\$167	\$149
Public company expenses	100	221
Office expenses	61	82
Professional fees	22	69
Business development	54	71
Depreciation expense (note 4)	2	33
Stock-based compensation (note 9)	436	59
	842	684
Other income (expense):		
Interest income	3	36
Interest and finance expenses (notes 5 and 6)	(10,692)	(488)
Other loss (note 6)	(941)	(372)
Foreign exchange loss	(20)	(484)
	(11,650)	(1,308)
Net loss and comprehensive loss for the period	\$(12,492)	\$(1,992)
Loss per common share:		
Basic and diluted	\$ (0.16)	\$ (0.02)
Weighted average number of shares outstanding	80,501,458	80,501,458

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

NEVADA COPPER CORP.

Consolidated Condensed Interim Statements of Changes in Equity
 (Expressed in thousands of United States dollars, except share amounts)
 (Unaudited – Prepared by Management)

	Share Capital		Other Equity Reserve	Accumulated Other Comprehensive Loss	Deficit	Total
	Number of Shares	Amount				
Balances, December 31, 2014	80,501,458	\$155,840	\$24,978	\$(3,578)	\$(71,361)	\$105,879
Stock-based compensation	-	-	21	-	-	21
Comprehensive loss	-	-	-	-	(1,992)	(1,992)
Balances, March 31, 2015	80,501,458	\$155,840	\$24,999	\$(3,578)	\$(73,353)	\$103,908

	Share Capital		Other Equity Reserve	Accumulated Other Comprehensive Loss	Deficit	Total
	Number of Shares	Amount				
Balances, December 31, 2015	80,501,458	\$155,840	\$25,074	\$(3,578)	\$(76,359)	\$100,977
Stock-based compensation	-	-	3	-	-	3
Comprehensive loss	-	-	-	-	(12,492)	(12,492)
Balances, March 31, 2016	80,501,458	\$155,840	\$25,077	\$(3,578)	\$(88,851)	\$88,488

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

NEVADA COPPER CORP.

Consolidated Condensed Interim Statements of Cash Flows
(Expressed in thousands of United States dollars)
(Unaudited – Prepared by Management)

Three month period ended March 31, 2016 and March 31, 2015

	March 31, 2016	March 31, 2015
Cash provided by (used in):		
Operations:		
Loss for the period	\$(12,492)	\$(1,992)
Items not affecting cash:		
Interest and finance expenses	10,641	471
Depreciation	3	88
Loss (gain) on embedded derivatives	944	372
Interest income	(3)	(36)
Stock-based compensation	436	69
	(471)	(1,028)
Changes in non-cash working capital items:		
Amounts receivable	191	39
Prepaid expenses	3	(44)
Accounts payable and accrued liabilities	153	(516)
Interest received	3	36
	(121)	(1,513)
Investments:		
Trust account for surety bond	1,187	350
Deposits for development costs	23	63
Development costs for mineral properties, plant and equipment	(1,814)	(7,366)
	(604)	(6,953)
Financing:		
Transaction costs for debt financing	(338)	-
Interest paid	-	(2,845)
	(338)	(2,845)
Effects of exchange rate changes on cash held in foreign currencies	-	-
Decrease in cash and cash equivalents	(1,063)	(11,311)
Cash and cash equivalents, beginning of the period	2,217	33,246
Cash and cash equivalents, end of the period	\$1,154	\$21,935
Supplementary information:		
Depreciation capitalised in mineral properties, plant, and equipment	\$19	\$27
Stock-based compensation included in mineral properties	54	10
Mineral properties, plant, and equipment in accounts payable and accrued liabilities	3,268	2,246
Interest capitalised in mineral properties, plant and equipment	\$3,354	\$2,440

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

NEVADA COPPER CORP.

