



TEAMWORK. INNOVATION. EXECUTION.

Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2023 and September 30, 2022
(Unaudited)

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited and expressed in thousands of United States dollars)

	September 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$1,584	\$18,506
Accounts receivable	117	37
Prepaid expenses and advance royalty (Note 3)	9,239	5,297
Inventory	7,206	4,908
Total Current Assets	18,146	28,748
Restricted cash	380	380
Mineral properties, plant and equipment (Note 4)	657,713	615,411
Non-current advance royalty	—	3,230
Total Assets	\$676,239	\$647,769
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$24,864	\$26,699
Related party payable (Note 9)	1,236	—
Share-based compensation liabilities (Note 11)	2,109	2,289
Warrant derivative (Note 12)	3,815	9,309
Current portion of stream and royalty deferral (Note 8)	9,827	3,655
Working Capital Facility (Note 5)	16,117	20,687
Short-term debt (Note 6)	8,470	—
Current portion of long-term debt (Note 7)	13,589	8,491
Total Current Liabilities	80,027	71,130
Long-term payable	—	975
Share based compensation liabilities (Note 11)	315	546
Stream and royalty deferral (Note 8)	173,503	166,678
Long-term debt (Note 7)	165,426	210,043
Asset retirement obligation	5,421	5,263
Total Liabilities	424,692	454,635
Shareholders' Equity		
Share capital (Note 10)	827,790	717,971
Other equity reserve	33,724	32,144
Accumulated other comprehensive loss	(3,578)	(3,578)
Deficit	(606,389)	(553,403)
Total Shareholders' Equity	251,547	193,134
Total Liabilities and Shareholders' Equity	\$676,239	\$647,769

General Information, Nature of Operations and Going Concern (Note 1)

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

Approved by the Board of Directors on November 13, 2023

(Signed) "Lucio Genovese", Director

(Signed) "Ernest Nutter", Director

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss

(Unaudited and expressed in thousands of United States dollars)

Three and nine months ended September 30, 2023 and September 30, 2022

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenue (Note 13)	\$—	(\$1,033)	\$—	\$9,086
Cost of Sales (Note 14)				
Production costs	16,349	—	20,387	31,117
Transportation	—	—	—	2,025
Royalty and stream	—	(36)	—	476
Total cost of sales	16,349	(36)	20,387	33,618
Gross loss	(16,349)	(997)	(20,387)	(24,532)
Operating Expenses				
Care and maintenance and restart expenses (Note 15)	3,075	16,218	24,850	16,218
General and administrative	1,354	1,272	4,567	3,693
Share-based compensation (Note 11)	(243)	(310)	1,901	(414)
Impairment of mineral properties development costs	—	298,865	—	298,865
Plant and equipment written off	—	110	—	742
Loss from operations	(20,535)	(317,152)	(51,705)	(343,636)
Interest income	151	4	400	4
Interest and finance expenses (Note 16)	(361)	(9,155)	(25,347)	(9,166)
Derivative fair value gain (Note 7 and 12)	4,055	874	25,826	20,543
Debt extinguishment loss (Note 7)	—	—	(3,089)	—
Debt modification gain (Note 7)	—	—	487	—
Other income	416	—	416	—
Foreign exchange gain	2	1	26	323
	4,263	(8,276)	(1,281)	11,704
Loss and comprehensive loss	(\$16,272)	(\$325,428)	(\$52,986)	(\$331,932)
Loss per share				
Basic and diluted	(\$0.01)	(\$0.73)	(\$0.05)	(\$0.74)
Weighted average number of common shares outstanding				
Basic and diluted	1,346,682,910	448,452,759	986,020,158	448,451,033

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

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited and expressed in thousands of United States dollars, except share amounts)

Three and nine months ended September 30, 2023 and September 30, 2022

	Share Capital		Other Equity Reserve	Accumulated Other Comprehensive Loss	Deficit	Total
	Number of Shares	Amount				
Balance at December 31, 2021	448,437,559	\$681,690	\$31,900	(\$3,578)	(\$195,457)	\$514,555
Shares issued	15,200	25	—	—	—	25
Share-based compensation	—	—	190	—	—	190
Comprehensive loss	—	—	—	—	(331,932)	(331,932)
Balance at September 30, 2022	448,452,759	\$681,715	\$32,090	(\$3,578)	(\$527,389)	\$182,838

	Share Capital		Other Equity Reserve	Accumulated Other Comprehensive Loss	Deficit	Total
	Number of Shares	Amount				
Balance at December 31, 2022	723,508,700	\$717,971	\$32,144	(\$3,578)	(\$553,403)	\$193,134
Shares issued	674,294,192	112,572	—	—	—	112,572
Shares issuance costs	—	(2,753)	—	—	—	(2,753)
RSU liability reclassified to equity	—	—	1,073	—	—	1,073
Share-based compensation	—	—	507	—	—	507
Comprehensive loss	—	—	—	—	(52,986)	(52,986)
Balance at September 30, 2023	1,397,802,892	\$827,790	\$33,724	(\$3,578)	(\$606,389)	\$251,547

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

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited and expressed in thousands of United States dollars)

