NEVADA COPPER CORP.

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2014

General

This Management's Discussion and Analysis ("MD&A") of Nevada Copper Corp. (the "Corporation" or "Nevada Copper") has been prepared by management as of March 17, 2015 and should be read in conjunction with the Corporation's consolidated financial statements and related notes for the year ended December 31, 2014 which have been prepared in accordance with International Financial Reporting Standards ("GAAP" or "IFRS" as issued by the International Accounting Standards Board ("IASB")). The information contained within this MD&A is current to March 17, 2015.

Unless otherwise noted, comparative financial information contained in this MD&A has been prepared in accordance with IFRS. All amounts are expressed in thousands of US Dollars unless otherwise indicated. Additional information relevant to the Corporation's activities can be found on SEDAR at www.sedar.com.

Description of Business

Nevada Copper Corp. (the "Corporation" or "Nevada Copper") is a mining Corporation engaged in the development of the 100% owned Pumpkin Hollow copper project. The Pumpkin Hollow project consists of a fully permitted 6,500 tpd Stage 1 underground copper mine development, currently in construction and a nearby Stage 2 70,000 tpd open pit project in the permitting phase. The Corporation is considering a development consisting of a single large 70,000 tons/day concentrator with dual ore feeds, primarily with ore from the North and South open pits, but with supplemental high grade ore from the underground East and E2 deposits. This integrated project development is contemplated in an updated 2015 Integrated Feasibility Study, targeted for completion in April 2015.

Nevada Copper was incorporated on June 16, 1999 under the Business Corporations Act of the Yukon as "African Venture Corporation" and changed its name to "Astron Resources Corporation" on July 26, 1999, and subsequently to Nevada Copper Corp. on November 16, 2006. The Corporation's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "NCU".

The principal asset of the Corporation is the Pumpkin Hollow property located in north-western Nevada, approximately ninety road miles southeast of Reno. The property consists of a contiguous 26 square mile land package held under a lease agreement by the Corporation comprising both patented and unpatented claims.

Highlights

Land Bill and Open Pit Permitting

On December 19, 2014, President Obama signed into law a bill that contained provisions directing the Secretary of the Interior to convey 10,400 acres of Federal lands surrounding the Pumpkin Hollow project to the City of Yerington by June 17, 2015 (180 days is specified in the legislation). Section 3009 of the National Defense Authorization Act ("NDAA"), the bill signed by President Obama, directs the sale of the 10,400 acres from the Federal government to the City of Yerington ("Yerington" or "City"). This section of the NDAA is entitled the "Land Conveyance to Yerington, Nevada". The Corporation will work with the Bureau of Land Management ("BLM"), the City of Yerington, key consultants and others to ensure the land conveyance is completed within the specified time period. With funding provided by the Corporation, the City will acquire the land and, pursuant to a binding agreement with the Corporation, immediately re-convey most of the land to Nevada Copper at no additional cost.

In expectation of a successful land transfer in June, the Corporation is concurrently completing the revisions to the current State Reclamation and Air Pollution Control permits allowing for construction and operation of a large open pit development, setting the stage for issuance of all key open pit permits by June 2015. All State permits for the underground operation were previously issued in 2013.

2015 Integrated Feasibility Study

With passage of the Land Bill and no Federal permit requirements, the Corporation expects receipt of all State permits for a large Stage 2 open pit project in Q2 2015. Early delivery of these open pit development permits strongly suggests revising engineering work on an updated open pit feasibility study towards a single, large 70,000 tons/day concentrator with dual sources of mill feed rather than proceeding by way of a staged project development, that is a 6,500 tons/day Stage 1 underground project followed by a 70,000 tons/day Stage 2 open pit project ("2015 Integrated Feasibility Study"). Mill feed will comprise an average of 63,500 tons/day of open pit ore blended with 6,500 tons/day of high grade ore from the Eastern underground deposits.

The previous open pit mining plans for the Stage 2 open pit demonstrated a production profile with higher than average copper grades (0.5% to 0.6%) in the early years (see 2012 Stage 2 Feasibility Study filed on SEDAR). The addition of higher grade mill feed (plus 1.75% copper) from the Eastern underground deposits will further improve mill feed grades in the important early production years. The enhanced mill copper feed grades, coupled with elimination of the capital required for the smaller 6,500 tons/day mill proposed for the standalone Stage 1 underground project, are anticipated to provide better capital efficiency and overall better project economics.

After the stand alone Stage 2 Open Pit Feasibility Study was completed in 2013, results from 32,414 feet (9,880 meters) of additional drilling on the North Deposit were received. In Q2-2014, the Corporation decided to incorporate these drill results to ascertain if the data would improve the present mine design. In particular, drill hole NC12-34 as previously disclosed in a news release dated September 13, 2012, on the southwestern edge of the North Deposit ultimate pit intersected 690 feet (210.3 meters), 625.3 feet (190.6 meters) true thickness, grading 1.17% copper, including 150 feet grading 3.8%. Another drill hole, NC13-05, disclosed in a news release dated June 17, 2013, along the western edge of the North deposit and not included in the 2013 Feasibility Study, intersected several zones including 125 feet (38.1 meters), true thickness, grading 1.45% copper. The new information resulted in an opportunity to significantly improve the grade profile and reduce mine waste rock quantities by re-evaluating the pit shell in the North Deposit. Preliminary work to date on the mineral resource calculations and production schedule has demonstrated positive results with respect to the copper grades and copper production in the early years, as well as overall life-of-mine copper grades.

The 2015 Integrated Feasibility Study will incorporate all available current information, including new drilling data, mine plans, engineering work and updated capital and operating costs for both the open pit and underground operations associated with this development. Completion of the study is targeted for April 2015.

Readers are cautioned that until the results of the Integrated Feasibility Study are available, the implications of the copper grade, production increases, addition of high grade underground ore feed, cost updates on the Project, and the impact on Project economics, cannot be fully determined.

Eastern Underground Deposits: Main Shaft & Lateral Development Plans

The Corporation achieved a major milestone on February 26, 2015 at its Pumpkin Hollow project by way of reaching the 1,900 foot main haulage level at its 24-foot diameter concrete-lined production sized shaft. A concrete-lined production shaft to the level of the main workings further de-risks the Pumpkin Hollow project and was defined as a project milestone in early 2011.

During 2012, after the official ground breaking in February, shaft related construction activities included: shaft foundation ("sub-collar"); "pre-sink" to 99 feet; installation of a production-sized hoist and control room; erection of a permanent head-frame; plus related surface facilities. Early in 2012, management made a decision to forego a temporary sinking hoist arrangement and take the additional time to purchase and construct a production-sized hoist, hoist control room and erect a permanent head-frame. This decision is expected to accelerate future project construction activities. While the 1,900 foot level milestone was delayed from the initial estimate, it was delivered within an acceptable timeframe considering the Corporation's decision to purchase a production-sized hoist and erect a permanent head frame.

In March 2015, Nevada Copper started approximately 700 feet of lateral development on the main haulage level and the construction of drill stations for purposes of locating and expanding high grade ore to enhance an already high grade profile. The lateral development will also establish key work areas underground for future development, and provide for future access to the East ore zones. Drilling had been suspended on the underground deposits in 2011 with a view of resuming drilling upon accessing the main haulage level. The current underground drilling program is expected to commence in April and will consist of 26,000 feet (7,900 meters) of drilling. As lateral development continues, the shaft will be deepened to its final depth of 2,150 feet.

The shaft is currently within the host skarn related rocks where little or no water is reporting to the bench. Good ground conditions are expected for most of the lateral development work. As lateral development and drilling continues on the 1,900 level, the shaft will be deepened first to 2,050 and then to its final depth of 2,150 feet. At the 2,050 level, lateral development around the shaft will provide for a station and development to the west and north in Q3-2015. In addition, a temporary sump will be cut out at that level (which will be used for temporary storage, equipment safety bay, and will eventually become the bottom of a waste pass). The lateral development work is the minimum necessary in order to continue sinking the remainder of the shaft, while still allowing for equipment delivery to the 2,050 level for future mine development.

Open Pit and Underground Drilling

An underground drill program totaling 26,000 feet (7,900 meters) is expected to commence in April after drill stations are established. The planned underground drill program will focus on enlarging the high grade zones within the current reserve, especially in areas planned for mining in the early years, and will provide additional data for mine development designs while expanding the open mineralised areas.

Management believes that the program has the potential to improve the overall copper production grades especially in the early years while also allowing for expansion of the combined Eastern underground copper reserve boundaries that remain open in several directions.

The open pit drill program totaling 74,000 feet (22,600 meters) has commenced with drilling results being reported as they become available. The drill program will focus on the important "saddle zone" located between the North and South deposits and areas of the North pit that, with success, will further enhance current copper grades and reduce the strip ratio. Drilling success in the saddle zone is expected to add copper pounds by converting into ore that which was previously considered waste due to lack of drill data.

The East deposit has not been drilled since 2011 and the deposit remains open in several directions. With a reserve in excess of 13 years it was determined that additional delineation and development drilling would be more cost effective from underground drill stations once the production shaft reached the 1,900 foot level.

Financing Update

On December 30, 2014, the Corporation closed a US$200 million senior secured loan facility (the "Loan Facility") and copper concentrate off-take (the "Concentrate Off-Take") agreement with RK Mine Finance ("Red Kite").

