

# NEVADA COPPER

## NEWS RELEASE

TSX: NCU

### **NEVADA COPPER ANNOUNCES POSITIVE FEASIBILITY STUDY RESULTS FOR STAGE 1 UNDERGROUND MINE**

**November 19, 2012 - Nevada Copper Corp. (TSX: NCU) ("Nevada Copper")** is pleased to announce positive results of its Feasibility Study for its 100% owned Pumpkin Hollow Copper Project near Yerington Nevada. The Feasibility Study, with capital costs defined to within plus/minus 15%, builds upon two previous Preliminary Economic Assessments and a Feasibility Study published in February 2012 as prepared by Tetra Tech, ("Tetra Tech"), an industry leading international engineering firm.

The Feasibility Study confirms the technical and financial viability of constructing and operating an underground Stage 1 mine development of the East deposit, with ore hoisted to surface by way of a 24 foot diameter production shaft to an associated 6,500 ton per day processing facility. The mine development footprint is confined to patented private claims and requires only Nevada State permits - no Federal permits are required. These State permits are expected to be issued in early 2013.

Assuming Nevada Copper moves forward with a staged development approach, the Stage 1 underground operation will be followed by a Stage 2 development of a much larger open pit operation on the North and South deposits ("Western Deposits").

A separate feasibility study, due for release by early 2013, will optimize the feasibility study published in February 2012 and will consist of a larger combined open pit and underground mine development. This feasibility study will incorporate the recently-expanded mineral resources in the Western Deposits as previously reported in a News Release dated September 7, 2012.

#### **Highlights of the Feasibility Study** (All amounts are stated in United States dollars):

- The project development consists of a 6,500 ton-per-day underground operation at the East deposit, feeding a single 6,500 ton-per-day concentrator located near the East shaft;
- First production targeted for early 2015, with an initial mine life of 12 years;
- Proven and Probable Mineral Reserves (East deposit only):
  - 823 million pounds of copper
  - 220,765 ounces of gold and 4.7 million ounces of silver;
- Life-of-Mine ("LOM") metal production contained in concentrates totals
  - 759 million pounds of copper
  - 167,439 ounces of gold and 2.7 million ounces of silver;
- Average annual copper production in concentrates:
  - Years 1 to 5: 74.6 million pounds per year
  - Years 1 to 10: 66.9 million pounds per year

- Average annual gold and silver production in concentrates.
  - Years 1 to 5: 23,700 ozs gold per year
  - Years 1 to 10: 15,900 ozs gold per year
  - Years 1 to 5: 340,100 ozs silver per year
  - Years 1 to 10: 248,600 ozs silver per year
- Initial capital costs are estimated to be \$329 million including contingency, excluding working capital of \$15.4 million and excluding approximately \$17 million already expended for shaft related activities. A further \$40 million will be allocated from current cash on hand to fund future capital costs.
- Life-of-Mine (“LOM”) site operating costs are \$41.46 per ton of ore-milled. Copper production costs, net of gold and silver revenue credits are:

- Year 1 to 5: \$1.21 per pound of payable copper
- Years 1 to 10: \$1.51 per pound of payable copper

- Summary of Economic Results:

1. Base Case: Three year trailing average price of \$3.59/lb. copper, \$1,419/oz. gold and \$27.14/oz. silver:

- Net Present Value at 5% is \$419 million, pre-tax.
- Net Present Value at 8% is \$309 million, pre-tax.
- Internal Rate of Return is 28.6% and payback is 2.5 years.

2. Alternate Case: Quoted copper forward prices to 2022 then long term price of \$2.75/lb. copper; gold and silver same as Base Case:

- Net Present Value at 5% is \$276 million, pre-tax.
- Net Present Value at 8% is \$201 million, pre-tax.
- Internal Rate of Return is 24.3% and payback is 2.7 years.

3. Average annual operating cash-flow (Years 1 to 5):

- Base Case: \$149 million.
- Alternate Case: \$139 million.

***“We are extremely pleased with the results of this Feasibility Study. This Study demonstrates a robust Stage 1 underground project that has further upside and does not require any Federal permits. In our view, Stage 1 is both financeable by Nevada Copper with minimal dilution, while also providing a clear path towards development of a much larger open pit operation while allowing us to move to production by early 2015.”***  
commented Giulio Bonifacio, President & CEO.

### **Project Opportunities**

Mineralization in the East Deposit remains open in several directions and has not been drilled since October 2010 in view of current mineable reserve. Nevada Copper expects to resume drilling on the East and JK-34 deposits from underground drill stations once the shaft is completed. Reserve expansion in these areas will likely extend mine life beyond the current 12 year mine life while an underground definition drilling program will better define tonnages and ore grades.