Notes to Consolidated Condensed Interim Financial Statements
(Expressed in thousands of United States dollars, except share amounts)
(Unaudited – Prepared by Management)
For the three month period ended March 31, 2016 and the year ended December 31, 2015

1. Nature of operations and going concern:

Nevada Copper Corp. (the “Corporation” or “Nevada Copper”) is a development stage mining company engaged in the development of the Pumpkin Hollow Copper Project based in Nevada. The recoverability of amounts capitalised for mineral properties, plant and equipment is dependent upon maintaining the lease and titles to the properties, obtaining the necessary financing and permits to complete the development of these properties and attaining future profitable production. The amounts capitalised as development costs represent costs to date, and do not necessarily represent present or future values.

Nevada Copper 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 NCU symbol. The Corporation’s head office, and registered and records office, is located at Suite 1238, 200 Granville Street, Vancouver, BC, Canada, V6C 1S4.

These consolidated condensed interim financial statements have been prepared on a going concern basis which assumes the Corporation will be able to operate in the foreseeable future. The Corporation will be able to realise its assets and discharge its liabilities in the normal course of business. The Corporation will be required to complete additional financing in 2016 in order to meet interest payment commitments and expected operating costs in 2016. The Corporation will also be required to complete additional financing in order to carry out its development activities and to draw down the remaining undrawn amount of \$110,000 of the Red Kite facility, which draw down is also contingent upon completion of certain project milestones to be met. As at December 31, 2015, the Company breached the covenants stipulated in the Red Kite facility and as such, the loan has been re-classified from long term to short term (note 6). These circumstances have resulted in a material uncertainty about whether the Corporation will be able to obtain the additional financing required to meet its obligations as they become due which may cast significant doubt about the ability of the Corporation to continue as a going concern.

Management is actively seeking additional financing and believe that they will be successful in these efforts such that development of the Pumpkin Hollow project will continue as planned with all interest and principal debt repayments made as required. The working capital deficiency of \$135,162 will be improved upon completion of a financing transaction. The ability of the Corporation to continue as a going concern, to realise the carrying value of its assets, and to discharge its liabilities when due is dependent on the successful completion of additional financing. If the going concern basis was not appropriate for these consolidated condensed interim financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

2. Basis of presentation and significant accounting policies:

Basis of presentation:

These consolidated condensed interim financial statements have been prepared in accordance and in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in compliance with International Accounting Standards (“IAS”) 34 Interim Financial Reporting.

All financial information in these consolidated financial statements is presented in United States dollars (“USD”), unless otherwise stated. References to CAD are to Canadian dollars (“CAD”).

These consolidated condensed interim financial statements were approved for issue by the Board of Directors (“BoD”) on May 16, 2016.

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Notes to Consolidated Condensed Interim Financial Statements
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2. Basis of presentation and significant accounting policies (continued):

Basis of measurement:

These consolidated condensed interim financial statements have been prepared on the historical cost basis, except for certain instruments carried at fair value. In addition, these consolidated condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies and methods of computation applied by the Corporation in these consolidated condensed interim financial statements are the same as those applied in the Corporation's annual consolidated financial statements for the year ended December 31, 2015.

These consolidated financial statements have been prepared in accordance and in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All financial information in these consolidated financial statements is presented in United States dollars ("USD"), unless otherwise stated. References to CAD are to Canadian dollars ("CAD").

3. Recent accounting pronouncements:

The Corporation continuously monitors the potential changes proposed by the IASB and analyses the effect that changes in the standards may have on the Corporation's consolidated financial statements.

The Corporation has evaluated the impact of accounting policy changes effective January 1, 2016 and has determined that there are no policy changes that impact the interim condensed consolidated financial statements for the period ended March 31, 2016. Future changes in accounting standards which may impact the December 31, 2016 consolidated financial statements pertain to adoption of IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases. The mandatory effective date of these standards is on or after January 1, 2018.