This Loan Facility replaces the Corporation's previous loan facility entered into on March 28, 2013 (the "Previous Facility"). Net proceeds from the initial US$90 million drawdown on closing was used for purposes of repaying the Previous Facility and advancing the underground mine (the "Underground Mine") on Nevada Copper's 100% wholly owned Pumpkin Hollow copper project located near Yerington, Nevada.

A summary of the Loan Facility and Concentrate Off-Take terms are as follows:

- US$90 million has been paid to Nevada Copper of which US$57.1 million was used to repay the Previous Facility. The net proceeds of approximately US$26 million, net of arrangement fee and closing costs, combined with the Corporation's current treasury, provides approximately US$33 million to complete the current production sized shaft which is nearing completion; commence underground lateral development and start targeted drilling on both the underground and open pit deposits;
- The initial funding will also allow for completion of permitting of the Stage 2 Open Pit resulting from the recent successful passage of the land transfer bill as more fully described in the Corporation's press release dated December 22, 2014 and completion of an optimised and updated feasibility study as more fully described in the Corporation's press release dated November 4, 2014;
- A further US$110 million will be advanced on the completion of certain project and financing milestones;
- The Loan Facility matures on December 31, 2020, with interest payable at an annual rate of the greater of LIBOR or 1% plus 10% during pre-completion and the greater of LIBOR or 1% plus 7.5% post completion;

- Interest on the initial amount drawn, and subsequent draws, will be paid quarterly with a principal repayment holiday until September 30, 2017, following which US$82.5 million of outstanding principal will be repaid in 13 quarterly sculpted payments and the remaining outstanding principal will be repaid in one final balloon payment on the maturity date;
- The Corporation may repay the loan in full without penalty prior to maturity. The loan is secured against all current and future assets of the Corporation and its subsidiaries. As part of the loan agreement, the Corporation has paid an arrangement fee of 3.5% of the principal amount of the loan facility;
- Under the terms of the Concentrate Off-Take agreement, the Corporation will sell to Red Kite, for the life of the mine on the Underground Mine, up to 74.5% of copper concentrates produced from the Underground Mine. The percentage of offtake allocated is equal to the amount advanced by Red Kite to the Corporation under the loan agreement as a percentage of the US$200 million principal amount of the Loan Facility.

The Concentrate Off-Take agreement does not include any rights to future copper concentrate production from the open pit deposits and provides for benchmark-referenced treatment and refining charges, with standard payment factors for contained copper, gold and silver.

In connection with the Previous Facility and the initial drawdown of the Loan Facility, a total of 59% of the Concentrate Off-Take from the Underground Mine is currently allocated. This represents approximately 12% of the total project copper reserves.

On August 26, 2014, the Corporation closed a $20 million bridge loan facility ("Pala Facility") with Pala Investments Limited ("Pala"). The initial term of the facility is four months, with up to two additional two month extensions. The Pala Facility can be drawn in $5 million tranches. Through March 17, 2015 $15 million (three tranches) has been drawn from the Pala Facility. The annual interest rate is 10% and a 4% arrangement fee is due upon each tranche drawn. The Pala Facility is secured against the Corporation's assets, but is subordinate to the security granted in connection with the $200 million senior credit facility announced by the Corporation on December 30, 2014. The Pala bridge loan facility has recently been extended to April 26, 2015.

Other Matters

The Corporation announced the return of Mr. Michael Barton to its Board of Directors as a representative of Pala, replacing Mr. Jan Castro who resigned on June 29, 2014. Mr. Barton serves as the Chief Executive Officer of Pala Investments and has been with Pala since 2007. Prior to joining Pala, Mr. Barton served as Vice President of Hatch Corporate Finance. At Hatch Corporate Finance, he worked on a broad range of transactions, advising a full spectrum of clients, from the mining majors to emerging-market steel producers to junior mining ventures. Prior to Hatch, Mr. Barton was with Deloitte & Touche in London, England. Mr. Barton is a Chartered Accountant.

On March 17, 2014, the Corporation appointed Philip Clegg as a Board member, replacing Kate Mitchell who resigned. Mr. Clegg has extensive experience as an advisor in the natural resources sector, and has worked with a number of publicly traded companies assisting with strategic development, M&A, business performance, financial planning and structuring. Mr. Clegg is a Chartered Accountant.

Land transfer, Permits & Water Rights

Legislation directing the sale of 10,400 acres of Federal land to the City of Yerington was signed in December 2014. The majority of this land will be deeded to Nevada Copper; thus, converting the entire Pumpkin Hollow project development area into private land requiring only State permits.

State permits allowing for the Stage 1 underground mine construction and operations were received in 2013. Modification of the State permits allowing for construction and operation of the larger 70,000 tons/day Stage 2 development is in progress with issuance targeted in Q2 2015.

With regard to water rights, Nevada Copper has obtained 4,224 acre feet annually of rights covering 100% of its anticipated Pumpkin Hollow project water needs including the large Stage 2 open pit project. Notably, the entire project area is outside of irrigated lands in Mason Valley. Detailed studies have demonstrated that groundwater in the mine project area is not hydraulically connected to the alluvial aquifers in Mason Valley and project operations will not impact that important aquifer.

Development Schedule

As highlighted earlier non-shaft related activities are under temporary curtailment and the Corporation is completing an updated Integrated Feasibility Study targeted for release in April 2015. After the results of this feasibility study are in hand, the Corporation will be in a position to reassess the development options available for Pumpkin Hollow, and the available sources of financing, in the context of the market at that time. The options include a staged development (Stage 1 underground and Stage 2 open pit), and the "integrated" development option with a single large process facility and dual sources of mill feed.

Assuming a future Board decision to resume Stage 1 engineering development, and securing the balance of financing, with a resumption of full construction and engineering in 2015, ramp up of production from the Stage 1 underground project is expected as early as late 2016. The 24 foot diameter, production shaft is currently at a depth of 1,900 feet as of March 17th. Lateral development is under way on the 1,900 foot level to establish drill stations.

For a stand-alone Stage two open pit project subject to the issuance of permits, assuming a future Board decision to proceed and securing of project finance, pre-stripping the North Deposit and construction of the mill and related facilities could occur as early as 2016, with initial production commencing in 2018.

The "integrated" development option, should this option be preferred and with funding secured would have a project development timeline similar to the Stage 2 standalone timeline above.

2015 Project Construction

During 2015, shaft sinking and underground development work at the project site is under Cementation's management. Sinking has advanced to the 1,900 foot depth, the main level from which lateral development has now begun to allow for establishment of drill stations and for future access to the East ore zone. Development drilling from this level will focus on obtaining mineral and geotechnical data for mine planning. Management believes the drilling will not only improve the grade profile in the early years of mine production, but also expand the mineral resource. After completion of initial development work at the 1,900 level, including drilling, the shaft will be completed to the final 2,150 foot depth.

Engineering and construction activities and expenditures are being temporarily restricted on non-shaft related areas. Subject to financing, engineering and construction will resume. The pace will also be controlled by the availability of funds from:

- $33 million cash balance at December 31, 2014;
- $5 million undrawn portion of the Pala loan facility (see August 26, 2014 News Release);
- $110 million undrawn portion of the Red Kite loan facility (See December 30, 2014 News Release) the final draw of the loan facility will be advanced on the completion of certain project and financing milestones.
- $24 million Caterpillar Financial equipment lease finance facility (see October 1, 2013 News Release) which is to be used for the purchase of mobile equipment and a portion of which is subject to certain conditions; and,

Further project work in 2015 will be dependent on which project development option is advanced and the availability and timing of financing, including consideration of a partner for the large open pit development.

Pumpkin Hollow Mineral Resources

The project mineral resource estimate for the Western deposits is an update of a previous mineral resource estimate disclosed on September 7, 2012 and filed on SEDAR. The current estimate was disclosed October 3, 2013 and the related NI 43-101 Technical Report filed on SEDAR on November 14, 2013. The Eastern underground deposit resources had a non-material amount of drilling and were left unchanged. The associated NI 43-101 technical report was filed on SEDAR on October 19, 2012 and is available on the Corporation's website. The estimates were prepared by the mineral resource and mining division of Tetra Tech by, or under the direction of, Dr. Rex Bryan, SME Registered Member, an independent Qualified Person as set forth by NI 43-101.

The expansion of the North deposit and the South deposit has merged the two open pits together with benefits in terms of a greater mineable reserves and operational synergies.

WESTERN DEPOSITS – MEASURED AND INDICATED RESOURCES - AS AT OCTOBER 2013

Category	Cutoff Grade (%Cu)	Tons (000)	Grade (%Cu)	Contained Copper (000 lbs)	Gold Grade opt	Gold (000 ozs)	Silver Grade opt	Silver (000 ozs)	Copper Equiv. %
Measured	0.20	186,037	0.48	1,793,250	0.002	331	0.056	10,465	0.53
Measured	0.15	237,915	0.41	1,954,874	0.002	369	0.051	12,015	0.46
Indicated	0.20	348,389	0.43	3,023,109	0.001	467	0.052	18,200	0.46
Indicated	0.15	494,141	0.35	3,493,351	0.001	568	0.046	22,651	0.38
M&I Total	**0.20**	**534,426**	**0.45**	**4,816,359**	**0.001**	**798**	**0.054**	**28,665**	**0.48**
M&I Total	**0.15**	**732,056**	**0.37**	**5,448,225**	**0.001**	**937**	**0.047**	**34,666**	**0.40**

WESTERN DEPOSITS - INFERRED RESOURCES - AS AT OCTOBER 2013

Category	Cutoff Grade (%Cu)	Tons (000)	Grade (%Cu)	Contained Copper (000 lbs)	Gold Grade opt	Gold (000 ozs)	Silver Grade opt	Silver (000 ozs)	Copper Equiv. %
Inferred	0.20	138,149	0.40	1,103,536	0.001	134	0.044	6,134	0.43
Inferred	0.15	225,073	0.31	1,392,266	0.001	198	0.039	8,755	0.42

Copper equivalency is based on $3.00 per pound for copper, $1400 per ounce gold and $20 per ounce silver and metallurgical recoveries of 92%, 78% and 57.5% for copper, gold and silver respectively.