Three and nine months ended September 30, 2023 and September 30, 2022

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Cash flows used in operating activities				
Loss and comprehensive loss	(\$16,272)	(\$325,428)	(\$52,986)	(\$331,932)
Adjustments and items not affecting cash:				
Derivative fair value gain (Note 7 and 12)	(4,055)	(874)	(25,826)	(20,543)
Impairment of mineral properties development costs	—	298,865	—	298,865
Depreciation	335	1,773	1,653	1,773
Loss on trade receivables at fair value	—	1,028	—	—
Gain on modification of loan (Note 7)	—	—	(487)	—
Loss on extinguishment of debt (Note 7)	—	—	3,089	—
Interest and finance expenses	195	8,466	24,705	8,466
Plant and equipment written off	—	110	—	742
Share-based compensation	(243)	(310)	1,901	(414)
	(20,040)	(16,370)	(47,951)	(43,043)
Changes in non-cash working capital items:				
Amounts receivable	(24)	11	(80)	47
Prepaid expenses	(700)	(1,498)	(1,508)	(1,890)
Accounts payable and accrued liabilities	(1,237)	5,300	(839)	3,336
Cash used in operating activities	(22,001)	(12,557)	(50,378)	(41,550)
Cash flows used in investing activities				
Stream payments	—	—	—	(672)
Mineral property development cost, plant and equipment	(11,284)	(9,862)	(38,613)	(46,563)
Cash used in investing activities	(11,284)	(9,862)	(38,613)	(47,235)
Cash flows from financing activities				
Units issued	—	—	38,860	25
Shares issuance costs	(6)	—	(1,030)	—
Costs incurred in relation to financing	(349)	(850)	(349)	(850)
Proceeds from Deferred Funding Facility	2,670	—	2,670	—
Proceeds from promissory notes (Note 6)	—	22,000	5,550	33,500
Exercise of warrants	—	—	5,000	—
Drawdown from KfW Tranche A-2 Loan (Note 7)	10,000	—	35,000	—
Proceeds from Working Capital Facility	—	—	—	22,533
Repayment of Working Capital Facility	(5,286)	—	(5,286)	(23,218)
Proceeds from Pala Credit Facility	—	—	—	15,000
Lease payments (Note 7)	(2,107)	(339)	(5,613)	(5,340)
Interest paid	(1,943)	—	(1,943)	(2,137)
Withholding tax on interest paid	(790)	—	(790)	—
Cash provided by financing activities	2,189	20,811	72,069	39,513
Decrease in cash and cash equivalents	(31,096)	(1,608)	(16,922)	(49,272)
Cash and cash equivalents, beginning of period	32,680	3,886	18,506	51,616
Cash and cash equivalents, end of period	\$1,584	\$2,278	\$1,584	\$2,344

Supplemental cash flow disclosures (Note 17)

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

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

(Unaudited and expressed in thousands of United States dollars, except share amounts)

For the three and nine months ended September 30, 2023 and September 30, 2022

1. General Information, Nature of Operations and Going Concern

Nevada Copper Corp. is the parent company of its consolidated group (the "Company" or "Nevada Copper"). The Company was incorporated on June 16, 1999 under the Business Corporations Act (Yukon) and was continued into British Columbia under the Business Corporations Act (British Columbia) on November 16, 2006. Nevada Copper is incorporated and domiciled in Canada, and its registered office is at Suite 250-200 Burrard Street, Vancouver, British Columbia, V6C 3L5. The Company is a mining company engaged in the development, operation and exploration of its copper project (the "Project") at its Pumpkin Hollow Property (the "Property") in Western Nevada, USA, and in particular, the restart of its underground mine at the Property (the "Underground Mine").

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and International Accounting Standard 34 – Interim Financial Reporting applicable to a going concern entity.

At September 30, 2023, the Company had a working capital deficiency (current assets less current liabilities) of \$61,881 (December 31, 2022 - \$42,382). For the nine months ended September 30, 2023, the Company recorded a net loss of \$52,986 (September 30, 2022 - \$331,932) and cash used in operating activities was \$50,378 (September 30, 2022 – \$41,550).

Significant developments in the current reporting period

During the quarter ended September 30, 2023, the Company received the following funding in accordance with the 2023 Financing Package Agreement (as defined below) -

- the KfW Tranche A-2 Loan (as defined in note 7(a)) was expanded by \$10,000 and each of Pala, Mercuria and Triple Flag provided \$3,333 of this tranche.
- the Company met the conditions for drawdown under the deferred funding commitment from Pala Investments Limited ("Pala"), Mercuria Energy Holdings (Singapore) PTE. Ltd ("Mercuria"). During the quarter ended September 30, 2023, the Company received \$2,670 from Pala and subsequent to the quarter ended September 30, 2023, the Company received \$12,330 and \$10,000 from Pala and Mercuria, respectively, pursuant to this commitment. These amounts were funded as debt. Subsequent to the quarter ended September 30, 2023, Pala committed to provide additional funding of US\$15,000 (refer note 6(b)), while the Company is in discussions with another financing partner for additional funding. There can be no assurance that the discussions with this financing partner for additional funding will be completed on terms satisfactory to the Company, or at all.

Also, during the quarter ended September 30, 2023, the Company agreed with Concord Resources Limited ("Concord") to defer the settlement of \$16,177 outstanding under its working capital facility to future dates in October 2023 to January 2024. These amounts were originally due in September 2023 to November 2023.

During the second quarter of 2023, the Company completed a public offering of units of the Company (the "2023 Unit Offering") for aggregate gross proceeds of approximately \$38,860 (refer note 10) and entered into a financing agreement with Pala, Mercuria and TF R&S Canada Ltd ("Triple Flag") (the "2023 Financing Package Agreement") to support the restart and ramp-up of copper production from the Underground Mine and for general corporate purposes, including working capital needs.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

(Unaudited and expressed in thousands of United States dollars, except share amounts)

For the three and nine months ended September 30, 2023 and September 30, 2022

The 2023 Financing Package Agreement included -

- KfW Tranche A-2 Loan - Pala, Mercuria and Triple Flag committed to provide the remaining \$10,000 undrawn amount under the KfW Tranche A-2 Loan (refer note 7(a)), in accordance with its terms and conditions. This amount was drawn in full by May 11, 2023. Also, Pala, Mercuria and Triple Flag agreed to support the expansion of the KfW Tranche A-2 Loan by \$10,000 to an aggregate amount of \$35,000.
- Pre-offering funding - Pala provided \$5,550 in debt funding through promissory notes (refer note 6(a)).
- Pala 2022 Warrant exercises - Pala exercised 398,723,212 warrants wherein the amount for subscription of warrants was paid by way of deemed repayment and set-off of \$76,156 payable under the 2022 A&R Pala Credit Facility (as defined in note 7(b)).
- 2022 Mercuria Warrant exercises - Mercuria exercised 25,848,465 warrants on May 11, 2023 for an exercise amount of \$5,000 paid in cash.
- Deferred funding commitment - Pala and Mercuria entered into a deferred funding agreement in favor of the Company, pursuant to which Pala and Mercuria will provide up to \$15,000 and \$10,000, respectively, subject to certain conditions, to be drawn pro rata by the Company until June 30, 2024.
- Stream financing - Triple Flag agreed that certain metal deliveries that become due to Triple Flag under the Company's stream agreement with Triple Flag will be financed through loans or advances committed by Triple Flag under the KfW Tranche A-2 Loan (subject to refreshed draw room becoming available thereunder) up to a maximum of \$15,000 for 2023, and, subject to certain conditions, for 2024.

