

# NEVADA COPPER

## NEWS RELEASE

TSX: NCU

### **NEVADA COPPER - FEASIBILITY STUDY UPDATE AND LAND TRANSFER**

**September 19, 2011 - Nevada Copper Corp. (TSX: NCU) ("Nevada Copper")** Nevada Copper is pleased to provide an update on the status of the Definitive Feasibility Study ("DFS") and a proposed land transfer.

Based upon the proposed land transfer described in detail below, Nevada Copper has elected to expand the scope of its DFS to include an integrated operation that includes both an open pit and underground mine feeding a single large nominal 60,000 ton per day mill ("Integrated Operation"). The final mill throughput rate will be established with further test-work. It is expected that the Integrated Operation will significantly reduce capital costs while also lowering operating costs.

The City of Yerington (the "City") and Lyon County (the "County"), in cooperation with Nevada Copper, are very pleased to announce that they will be moving forward with a transfer of Bureau of Land Management ("BLM") administered federal lands to the City. This land transfer would both expand economic development opportunities for the City and accelerate the permitting timeline of the Pumpkin Hollow project under a local and State permitting process with production targeted to commence in 2015. Without the land transfer, the Integrated Operation could be permitted and developed under a federal and state permitting process with production targeted to commence in early 2017.

#### **Definitive Feasibility Study**

With an Integrated Operation and land transfer yielding such large potential benefits for the project, Nevada Copper believes that it is prudent to expand the scope of the DFS and release results at the end of the fourth quarter 2011. The Integrated Operation will significantly reduce capital cost; primarily the result of the elimination of the 7,500 ton per day stand-alone mill along with the related duplication of infrastructure. Operating costs are also expected to be lowered with the cost efficiencies of the Integrated Operation.

The DFS will now incorporate additional metallurgical work to confirm recovery rates for the blended ores, and revise the process flow-sheet, mill production and mine production schedules. All other work on the DFS is well advanced, including completion of a mineral reserve, development of detailed operating costs, power supply, concentrate transport, dry-stack tailings and mine waste rock designs.

Mr. Giulio Bonifacio, President and CEO stated that: "*We are very pleased with the progress of the feasibility study which continues to indicate robust economics. In view of the opportunity presented by the land transfer the timeline for completion of our expanded DFS will now be 12 months from start to finish. In our view this timeline is reasonable when you consider the expanded scope of the study and large potential benefit.*"

## **Proposed Land Transfer**

The City and County, in cooperation with Nevada Copper, have decided to move forward with a land transfer of BLM administered federal lands to the City. Approval by the federal government would create a contiguous block of City-held land that would support multiple uses including current and future mining, commercial, industrial, and recreational and open space uses. This transfer, once complete, will substantially reduce the time required to obtain all necessary local and State permits for both the underground and open pit operations.

Mr. Bonifacio added that: *"The land transfer would allow the open pit and underground operation to be permitted together and developed concurrently at a lower overall capital cost and come on-stream together resulting in significant gains at Pumpkin Hollow."*

The proposed land transfer totals 11,630 acres. Of this, approximately 3,800 acres would be dedicated to the development of Pumpkin Hollow. Nevada Copper currently holds unpatented claims covering that 3,800 acre block. When combined with Pumpkin Hollow's 1,560 acres of private patented lands, the consolidated block of lands encompassing Pumpkin Hollow would be 5,360 acres. This contiguous block of lands would be subject to State and local permitting. The remainder of the lands to be transferred, approximately (7,830 acres) of the total lands would be set aside for: general industrial, commercial and renewable energy development (2,500 acres); multi-purpose recreational (880 acres); and open space buffer (4,450 acres).

Yerington City Council unanimously approved a resolution requesting the legislation on August 22, 2011. Lyon County Board of Commissioners unanimously approved a similar resolution supporting the proposed land transfer on August 18, 2011. The City, County and Nevada Copper have thoroughly briefed the Nevada Congressional Delegation, including Senators Harry Reid and Dean Heller and newly-elected Congressman Mark Amodei, in whose District the lands are located, Congresswoman Shelley Berkley and Congressman Joe Heck to sponsor and seek passage of this Congressional legislation. The City and Nevada Copper have also met with both Governor Brian Sandoval and Lt. Governor Brian Krolicki. All of these officials have encouraged the City, County and Nevada Copper to proceed with this proposed land transfer.