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For the three month period ended March 31, 2016 and the year ended December 31, 2015

4. Mineral properties, plant and equipment:

	Mineral Properties		Plant &	Total
	Development	Exploration and	Equipment	
	Costs	Evaluation assets		
Cost:				
As at Dec. 31, 2014	172,233	-	1,128	173,361
Additions	38,856	-	-	38,856
As at Dec. 31, 2015	211,089	-	1,128	212,217
Additions	4,392	-	-	4,392
As at Mar. 31, 2016	215,481	-	1,128	216,609
Accumulated depreciation:				
As at Dec. 31, 2014	-	-	606	606
Additions	-	-	236	236
As at Dec. 31, 2015	-	-	842	842
Additions	-	-	22	22
As at Mar. 31, 2016	-	-	864	864
Net book value:				
As at Dec. 31, 2014	172,233	-	522	172,755
As at Dec. 31, 2015	211,089	-	286	211,375
As at Mar. 31, 2016	\$215,481	\$-	\$264	\$215,745

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4. Mineral properties, plant and equipment (continued):

Pumpkin Hollow Copper Development Property:

On March 1, 2005, the Corporation entered into an Option Agreement to acquire a ten-year lease for mining rights (the “Lease”), effective May 4, 2006 and expiring May 4, 2016, for the Pumpkin Hollow Copper Development Property (the “Property”) located in north-western Nevada, United States, approximately one hundred miles southeast of Reno. The Property is located within a contiguous 26 square mile land package comprised of patented and unpatented claims. During the 2006 fiscal year, the Corporation paid \$80 to the optionor in full payment of the option and obtained a 100% interest in the Property pursuant to the lease terms.

Under the terms of the Lease, the Corporation has made Lease payments totaling \$600 during the period May 4, 2007 to May 4, 2011. Subsequent to 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 to a total of \$3,000. Quarterly lease payments of \$150 were due and paid commencing in April 2012. The Corporation is current with all required Lease payments and advance royalty payments. Cumulative advance royalty payments made total \$2,400 to March 31, 2016.

The Company must pay RGGGS Land & Minerals Ltd. (“RGGGS”) a net production royalty on copper obtained from Fee Land and Patented Claims comprising the Property which are described in the Lease Agreement. The royalty rate is 4% on copper when the copper price is less than US\$1.00 per pound, a 5% net production royalty on copper when the copper price is between US\$1.00 and US\$2.00 per pound and a 6% net production royalty on copper when the price of copper is greater than US\$2.00 per pound. On all other minerals such as gold and silver, except iron, the royalty rate is 5%. 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. During 2008, and in less than three years, the Corporation satisfied these obligations.

The Corporation may extend the Lease for up to three additional terms of ten years each, 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. 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. A completion payment of \$450 is payable in June 2016 to finalise the extension of the lease.

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4. Mineral properties, plant and equipment (continued):

Project costs capitalised for the three months ended March 31, 2016 and the year ended December 31, 2015 on the Property consists of the following:

	Mar. 31, 2016	Q1 2016	Dec. 31, 2015	2015	Dec. 31, 2014
Property payments	\$1,961	\$-	\$1,961	\$-	\$1,961
Advance royalty payments	2,400	150	2,250	600	1,650
Water rights	1,739	47	1,692	285	1,407
Drilling	41,157	10	41,147	4,533	36,614
Geological consulting, exploration & related	7,925	11	7,914	287	7,627
Feasibility, engineering & related studies	19,583	-	19,583	2,012	17,571
Permits/ environmental	11,630	47	11,583	3,305	8,278
East deposit underground project					
Underground access, hoist, head frame, power, & related	77,132	246	76,886	13,511	63,375
Eng. procurement	10,550	-	10,550	119	10,431
Surface infrastructure	3,797	-	3,797	426	3,371
Site costs	12,607	454	12,153	2,846	9,307
	190,481	965	189,516	27,924	161,592
Depreciation	585	19	566	111	455
Capitalised interest (note 6)	20,713	3,354	17,359	10,765	6,594
Stock-based compensation	3,702	54	3,648	56	3,592
Total	\$215,481	\$4,392	\$211,089	\$38,856	\$172,233