Going concern

The ability of the Company to continue as a going concern, to realize the carrying value of its assets, and to discharge its liabilities when due, are dependent on, amongst other things, results from operations, the ability to complete the restart of the Underground Mine in accordance with the Company's timing and cost expectations, a resumption of copper concentrate production and sales at expected volumes, favorable copper market conditions and the ability of the Company to secure further funding (beyond the additional funding referred to above). There can be no assurance that these requirements will be achieved. In addition, there can be no assurance that the actual costs to complete the restart will not be greater than expected by the Company or that significant delays will not occur. If the above requirements are not achieved, the Company may not be able to continue to carry on business in the ordinary course. These factors give rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

If the going concern basis was not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary to the carrying values of assets and liabilities and these adjustments could be material.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

(Unaudited and expressed in thousands of United States dollars, except share amounts)

For the three and nine months ended September 30, 2023 and September 30, 2022

2. Significant Accounting Policies

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance and in compliance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and do not include all the information required for full financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022.

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2022.

These condensed consolidated interim financial statements were approved for issue by the board of directors of the Company on November 13, 2023.

b) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Nevada Copper, Inc. ("NCI") incorporated in Nevada, United States and NCI's wholly owned subsidiaries, NC Ditch Company LLC (inactive) and NC Farms LLC (inactive) incorporated in Nevada, United States, Lion Iron Corp. (inactive) and 607792 British Columbia Ltd. (inactive). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All significant intercompany transactions and balances are eliminated on consolidation.

c) Use of judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions, and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingencies at the date of the consolidated financial statements, along with reported amounts of revenues and expenses during the period. Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated audited financial statements for the year ended December 31, 2022.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

(Unaudited and expressed in thousands of United States dollars, except share amounts)

For the three and nine months ended September 30, 2023 and September 30, 2022

3. Prepaid expenses and advance royalty

	September 30, 2023	December 31, 2022
Deferred financing costs (a)	\$—	\$2,372
Advance royalty (b)	5,975	2,295
Other prepayments and vendor deposits	3,264	630
Total	\$9,239	\$5,297

- (a) On October 28, 2022, Pala provided the Company with a backstop funding commitment of up to \$25,000 for future funding to be provided in exchange for issuances of common shares of the Company, convertible and/or non-convertible debt of the Company (the "Backstop"). In connection with the Backstop, Pala received 6,271,759 common shares of the Company at a price equal to C\$0.2160 representing a 4% commitment fee amounting to \$1,000, which was included in deferred financing costs. Deferred financing costs also included legal expenses incurred in relation to the Backstop support (\$729) and KfW Tranche A-2 Loan (\$643). During the second quarter of 2023, the Backstop was satisfied through Pala's participation in the 2023 Unit Offering.
- (b) As at September 30, 2023, the Company had \$5,975 (2022 - \$5,525) in royalty funding paid in advance of which \$5,975 (2022 - \$2,295) was current. Current advance amounts royalty represent the portion of advance royalty payments that the Company expects to utilize against royalties that would be otherwise payable over the next twelve months.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

(Unaudited and expressed in thousands of United States dollars, except share amounts)

For the three and nine months ended September 30, 2023 and September 30, 2022

4. Mineral properties, plant and equipment

	Mineral Properties Development Costs	Plant & Equipment	Rights of Use Assets	Deposits	Total
Cost:					
As at December 31, 2021	\$ 829,666	\$ 3,405	\$ 38,599	\$ 67	\$ 871,737
Additions	68,023	649	—	(67)	68,605
Plant and equipment written off	—	—	(1,215)	—	(1,215)
Lease modification / reassessment	—	—	(1,082)	—	(1,082)
Balances, December 31, 2022	\$ 897,689	\$ 4,054	\$ 36,302	\$ —	\$ 938,045
Additions	45,476	354	381	—	46,211
As at September 30, 2023	\$ 943,165	\$ 4,408	\$ 36,683	\$ —	\$ 984,256
Accumulated depreciation and impairment:					
As at December 31, 2021	\$ —	\$ 1,414	\$ 16,940	\$ —	\$ 18,354
Depreciation	—	32	5,856	—	5,888
Impairment	298,865	—	110	—	298,975
Plant and equipment written off	—	—	(583)	—	(583)
As at December 31, 2022	\$ 298,865	\$ 1,446	\$ 22,323	\$ —	\$ 322,634
Depreciation	—	205	3,704	—	3,909
As at September 30, 2023	\$ 298,865	\$ 1,651	\$ 26,027	\$ —	\$ 326,543
Net Book Value					
As at December 31, 2021	\$ 829,666	\$ 1,991	\$ 21,659	\$ 67	\$ 853,383
As at December 31, 2022	\$ 598,824	\$ 2,608	\$ 13,979	\$ —	\$ 615,411
As at September 30, 2023	\$ 644,300	\$ 2,757	\$ 10,656	\$ —	\$ 657,713

Asset impairments

When an impairment indicator of mineral properties, plant and equipment exists, an impairment assessment is conducted at the level of the cash-generating unit (the "CGU" or a group of assets that generate independent cash inflows). An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount.

