

# NEVADA COPPER

## NEWS RELEASE

TSX: NCU

### **NEVADA COPPER FILES INTEGRATED FEASIBILITY STUDY ON SEDAR**

**July 9, 2015 - Nevada Copper Corp. (TSX: NCU) ("Nevada Copper") (the "Company")** is pleased to announce that it has completed, and SEDAR-filed, a National Instrument 43-101 ("NI 43-101") Integrated Feasibility Study Technical Report for its 100%-owned Pumpkin Hollow Copper Project located near Yerington, Nevada.

The Integrated Feasibility Study describes the proposed development of a 70,000 tons per day copper concentrator with mill feed from both open pit and underground mine operations. The Technical Report, entitled "**NI 43-101 Technical Report Integrated Feasibility Study, Pumpkin Hollow Project Yerington, Nevada**" ("IFS"), has an effective date of April 15, 2015. This technical report supersedes all previous technical reports on the Pumpkin Hollow Copper Project.

The IFS was prepared under the direction of Tetra Tech, Inc. ("Tetra Tech") with Stantec Consulting Services Inc. ("Stantec") having responsibility for the detailed underground mine design and underground capital cost estimation. Tetra Tech and Stantec are both industry-leading international engineering firms.

#### **Highlights of the Integrated Feasibility Study** (All dollar amounts are stated in United States currency)

Reserves and mine production are as reported in the May 28, 2015 press release however, certain costs differ slightly from previously reported amounts:

- Long mine life of 23 years with low-risk profile located in an ideal mining jurisdiction close to existing infrastructure, an increase of 5 years from the first published integrated feasibility study, with production ramp-up targeted for 2018;
- Assuming the Base Case of US\$3.15 copper, US\$1,200 gold and US\$18 silver, the Integrated Project generates Life-of-Mine ("LOM") after-tax net cash flow of US\$2.5 billion, NPV@ 5% of US\$1.1 billion, an after-tax IRR of 15.6% with 4.7 year payback;
- Significant LOM metal production of 4.5 billion pounds (2.05 million tonnes) of copper, 512,000 ounces of gold and 15.6 million ounces of silver in a quality copper concentrate. Average annual copper production of 275 million pounds in years 1 to 5;
- The project development contemplates a 63,500 tons/day open pit mine and 6,500 tons/day underground mine, feeding a single 70,000 tons/day concentrator, generating substantial annual cash flow over LOM;
- Proven and Probable Mineral Reserves, including open pit and underground mineable, are 572 million tons of ore grading 0.47% copper equivalent<sup>1</sup>, containing 5.05 billion pounds of copper, 761,000 ounces of gold and 27.6 million ounces of silver;
- Initial capital costs are estimated to be \$1.04 billion including contingencies, excluding working capital of \$33 million. Sustaining LOM capital is \$0.63 billion;

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<sup>1</sup> The copper grade equivalency was determined using Base Case metals prices and metallurgical recoveries of 89.3%, 67.3% and 56.3% for copper, gold and silver respectively

- Low LOM site operating costs of \$11.80 per ton of ore-milled (Year 1 to 5 - C1 Production Costs at \$1.49/lb. payable copper), excluding leased equipment and Nevada State Minerals Tax;
- The IFS includes drilling data to 2011 for the underground deposits and 2013 for the open pit deposits. Further upside and optimization potential exists from current drilling in 2015 which is not included in the IFS; and
- The IFS confirms the technical and financial viability of constructing and operating a 70,000 tons/day copper mining and processing operation at Pumpkin Hollow comprising a single large concentrator with mill feed from both open pit and underground operation.

**Annual copper production in concentrates and C1 operating costs:**

	Units	Years 1-5*	Years 1-10*	LOM (Average)
Copper in Concentrates	000s lbs./yr.	274,700	246,300	198,200
Copper in Concentrates	Tonnes/yr.	124,600	111,700	89,900
C1 Production Costs**	\$/lb payable copper	\$1.49	\$1.70	\$1.76

\* Note starting post ramp-up period

\*\* The direct cash costs of mining, milling and concentrating, site administration and general expenses, concentrate treatment charges, and freight and marketing costs, less the net value of gold and silver by-product credits.

**Summary of Economic Results:**

		Low Case	Base Case	High Case
Copper Price	\$/lb	\$2.85	\$3.15	\$3.75
Gold Price	\$/oz	\$1,200	\$1,200	\$1,200
Silver Price	\$/oz	\$18	\$18	\$18
<b>(In Millions of US Dollars)</b>				
Net Smelter Revenue, after royalty		\$10,768	<b>\$11,990</b>	\$14,434
Net Cash Flow	Pre-tax	\$1,831	<b>\$2,992</b>	\$5,315
Net Cash Flow	After-tax	\$1,584	<b>\$2,514</b>	\$4,249
Annual Net Cash Flow	Yr. 1-5 avg.	\$204	<b>\$262</b>	\$366
Pre-tax Operating Margin*	Yr. 1-5 avg.	\$300	<b>\$380</b>	\$540
NPV 5%	Pre-tax	\$659	<b>\$1,362</b>	\$2,768
NPV 5%	After-tax	\$534	<b>\$1,100</b>	\$2,155
IRR	Pre-tax	11.3%	<b>17.5%</b>	28.8%
IRR	After-tax	10.4%	<b>15.6%</b>	24.6%
Payback - years	Pre-tax	7.9	<b>4.2</b>	2.8
Payback - years	After-tax	8.2	<b>4.7</b>	3.2

\* Note: Net revenues less smelter charges, concentrate transport and site operating costs, including operating lease costs.