EASTERN DEPOSITS - MEASURED AND INDICATED RESOURCES - AS AT MARCH 2011

Category	Cutoff Grade (%Cu)	Tons (000)	Grade (%Cu)	Contained Copper (000 lbs)	Gold Grade opt	Gold (000 ozs)	Silver Grade opt	Silver (000 ozs)	Copper Equiv. %
Measured	1.00	9,206	1.81	333,324	0.011	104	0.24	2,205	2.08
Measured	0.75	12,497	1.56	390,372	0.01	128	0.216	2,699	1.81
Indicated	1.00	24,338	1.72	835,589	0.01	247	0.245	5,971	1.97
Indicated	0.75	38,092	1.40	1,069,452	0.008	321	0.213	8,118	1.61
M&I Total	**1.00**	**33,544**	**1.74**	**1,168,913**	**0.01**	**351**	**0.244**	**8,176**	**1.99**
M&I Total	**0.75**	**50,589**	**1.45**	**1,459,824**	**0.009**	**449**	**0.213**	**10,817**	**1.68**

Mineral resources that are not categorised as mineral reserves have not demonstrated economic viability.

EASTERN DEPOSITS - INFERRED RESOURCES - AS AT MARCH 2011

Category	Cutoff Grade (%Cu)	Tons (000)	Grade (%Cu)	Contained Copper (000 lbs)	Gold Grade opt	Gold (000 ozs)	Silver Grade opt	Silver (000 ozs)	Copper Equiv. %
Inferred	1.00	4,926	1.45	143,313	0.002	10	0.101	498	1.511
Inferred	0.75	12,098	1.11	267,533	0.002	24	0.065	792	1.164

Copper equivalency is based on $3.00 per pound for copper, $1400 per ounce gold and $20 per ounce silver and metallurgical recoveries of 92%, 78% and 57.5% for copper, gold and silver respectively.

Mineral resources that are not categorised as mineral reserves have not demonstrated economic viability.

Pumpkin Hollow Mineral Reserves

Proven and Probable mineral reserves are the economically-mineable portions of the Measured and Indicated mineral resources above.

East Underground Deposit

The mineral reserves for the East and E2 underground deposits are supported by a Technical Report made public in January 2012 and filed on SEDAR. The mineral reserves stated below for the underground deposits are based on the measured and indicated mineral resources disclosed in the January 2011 news release, and do not yet reflect the increased mineral resources for the Western Deposits as disclosed on September 7, 2012.

Mineral Reserves East Underground Deposit January 2012								
Classification	Ore	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver	Copper Equiv.
	000's tons	%	Oz./ton	Oz./ton	Billion lbs.	Ozs.	Ozs.	%
Proven	10,979	1.55	0.011	0.215	0.34	120,769	2,360,485	1.81
Probable	16,666	1.45	0.006	0.141	0.48	99,996	2,349,906	1.60
Proven & Probable	**27,645**	**1.49**	**0.008**	**0.170**	**0.82**	**220,765**	**4,710,391**	**1.68**

The mineral reserves and mine plans for the underground East and E2 deposits were determined using cutoff grades developed by Tetra Tech as appropriate for the mining method and costs associated with the deposits. For the underground deposits the cutoff grade used was 0.8% copper. A copper price of $3.00 per pound was assumed. Tetra Tech is the independent Qualified Person who is responsible for the mineral reserve estimate. The copper 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.

E2 Underground Deposit

The E2 underground deposit contains a mineral reserve that was originally disclosed in a NI 43-101 Technical Report filed on SEDAR on February 7, 2012. The E2 deposit was included in the mine production plan in the aforementioned feasibility study along with mine production from the East deposit and the Western Open Pit deposits. These ore streams were assumed to feed a single large 70,000 tons/day concentrator.

Mineral Reserves E2 Underground Deposit January 2012								
Classification	**Ore**	**Copper**	**Gold**	**Silver**	**Contained Copper**	**Contained Gold**	**Contained Silver**	**Copper Equiv.**
	000's tons	**%**	**Oz./ton**	**Oz./ton**	**Billion lbs.**	**Ozs.**	**Ozs.**	**%**
Proven	1,387	1.83	0.009	0.236	0.05	12,236	327,404	2.06
Probable	6,745	1.62	0.006	0.176	0.218	38,685	1,185,457	1.77
Proven & Probable	**8,132**	**1.65**	**0.006**	**0.186**	**0.269**	**50,920**	**1,512,862**	**1.82**

The mineral reserves and mine plans for the underground East and E2 deposits were determined using cutoff grades developed by Tetra Tech as appropriate for the mining method and costs associated with the deposits. For the underground deposits the cutoff grade used was 0.8% copper. A copper price of $3.00 per pound was assumed. Tetra Tech is the independent Qualified Person who is responsible for the mineral reserve estimate. The copper 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.

The E2 reserve was not included in the mine production plan disclosed in a more recent Feasibility Study that was disclosed in a NI 43-101 Technical Report filed on SEDAR on December 12, 2012. This study focused only on ore production from the East deposit and deferred development of the E2 deposit; however it is management's intention to incorporate E2 ore production into future mine plans.

Western Open Pittable Deposits

The mineral reserves stated below for the Western open pit deposits is an update of the previously published measured and indicated mineral resources as of September 2012. The Feasibility Study results as disclosed in the October 3, 2013 news release. The related NI 43-101 Technical Report was filed on November 14, 2013 on SEDAR.

Mineral Reserves Western - Open Pit Deposits October 2013								
Classification	**Ore**	**Copper**	**Gold**	**Silver**	**Contained Copper**	**Contained Gold**	**Contained Silver**	**Copper Equiv.**
	000's tons	**%**	**Oz./ton**	**Oz./ton**	**Billion lbs.**	**Ozs.**	**Ozs.**	**%**
Proven	204,182	0.409	0.0015	0.052	1.67	306,610	10,685	0.44
Probable	344,004	0.358	0.0012	0.047	2.46	410,920	16,009	0.39
Proven & Probable	**548,186**	**0.377**	**0.0013**	**0.048**	**4.13**	**717,530**	**26,694**	**0.40**

The mineral reserves and mine plans for each of the open pit deposits was determined using cutoff grades developed by Tetra Tech as appropriate for the mining method and costs associated with the deposits. For the open pit Western deposits the cutoff grade used was 0.175% and 0.179% copper respectively. The breakeven cutoff was calculated using $2.80 mining cost while the internal cutoff was calculated using $3.00 copper. Ed Lips, Principal Mining Engineer for Tetra Tech is the independent Qualified Person who is responsible for the mineral reserve estimate. The copper 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.

Iron Mineral Resource

The Pumpkin Hollow project has considerable resources of iron in the form of magnetite. The following tables include only those iron resources amenable to open-pit mining methods in the Western deposits. Possible mining, recovery and sale of a magnetite concentrate may be considered in a future study.

Categorised Iron Resources – Western Open Pittable Deposit September 2012				
Category	**Iron Cut-off**	**Tons**	**Iron Grade**	**Tons Iron**
	%	**(000's)**	%	**(000's)**
Measured	20	242,957	32.8	79,738
Measured	30	133,890	39.4	52,737
Indicated	20	152,265	31.0	47,216
Measured	30	98,065	39.0	26,566
M&I Total	**20**	**395,222**	**32.1**	**126,954**
M&I Total	**30**	**231,955**	**39.1**	**79,303**
Inferred	20	118,334	29.0	34,270
Inferred	30	39,392	39.5	15,556

* Tonnage, grades and totals may not total due to rounding

Mineral resources that are not categorised as mineral reserves have not demonstrated economic viability.

The iron mineral resource estimate was disclosed in Nevada Copper's October 3, 2013 News Release. The associated NI 43-101 technical report was filed on SEDAR on November 14, 2013.

If an updated feasibility study demonstrates the iron resource to be economically viable, inclusion of iron in the open pit block model values is expected to significantly expand the size and tonnage of the Western open pits, and lower waste tonnages and strip ratio.

Tailings Storage

To minimise 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 limited water resources. It also lowers long-term environmental monitoring costs associated with tailings dams.

Infrastructure

The project area is well supplied with nearby local infrastructure. Project-related infrastructure expenditures will include a new 120kV power line and related substation, with the line routed from either the west or east depending on whether the Land Bill is successfully passed. An energy cost of $0.055/kwh was used for FS purposes, based on NV Energy expected rates. For the larger Stage 2 project, a new 5-mile (8 km) mine access road will connect the site to state Highway 95 to the North, and a rail load-out facility located on Union Pacific tracks. The rail tracks run approximately 13 miles (21 km) north of the project and connect with Union Pacific mainline tracks for connection to west coast ports. Process make-up water will be piped 6 miles (10 km) from the City of Yerington, county seat for Lyon County, 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 labour pool and existing housing, particularly for a construction workforce.