At September 30, 2023, based on management's impairment indicator assessment, it was determined that there were no new indicators of impairment or reversal of impairment that would require the Company to perform an impairment test. The assessment included an evaluation of any changes to significant assumptions used in the last impairment test at September 30, 2022. Accordingly, no impairment test was required as at September 30, 2023.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

(Unaudited and expressed in thousands of United States dollars, except share amounts)

For the three and nine months ended September 30, 2023 and September 30, 2022

5. Working Capital Facility

Balance at December 31, 2022	\$20,687
Interest accrual	2,660
Repayments	(7,230)
Balance at September 30, 2023	\$16,117

NCI entered into a revolving working capital facility (the "Working Capital Facility") with Concord for up to \$40,000 which provides for advances, subject to certain conditions, of up to 85% of the value of expected copper concentrate deliveries up to four months in advance of deliveries prior to commercial production at the Underground Mine, and three months thereafter, on a revolving basis.

During the second quarter of 2023, the Company and Concord entered into an amendment agreement to extend the term of the Working Capital Facility for three years from the mill restart date, upon satisfaction of certain conditions. During the current quarter, the Company paid \$7,230 which included interest of \$1,946 and the Company and Concord agreed to settle the remaining outstanding amounts on October 3, 2023 (\$3,000) (paid), October 31, 2023 (\$1,500) (paid), November 30, 2023 (\$3,000), December 29, 2023 (\$4,500) and the remaining balance including interest accrued subsequent to September 30, 2023 on January 31, 2024. As at September 30, 2023, the Company was in compliance with the covenants under the Working Capital Facility.

6. Short-term Debt

	September 30, 2023	December 31, 2022
2023 Promissory Notes	\$5,800	\$—
Deferred Funding Facility	\$2,670	\$—
Total short-term debt	\$8,470	\$—

a) 2023 Promissory Notes

During April and May 2023, the Company received \$5,550 from Pala pursuant to various promissory notes (the "2023 Promissory Notes"). The 2023 Promissory Notes are repayable on October 31, 2023 and carry interest at 12% per annum. The Company incurred \$242 in relation to the 2023 Promissory Notes. As at September 30, 2023, accrued and unpaid interest on the 2023 Promissory Notes was \$492.

Subsequent to September 30, 2023, the Company and Pala agreed to amend and restate the credit facility with Pala (refer note 7(b)) and the amounts owing under the 2023 Promissory Notes will be added to the amended credit facility with Pala and the 2023 Promissory Notes will be cancelled.

b) Deferred Funding Facility

Pursuant to the 2023 Financing Package Agreement, Pala and Mercuria agreed provide up to \$15,000 and \$10,000, respectively, subject to certain conditions, (the "Deferred Funding Facility") to be drawn pro rata by the Company, if required, until June 30, 2024.

In September 2023, the Company drew down \$2,670 from the Deferred Funding Facility and subsequent to the period ended September 30, 2023, \$22,330 was drawn down from the Deferred Funding Facility.

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

(Unaudited and expressed in thousands of United States dollars, except share amounts)

For the three and nine months ended September 30, 2023 and September 30, 2022

Subsequent to September 30, 2023, the Company agreed to enter into separate loan agreements with Pala and Mercuria (together referred as the "Unsecured Credit Facilities" and individually as the "Unsecured Credit Facility") with respect to amounts funded under the Deferred Funding Facility. The Unsecured Credit Facility is expected to have the following terms:

- The loans will be unsecured, unguaranteed and will mature in twelve months from closing.
- The loans will carry interest at adjusted Term Secured Overnight Financing Rate ("Term SOFR") plus 9% and interest shall be payable on maturity. Adjusted Term SOFR equals Term SOFR plus 0.15%.
- In connection with these loans, upon entering the Unsecured Credit Facilities, the Company has agreed to issue common share purchase warrants of the Company to Pala and Mercuria, equal to the amount owing under the Unsecured Credit Facilities divided by the exercise price. Each warrant will entitle the holder thereof to acquire one common share at an exercise price equal to a 5% premium to the market price of the Company's common shares at the date of issue and the warrants will expire on loan maturity unless the amounts under these loans are repaid at an earlier time, in which case the warrants would expire on such applicable date. On exercise of these warrants, the exercise price would be payable by way of deemed repayment and set-off of outstanding amounts under the loans. Exercise of these warrants by Pala and Mercuria will be subject to the Company obtaining shareholder approval, which it expects to obtain at its next annual meeting of shareholders.

Additionally, subsequent to the quarter ended September 30, 2023, Pala committed to provide additional funding of \$15,000 under the Unsecured Credit Facility. The draws under the additional commitment will be subject to certain conditions, including a condition that no material adverse changes to the mill restart and/or underground mine operations. The additional funding amounts to carry interest at Term SOFR plus 10% and a 5% disbursement fee would be payable on amounts drawn, which will be added to the principal amount as drawdowns are made.

7. Long-term Debt

	September 30, 2023	December 31, 2022
Current portion of long-term debt:		
KfW IPEX-Bank Facility (a)	\$5,991	\$—
Pala Credit Facility (b)	\$—	\$1,784
Lease liabilities (c)	\$7,598	\$6,707
Total current portion of long-term debt	\$13,589	\$8,491
KfW IPEX-Bank Facility (a)	\$162,166	\$123,342
Pala Credit Facility (b)	\$—	\$78,048
Lease liabilities (c)	\$3,260	\$8,653
Total long-term debt	\$165,426	\$210,043

Nevada Copper Corp.