The three parties have been cooperating for several years on the development of the Pumpkin Hollow Project and believe that there are significant benefits for mine development in concert with other economic development, infrastructure development, recreational use and open space. The objective of this proposal is to utilize planned mine infrastructure to support other local economic and recreational development, and to provide open space buffers between mine development and existing agricultural and residential uses. The area would be developed to serve other concurrent and post-mining land uses and include water supply, wastewater treatment, electrical power, roads and potential solar development. In addition it includes associated public uses, including open space areas and potential outdoor recreation facilities such as an outdoor events center.

Nevada Copper would still be required to develop a robust environmental management program to manage mine tailings, mine rock, protect groundwater and surface water, and stabilize and reclaim mine disturbances. Performance bonding for reclamation and closure would be the same as well. Nevada is recognized worldwide as having one of the most mature and effective mine regulatory programs under the direction of the Nevada Division of Environmental Protection. Mining, reclamation and mine closure plans must be reviewed every five years, and reclamation/closure bonds are reviewed at least every three years.

After the City Council approval, Mayor George Dini noted *"We have been looking for 20 years for opportunities for economic development. The City, County and Nevada Copper have an opportunity to work together at Pumpkin Hollow in a public private partnership and to start planning now for the future."*

*The proposed mine, with millions of dollars of proposed infrastructure, can be a catalyst for that type of development. We want to diversify our economic base over the life of the mine, so there can be life after mining for the people of Yerington.”*

Lyon County Manager Jeff Page also reported the approval of a resolution by the Lyon County Board of Commissioners seeking support from the Nevada Congressional delegation on the proposed transfer and stated that “*The City has agreed to provide services to Nevada Copper. Therefore, it makes sense to include this adjacent land in the City. The County and other County-level agencies will receive a proportional share of property tax revenues and net proceeds of mines revenues in any event. Additionally, we will continue to collaborate with the City and Nevada Copper to assure that the citizens of Lyon County have sufficient County-based support services.*”

Tim Dyhr, Vice President, Environment and External Relations stated that “*This land tenure arrangement simplifies the land structure and permitting path we must take and allows Nevada Copper to seek sustainable uses of mine facilities at the end of mine life, rather than decommissioning and demolishing those facilities. The unique configuration of Pumpkin Hollow near to the City and existing infrastructure present an extraordinary opportunity to seek and develop sustainable land uses during and after mine development. Where facilities cannot be converted they would be bonded, and subsequently decommissioned, closed and reclaimed as required by Nevada reclamation and closure laws.*

### **About Nevada Copper**

Nevada Copper has 72.8 million shares outstanding and is well funded with no debt and approximately \$79 million in cash. Nevada Copper is scheduled to release results of its DFS at the end of the fourth quarter 2011 in addition to ongoing drilling results from its 20,000 meter step-out and expansion drilling program.

For additional information about Nevada Copper please visit our website at [www.nevadacopper.com](http://www.nevadacopper.com).

### **Qualified Person**

The Pumpkin Hollow project is under the supervision of Gregory French, CPG #10708. Mr. Robert McKnight, P.Eng., and Mr. French are both Qualified Persons as defined in Canadian National Instrument 43-101 and are responsible for the preparation of the technical information in this news release.

### **NEVADA COPPER CORP.**

### **Giulio T. Bonifacio, President & CEO**

*This news release includes certain statements and information that may contain forward-looking information within the meaning of applicable Canadian securities laws. All statements in this new release, other than statements of historical facts, including the likelihood of commercial mining and possible future financings are forward-looking statements. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning: Nevada Copper's ("the Company") plans at the Pumpkin Hollow Project; the timing of granting of key permits, timing of delivery of key technical reports such as the Definitive Feasibility Study, estimated metal production and the timing thereof; and any capital and operating and cash flow estimates. 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.*

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