Project Opportunities

Resource expansion

Whittle pit analysis utilising the updated mineral resource is expected to produce a mine design where the Western pits will intersect based on copper values alone. A merged pit configuration is expected to have a positive effect on the strip ratio, as well as improvements in pit scheduling and equipment utilisation. Results from the additional drilling in 2013 have provided good indications of further resource expansion in the south and western portion of the North deposit. The East deposit is also open laterally and prospective reserve expansion areas will be drilled from underground drill stations once development of the underground has progressed sufficiently.

Iron

Work by specialist consultants has been initiated to further assess the metallurgy and marketability of the Pumpkin Hollow iron magnetite resources, to incorporate the iron values into the project block models, to revise the current mining plans to generate an iron production schedule and to include the additional revenues from this source in the revised project cash flows. The inclusion of iron values in the block model is expected to greatly improve strip ratios since much of what is now considered open pit waste material would have sufficient value to be processed through the mill facility.

Feasibility Study Qualified Persons

In November 2010 Nevada Copper commissioned Tetra Tech to complete the Pumpkin Hollow Project Feasibility Study in accordance with NI 43-101. The initial capital costs estimates for the Pumpkin Hollow Project in the FS were compiled and reviewed by Merit under the direction of Jay Collins, P. Eng. The scientific and technical information in this release has been reviewed and approved by Erik Spiller, Q.P., Vice President, of Tetra Tech, and overall manager for the FS, and by Mr. Collins both of whom were Independent Qualified Persons within the meaning of NI 43-101, at the time of this study.

The results of a Feasibility Study evaluating a Stage 1 underground operation were announced on November 12, 2012. The related NI 43-101 Technical Report was SEDAR-filed on December 13, 2012. The Technical Report was developed under the guidance 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.

The results of a Feasibility Study evaluating a Stage 2 open pit operation focused on the Western Deposits were announced on October 3, 2013. The related NI 43-101 Technical Report was filed on SEDAR. The results of the Stage 2 Feasibility Study were reviewed 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.

Alternative Performance Measures

"Copper Production Costs", "Life of Mine Operating Costs", “Life of Mine 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 Corporation 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 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.

STAGE 1 PRIVATE LAND UNDERGROUND MINE (PLUM) FEASIBILITY STUDY
Highlights
(All amounts are stated in United States dollars):

The following sections are summarised extracts from a feasibility study contained in a NI 43-101 Technical Report relating to a standalone PLUM. A press release dated November 19, 2012 initially reported the results of the feasibility study. The Technical Report was filed on SEDAR on December 12, 2012.

- 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;

- 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 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.

- Life of Mine 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:
        NPV at 5% is $419 million, pre-tax.
        NPV 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:

        NPV at 5% is $276 million, pre-tax.
        NPV 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.

PLUM Development Schedule

The shaft production-sized headframe and hoist became operational in May 2013. Production of first ore from underground is targeted for late 2016, subject to the Corporation obtaining the balance of financing for construction.

PLUM Mining

The Stage 1 feasibility study assumes that all underground production (6,500 tons per day) will come from the East deposit only. The E2 deposit would remain for future development. 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 maximise 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.

PLUM Process Plant

Ore will be crushed underground, hoisted to surface and transported to a nominal 6,500 tons per day concentrator located, for feasibility study purposes, approximately 1,500 feet northwest of the shaft. Subsequent optimisation work has relocated the mill adjacent to, and south of, the mine shaft to reduce ore transport costs. 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.

PLUM Metals Production

Projected recovered metals production to the copper concentrate is summarised below. Life of Mine copper recovered to concentrates is estimated to be 759 million pounds.

	Units	Yrs 1-5 Average	Yrs 1-10 Average	LOM Total
Mill Feed	000s tons/yr; 000s tons	2,290	2,302	27,645
Copper Grade	%	1.77%	1.58%	1.49%
Copper Production in Concentrates	Million lbs./year	74.6	66.9	759,082
Copper Concentrates Production	tonnes/yr; tonnes	140,900	126,391	1,434,656
Gold in Concentrates	Ozs./year; ozs.	23,744	15,942	167,439
Silver in Concentrates	Ozs./year; 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.

PLUM Capital Costs

PLUM project initial capital costs were estimated at $329 million at the time of the feasibility study, 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.

Since the 2012 feasibility study, the main shaft has been sunk to the 1,900 foot level and significant engineering work has been completed. These post 2012 expenditures will reduce the remaining capital cost to fully construct the mine.

PLUM 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.

STAGE 2 OPEN PIT FEASIBILITY STUDY

This study was filed on SEDAR on November 14, 2013 and relates to a standalone 70,000 tons/day open pit mine development with a concentrator fed by ore mined from the North and South open pit deposits.

Highlights (all amounts are stated in United States dollars):

- The project development consists of a nominal 70,000 ton-per-day open pit mining and milling operation;
- The open pit proven and probable mineral reserves increased from 3.2 to 4.1 billion pounds of copper reflecting a 29% increase. The current mineral reserves for the precious metals are 717,530 ounces of gold and 26.7 million ounces of silver. Mineral reserves are based on drill data up to July 2012;
- The expected mine life is 22 years. The current open pit mine life is based on daily throughput of 70,000 tons-per day;
- The 29% increase in mineral reserves reflects a lower copper price of $2.80 per pound copper used for the current pit design limit, versus $3.00 per pound used in the 2012 mineral reserve. The expansion of the mineral reserves has resulted in a merged Western open pit. This has had a positive impact on sustaining capital; moving South pit pre-stripping out 4 years and reducing equipment needs;
- Life of Mine metal production contained in concentrates totals 3.7 billion pounds of copper - an increase of 29%, 483,476 ounces of gold and 15.0 million ounces of silver;

- Average annual copper production in concentrates (amounts reflect periods of full production):

Years 1 to 5:	221 million pounds per year
Years 1 to 10:	197 million pounds per year

- Average annual gold and silver production in concentrates (amounts reflect periods of full production):

Years 1 to 5:	24,089 ozs of gold and 849,300 ozs of silver per year
Years 1 to 10:	23,320 ozs of gold and 808,870 ozs of silver per year

- Initial capital costs are estimated to be $926 million including contingencies, excluding working capital of $23 million;

- Life of Mine site operating costs are $9.94 per ton of ore-milled; copper production costs net of gold and silver credits are:

Years 1 to 5:	$1.58 per pound of copper
Years 1 to 10:	$1.69 per pound of copper

- Summary of Stage 2 Economic Results:

  The base case used the following prices: $3.33/lb. copper, $1,376/oz. gold and $23.07/oz. silver;

  Alternate Case (1): Quoted forward prices to 2023 declining to long term of $2.75/lb. copper; gold declining to long term $1,100/oz. and silver declining to long term $20.00/oz;

  Alternate Case (2): Three year trailing average price of $3.71/lb. copper, $1,550/oz. gold and $30.50/oz. silver.

	Base Case	**Alternate Case (1)**	**Alternate Case (2)**
	US$ Millions	**US$ Millions**	**US$ Millions**
Cumulative pre-tax cash-flow	$3,233	$2,243	$4,594
NPV@ 5%, pre-tax	**$1,524**	**$1,124**	**$2,314**
NPV@ 8%, pre-tax	$961	$733	$1,557
Cumulative after-tax cash-flow	$2,606	$1,851	$3,612
NPV@ 5%, after-tax	**$1,196**	**$888**	**$1,784**
NPV@ 8%, after-tax	$726	$550	$1,172
Average annual operating cash-flow (Years 1 to 5)	**$346**	**$368**	**$426**
Internal rate of return, pre-tax	20.2%	20.0%	26.4%
Internal rate of return, after-tax	17.9%	17.4%	22.9%
Payback pre-tax (years from first production)	4.0	3.7	3.0
Payback after-tax (years from first production)	4.3	4.1	3.5

<u>Open Pit Metals Production</u>
Projected metals production to the copper concentrate is summarised below.

Description	**Units**	**Years 1-5 Annual Average**	**Years 1-10 Annual Average**	**Life of Mine Annual Average**	**Life of Mine Total**
Copper Concentrate	000's Tons/year	434	385	337	7,239
Copper in Concentrate	Million lbs./year	221	197	172	3,692
Copper in Concentrate	000s Tons/year	110.6	98.3	85.9	1,846
Gold in Cu Concentrate	Oz/year	24,089	23,322	22,487	483,476
Silver in Cu Concentrate	Oz/year	849,300	808,870	699,000	15,026,000

Stage 2 Open Pit Initial Capital Costs

The project initial capital costs are estimated at $926 million with an accuracy of plus/minus 15% as of September 2013, including a contingency of $46 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 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, freight and commissioning, spares inventory, first fills, and owner's costs.

Open Pit Sustaining Capital

The merging of the Western pits, along with an expanded North deposit reserve, has produced positive results in mine scheduling. The South deposit pre-stripping has been pushed from year 6 to year 10 and a second in-pit crusher has been eliminated. In addition, additional sustaining capital costs will be deferred into later years. Life of Mine sustaining capital totals $758 million, of which $425 million is incurred beyond Year 5. Sustaining capital amounts are included in development costs for the South open pit deposit, replacement of, and additions to, surface mobile equipment, lease costs for the initial mining fleet, reclamation costs, and expenditures on the tailings storage facility.

2015 Integrated Feasibility Study

The Corporation's consultants are working towards completing the 2015 Integrated Feasibility Study targeted for release in April 2015. A similar "integrated" operational feasibility study was released in 2012. As in the previous 2012 study, the new study would incorporate both open pit (63,500 tons/day) and underground (6,500 tons/day) ore feeds into a single 70,000 tons/day concentrator.