Notes to Condensed Consolidated Interim Financial Statements

(Unaudited and expressed in thousands of United States dollars, except share amounts)

For the three and nine months ended September 30, 2023 and September 30, 2022

a) KfW IPEX Bank Facility

	KfW Tranche A Loan	KfW Tranche B Loan	KfW Tranche A-2 Loan	Total
Balance at December 31, 2022	\$108,900	\$14,442	\$—	\$123,342
Drawdown	—	—	35,000	35,000
Interest and accretion expense	7,932	1,790	1,405	11,127
Transaction costs incurred for modification	—	—	(992)	(992)
Gain on modification	(281)	(39)	—	(320)
Balance at September 30, 2023	\$116,551	\$16,193	\$35,413	\$168,157

The table below shows the short term and long-term portion of KfW IPEX-Bank Facility:

	September 30, 2023	December 31, 2022
Current portion	\$5,991	\$—
Long-term debt	\$162,166	\$123,342

NCI entered into a credit agreement (as amended and restated on October 28, 2022, the "KfW IPEX-Bank Facility") with KfW IPEX-Bank ("KfW") for construction and operating costs in respect of the Underground Mine. Pursuant to the KfW IPEX-Bank Facility, KfW funded \$115,000 (the "KfW Tranche A Loan") and \$15,000 (the "KfW Tranche B Loan") in May 2019 and December 2020 respectively and agreed to expand the KfW IPEX-Bank Facility by \$25,000 (the "KfW Tranche A-2 Loan") in October 2022. During the quarter ended September 30, 2023, lender consents for the expansion of the KfW Tranche A-2 Loan to \$35,000 were obtained. During the nine months ended September 30, 2023, the Company drew down the amounts available under the KfW Tranche A-2 Loan, which was committed by Pala, Triple Flag and Mercuria on a pro rate basis of \$3,333 each.

On March 15, 2023, the Company and KfW entered into an amendment agreement to change the development completion date of the Project from June 30, 2023 to June 30, 2024 and defer the payment of interest due on January 31, 2024, which shall be added to the principal amount on the interest payment date and shall be paid by adding equal portions to each such repayment installment. The amendments on March 15, 2023 were determined to be modifications in accordance with IFRS. Accordingly, a modification gain of \$320 was recognized in the statement of operations and comprehensive loss.

The KfW IPEX-Bank Facility contains certain financial and non-financial affirmative and restrictive covenants. As at September 30, 2023, the Company is in compliance with these covenants.

b) Pala Credit Facility

	Debt Liability	Derivative	Total
Balance at December 31, 2022	\$74,388	\$5,444	\$79,832
Interest and accretion expense	\$5,704	\$—	\$5,704
Gain on modification	\$(167)	\$—	\$(167)
Fair value adjustment	\$—	\$(17,234)	\$(17,234)
Pala 2022 Warrants exercised	\$(76,156)	\$11,790	\$(64,366)
Pala interest repayment	\$(6,858)	\$—	\$(6,858)
Loss on settlement	\$3,089	\$—	\$3,089
Balance at September 30, 2023	\$—	\$—	\$—

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The table below shows the short term and long-term portion of Pala Credit Facility:

	September 30, 2023	December 31, 2022
Current portion	\$—	\$1,784
Long-term debt	\$—	\$78,048

The Company entered into a credit facility (as amended and restated on October 28, 2022, the "2022 A&R Pala Credit Facility") with Pala, which had a principal outstanding amount of \$76,156.

In connection with the 2022 A&R Pala Credit Facility, 398,723,212 common share purchase warrants of the Company were issued to Pala ("Pala 2022 Warrants"), which entitled Pala to acquire one common share at an exercise price equal to Canadian dollar (C\$) 0.2592. On exercise of the Pala 2022 Warrants, the exercise price would be payable by way of deemed repayment and set-off of outstanding amounts under the 2022 A&R Pala Credit Facility. The Company could, also, make voluntary prepayments ("Call Option") under the 2022 A&R Pala Credit Facility, which were subject to a 10% prepayment premium. The Pala 2022 Warrants, together with the Call Option were recognized and accounted for as a derivative liability.

In June 2023, Pala exercised all of the Pala 2022 Warrants, resulting in the settlement of all of the principal outstanding amount of \$76,156. On the date of settlement, the fair value of Pala 2022 Warrants was \$11,790 (derivative asset) and the fair value of the Call option was Nil.

In August 2023, the Company issued 49,934,708 common share purchase warrants (the "Pala Interest Warrants") to Pala in relation to the outstanding interest in accordance with the 2022 A&R Pala Credit Facility on the same terms as the Pala 2022 Warrants with an exercise price of C\$0.1834. The Pala Interest Warrants were exercised by Pala in August 2023 resulting in the settlement of all of the outstanding interest under the 2022 A&R Pala Credit Facility. In relation to the Pala Interest Warrants, the Company recognized a net derivative gain of \$216.

Subsequent to September 30, 2023, the Company and Pala have agreed to amend and restate the credit facility with Pala (the "2022 A&R Pala Credit Facility") that was entered into on October 28, 2022 (as amended and restated, the "Third A&R Pala Credit Facility") on substantially the same terms as the 2022 A&R Pala Credit Facility, including a maturity date of January 31, 2026. The amounts that were owing under the 2023 Promissory Notes will become owing under the Third A&R Pala Credit Facility and the 2023 Promissory Notes will be cancelled. In connection with the Third A&R Pala Credit Facility, the Company agreed to issue common share purchase warrants of the Company to Pala, equal to the amount owing under the Third A&R Pala Credit Facility divided by the exercise price. Each warrant will entitle Pala to acquire one common share at an exercise price equal to a 5% premium to the market price of the Company's common shares at the date of issue and the warrants will expire on January 31, 2026 unless the amounts under the Third A&R Pala Credit Facility are repaid at an earlier time, in which case the warrants would expire on such applicable date. On exercise of these warrants, the exercise price would be payable by way of deemed repayment and set-off of outstanding amounts under the loan. Exercise of these warrants by Pala will be subject to the Company obtaining shareholder approval, which it expects to propose being obtained at its next annual meeting of shareholders.

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c) Lease Liabilities

The following table shows the change to the Company's lease liabilities:

	September 30, 2023
Balance at December 31, 2022	\$ 15,360
Additions	381
Accretion	730
Lease payments	(5,613)
Balance at September 30, 2023	\$ 10,858
Current portion	7,598
Long-term portion	3,260

The undiscounted minimum lease payments in respect of the above lease liabilities are expected to be \$8,144 for the next twelve months.

Further, the average term of the Company's lease liabilities ranges from 40 months to 60 months. The undiscounted lease payments exclude leases that are classified as short-term and leases for low-value assets, which are not recognized as lease liabilities.