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Notes to Consolidated Condensed Interim Financial Statements
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For the three month period ended March 31, 2016 and the year ended December 31, 2015

4. Mineral properties, plant and equipment (continued):

Plant and equipment:

	Building	Equipment	Mobile Equipment	Computer Equipment	Total
Cost:					
As at Dec. 31, 2014	\$480	\$96	\$139	\$413	\$1,128
Additions	-	-	-	-	-
As at Dec. 31, 2015	480	96	139	413	1,128
Additions	-	-	-	-	-
As at Mar. 31, 2016	480	96	139	413	1,128
Accumulated depreciation:					
As at Dec. 31, 2014	189	79	93	245	606
Additions	51	6	14	165	236
As at Dec. 31, 2015	240	85	107	410	842
Additions	14	1	4	3	22
As at Mar. 31, 2016	254	86	111	413	864
Net book value:					
As at Dec. 31, 2014	291	17	46	168	522
As at Dec. 31, 2015	240	11	32	3	286
As at Mar. 31, 2016	\$226	\$10	\$28	\$-	\$264

During the period ended March 31, 2016, the Corporation had depreciation of plant and equipment of \$22 (March 31, 2015 - \$61), of which \$19 (March 31, 2015 - \$27) was included in capitalised mineral property expenditures.

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5. Short term debt:

On August 26, 2014, the Corporation closed a \$20 million bridge loan facility (“Pala Facility”) with Pala Investments Limited (“Pala”). The initial term of the facility was four months, with up to two additional two month extensions. The Pala Facility is drawn in \$5 million tranches. The annual interest rate is 10% and a 4% arrangement fee was payable upon each tranche drawn. The Pala Facility is secured against the Corporation's assets, and is subordinate to the security granted in connection with the \$200 million senior credit facility entered into by the Corporation on December 30, 2014. The Pala Facility has a \$10,000 minimum working capital requirement which was not reduced to \$5,000 to align with Red Kite loan amendments agreed in January 2016 (see note 6). Therefore the Corporation is currently in default of the minimum working capital requirement of the Pala Facility. No default notice has been received by the Corporation. Completion of a financing transaction will bring the Corporation into compliance on the closing date of the financing transaction.

In July 2015 the loan term was extended to January 31, 2016 and the total amount available under the Pala Facility was increased to \$25 million. On September 30, 2015 the loan term was extended to June 30, 2016. The effective interest rate of the loan is 12%. Please see note 12 for additional information.

Interest is accruing on a monthly basis per the revised terms of the Pala Facility. In addition, the arrangement fee for the fourth draw has been accrued. Through December 31, 2015, \$20 million (four tranches) has been drawn from the Pala Facility. The Corporation has paid \$1,099 of interest for the Pala Facility and accrued an additional \$1,510 through March 31, 2016 (March 31, 2015 - \$nil as the interest was being paid monthly). The Pala Facility is carried at amortised cost on the consolidated condensed interim statement of financial position. The current short term loan carrying value is \$21,595 (December 31, 2015 - \$20,954).

Subsequent to March 31, 2016, the Corporation entered into definitive documentation regarding the amendment of its existing \$21.7 million subordinated loan facility with Pala into a convertible loan. Under the terms of this convertible loan facility, dated April 22, 2016, Pala will advance a further \$5,000, which forms part of the minimum \$10 million alternative interim financing (please see Note 6), such that an aggregate principal amount of \$26.7 million will be outstanding under the Pala convertible loan facility. The Pala convertible loan facility will mature and be payable on December 31, 2017 or earlier in the case of certain events. The interest rate will be 12% per annum.

All outstanding amounts under the Pala convertible loan may be prepaid in full by the Corporation with payment of an early repayment fee equivalent to either 25% or 35% depending upon when prepayment is made.