The 2015 Integrated Feasibility Study will include additional drillhole assay information based on the results from 9,880 meters (32,414 feet) of additional drilling on the North Deposit. The updated study will review and optimise the mineral resource and open pit and underground production schedules, and review and update all capital and operating costs.

<u>Pumpkin Hollow Project Expenditures</u>
Project costs capitalised as for the year ended December 31, 2014 on the Pumpkin Hollow Copper Development Property consists of the following:

Development Costs (expressed in thousands of United States dollars)

	Dec. 31, 2014	2014 Expenditures	Dec. 31, 2013
Property payments	**$1,961**	$-	$1,961
Advance royalty payments	**1,650**	600	1,050
Water rights	**1,407**	244	1,163
Drilling	**36,614**	-	36,614
Geological consulting, exploration & related	**7,627**	496	7,131
Feasibility, engineering & related studies	**17,571**	-	17,571
Permits/ environmental	**8,278**	1,681	6,597
East deposit underground project			
Underground access, hoist, head frame, power, & related	**63,375**	26,609	36,766
Engineering procurement	**10,431**	3,653	6,778
Surface infrastructure	**3,371**	3,371	-
Site costs	**9,307**	5,787	3,520
	161,592	42,441	119,151
Amortisation	**455**	121	334
Capitalised interest	**6,594**	3,992	2,602
Stock-based compensation	**3,592**	313	3,279
Total	**$172,233**	$46,867	$125,366

Year ended December 31, 2014 Compared to the Six months ended December 31, 2013
For the year ended December 31, 2014, the Corporation has incurred $46,867 of project expenditures compared to $22,528 for the six month period ending December 31, 2013. The focus during the period ended December 31, 2014 was to sink the production shaft down to the main haulage level. The primary reason for the increase is due to the increased time spent on project development in the current year compared to last year's six months when the fiscal year end was changed from June 30.

Drilling costs incurred for the year through December 31, 2014 were nil; whereas, in the six months ending December 31, 2013 the drilling costs were $860. The decrease is due to the fact that there was a drilling program wrapping up in the comparative period and no further drilling work was required in the current period. A new drill program will commence in early 2015.

The underground access, hoist, headframe, power & related costs incurred for the year ending December 31, 2014 of $26,609 were higher than the $10,563 spent in the six months ending December 31, 2013 because of the extended time frame. In addition, with the changeover in contractor and ramping up of shaft sinking rates the underground access costs were higher in the current year.

Site costs were $5,787 for the year ending December 31, 2014 compared to the site costs for the six months ending December 31, 2013 of $1,285. In addition, to the additional six months of charges the change in expenditure is a result of the increased cost of insurance and also relates to the hiring of more staff to work on the project due to increased activity at the mine site.

Capitalized interest for the year ending December 31, 2014 was $3,992 compared to $1,830 incurred in the six months ending December 31, 2013. The loan was outstanding for a longer period of time and the second tranche of the loan was only outstanding for 2.5 months in the six month period ending December 31, 2013.

Selected information

(Thousands, except per share amounts)	Year ended December 31, 2014	Six months ended December 31, 2013	Year ended June 30, 2013
Net loss	(17,063)	(6,124)	(19,134)
Net loss per share	(0.21)	(0.08)	(0.24)
Total cash and cash equivalents	33,246	46,070	51,865
Working capital	13,165	42,616	55,000
Total liabilities	107,995	60,300	41,034
Total assets	213,874	182,543	168,786
Shareholders' equity	105,879	122,243	127,752

Summary of Quarterly Results

Selected consolidated financial information for the most recent eight financial quarters is as follows:

(In thousands of dollars except amounts per share)	2014 Dec 31	2014 Sep 30	2014 Jun 30	2014 Mar 31	2013 Dec 31	2013 Sep 30	2013 Jun 30	2013 Mar 31
Working capital	13,165	(10,477)	7,019	26,954	42,616	42,368	55,000	73,375
Total assets	213,874	185,891	184,939	185,708	182,543	167,206	168,786	178,781
Development property	172,233	163,623	153,923	139,559	125,366	113,058	102,838	94,110
Shareholders' equity	105,879	113,960	119,244	122,699	122,243	124,762	127,752	138,187
Net profit (loss)	(8,608)	(5,403)	(920)	(2,132)	(1,881)	(4,243)	(15,638)	(440)
Net profit (loss) per share	(0.11)	(0.06)	(0.01)	(0.03)	(0.03)	(0.05)	(0.17)	(0.01)

The loss for the quarter ending December 31, 2014 was higher because of the non-cash finance costs relating to the repayment of the original Red Kite loan facility replaced by the December 30, 2014 Red Kite loan facility. The loss for the quarter ending June 30, 2013 was higher because of the write down in marketable securities.

For the three months ended December 31, 2014 and the three months ended December 31, 2013

For the three months ended December 31, 2014, the Corporation had a net loss of $8,608 or $0.11 per share compared to a net loss of $1,881 or $0.03 per share with the three month period ending December 31, 2013. The most significant component of the difference are non-cash financing costs relating to the repayment of the original Red Kite loan facility of $6,084.

For the year ended December 31, 2014 and the six months ended December 31, 2013

For the year ended December 31, 2014, the Corporation had a net loss of $17,063 or $0.21 per share compared to a net loss of $6,124 or $0.08 per share with the six month period ending December 31, 2013. The most significant component of the difference is the non-cash financing costs incurred in relation to repayment of the original Red Kite loan facility. This difference is partially due to the increased write-down of the Mercator shares in the current period of $4,109 compared to the $3,676 write-down in the six months ending December 31, 2013. Also, there are increased public corporation expenses of $1,293 because of larger travel costs for investor relations and higher directors' compensation due to more meetings and increased travel costs because of having more international directors in 2014. An increase in business development costs, debt advisory fees, and due diligence costs to $1,482 for the year ending December 31, 2014, from $583 incurred for the six months ended December 31, 2013 as the time frame doubled and the Corporation continued to examine financing alternatives and paid debt advisory fees. Debt advisory fees for the six months ending December 31, 2013 were nil. Stock based compensation costs increased by $604 because a new stock option grant was made and new DSUs were granted to the directors.

Liquidity and Capital Resources

As of December 31, 2014, the Corporation had a cash balance of $33,246, excluding restricted cash. The Corporation's working capital as at December 31, 2014, was $13,165 compared with a working capital position of $42,616 as at December 31, 2013. The decrease in the Corporation's working capital during the period ended December 31, 2014 is primarily due to spending on project construction and the short term bridge loan entered into. Working capital available as of December 31, 2014 will be utilised for the sinking of the shaft, stage 2 open pit permitting, and land conveyance matters.

The Corporation will be required to complete additional financing in 2015 in order to meet its planned project development and operating costs in 2015. The Corporation will also be required to complete additional financing in order to carry out its development activities and to draw down the remaining undrawn amount of $110,000 of the Red Kite facility, which draw down is also contingent upon completion of certain project milestones to be met. Failure to obtain additional financing on a timely basis would require the Corporation to delay development activities.

Transactions with Related Parties

Pala is considered to be a related party because it is a company that holds more than 50% of Nevada Copper shares and have three executives on the Corporation's Board of Directors as at December 31, 2014.

On August 26, 2014, the Corporation closed a $20 million bridge loan facility ("Pala Facility") with Pala. The initial term of the facility was four months, with up to two additional two month extensions. The Pala Facility is drawn in $5 million tranches. The initial tranche of $5 million was received on August 26, 2014. Through December 31, 2014, $15 million (three tranches) have been drawn from the Pala Facility. Both of the two month extensions have been exercised by the Corporation with the loan balance now due on April 26, 2015. The annual interest rate is 10% and a 4% arrangement fee was payable upon each tranche drawn. The Pala Facility is secured against the Corporation's assets, and is subordinate to the security granted in connection with the $200 million senior credit facility announced by the Corporation on December 30, 2014. The Corporation has incurred $355 of interest expense for the Pala Facility which was paid in full through December 31, 2014. The Loan is carried at amortised cost on the statement of financial position. The current short term loan carrying value is $14,594.

As of December 31, 2014, accounts payable and accrued liabilities include director fees and expenses payable of $108 (December 31, 2013 - $110).

The Corporation has entered into management agreements with certain senior officers. In the event that there is a change of control, the Corporation may be required to pay severance payments ranging from one to three years of salary for these senior officers in the amount of $1,759 ($2,041 CAD).

Related party transactions are recorded at the amount paid or received as established by contract or as agreed upon by the Corporation and the related party.

Commitments

Effective May 4, 2006, the Corporation entered into an Option Agreement to acquire a ten-year lease for mining rights (the "Lease") to the Pumpkin Hollow Copper Development Property. The initial lease expires May 4, 2016. The Corporation may extend the Lease for up to three additional terms of ten years each, subject to performing continuous mining activities, payment of advance royalty payments of at least $3,000 in the first ten-year term and payment of production royalties and minimum royalty payments of $10,000 in each subsequent ten-year term.

Under the terms of the Lease, the Corporation has made Lease payments totaling $600 during the period May 4, 2007 to May 4, 2011.

After May 4, 2011, the Corporation is required to pay advance royalty payments of $600 annually until the first expiry date of the Lease on May 4, 2016 to a total of $3,000. Quarterly payments of $150 are required. The Corporation is current with all required Lease payments and advance royalty payments. Cumulative advance royalty payments made total $1,650 as of December 31, 2014.