In addition, the proven & probable reserves at the E2 deposit are potentially available for development by way of a 4,800 foot ramp and will be subject to a future development decision. The E2 mine plan and associated reserves were published in the Integrated Feasibility Study filed on SEDAR in February 2012. The E2 mineral reserve as previously published are summarized below for information purposes only.

### Mineral Reserve - East Deposit

The mineral reserve was developed from the East deposit's measured and indicated mineral resource after the application of an 0.8% cut-off grade, stope design, dilution, and mining recovery parameters. The reserve estimate is as of October, 2012.

Mineral Reserves - East Underground Deposit								
Classification	Ore	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver	Copper Equiv.(1)
	000's tons	%	Oz./ton	Oz./ton	Million lbs.	Ozs.	Million Ozs.	%
Proven	10,979	1.55	0.011	0.22	340,349	120,769	2,360	1.81
Probable	16,666	1.45	0.006	0.14	483,314	99,996	2,350	1.60
<b>Proven &amp; Probable</b>	<b>27,645</b>	<b>1.49</b>	<b>0.008</b>	<b>0.17</b>	<b>823,663</b>	<b>220,765</b>	<b>4,710</b>	<b>1.68</b>

(1)Copper equivalency calculations are based on \$3.00 per pound for copper, \$1,400 per ounce gold and \$20 per ounce silver, and metallurgical recoveries of 92.1%, 78% and 57.5% for copper, gold and silver respectively.

Approximately 70% of the total East Deposit measured and indicated mineral resource was converted to a mineral reserve by the mine plan. The East Deposit's mineral resource is composed of resources located in the main East Deposit and the deeper JK-34 Deposit. The current mine plan does not include material from the JK-34 Deposit.

In addition, while not part of this feasibility study mine plan, the proven & probable reserves at the E2 deposit summarized below are potentially available for future development, subject to a future development decision. The E2 mine plan and reserves were previously disclosed in the Integrated Feasibility Study filed on SEDAR in February 2012.

Mineral Reserves - E2 Underground Deposit								
Classification	Ore	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver	Copper Equiv.(1)
	000's tons	%	Oz./ton	Oz./ton	Million lbs.	Ozs.	Million Ozs.	%
Proven	1,382	1.81	0.012	0.23	50,898	16,584	327	2.06
Probable	6,738	1.62	0.006	0.18	218,131	40,428	1,185	1.77
<b>Proven &amp; Probable</b>	<b>8,120</b>	<b>1.65</b>	<b>0.007</b>	<b>0.19</b>	<b>269,029</b>	<b>57,012</b>	<b>1,512</b>	<b>1.82</b>

### Permitting

Shaft construction permits are in hand with construction having started in February 2012 on a 2,200 foot, 24 foot diameter production-sized shaft to access the East underground deposit. This shaft is targeted for completion by January 2014.

State permit applications for a 6,500 tons per day underground mine development and processing operation were submitted in July 2012. These permits typically take 6 to 8 months for issuance and are expected to be issued by early 2013 and do not require Federal permits. These permits are not reliant on passage of the Yerington Land

Conveyance and Sustainable Development Act (the “Yerington Bill”) - See News Releases dated June 20 and October 30, 2012.

### **Development Schedule**

Shaft construction activities at the site are proceeding normally. Shaft pre-sink developments are completed, all major hoist components have been delivered to site, the hoist foundation is complete, and head frame engineering is complete with steel fabrication well underway. In addition, foundation work for the head frame is also well advanced, and line power has been established at the site. The target date for the start of hoist and headframe operations is February 2013. This will allow for resumption of shaft sinking operations to the East Shaft 2140 foot level total depth.

Subject to a decision to proceed and conclusion of financing arrangements, detailed engineering and ordering of key long-lead-time mining and process equipment is targeted to commence by Q1-2013 with actual construction starting on the issuance of key state permits. Ramp-up of underground production is anticipated to commence in the second quarter of 2015.

### **Mining**

All underground production (6,500 tons per day) will come from the East deposit only. Longhole stoping with paste backfill was chosen to be the mining method. The tonnage requirement of 6,500 tons per day called for a bulk mining method. Rock quality was high enough to support large open stopes which will require structural backfill. The rock quality was too high for a “block caving” method to be considered. Once mined, ore will be hauled from the stope and delivered to a run-of-mine surge bin which feeds into an underground jaw crusher. One surge bin and jaw crusher is planned. Development waste will be stored in a drift adjacent to the surge bin and fed into the crusher at pre-determined intervals. Once crushed, the material will be transferred by conveyor to the shaft loading pocket where it will be measured, loaded into skips and hoisted to the surface.