8. Stream and Royalty Deferral

	Stream deferral	Royalty deferral
Balance at December 31, 2022	\$119,678	\$50,655
Accretion	8,282	4,715
Balance at September 30, 2023	\$127,960	\$55,370

The table below shows the short term and long-term portion of stream and royalty deferral liability.

	September 30, 2023	December 31, 2022
Stream deferral		
Current portion	\$ 9,827	\$ 3,655
Long-term portion	118,133	116,023
Royalty deferral		
Current portion	\$ —	\$ —
Long-term portion	55,370	50,655

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9. Related Party Transactions

Pala is a related party to the Company because of its significant shareholding (62.42% as at September 30, 2023) in the Company. Additionally, as at September 30, 2023, two of the nine directors of the Company were Pala executives.

During the nine months ended September 30, 2023, the Company entered into the following transactions with Pala:

- In relation to the 2022 A&R Pala Credit Facility, the Company accrued interest of \$5,704 (2022 \$3,435) and added nil (2022 - \$3,435) to the principal amount of the Pala Credit Facility. (Refer Note 7(b))
- The Company received \$5,550 pursuant to the 2023 Promissory Notes and accrued interest of \$492. During the nine months ended September 30, 2022, the Company received \$33,500 pursuant to promissory notes (the "2022 Promissory Notes") and accrued interest of \$589 on the 2022 Promissory Notes.
- The Company recognized an expense of \$1,020 (2022 - \$929) for guarantee fees and nil (2022 - \$60) for technical and other services.
- The Company received \$11,667 from Pala, its share of the drawdown under the KfW Tranche A-2 Loan.
- Pala purchased 108,442,714 units in the 2023 Unit Offering for gross proceeds of approximately \$21,505. Refer Note 10.
- Pala exercised 448,657,920 common share purchase warrants resulting in the settlement of principal debt and accrued interest amounting to \$71,007 payable to Pala.
- The Company received \$2,670 pursuant to drawdown under the Deferred Funding Facility.

As of September 30, 2023, the Company owed Pala \$1,236 (2022 - nil) for fees accrued in connection with the guarantee provided by Pala for the KfW IPEX- Bank Facility.

Effective October 28, 2022, Mercuria is a related party because of its significant shareholding (16.21% as at September 30, 2023) in the Company. Also, a Mercuria executive is a director of the Company.

During the nine months ended September 30, 2023, the following transactions were entered with Mercuria:

- The Company received \$11,667 from Mercuria, its share of the drawdown under the KfW Tranche A-2 Loan.
- Mercuria purchased 24,814,814 units in the 2023 Unit Offering for gross proceeds of \$5,000. Refer Note 10.
- Mercuria exercised 25,848,765 common share purchase warrants of the Company for the exercise proceeds of \$5,000.

Related party transactions are recorded at the amount paid or received as established by contract or as agreed upon by the Company and the related party. The Company has a committee of independent directors to review and approve related party transactions.

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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 Company, are as follows:

	2023	2022
Short-term employee benefits	\$1,185	\$1,023
Stock-based compensation	518	(148)
Directors fees and director equity awards	463	(484)
Total	\$2,166	\$391

10. Share Capital

Authorized and issued

The Company is authorized to issue an unlimited number of common shares without par value.

During the nine months ended September 30, 2023, the Company issued the following common shares:

	Number of Common Shares	Amount
Outstanding December 31, 2022	723,508,700	\$717,971
2023 Unit Offering	196,038,400	\$33,225
Pala 2022 Warrants exercised (Refer note 7(b))	398,723,212	\$64,366
Pala Interest Warrants exercised (Refer note 7(b))	49,934,708	\$6,641
Mercuria 2022 Warrants exercised	25,848,765	\$5,000
DSUs settled	2,563,833	\$356
RSUs settled	1,185,274	\$231
Issued during the period ended September 30, 2023	674,294,192	\$109,819
Outstanding September 30, 2023	1,397,802,892	\$827,790

i) 2023 Unit Offering

On May 30, 2023, the Company completed the 2023 Unit Offering of 196,038,400 units issued at a price of C\$0.27 per unit for aggregate gross proceeds of \$38,860. Each unit consisted of one common share and one-half common share purchase warrant of the Company. Share issuance costs totaled \$2,753 for the 2023 Unit Offering resulting in net proceeds of \$36,107. Of the total proceeds received, \$2,882 was allocated to the warrants.

ii) Mercuria 2022 Warrants

On May 8, 2023, Mercuria exercised 25,848,765 warrants for the exercise proceeds of \$5,000.

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11. Share-Based Compensation

a) Share Purchase Options

	Number of Options	Weighted average exercise price (CAD)
Outstanding December 31, 2022	4,470,936	\$3.02
Granted	7,369,481	0.20
Forfeited	(587,905)	0.20
Expired	(1,094,909)	6.34
Outstanding September 30, 2023	10,157,603	\$0.78
Exercisable September 30, 2023	2,822,129	\$2.18

As at September 30, 2023, there were 85,473,220 stock options available for issuance under the Company's Stock Option Plan.

During the nine months ended September 30, 2023, \$293 (2022 - \$190) in stock-based compensation was recorded related to stock options of which nil (2022 - \$24) was capitalized to development costs.

The following table summarizes the stock options outstanding and exercisable as at September 30, 2023:

Exercise price (in CAD)	Outstanding		Exercisable	
	Number outstanding	Weighted average remaining life (years)	Number outstanding	Weighted average remaining life (years)
\$0.20 - \$0.95	7,926,026	4.31	590,552	3.09
\$1.60-\$4.40	2,231,577	1.16	2,231,577	1.16
	10,157,603	3.62	2,822,129	1.56

b) Deferred share units ("DSUs")

	Number of DSUs
Outstanding December 31, 2022	7,405,454
Granted	7,663,539
Settled	(2,563,833)
Outstanding September 30, 2023	12,505,160

At September 30, 2023, the DSU payable amount was \$1,527 compared to \$1,585 on December 31, 2022. During the nine months ended September 30, 2023, the Company recognized a stock-based compensation expense of \$1,231 (September 30, 2022 - \$472) for DSUs granted during the period and stock-based compensation gain of \$933 (September 30, 2022 - stock-based compensation gain of \$1,157) as a result of the fair value adjustment of outstanding DSUs in the consolidated statement of operations and comprehensive loss. The fair value of DSU settled during the quarter was \$356 (September 30, 2022 - Nil).