The Corporation was obligated to make exploration and development expenditures on the Property of at least $4,000 during the first three years of the Lease, with expenditures of at least $500 each year, and an additional $4,000 during the 4^{th} through 6^{th} years of the Lease, with expenditures of at least $500 each year. The Corporation fully satisfied these expenditure obligations by 2008.

Pursuant to the First Amendment to Lease Agreement to the Lease dated April 10, 2008, the Corporation agreed to acquire from the optionor of the Lease, certain water rights to consume a maximum of 724 acre feet of water per year for its mining operations on the Property in exchange for making 80 quarterly payments payable over a period of 20 years with $47 each from July 1, 2008 to April 1, 2028. The first Amendment to the Lease Agreement also contains provisions allowing the Corporation to accelerate and reduce the payments required.

In August of 2009, the Corporation entered into an agreement with the City of Yerington, Nevada to reserve 2,000 acre feet of water per year for a term of 30 years. As consideration the Corporation will pay to the City of Yerington annual reservation fees of $50. On July 25, 2011, the Corporation amended its water service agreement to include additional water capacity of 1,500 acre feet of water, for a total of 3,500 acre feet annually, under the same terms of the initial agreement for an additional annual fee of $38. The City of Yerington does have the right to terminate up to 500 acre feet in increments of 100 acre feet upon nine months' notice and the right to terminate up to 1,000 acre feet in increments of 100 acre feet upon one year's notice.

The Corporation has entered into a five year lease agreement for offices commencing December 2013. The Corporation has management agreements with certain members of senior management as noted in Transactions with Related Parties. In the event that there is a change of control, the Corporation is committed to pay severance payments equivalent of one to three years of salary.

The following table sets forth the Corporation's known contractual obligations as at December 31, 2014:

	Payments due by period				
Contractual obligations	Total	1 year	2-3 years	4-5 years	5 years +
Lease obligation – payment on Pumpkin Hollow Property	$10,900	$600	$1,800	$2,000	$6,500
First amendment to lease – payment of water rights on property *(i)*	1,892	189	378	179	1,146
City of Yerington – payment of advanced water service payments *(ii)*	481	131	175	175	-
Accounts payable and accrued liabilities	5,699	5,699	-	-	-
Short-term debt	15,477	15,477	-	-	-
Long-term debt	129,948	10,188	31,977	59,958	27,825
Total USD obligations	$164,397	$32,284	$34,330	$62,312	$35,471
	CAD	CAD	CAD	CAD	CAD
Office lease	$886	$221	$453	$212	$-
Total CAD obligations	$886	$221	$453	$212	$-

(*i*) The commitment in the table above is the obligation if the Corporation does not renew the Pumpkin Hollow property lease. The Corporation can pay quarterly installments to the lessor if the lease is renewed.

(*ii*) The commitment in the table above is the obligation by the Corporation to the City of Yerington for reservation fees.

The Corporation has entered into certain construction and engineering contracts relating to the construction of the underground shaft. Work incurred on these contracts will be billed monthly and therefore are not listed as commitments.

Off-Balance Sheet Arrangements
The Corporation has no Off-Balance Sheet arrangements that are not disclosed in the Commitment section above.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting
The Chief Executive Officer (the “CEO”), and the Chief Financial Officer (the “CFO”) of the Corporation are responsible for establishing and maintaining the Corporation’s disclosure controls and procedures (“DCP”) including adherence to the Disclosure Policy adopted by the Corporation. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Corporation so that they may evaluate and discuss this information and determine the appropriateness and timing for public release.

The CEO and the CFO are also responsible for the design of internal controls over financial reporting (“ICFR”). The fundamental issue is ensuring all transactions are properly authorised and identified and entered into a well-designed, robust and clearly understood accounting system on a timely basis to minimise risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with IFRS, unauthorised receipts and expenditures, or the inability to provide assurance that unauthorised acquisitions or dispositions of assets can be detected. The relatively small size of the Corporation makes the identification and authorisation process relatively efficient and a process for reviewing ICFR has been developed. To the extent possible given the Corporation’s small size, the internal control procedures provide for separation of duties for receiving, approving, coding and handling of invoices, entering transactions into the accounts, writing checks and wire requests and also require two signers on all payments.

The CEO and CFO evaluated the effectiveness of the Corporation’s DCP and ICFR as required by National Instrument 52-109 issued by the Canadian Securities Administrators. They concluded that as of December 31, 2014, the Corporation’s design and operation of its DCP and ICFR were effective in providing reasonable assurance that material information regarding this report, and the consolidated financial statements and other disclosures was made known to them on a timely basis and reported as required and that the financial statements present fairly, in all material aspects, the financial condition, results of operations and cash flows of the Corporation as of December 31, 2014. The CEO and CFO also concluded that no material weaknesses existed in the design of the ICFR.

The Corporation continually reviews and enhances its system of controls and procedures. However, because of the inherent limitation in all control system, management acknowledges that ICFR will not prevent or detect all misstatements due to error or fraud**.**

Critical Accounting Estimates
The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Although these estimates are based on management’s expectations for the likely outcome, timing and amounts of events or transactions, actual results could differ from those estimates. Areas requiring the use of management estimates include the determination assumptions used in valuing stock based compensation, valuation of and the determination of the remaining life of mineral property, plant and equipment, estimating future asset retirement obligations and estimating accrued liabilities.

The following are areas where significant estimations or where measurements are uncertain are as follows:

i) Mineral property assets
The measurement and impairment of mineral properties are based on various judgments and estimates. These include the determination of the technical and commercial feasibility of these properties, which incorporates various assumptions for mineral reserves and/or resources, future mineral prices and operating and capital expenditures for the properties.

ii) Taxation
Tax provisions are recognised to the extent that it is probable that there will be future outflow of funds to a taxation authority. Such provisions often require judgment on the treatment of certain taxation matters that may not have been reported to or assessed by the taxation authority at the date of these financial statements. Differences in judgment by the taxation authority could result in changes to actual taxes payable by the Corporation.

Deferred tax assets are recognised to the extent that certain taxable losses or deferred expenditures will be utilised by the Corporation to reduce future taxes payable. The amount of deferred tax assets recognised, if any is based on objective evidence that the Corporation will generate sufficient future taxable income to utilise these deferred assets, as well as the expected future tax rates that will apply to these assets.

Changes to the Corporation's ability to generate sufficient taxable income or changes to enacted tax rates could result in the recognition of deferred tax assets.

iii) Stock-based compensation

The Corporation uses the Black-Scholes option pricing model to determine the fair value of stock options and share purchase warrants granted. This model requires management to estimate the volatility of the Corporation's future share price, expected lives of stock options and future dividend yields. Consequently, there is significant measurement uncertainty in the stock-based compensation expense reported.

Risk Factors

If the Corporation's programs are successful, additional funds will be required for the development of an economic ore body and to place it into commercial production.

The business of mineral exploration and extraction involves a high degree of risk with very few properties that are explored ultimately achieving commercial production. As a mining Corporation in the development stage, the future ability of the Corporation to conduct exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means. In turn, the Corporation's ability to raise such funding depends in part upon the market's perception of its management and properties, but to a great degree upon the mineral prices and the marketability of securities of speculative mineral exploration and development companies.

The development of any ore deposits found on the Corporation's exploration properties depends upon the Corporation's ability to obtain financing through any or all of equity financing, debt financing, the joint venturing of projects, or other means. There is no assurance that the Corporation will be successful in obtaining the required financing and there is no assurance that the requirements for further drawdowns under the credit Facility will be met.

Development projects are uncertain and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production

Mine development projects, including the project, require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors such as: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future gold prices, and anticipated capital and operating costs of these projects. The project has no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of Proven and Probable Mineral Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project: unanticipated changes in grade and tons of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labour, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in metals prices, and accidents, labour actions and force-majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. It is likely that actual results for the project will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favorable than currently estimated, our business, results of operations, financial condition and liquidity could be materially adversely affected.

The Corporation has a lack of operating history and has no history of earnings.
The Corporation and its predecessor companies have no history of earnings. The Corporation has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Corporation is through the sale of its equity shares or by way of debt facilities. While the Corporation may generate additional working capital through the operation, development, sale or possible syndication of its properties, there is no assurance that any such funds will be generated.

The Corporation is dependent on key personnel and the absence of any of these individuals could result in a significantly negative effect on the Corporation.
The success of the Corporation and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key personnel. The loss of their services to the Corporation may have a material adverse effect on the Corporation. The Corporation does not presently have "key person" life insurance for any of its officers.

There are significant risks associated with exploration and development activities including industrial accidents, flooding, environmental hazards, technical problems and labour disputes which could materially adversely affect future mining operations and the Corporation's financial position.
There is no certainty that the expenditures made or to be made by the Corporation in the exploration of its properties will result in discoveries of mineralised material in commercially viable quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits. Mining operations generally involve a high degree of risk which even with a combination of experience, knowledge and careful evaluation may not be able to overcome. The business of mining is subject to a variety of risks such as industrial accidents, flooding, environmental hazards such as fires, technical failures, labour disputes and other accidents at the mine facilities. Such occurrences, against which the Corporation cannot or may elect not to insure, may delay production, increase production costs or result in liability. The payment of such liabilities may have a material adverse effect on the Corporation's financial position.