Pala may elect to convert the principal amount and any accrued and unpaid interest under this facility, including the prepayment fee, if applicable, in full or in part, at a conversion price, into common shares in the capital of the Corporation, at \$1.11 per share. This price represents 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, subject to potential adjustment of the conversion price such that it will not exceed 115% of the issue price of securities issued via a prospectus.

As part of this agreement Pala will be issued 2.5 million warrants with a three year term, exercisable to acquire common shares of the Corporation at an exercise price of \$1.20 per share.

The Pala convertible loan facility and the \$5,000 advance remain subject to a number of conditions precedent, including receipt of shareholder approval. The Corporation plans to hold an annual and special shareholder meeting on May 27, 2016, at which the Corporation will seek disinterested shareholder approval of the Pala convertible loan facility.

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6. Long term debt:

(a) December 30, 2014 loan facility

On December 30, 2014, the Corporation entered into a \$200 million loan facility (the “Loan”) with EXP T1 Ltd that is an affiliate of RK Mine Finance, (“Red Kite”). The Loan is comprised of two tranches - Tranche A for \$90 million, which was received on December 30, 2014, and Tranche B for \$110 million which is contingent upon completion of other financing transactions whereby the Corporation will obtain sufficient proceeds necessary to achieve commencement of commercial production and certain project milestones.

Amounts advanced under the Loan bear interest at the greater of three-month LIBOR and 1%, plus 10% until the commencement of commercial production where the amounts advanced under the Loan bear interest at the greater of three-month LIBOR and 1%, plus 7.5%. The Loan was subject to a 3.5% loan origination fee on the total loan facility, which was paid on December 30, 2014.

On September 30, 2015 the loan terms were amended. The Loan is to be repaid by December 31, 2021 with quarterly principal repayments commencing on September 30, 2018. An interest payment holiday has been given until March 31, 2017. An additional financing fee of \$7,000 has been added to the principal of the loan in consideration of the extended timing of the loan and the interest holiday provided.

When the Loan was amended on September 30, 2015 a covenant was added requiring the Corporation enter into a financing transaction raising \$20,000 prior to December 31, 2015. Failure to meet this covenant resulted in the Corporation in re-classifying the loan from long term to short term. The Corporation is also currently in default of the minimum working capital covenant of the Red Kite Loan.

In January 2016, and as amended in April 2016, a Red Kite loan extension was granted. The April amendment also requires the Corporation, prior to May 31, 2016, to complete an alternative interim financing transaction in the minimum amount of \$10,000. This agreement and subsequent amendment also reduced the minimum working capital requirement from \$10,000 to \$2,000. A further covenant is that all loan interest cash payments due in 2017 must be placed into an escrow account by December 31, 2016. This allows the Corporation to extend the project construction drawdown conditions to December 31, 2017. Completion of an alternative financing transaction of at least \$10,000 will bring the Corporation into compliance with both the minimum working capital requirement and the revised financing transaction requirement. Compliance with these covenants means the Corporation will re-classify the balance of the loan as long term debt.

The Corporation purchased, through the addition of \$10,000 to the loan principal, the 33.5% portion of the off-take option to Red Kite under the loan. The current 25.5% balance of the underground offtake is held by a lender, MF Investments, under the previous 2013 loan agreement.

Interest, commencing on March 31, 2017, is payable on a quarterly basis. Two interest payments, of \$4,978, have been paid through December 31, 2015. The Loan can be repaid without penalty at any time prior to maturity.

The Loan is carried at amortised cost on the consolidated condensed interim statement of financial position. The Corporation has incurred \$14,811 of transaction costs, including the 3.5% origination fee, and the 3.5% amendment fee, on the total amount available under the Loan. A pro-rata portion of the transaction costs was recognised as part of the Loan based on the amount drawn.

The remainder of the transaction costs have been accounted for as deferred financing costs and will be netted against future tranches when drawn on a pro-rata basis. Since inception through the period ended March 31, 2016, \$20,713 (note 4) (December 31, 2015 - \$17,359) of interest was accrued and capitalised to mineral property development costs.