Underground mining methods and the mining sequence were developed to maximize grades in the early production years to the extent possible. Underground development will be way of a 24 foot diameter production-sized shaft. Vent and secondary egress shafts will be constructed as required.

Total ore mined and processed from the East deposit, LOM, is 27.6 million tons grading 1.49% copper, 0.008 oz/ton (0.266 g/tonne) gold and 0.17 oz/ton (5.84 g/tonne) silver. LOM metals recovery to concentrates for copper, gold and silver respectively is 759 million pounds, 167,439 ounces of gold and 2,709,187 ounces of silver.

Nevada Copper has the permits necessary for shaft sinking which has started and targeted for completion by January 2014. Construction work is now well under way for the installation of hoist and head frame facilities at the shaft location within the next few months. An underground contractor for purposes of shaft sinking was selected in December 2011 and mobilized to site in early 2012.

### **Process Plant**

Ore will be crushed underground, hoisted to surface and transported to a nominal 6,500 tons per day concentrator located approximately 1,500 feet northwest of the shaft. The concentration circuit is conventional with a single, semi-autogenous grinding mill, secondary ball mill grinding and flotation, followed by thickening and pressure filtration to produce a final concentrate grading 24% copper and containing payable gold and silver. Primary grind size is 100 microns with projected metallurgical recoveries of 92.1%, 78% and 57.5%, for copper, gold and silver respectively.

### **Metals Production**

Projected recovered metals production to the copper concentrate is summarized below. LOM copper recovered to concentrates is estimated to be 759 million pounds.

	<b>Units</b>	<b>Yrs 1-5 Average</b>	<b>Yrs 1-10 Average</b>	<b>LOM Total</b>
Mill Feed	000s stons/yr; 000s tons	2,290	2,302	27,645
Copper Grade	%	1.77%	1.58%	1.49%
Copper Production in Concentrates	Mlbs/yr; Mlbs	74.6	66.9	759,082
Copper Concentrates Production	tonnes/yr; tonnes	140,900	126,391	1,434,656
Gold in Concentrates	ozs	23,744	15,942	167,439
Silver in Concentrates	ozs	340,090	248,597	2,709,187

Annual operating cashflow averages \$149 million in the first five years of production assuming the base metal price scenario.

### **Tailings Storage**

To minimize water usage, tailings will be de-watered, filtered and conveyed to a “dry-stack” on-site storage facility. This water is then recycled to the process plant. This method is considered “best practice” for long term tailings storage in dry environments with finite water resources. It also lowers long term environmental monitoring costs.

### **Infrastructure**

The project area is well supplied with nearby local infrastructure. Project-related infrastructure expenditures include an upgraded power line and substation, and a new water line that connects to the City of Yerington water system. An energy cost of \$0.055/kwh during production was used for Feasibility Study purposes, based on NV Energy expected rates. An existing county road will be used to access the mine site. Copper concentrates will be trucked directly from the minesite to a US west coast port. Process make-up water will be piped 6 miles (10 km) from the City of Yerington, where housing and regional services are available and most employees are expected to reside. The communities of Silver Springs, Smith Valley, Fernley, Dayton, Fallon, Carson City and Hawthorne are also all within commuting distance, and have a labor pool and existing housing, particularly for a construction workforce.

### **Capital Costs**

The project initial capital costs are estimated at \$329 million, with an accuracy of plus/minus 15% as of November 2012, including a contingency of \$25.5 million. The contingency allowance is calculated based on assessed factors for each of the major Direct and Indirect cost categories.

The major direct cost items include: underground mine development on the East deposit, process plant, tailing storage facility, and site infrastructure. Indirect costs include such major areas as engineering and procurement, construction management, freight and commissioning, spares inventory, first fills, and Owners Costs.

<b>Initial Capital Costs</b>	
<b>Item</b>	<b>US\$ Millions</b>
<b><u>Direct Costs</u></b>	
Underground Mine Equipment	\$49.9
Underground Mine Development & Shaft	59.9
Process and Concentrates Handling	92.4
Tailings Dewater and Dry Stack Facility	7.7
Infrastructure	15.4
Power and Electrical	15.4
Hydrology	1.0
Reclamation	1.0
Environmental	1.0
<b>Total Direct Costs</b>	<b>243.7</b>
<b><u>Indirect Costs</u></b>	
Engineering and Procurement	9.2
Construction Management	9.2
Construction Indirect	19.5
Freight and Logistics	5.5
Vendor and Consultant Assistance	0.9
Owner's Costs	8.6
Spares First Fills And Inventory	3.6
Commissioning and Start-up	3.1
<b>Total Indirect Costs</b>	<b>59.6</b>
<b>Total Direct and Indirect Costs</b>	<b>\$303.3</b>
Contingency	25.5
<b>Total Initial Capital</b>	<b>\$328.8</b>

Working capital required for initial operations is estimated to be \$15.4 million.