Estimates of Mineral Reserves and Resources may not be realised
The Mineral Reserves and Resources estimates contained in this MD&A are only estimates and no assurance can be given that any particular level of recovery of minerals will be realised or that an identified Resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Corporation relies on laboratory-based recovery models to project estimated ultimate recoveries by mineral type. Actual recoveries may exceed or fall short of projected laboratory test results. In addition, the grade of mineralisation ultimately mined may differ from the one indicated by the drilling results and the difference may be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short term factors, such as the need for an orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of those operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in proven and probable reserves or Resources, grades, waste-to-ore ratios or recovery rates may affect the economic viability of projects. The estimated proven and probable reserves and Resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

The Corporation's activities on its properties are subject to environmental regulations, approvals and permits.
All phases of the Corporation's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations, or its ability to develop its properties economically. Before production may commence on any property, the Corporation must obtain regulatory and environmental approvals and permits. There

is no assurance such approvals and permits will be obtained on a timely basis, if at all. Compliance with environmental and other regulations may reduce profitability, or preclude economic development of a property entirely.

The Corporation is in competition with other mining companies that have greater resources and experience.
The resource industry is intensely competitive in all of its phases, and the Corporation competes with many companies possessing greater financial resources and technical facilities. Competition could adversely affect the Corporation's ability to acquire suitable producing properties or prospects for exploration in the future.

The business of exploration for minerals and mining involves a high degree of risk, as few properties that are explored are ultimately developed into producing mines.
Mineral exploration is a speculative business, characterised by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Corporation may be affected by numerous factors which are beyond the control of the Corporation and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, any of which could result in the Corporation not receiving an adequate return on invested capital.

Marketability of natural resources which may be discovered by the Corporation will be affected by numerous factors beyond its control.
The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of Mineral Resources are discovered, a profitable market will exist for the sale of such minerals. Factors beyond the control of the Corporation may affect the marketability of any mineral occurrences discovered. The price of minerals has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the control of the Corporation, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the United States dollar relative to the Canadian dollar and other currencies), interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Some of the directors of the Corporation are involved with other mineral resource companies and may have a conflict of interest in negotiations on a project that is also of interest to the Corporation.
Certain of the directors of the Corporation are directors or officers of other mineral resource companies and, to the extent that such other companies may be interested in a project also of interest to the Corporation, or may in the future participate in one or more ventures in which the Corporation participates, such directors may have a conflict of interest in negotiating and concluding terms respecting such other projects or the extent of such participation. In the event that such a conflict of interest arises, at a meeting of the directors of the Corporation, a director who has such a conflict will abstain from voting for or against the approval of such acquisition or participation. In the appropriate cases, the Corporation will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program.

Title Matters
In those jurisdictions where the Corporation has property interests, the Corporation makes a search of mining records in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, or concessions. The ownership and validity of mining claims and concessions are often uncertain and may be contested. There is, however, no guarantee that title to the Corporation's properties and concessions will not be challenged or impugned in the future. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

Shareholder Dilution
It is likely that additional capital required by the Corporation will be raised through the issuance of additional equity securities, resulting in dilution to the Corporation's shareholders.

Share price risk
The market price of a publicly traded stock is affected by many variables not directly related to the success of the Corporation, including the market for all resource sector shares, the breadth of the public market for the stock, the need for certain Funds to sell shares for external reasons other than those relevant to the Corporation and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares of the Corporation on the exchanges on which the common shares are listed suggests that the share price will be volatile. In the previous eight quarters, between January 1, 2013 and December 31, 2014, the Corporation's shares traded in a range between CAD$1.15 and CAD$4.01 per share.

Insurance risks
Although the Corporation maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining Corporation's operations. Nevada Copper may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Currency risk
The Corporation is exposed to currency fluctuations in the acquisition of foreign currencies. The Corporation holds balances in cash and cash equivalents, accounts payable and accrued liabilities and convertible debenture in foreign currencies (CAD dollars) and is therefore exposed to gain or losses on foreign exchange.

Legal Proceedings against Foreign Directors.
The Corporation is incorporated under the laws of British Columbia, Canada, and some of the Corporation's directors and officers are residents of Canada. Consequently, it may be difficult for United States investors to effect service of process within the United States upon the Corporation or upon its directors or officers, or to realise in the United States upon judgments of United States courts predicated upon civil liabilities under the United States Securities Exchange Act of 1934, as amended. Furthermore, it may be difficult for investors to enforce judgments of U.S. courts based on civil liability provisions of the U.S. Federal securities laws in a foreign court against the Corporation or any of the Corporation's non-U.S. resident officers or directors.

Outlook
The Corporation will continue to focus its development efforts in the United States for purposes of the exploring and developing copper projects, in particular Pumpkin Hollow, and acquiring additional copper properties, should opportunities to do so present themselves.

As a development stage Corporation the future liquidity of the Corporation will be affected principally by the level of its development expenditures and by its ability to raise an adequate level of capital through the capital and debt markets. The Corporation will be required to complete additional funding in order to meet its business objectives. The Corporation will continue to evaluate its funding requirements on a go forward basis in an effort to meet its future development and growth initiatives.

Share Data

Capital Structure as of March 17, 2015:

Common shares issued and outstanding:	80,501,458
Total stock options outstanding:	7,590,000
Total warrants outstanding:	nil

Forward-Looking Statements
Certain of the statements made and information contained herein may contain forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning: the Corporation's plans at the Pumpkin Hollow Project; the assumptions in the financial analysis prepared in connection with the PEA reports and FS on the Pumpkin Hollow Project; the timing of granting of key permits, estimated metal production and the timing thereof; any metal pricing, capital and operating and cash flow estimates contained in the PEA and FS; and the access to financing and appropriate equipment and sufficient labour. Forward-looking statements or information include statements regarding the expectations and beliefs of management. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "anticipated", "is targeted", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements or information include, but are not limited to, statements or information with respect to known or unknown risks, uncertainties and other factors which may cause the actual industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

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; labour disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; legal and regulatory proceedings and community actions; 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; as well as those factors discussed in the section entitled "Risk Factors" in this MD&A and the Corporation's Annual Information Form dated March 17, 2015. Should one or more of these risks and uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information. The Corporation 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 Corporation's business contained in the Corporation's reports filed with the securities regulatory authorities in Canada.

NEVADA COPPER CORP.

Consolidated Financial Statements
For the year ended December 31, 2014, six months ended December 31, 2013 and year ended June 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Nevada Copper Corp.

We have audited the accompanying consolidated financial statements of Nevada Copper Corp., which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2014, the six months ended December 31, 2013, and the year ended June 30, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nevada Copper Corp. as at December 31, 2014 and 2013, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2014, the six months ended December 31, 2013, and the year ended June 30, 2013 in accordance with International Financial Reporting Standards**.**

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that Nevada Copper Corp. will be required to complete additional financing in 2015 in order to meet its commitments and carry out its development activities. These conditions, along with other matters as set forth in Note 1 in the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about Nevada Copper Corp.'s ability to continue as a going concern.

KPMG LLP (signed)

Chartered Accountants

March 17, 2015
Vancouver, Canada

NEVADA COPPER CORP.

Consolidated Statements of Financial Position
(Expressed in thousands of United States dollars)

	December 31, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	**$33,246**	$46,070
Amounts receivable	**65**	119
Prepaid expenses	**147**	231
Marketable securities (note 4)	**-**	4,109
	33,458	50,529
Restricted cash (notes 2 (d) & 19)	**2,280**	200
Deposits	**1,316**	931
Deferred financing fees (notes 7 & 8)	**4,065**	4,859
Mineral properties, plant, and equipment (note 5)	**172,755**	126,024
	213,874	182,543
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**5,699**	7,913
Short term debt (note 6)	**14,594**	-
	20,293	7,913
Long term debt (notes 7 & 8)	**86,739**	51,660
Asset retirement obligation (note 12)	**963**	727
	107,995	60,300
Shareholders' equity:		
Share capital (note 13)	**155,840**	155,840
Other equity reserve	**24,978**	24,331
Accumulated other comprehensive loss	**(3,578)**	(3,630)
Deficit	**(71,361)**	(54,298)
	105,879	122,243
	$213,874	$182,543

Nature of operations and going concern (note 1)
Commitments (notes 5 & 17)
Subsequent events (note 19)

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board on March 17, 2015:

(Signed) "Victor Bradley", Director **(Signed) "Giulio Bonifacio", Director**

NEVADA COPPER CORP.

Consolidated Statements of Operations and Comprehensive Loss
(Expressed in thousands of United States dollars)

Year ended December 31, 2014, six months ended December 31, 2013 and year ended June 30, 2013

	December 31, 2014	December 31, 2013	June 30, 2013
Expenses:			
Public company expenses (note 14)	**$1,293**	$524	$1,109
Consulting and remuneration	**644**	499	749
Office expenses	**381**	160	227
Professional fees	**286**	218	238
Debt advisory & due diligence (note 15)	**946**	74	185
Business development (note 15)	**536**	509	234
Depreciation expense	**133**	16	1
Accretion expense	**13**	9	3
Stock-based compensation (note 13)	**938**	335	2,216
	5,170	2,344	4,962
Other income (expense):			
Interest income	**218**	197	442
Interest and finance expenses (note 9)	**(6,700)**	-	-
Other income (loss) (notes 7 & 8)	**(338)**	278	-
Loss on marketable securities (note 4)	**(4,109)**	(3,676)	(14,606)
Foreign exchange loss	**(964)**	(579)	(8)
	(11,893)	(3,780)	(14,172)
Loss for the period	**(17,063)**	(6,124)	(19,134)
Other comprehensive income (loss)			
Foreign currency translation	**52**	175	(1,894)
Comprehensive loss	**(17,011)**	$(5,949)	$(21,028)
Loss per common share:			
Basic and diluted	**$ (0.21)**	$ (0.08)	$ (0.24)
Weighted average number of shares outstanding	**80,501,458**	80,501,458	78,475,640

The accompanying notes are an integral part of these consolidated financial statements.