## Capital Costs

The project initial capital costs are estimated at \$1.04 billion with an accuracy of plus/minus 15% as of March 2015, including an initial contingency of \$67 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 development of the East underground mine, open pit mine equipment, leasing costs, North deposit pre-stripping, process plant, tailing storage facility, site infrastructure and offsite rail load-out facility. Indirect costs include such major areas as engineering and procurement, construction management, construction indirects, freight and commissioning, spares inventory, first fills, and Owners Costs.

Area	Initial	Sustaining	Total
	US\$M	US\$M	US\$M
Open Pit Mine	\$263	\$222	\$485
Underground Mine	81	158	238
Ore Handling	12	2	15
Process Facility	268	52	320
Dry Stack Tailings Storage	69	79	148
Infrastructure	88	0	88
Water Management	18	2	19
Environmental & Reclamation	12	41	54
<b>Subtotal Directs</b>	<b>811</b>	<b>556</b>	<b>1,367</b>
Construction Indirects	66	35	101
Spares & Warehouse Inventory	10	2	12
Initial Fills	4	0	4
Freight & Logistics	15	2	17
Commissioning & Start-Up	2	0	2
EPCM	58	0	58
Vendor & Consulting Assistance	1	0	1
<b>Subtotal In-directs</b>	<b>156</b>	<b>39</b>	<b>195</b>
Contingency	67	39	106
Owner Costs	7	0	7
<b>Total Capital</b>	<b>\$1,041</b>	<b>\$634</b>	<b>\$1,675</b>

*Note: totals may not add due to rounding*

Working capital required for initial operations is estimated to be \$33 million.

LOM sustaining capital totals \$0.63 billion and includes development costs associated with the E2 underground deposit and related equipment; South open pit deposit development costs; replacement of, and additions to, surface mobile equipment; expenditures on the tailings storage facility, and reclamation costs, net of salvage value at the conclusion of the project.

## Operating Costs

LOM site unit operating cash costs, net of capitalized pre-stripping and other predevelopment costs, are \$11.80 per ton-milled, as summarized in the table below:

<b>LOM Unit Operating Cost Summary</b>	
<b>Area</b>	<b>\$/ton-milled</b>
Open Pit Mining	\$5.03
Underground Mining	1.45
Processing	4.73
Tailings & Water Management	0.17
Environmental	0.02
G&A	0.40
<b>Total LOM Site Operating Costs</b>	<b>\$11.80</b>

*Note: The cost of operating leases and Nevada Net Proceeds of Mining tax adds \$0.72/ton and \$0.28/ton, respectively.*

Unit open pit mining cash costs average \$5.34 per ton of open pit ore mined and milled. This equates to \$1.16 per ton of open pit material mined, including waste and ore. Average LOM strip ratio for the North and South deposits is 3.59. Underground mining costs average \$24.06 per ton of underground ore mined, excluding \$1.25 for truck transport of ore to concentrator.

<b>LOM Unit Mining Costs</b>	
<b>Open Pit (\$/ton of open pit ore mined)</b>	<b>Underground (\$/ton of underground ore mined)</b>
\$5.34/ton	\$24.06/ton

A power cost of \$0.065/kwh was used for IFS purposes, based on NV Energy expected rates.

## Qualified Persons

In November 2014 Nevada Copper commissioned Tetra Tech and Stantec to prepare an updated Pumpkin Hollow Project Integrated Feasibility Study Technical Report in accordance with NI 43-101. The scientific and technical information in this release has been reviewed and approved by Mr. Ed Lips, PE, of Tetra Tech, who is overall manager for the IFS and who is an Independent Qualified Person within the meaning of NI 43-101. It has also been reviewed by Mr. Mel Lawson, SME-RM, Principal/Senior Consulting Engineer, Stantec Consulting Services Inc. who is an Independent Qualified Person within the meaning of NI 43-101.

This release was also reviewed by Gregory French, P.G., Vice-President Exploration & Project Development of Nevada Copper, Timothy D. Arnold, PE, Vice President of Operations and Robert McKnight, P. Eng., Executive Vice-President of Nevada Copper, all of whom are Non-independent Qualified Persons within the meaning of NI 43-101.

Readers should refer to the IFS for further details of the project development. The IFS will be filed in accordance with NI 43-101 on SEDAR ([www.sedar.com](http://www.sedar.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 a strategic partner, expanding the mineral resources and mineral 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 IFS: the estimated metal production and the timing thereof; capital and operating costs, future metal prices, cash flow estimates, and economic indicators 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 mineral 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 March 17, 2015. 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", "CI Production 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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