The initial capital cost excludes approximately \$17 million expended by Nevada Copper to September 30, 2012 for shaft surface facilities already purchased or installed, including a production hoist, head frame, power line and substation, water supply and warehouse.

Nevada Copper will fund the balance of the projected shaft costs, approximately \$20 million, from its current cash balance and has allocated a further \$20 million of the current cash balance of \$48.7 million, as of September 30, 2012 towards initial capital costs.

### **Sustaining Capital**

Sustaining capital totals \$221.6 million, and includes ongoing underground mine development & equipment replacement, and expenditures for expansion of the tailings storage facility.

<b>Sustaining Capital Costs</b>	
<b>Area</b>	<b>US \$Millions</b>
Underground Mine Development	\$79.9
Underground Mine Equipment	84.6
Process	38.5
Tailings	11.0
Reclamation	5.2
Hydrology/Dewatering	2.4
<b>Total Sustaining Capital</b>	<b>\$221.6</b>

### **Operating Costs**

LOM site unit operating cash costs are \$41.46 per ton-milled, as summarized in the table below:

<b>LOM Unit Operating Cost Summary</b>	
<b>Area</b>	<b>LOM \$/ton-milled</b>
Mining (underground average)	\$29.46
Processing	7.45
Dry-stack Tailings Facility	0.65
Reclamation, Infrastructure, Hydrology.	0.60
General & Administrative	3.30
<b>Total</b>	<b>\$41.46</b>

Ongoing underground mine development costs are included in sustaining capital. Copper production cash costs per payable pound, including site operating costs and copper conversion costs such as smelter charges and concentrate transport, net of gold and silver revenue credits, are estimated to average \$1.21/lb. for Years 1 to 5 and \$1.63/lb. for LOM, excluding royalties.

### **Concentrate Marketing**

The copper concentrate grade is 24% copper and contains payable gold and silver values. The concentrates are considered good quality. The concentrates will be marketed primarily to Asia via a west coast port, but some may also be shipped to US smelters if demand emerges.

### **Economic Analysis Summary**

Project economics were evaluated using a cash flow analysis, with future revenues and costs projected into the future to yield annual net cash flow and a Net Present Value. The cash flows are calculated both before and after corporate income taxes, and include the cost of all royalties, local property taxes and Nevada Net Proceeds of Mining tax. Cash flows were discounted at 5% and 8% to reflect the time value of money and risk factors. An Internal Rate of Return (“IRR”) and payback period for the project were also calculated.

The most significant input that affects projected revenues are metals prices. The following two metal price scenarios were used:

**1. Base metal price scenario:**

Three year trailing average London Metal Exchange (“LME”) prices were used as at September 7, 2012 and are as follows:

Copper	\$3.59/lb
Gold	\$1,419/oz
Silver	\$27.14/oz

Note that the cash LME copper price on November 1, 2012 was \$3.54/ lb; and the three year trailing average price is \$3.64 as of November 1, 2012.

**2. Alternate metal price scenario:**

Copper: Long term forward prices as at September 6, 2012, supplied by Barclays Capital, were used. These forward prices are available to 2022, and thereafter copper prices were reduced to a long term price of \$2.75 per pound – See table below.

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023+
Copper Price	\$3.48	\$3.46	\$3.43	\$3.41	\$3.39	\$3.36	\$3.33	\$3.31	\$2.75

Gold and silver prices used were the same as for the Base metal price scenario.

**Summary of Economic Results**

Key economic indicators extracted from the Feasibility Study are summarized below:

	Base Metal Price Scenario	Alternate Metal Price Scenario
	US\$ 000s	US\$ 000s
Cumulative LOM cash-flow	\$691,799	\$452,358
<b>NPV@ 5%, pre-tax</b>	<b>\$419,235</b>	<b>\$275,681</b>
NPV@ 8%, pre-tax	\$308,819	\$200,735
Average annual operating cash-flow (Years 1-5)	<b>\$149,502</b>	<b>\$138,984</b>
Internal rate of return, pre-tax	<b>28.6%</b>	<b>24.3%</b>
Payback (years from first production)	<b>2.5 years</b>	<b>2.7 years</b>

The economic results after an estimate of corporate income taxes are presented below.