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6. Long term debt (continued):

The Loan is fully and unconditionally guaranteed, on a joint and several basis, by the Corporation's existing and future subsidiaries and secured by all current and future assets of the Corporation. The loan is collateralised against the Corporation's assets, including the shares of the Corporation's subsidiary which holds the Nevada Copper assets.

In addition to, and related to, the Loan, the Corporation also entered into an off-take agreement with Red Kite for the sale of copper concentrates from the underground mine of the eastern deposits. The Corporation will supply Red Kite with the percentage of total copper concentrate production based on the amount advanced to the Corporation through tranches divided by the total available loan. Red Kite will be entitled to up to 74.5% of production after advancing all of the funds available under the facility. In relation to the first tranche advanced, Red Kite will be entitled to purchase 33.5% of the Corporation's annual copper concentrates production from the eastern deposits when the Corporation commences commercial production. Combined with the off-take agreement relating to the March 28, 2013 loan facility these two off-take agreements represent in total 59% of concentrates that may be produced from the eastern deposits or an estimated 12% of the total project off-take. The off-take agreement includes concentrate pricing based on market terms. Under an agreement with Red Kite in January 2016, the 33.5% portion of the off-take which included a "fixed tonnage" option was bought back for a \$10,000 consideration. The current 25.5% balance of the underground offtake is held by a lender, MF Investments, under a previous 2013 loan agreement.

An embedded derivative liability relating to the interest rate floor has been recognised for the Loan. The embedded derivative fair value of the loan at inception was \$996. The fair value of the embedded derivative liability is \$1,881 at March 31, 2016 (December 31, 2015 - \$938).

The change in value was recognised in the consolidated condensed interim statement of operations as other loss of \$944 for the period ended March 31, 2016 (March 31, 2015 - \$(372)).

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7. Related party transactions:

A short term \$25 million bridge loan facility funded by Pala was entered into on August 26, 2014. Please see note 5 for additional details. The short term loan carrying value is \$21,595 (December 31, 2015 - \$20,954).

Pala holds more than 50% of Nevada Copper shares and has three executives out of nine on the Corporation's Board of Directors as at March 31, 2016 and December 31, 2015.

The Corporation has entered into management agreements with certain senior officers. In the event that there is a change of control, the Corporation may be required to pay severance payments ranging from three months to three years of salary for these senior officers. The amount of this contingent liability is \$1,659 (\$2,155 CAD).

As of March 31, 2016, accounts payable and accrued liabilities include director fees and expenses payable of \$4 (December 31, 2015 - \$39) and a DSU payable of \$833 (December 31, 2015 - \$373).

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.

8. Key management personnel compensation:

The remuneration of the chief executive officer, chief financial officer, and directors, being those persons having authority and responsibility for planning, directing, and controlling activities of the Corporation, are as follows:

	Period ended	Period ended
	Mar. 31, 2016	Mar. 31, 2015
Short-term employee benefits	\$115	\$183
Stock-based compensation	436	47
Total	\$551	\$230

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(Unaudited – Prepared by Management)
For the three month period ended March 31, 2016 and the year ended December 31, 2015

9. Share capital:

(a) Authorised:

The Corporation is authorised to issue an unlimited number of common shares without par value.

(b) Options:

The Corporation grants incentive stock options as permitted pursuant to the Corporation's Stock Option Plan (the "Plan"), originally approved by the shareholders on November 16, 2007 and re-approved August 27, 2010 and December 16, 2013, which complies with the rules and policies of the TSX. Under the Plan, the aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Corporation as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of ten years, and the term will be reduced to one year following the date of death of the Optionee. If the Optionee ceases to be qualified to receive options from the Corporation, those options shall immediately expire.

All options vest when granted unless otherwise specified by the Board of Directors.

As of March 31, 2016, the Corporation has stock options outstanding to directors, officers and employees to acquire an aggregate of 7,390,000 common shares summarised as follows. All of these options vested upon grant except for 50,000 which vest over three years. The outstanding options have expiry periods between three and eight years.

