



## NEWS RELEASE

TSX: NCU

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

**December 13, 2012 - Nevada Copper Corp. (TSX:NCU) ("Nevada Copper")** announces that it has SEDAR-filed its National Instrument 43-101 Technical Report Feasibility Study ("Feasibility Study") for its 100% owned Pumpkin Hollow Copper project located near Yerington, Nevada. The report is available at [www.sedar.com](http://www.sedar.com). The Feasibility Study confirms the technical and financial viability of constructing and operating an underground Stage 1 mine development of the East deposit, and will also be available on Nevada Copper's website ([www.nevadacopper.com](http://www.nevadacopper.com)). The Feasibility Study builds upon two previous Preliminary Economic Assessments and a previous feasibility study published in February 2012, and was prepared by Tetra Tech ("Tetra Tech"), an 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 the large 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.

Readers should refer to the Feasibility Study Technical Report for further details of the project development.

### **Qualified Persons**

In August 2012 Nevada Copper commissioned Tetra Tech Inc. to complete the Feasibility Study in accordance with NI 43-101. The technical and economic information in this news release was extracted from the November 19, 2012 news release announcing the results of the Feasibility Study. That release was 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.

## **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.*

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