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c) Performance and Restricted Share Units

The Company had a Performance Share Unit Plan and a Restricted Share Unit Plan for incentive compensation. PSUs under the Performance Share Unit Plan entitle the holder to a cash payment at the end of a three-year performance period equal to the number of PSUs granted, adjusted for a performance factor and multiplied by the quoted market value of a common share. RSUs issued under the Restricted Share Unit Plan entitle the holder to a cash payment upon vesting equal to the number of RSUs vested multiplied by the market value of a common share.

On May 11, 2023, the Performance Share Unit Plan and the Restricted Share Unit Plan were replaced by a new equity incentive plan (the "Omnibus Equity Incentive Plan"). Pursuant to the Omnibus Equity Incentive Plan, the Board can elect to settle vested RSUs or PSUs granted under the Omnibus Equity Incentive Plan through issuance of the common shares of the Company or cash payment or a combination of the common shares of the Company and cash payment.

The following grants and cancellations occurred during the year:

	Cash settled PSU's (Note i)	Omnibus Plan PSU's (Note ii)
Outstanding December 31, 2022	1,221,910	—
Granted	—	2,865,184
Forfeited	(241,692)	—
Outstanding September 30, 2023	980,218	2,865,184

	Cash settled RSU's (Note i)	Equity settled RSU's (Note iii)	Omnibus Plan RSU's (Note ii)
Outstanding December 31, 2022	23,596,091	—	—
Granted	—	—	13,952,323
Reclassified	(15,664,017)	15,664,017	—
Settled	(2,068,022)	—	(1,185,274)
Forfeited	(1,019,026)	(1,270,055)	(1,247,072)
Outstanding September 30, 2023	4,845,026	14,393,962	11,519,977

Note i - Cash settled PSUs and Cash settled RSUs are granted under the Performance Share Unit Plan and the Restricted Share Unit Plan.

Note ii - Omnibus Plan PSUs and RSUs are granted under the Omnibus Equity Incentive Plan.

Note iii - During the second quarter on 2023, the Company modified the option to settle 15,664,017 RSUs granted in October 2022 (the "Equity settled RSUs") from cash to common shares. As a result, the fair value of the October 2022 RSU amounting to \$1,073 on the date of modification was reclassified from share-based compensation liability to other equity reserve.

At September 30, 2023, the settlement amount related to cash settled RSUs and the Omnibus Plan RSUs was \$897 compared to \$1,250 on December 31, 2022.

During the nine months ended September 30, 2023, the Company recognized a stock-based compensation expense of \$1,434 (2022 - stock-based compensation expense of \$459) in relation to RSUs, of which \$1,310 (2022 - \$248) was recognized in the statement of operations and comprehensive loss and \$124 (2022 - stock-based compensation expense of \$211) was capitalized to development costs.

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12. Warrant derivative

The table below shows the changes to the warrant derivative liability:

Balance at December 31, 2022	\$9,309
Initial valuation for warrants issued	2,882
Fair value adjustment	(8,376)
Balance at September 30, 2023	\$3,815

The table below summarizes the activities related to warrants:

	Number of Warrants	Weighted average exercise price [CAD]
Balance at December 31, 2022	675,317,654	\$0.42
Issued	147,953,908	\$0.34
Exercised	(474,506,685)	\$0.26
Expired	(132,374,442)	\$1.00
Balance at September 30, 2023	216,390,435	\$0.35

Summary of outstanding warrants as at September 30, 2023:

	Number of outstanding warrants	Exercise price [CAD]
Triple Flag 2020 Warrants	1,500,000	\$2.25
Pala Credit Facility November 2021 Warrants	15,000,000	\$0.86
Mercuria 2022 Warrants	101,871,235	\$0.26
2023 Unit Offering Warrants	98,019,200	\$0.34
	216,390,435	\$0.35

The input assumptions used in the Black-Scholes valuation are listed below:

	September 30, 2023	December 31, 2022
Risk-free interest rate	4.71 - 5.01%	4.20%
Expected dividend yield	0	0
Expected stock price volatility	62.0%	68.4%
Expected life in years	1.5 - 2.3	2.2 - 3.1

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13. Revenue

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Metal contained in concentrate	\$—	\$—	\$—	\$10,213
Less: Treatment and refining cost	—	(5)	—	(416)
Revenue from contract with customers	—	(5)	—	9,797
Loss on trade receivables at fair value	—	(1,028)	—	(711)
Total	\$—	(\$1,033)	\$—	\$9,086

Final settlement adjustment includes the changes in the fair value of concentrate trade receivables due to changes in base metal prices.

14. Cost of Sales

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Mining cost	\$—	\$—	\$—	\$15,593
Milling cost	—	—	—	7,180
Site, general and administrative	—	—	—	6,071
Net realizable value adjustment on stockpile inventory	16,349	—	20,387	2,273
Transportation	—	—	—	2,025
Royalty and stream payments	—	(36)	—	476
Total Cost of Sales	\$16,349	(\$36)	\$20,387	\$33,618

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15. Care and maintenance and restart expenses

In July 2022, the Company temporarily suspended mining and milling operations at the Underground Mine to significantly reduce the Underground Mine site and operational expenditures. Effective September 2022, the Company carried out limited operations focusing on dike crossings and certain critical capital projects necessary to support production once the development of the Underground Mine is complete. A contractor retained to perform underground lateral development, began mobilizing in May 2023 and commenced development activities in June 2023. Milling operations remained suspended during the quarter ended September 30, 2023 and restarted on October 5, 2023. Care and maintenance and restart expenditures incurred and expensed during the period included:

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Salaries and wages	\$1,657	\$3,782	\$11,016	\$3,782
Contractor services	169	3,648	3,040	3,648
Consumables	763	175	4,453	175
Site costs	45	4,792	4,136	4,792
Legal costs	106	3,040	552	3,040
Depreciation	335	781	1,653	781
Total	\$3,075	\$16,217	\$24,850	\$16,217