	Number of Options	Weighted average exercise price \$(CAD)
Outstanding December 31, 2014	7,590,000	\$2.90
Exercisable December 31, 2014	7,239,200	2.93
Expired	(190,000)	2.27
Outstanding December 31, 2015	7,400,000	\$2.22
Exercisable December 31, 2015	7,350,000	2.22
Expired	(10,000)	2.24
Outstanding March 31, 2016	7,390,000	\$2.22
Exercisable March 31, 2016	7,340,000	\$2.22

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9. Share capital (continued):

During the period ended March 31, 2016, under the fair value method, \$3 (March 31, 2015 - \$21) in stock-based compensation was recorded for options granted to officers and employees, of which \$nil (March 31, 2015 - \$11) was charged to operations and \$3 (March 31, 2015 - \$10) was capitalised to development costs.

The Corporation uses the Black-Scholes option pricing model to value stock options, which requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following weighted average assumptions were used:

	Period ended Mar. 31, 2016	Period ended Mar. 31, 2015
Risk free interest rate	n/a	n/a
Expected dividend yield	n/a	n/a
Expected stock price volatility	n/a	n/a
Expected life in years	n/a	n/a
Expected forfeitures	n/a	n/a

The risk free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected volatility is based on the Corporation's historical share prices. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. Expected forfeitures are based on historical forfeitures of the Corporation's options.

The following table summarises the stock options outstanding and exercisable as at March 31, 2016:

Exercise price	Outstanding		Exercisable	
	Number outstanding	Weighted average remaining life (years)	Number outstanding	Weighted average remaining life (years)
\$0.75 - \$1.00	705,000	2.36	705,000	2.36
\$1.01 - \$3.74	3,945,000	3.62	3,895,000	3.63
\$3.75 - \$5.37	2,740,000	3.62	2,740,000	3.62
	7,390,000	3.48	7,340,000	3.49

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9. Share capital (continued):

(c) Deferred share units:

The Corporation established a deferred share unit (“DSU”) plan that allows directors to receive directors’ fees in the form of DSUs. Directors receive cash upon the exercise of the DSU. DSUs may only be exercised when the holder ceases to be a director. Vesting terms are established by the directors at the date of grant. Settlement of DSUs is a cash payout based on 5 day volume weighted average price (“VWAP”) 120 days after the director ceases to be a director.

	Number of DSUs
Outstanding December 31, 2014	376,400
Granted	405,802
Outstanding December 31, 2015	782,202
Granted	300,000
Outstanding March 31, 2016	1,082,202

In December 2013, August 2014, August 2015, and January 2016 directors were granted DSUs, which replaced stock option grants as a component of their compensation. All of the DSUs have vested. The current DSU payable amount is \$833 (December 31, 2015 - \$373). The Corporation recognised \$436 of expense for the period ended March 31, 2016 (March 31, 2015 – \$48 expense) in the consolidated condensed interim statement of operations in respect of the DSUs.

(d) Deferred compensation units:

The Corporation established a deferred compensation unit (“DCU”) plan that allows employees to receive compensation in the form of DCUs. The DCUs vest over a period of time ranging up to one year. Employees receive cash upon the exercise of the DCU. DCUs may only be exercised when the holder ceases to be an employee. Vesting terms are established at the date of grant. Settlement of DCUs is a cash payout based on 5 day volume weighted average price (“VWAP”) 120 days after the employee ceases to be an employee.

	Number of DCUs
Outstanding December 31, 2015 and 2014	-
Granted	207,119
Outstanding March 31, 2016	207,119

In January 2016 employees were granted DCUs, which replaced stock option grants as a component of their compensation. The DCUs are vesting over a period of one year and will fully vest on January 1, 2017. The current DCU payable amount is \$51 (December 31, 2015 - \$nil). The Corporation recognised \$nil of expense for the period ended March 31, 2016 (March 31, 2015 – \$nil) in the consolidated condensed interim statement of operations in respect of the DCUs and \$51 (March 31, 2015 - \$nil) was capitalised to development costs.