Royalties and Nevada Mining Taxes - The economic results above include the costs of all third party royalties, and an estimate of local property taxes and Nevada Net Proceeds Tax payable on income from operations.

**Corporate Income Tax** – The possible effects of corporate income taxes on project cashflows were calculated by TetraTech on a stand-alone project basis. Income tax calculations related to mining income can be complex in the United States. Although nominal corporate tax rates are 35%, deductions such as percentage depletion deductions and others available to mining operations, typically reduce the effective tax rate to 20% or less. The tax calculation is an estimate only; actual corporate taxes payable will be affected by other corporate activities such as the further development of Stage 2 open pit operation.

The after-tax NPV8% for the Base Metal Price and Alternate Metal Price cases are estimated to be \$256 million and \$164 million respectively. The after-tax IRR for the same cases are 24.7% and 20.9% respectively.

After tax figures are provided for informational purposes only and are TetraTech estimates of the potential effect of US corporate income tax on the project economics on a stand-alone basis. Readers should consult a tax advisor should they require more definitive information on US income taxation of income from mining operations.

### **Qualified Persons**

In August 2012 Nevada Copper commissioned Tetra Tech Inc. to complete the Feasibility Study in accordance with NI 43-101. The scientific and technical information in this release has been reviewed and approved by Mr. Ed Lips, P.E., Project Manager with Tetra Tech, and overall manager for the Feasibility Study. Mr. Lips is an Independent Qualified Person within the meaning of NI 43-101.

This release was also reviewed by Gregory French, P.G., Vice-President & Project Manager of Nevada Copper and Robert McKnight, P. Eng., Executive Vice-President of Nevada Copper, both of whom are Non-independent Qualified Persons within the meaning of NI 43-101.

Readers should refer to the Feasibility Study Technical Report for further details of the project development. The Feasibility Study Technical Report will be filed in accordance with NI 43-101 on SEDAR ([www.sedar.com](http://www.sedar.com)) within the required 45 day statutory period and will be made available on Nevada Copper's website ([www.nevadacopper.com](http://www.nevadacopper.com)).

## **NEVADA COPPER CORP.**

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

### ***Cautionary Language***

*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 news release, other than statements of historical facts, including the likelihood of commercial mining, securing as strategic partner, expanding the mineral resources and reserves and possible future financings are forward-looking statements. Such forward-looking statements and forward-looking information specifically include, but are not limited to, statements concerning: Nevada Copper Corp. (the "Company") plans at the Pumpkin Hollow Project; the timing of granting of key permits; from the Feasibility Study: the estimated metal production and the timing thereof; capital and operating costs, future metal prices and cash flow estimates derived from the foregoing.*

*Forward-looking statements or information relate to future events and future performance and include statements regarding the expectations and beliefs of management and include, but are not limited to, statements with respect to the estimation of mineral resources and reserves, the realization of mineral resources and reserve estimates, the timing and amount of estimated future production, capital costs, costs of production, capital expenditures, success of mining operations, environmental risks and other mining related matters. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "potential", "is expected", "anticipated", "is targeted", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements or information include, but are not limited to, statements or information with respect to known or unknown risks, uncertainties and other factors which may cause*

the actual industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Forward-looking statements or information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks and uncertainties relating to: history of losses; requirements for additional capital; dilution; loss of its material properties; interest rates increase; global economy; no history of production; future metals price fluctuations, speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labor disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade of mineralization or recovery rates may differ from what is indicated and the difference may be material; legal and regulatory proceedings and community actions; accidents, title matters; regulatory restrictions; permitting and licensing; volatility of the market price of Common Shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry as well as those factors discussed in the section entitled "Risk Factors" in the Company's Annual Information Form dated September 26, 2012. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. The Company disclaims any intent or obligation to update forward-looking statements or information except as required by law, and you are referred to the full discussion of the Company's business contained in the Company's reports filed with the securities regulatory authorities in Canada. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on Nevada Copper and the risks and challenges of its business, investors should review Nevada Copper's annual filings that are available at [www.sedar.com](http://www.sedar.com).

The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

#### **Alternative Performance Measures**

"Copper Production Costs", "LOM Operating Costs", "LOM site unit operating costs" and similar terms are alternative performance measures. These performance measures are included because these statistics are key performance measures that management may use to monitor performance. Management may use these statistics in future to assess how the Company is performing to plan and to assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a meaning within International Financial Reporting Standards ("IFRS") and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

<b>For further information call:</b>	
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