16. Interest and finance expense

Interest and finance expense during the period included:

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
KFW IPEX Bank Facility	\$4,278	\$2,331	\$11,125	\$5,298
Working Capital Facility	803	561	2,660	1,315
2022 A&R Pala Credit Facility	102	1,639	5,706	3,754
2022 Promissory Notes	372	553	492	588
Stream and Royalty Deferral accretion	4,479	3,045	12,997	8,781
Lease liabilities	224	284	729	1,052
Pala guarantee fee and other interests	666	742	2,592	807
	\$10,924	\$9,155	\$36,301	\$21,595
Interest and accretion capitalized	(\$10,563)	\$—	(\$10,954)	(\$12,429)
Total - net of borrowing costs capitalized	\$361	\$9,155	\$25,347	\$9,166

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17. Supplemental Cash Flow Information

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Non-cash investing and financing activities:				
Depreciation capitalized in mineral properties, plant and equipment	\$1,001	\$—	\$2,318	\$3,843
Stock based compensation included in mineral properties	\$32	\$211	\$124	\$235
Borrowing costs capitalized in mineral properties, plant and equipment	\$10,563	\$—	\$10,954	\$12,429
Mineral properties, plant and equipment in accounts payable and accrued liabilities change	\$3,635	(\$13,563)	(\$2,005)	\$4,781
Mineral properties, plant and equipment in prepaid expenses change	\$707	\$—	(\$1,815)	\$—
Asset retirement obligation change	\$—	\$—	\$—	\$62
Share issue costs in prepaid change	\$—	\$—	\$1,725	\$—

18. Financial Instruments

a) Fair value measurements

The carrying amounts for cash and cash equivalents, restricted cash, accounts payable and accrued liabilities, approximate fair values due to the immediate or short-term maturities of these financial instruments. The following is a classification of fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level-1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level-2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level-3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value of the Company's debt was determined using Level 2 inputs:

	September 30, 2023		December 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Working Capital Facility (Note 5)	\$16,117	\$16,117	\$20,687	\$20,687
KfW IPEX-Bank Facility (Note 7a)	\$168,157	\$182,121	\$123,342	\$136,027
Pala Credit Facility (Note 7b)	\$—	\$—	\$79,832	\$84,929

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b) Financial risk factors

The Company manages its exposure to financial risks, including foreign exchange risk and interest rate risk, based on a conservative framework to protect itself against adverse rate movements. All transactions undertaken are to support the Company's ongoing business and the Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company's board of directors oversees management's risk management practices by setting trading parameters and reporting requirements.

The Company's activities are exposed to financial risks: market risk (including currency exchange risk and interest rate risk), commodity price risk, credit risk and liquidity risk.

c) Market risks

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The KfW IPEX-Bank Facility (Note 7a), the Working Capital Facility (Note 5) and the 2022 A&R Pala Credit Facility (previously the 2021 A&R Pala Credit Facility) (Note 7b) currently provide for interest at a market rate plus a fixed margin. A 1% decrease or increase in market rates of interest would have an impact of \$876 on the Company's interest expense.

ii) Foreign currency risk

The Company is exposed to currency fluctuations on its foreign currency monetary assets and liabilities. A significant change in the currency exchange rate between the U.S. dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

At September 30, 2023, the Company held C\$15 (2022 - C\$23) in cash and cash equivalents in its parent entity with a functional currency of U.S. dollars. At September 30, 2023, the Company had C\$305 (2022 - C\$815) in accounts payable.

A +/- 10% change in the Canadian exchange rate would have had an immaterial impact for the three and nine months ended September 30, 2023.

iii) Commodity price risk

Fluctuations in the market price of copper and other metals may significantly adversely affect the value of the Company's securities and the ability of the Company to develop the Project.

Market prices can be affected by numerous factors beyond the Company's control, including levels of supply and demand for a broad range of industrial products, economic growth rates of various international economies, expectations with respect to the rate of inflation, the relative strength of various currencies, interest rates, speculative activities, global or regional political or economic circumstances and sales or purchases of copper or other metals by holders in response to such factors.

iv) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject

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the Company to credit risk consist of cash and cash equivalents, restricted cash, reclamation bond, and amounts receivable. The Company has reduced its credit risk by investing its cash and cash equivalents in high quality Canadian and US chartered banks. The Company's maximum exposure to credit risk is \$2,003 as at September 30, 2023 (2022 - \$18,886), being the carrying value of cash and cash equivalents, restricted cash and amounts receivable.

v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities (refer to Note 1 for more details). The Underground Mine is in the ramp-up stage and undergoing a re-start of operations and as a result has not yet generated sufficient revenue to support the Company's obligations. The Company is reliant on its current cash balance, cash flow from pre-operational production revenue and cash inflows from its financing transactions to fund the completion of the construction and commissioning of the Underground Mine.

As at September 30, 2023, the Company had the following consolidated contractual cash flow obligations:

Contractual obligations	Payments due by period				
	Total	1 year	2-3 years	4-5 years	5 years+
Accounts payable, accrued liabilities and related party payables	\$26,100	\$26,100	\$—	\$—	\$—
Construction contractual obligations	\$6,878	\$6,878	\$—	\$—	\$—
Working Capital Facility	\$16,117	\$16,117	\$—	\$—	\$—
KfW IPEX-Bank Facility	\$254,055	\$12,229	\$75,247	\$67,892	\$98,687
Equipment leases	\$11,203	\$8,144	\$3,059	\$—	\$—
2023 Pala Promissory Notes	\$5,894	\$5,894	\$—	\$—	\$—
Deferred Funding Facility	\$2,701	\$2,701	\$—	\$—	\$—
Asset retirement obligation	\$5,421	\$—	\$—	\$—	\$5,421
Total obligations	\$328,369	\$78,063	\$78,306	\$67,892	\$104,108

The Company continuously assesses its cash requirements and its sources of funds in order to optimize its financing strategy.