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10. Financial instruments:

Contractual obligations:

The following table sets forth the Corporation's contractual obligations for the next five fiscal years as at March 31, 2016:

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)	\$10,150	\$600	\$1,200	\$1,200	\$7,150
First amendment to lease – payment of water rights on property City of Yerington –advanced water service payments	1,783	189	378	198	1,018
Accounts payable and accrued liabilities	438	88	175	175	-
Short-term debt	4,505	4,505	-	-	-
Long-term debt (ii)	22,256	22,256	-	-	-
Total USD obligations	168,840	125,427	27,212	14,824	1,377
	\$207,972	\$153,065	\$28,965	\$16,397	\$9,545
	CAD	CAD	CAD	CAD	CAD
Office lease	\$614	\$227	\$387	-	-
Total CAD obligations	\$614	\$227	\$387	-	-

Lease obligations over five years for lease payments relating to water rights are \$1,018.

(i) See note 4 for renewal terms.

(ii) See note 6 for contractual maturity.

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11. Management of capital:

The Corporation's objectives of capital management are intended to safeguard the Corporation's ability to support the Corporation's development and exploration of its mineral properties and support any expansionary plans.

The capital of the Corporation consists of the items included in shareholders' equity and debt obligations. The Corporation manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Corporation's underlying assets.

To effectively manage the entity's capital requirements, the Corporation has in place a planning and budgeting process to help determine the funds required to ensure the Corporation has the appropriate liquidity to meet its objectives. The Corporation may issue new shares or seek debt or streaming financing to ensure that there is sufficient working capital to meet its short-term business requirements.

The Red Kite loan has certain financial covenants that must be adhered to when commercial production commences.

12. Subsequent events:

During April 2016, a further extension of the Red Kite loan was granted subject to the terms of an agreement with Red Kite. Under this agreement, prior to May 31, 2016, the Corporation is required to complete an alternative interim financing transaction in the minimum amount of \$10,000. This agreement also reduces the minimum working capital requirement from \$5,000 to \$2,000. Please see Note 6 for additional information on the amendment.

In April 2016 the Corporation entered into definitive documentation regarding the amendment of its existing subordinated loan facility with Pala into a convertible loan. Please see Note 5 for additional information on this agreement.

Subsequent to March 31, 2016 the Corporation entered into an agreement with RGGS to make a payment for the extension of the mineral lease. Please see Note 4 for additional information on this planned payment.

In May 2016 Nevada Copper was served with a complaint in Nevada 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 ("Easement Property") located more than 20 miles from the Corporation's Pumpkin Hollow copper project. Neither the Easement Property nor the option agreement provides any benefit to the Pumpkin Hollow project. Acquisition of the easement is not necessary to proceed with any aspect of the Pumpkin Hollow project. The Corporation considers this complaint to be without legal merit and not material.

The Corporation is currently in default of the minimum working capital requirement under the Pala Facility and the minimum working capital requirement under the Red Kite Loan. Completion of a financing transaction will bring the Corporation into complete compliance and good standing with both the Red Kite Loan and the Pala Facility working capital covenants.

CORPORATE INFORMATION

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Timothy M. Dyhr
Vice President, Environmental and External Relations

Gus McDonald
Vice President, Corporate Controller

Eugene Toffolo
*Vice President, Investor Relations and
Communications*

Catherine Tanaka
Corporate Secretary

REGISTRAR AND TRANSFER AGENT
Computershare Trust Company of Canada
Vancouver, Canada

SHARES LISTED
TSX Exchange: NCU

CAPITALIZATION
(As at March 31, 2016)
Shares Issued and Outstanding: 80,501,458

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Vancouver, Canada

LEGAL COUNSEL
Axiom Law Corporation
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WEBSITE
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