NEVADA COPPER CORP.

Consolidated Statements of Changes in Equity
(Expressed in thousands of United States dollars, except share amounts)

	Share Capital			Accumulated Other		
	Number of Shares	Amount	Other Equity Reserve	Comprehensive Loss	Deficit	Total
Balances, June 30, 2012	73,071,458	$131,619	$21,363	$(1,911)	$(29,040)	$122,031
Exercise of options	115,000	252	(142)	-	-	110
Shares issued	7,315,000	23,969	-	-	-	23,969
Stock based compensation	-	-	2,670	-	-	2,670
Comprehensive income (loss)	-	-	-	(1,894)	(19,134)	(21,028)
Balances, June 30, 2013	80,501,458	$155,840	$23,891	$(3,805)	$(48,174)	$127,752
Stock based compensation	-	-	440	-	-	440
Comprehensive income (loss)	-	-	-	175	(6,124)	(5,949)
Balances, December 31, 2013	80,501,458	$155,840	$24,331	$(3,630)	$(54,298)	$122,243
Stock based compensation	-	-	647	-	-	647
Comprehensive income (loss)	-	-	-	52	(17,063)	(17,011)
Balances, December 31, 2014	**80,501,458**	**$155,840**	**$24,978**	**$(3,578)**	**$(71,361)**	**$105,879**

The accompanying notes are an integral part of these consolidated financial statements.

NEVADA COPPER CORP.

Consolidated Statements of Cash Flows
(Expressed in thousands of United States dollars)

Year ended December 31, 2014, six months ended December 31, 2013 and year ended June 30, 2013

	December 31, 2014	December 31, 2013	June 30, 2013
Cash provided by (used in):			
Operations:			
Loss for the period	**$(17,063)**	$(6,124)	$(19,134)
Items not affecting cash:			
Interest and finance expenses	**6,700**	-	-
Loss on marketable securities	**4,109**	3,676	14,606
Depreciation and accretion	**146**	25	2
Loss (Gain) on embedded derivatives	**338**	(278)	-
Interest income	**(218)**	(197)	(1,206)
Stock-based compensation	**938**	335	2,216
	(5,050)	(2,563)	(3,516)
Changes in non-cash working capital items:			
Amounts receivable	**54**	(73)	780
Prepaid expenses	**84**	(68)	(85)
Accounts payable and accrued liabilities	**201**	(127)	273
Interest received	**218**	197	1,206
	(4,493)	(2,634)	(1,342)
Investments:			
Plant and equipment purchases	**(118)**	(310)	-
Transaction costs for purchase of shares	**-**	-	(186)
Reclamation bond	**-**	-	506
Trust account for surety bond	**(2,080)**	-	(200)
Deposits for development costs	**(385)**	(931)	2,706
Development costs	**(45,237)**	(17,212)	(33,533)
	(47,820)	(18,453)	(30,707)
Financing:			
Issuance of common shares (note 13)	**-**	-	110
Debt financing	**54,000**	15,000	36,000
Transaction costs for debt financing	**(8,056)**	-	(6,522)
Interest paid	**(6,507)**	-	-
	39,437	15,000	29,588
Effects of exchange rate changes on cash held in foreign currencies	**52**	292	416
Increase (decrease) in cash and cash equivalents	**(12,824)**	(5,795)	(2,045)
Cash and cash equivalents, beginning of the period	**46,070**	51,865	53,910
Cash and cash equivalents, end of the period	**$33,246**	$46,070	$51,865
Supplementary information:			
Depreciation capitalised in mineral properties, plant, and equipment	**$121**	$66	$70
Stock-based compensation included in mineral properties	**313**	105	454
Asset retirement obligation change	**223**	113	184
Mineral properties, plant, and equipment in accounts payable and accrued liabilities	**3,019**	3,094	1,268
Purchase of marketable securities using shares (note 4)	**$-**	$-	$23,969

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of operations and going concern:

Nevada Copper Corp. (the "Corporation" or "Nevada Copper") is a development stage mining company engaged in the development of the Pumpkin Hollow Copper Project based in Nevada. The recoverability of amounts capitalised for mineral properties, plant and equipment is dependent upon maintaining the lease and titles to the properties, obtaining the necessary financing and permits to complete the development of these properties and attaining future profitable production. The amounts capitalised as development costs represent costs to date, and do not necessarily represent present or future values.

Nevada Copper was incorporated on June 16, 1999 under the Business Corporations Act of the Yukon as "African Venture Corporation" and changed its name to "Astron Resources Corporation" on July 26, 1999, and subsequently to Nevada Copper Corp. on November 16, 2006. The Corporation's common shares are listed on the Toronto Stock Exchange ("TSX") under the NCU symbol. The Corporation's head office is located at Suite 1238, 200 Granville Street, Vancouver, BC, Canada, V6C 1S4 and its registered and records office is located at Suite 3350, 1055 Dunsmuir Street, Vancouver, BC, Canada, V7X 1L2.

These consolidated financial statements have been prepared on a going concern basis. The Corporation will be required to complete additional financing in 2015 in order to meet interest payment commitments and expected operating costs in 2015. The Corporation will also be required to complete additional financing in order to carry out its development activities and to draw down the remaining undrawn amount of $110,000 of the Red Kite facility, which draw down is also contingent upon completion of certain project milestones to be met. These circumstances have resulted in a material uncertainty about whether the Corporation will be able to obtain the additional financing required to meet its obligations as they become due which may cast significant doubt about the ability of the Corporation to continue as a going concern.

Management is actively seeking additional financing and believe that they will be successful in these efforts such that development of the Pumpkin Hollow project will continue as planned with all interest and principal debt repayments made as required. The ability of the Corporation to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of additional financing. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

Basis of presentation:

These consolidated financial statements have been prepared in accordance and in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") effective as of December 31, 2014.

All financial information in these consolidated financial statements is presented in United States dollars ("USD"), unless otherwise stated. References to CAD are to Canadian dollars ("CAD").

These consolidated financial statements were approved for issue by the Board of Directors ("BoD") on March 17, 2015.

2. Significant accounting policies:

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries Lion Iron Corp. ("Lion Iron"), 607792 British Columbia Ltd. ("607792 BC") and Nevada Copper, Inc. (formerly "Pumpkin Copper Inc.") incorporated in Nevada, United States. Control is achieved when the Corporation 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 inter-company transactions and balances are eliminated on consolidation.

(b) Use of estimates and judgements

The preparation of 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 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 recognised in the period in which the estimates are revised and in any future periods affected.

Areas requiring the use of management estimates include the determination of assumptions used in valuation of mineral properties, plant, and equipment and exploration assets, the determination of the remaining useful life of plant and equipment, the valuation of stock-based compensation, the estimated timing of future asset retirement obligations and the assessment of recoverability of deferred tax assets.

The areas that require significant estimations or where measurements are uncertain are as follows:

i) Mineral property, plant, and equipment and exploration and evaluation assets

The measurement and impairment of mineral properties, plant and equipment are based on various judgments and estimates. These include the determination of technical and commercial feasibility of these properties, which incorporates various assumptions for mineral reserves and/or resources, future mineral prices and operating and capital expenditures for the properties.

ii) Taxation

Tax provisions are recognised to the extent that it is probable that there will be future outflow of funds to a taxation authority. Such provisions often require judgment on the treatment of certain taxation matters that may not have been reported to or assessed by the taxation authority at the date of these financial statements. Differences in judgment by the taxation authority could result in changes to actual taxes payable by the Corporation.

Deferred tax assets are recognised to the extent that certain taxable losses or deferred expenditures will be utilised by the Corporation to reduce future taxes payable. The amount of deferred tax assets recognised, if any, is based on objective evidence that the Corporation will generate sufficient future taxable income to utilise these deferred assets, as well as the expected future tax rates that will apply to these assets.

2. Significant accounting policies (continued):

(b) Use of estimates and judgements (continued)

Changes to the Corporation's ability to generate sufficient taxable income or changes to enacted tax rates could result in the recognition of deferred tax assets.

iii) Stock-based compensation

The Corporation uses the Black-Scholes option pricing model to determine the fair value of stock options and share purchase warrants granted. This model requires management to estimate the volatility of the Corporation's future share price, expected lives of stock options and future dividend yields. Consequently, there is significant measurement uncertainty in the fair value of stock-based compensation expense reported.

iv) Provision for reclamation and remediation

The Corporation assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Corporation has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Corporation will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Corporation. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

(c) Foreign currency translation

The functional and presentation currency of the Corporation and its subsidiaries is the USD. The functional currency for the parent company changed on December 30, 2014 from CAD to USD because of a change in underlying transactions, events and conditions, including raising financing in USD.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the rates of exchange at the consolidated statement of financial position date. Non-monetary assets and liabilities are translated at transaction date exchange rates. Revenue and expenses are translated at the exchange rate at the date of the transaction, except depreciation, and amortisation, which are translated at the rates of exchange applicable to the related assets, and share based compensation expense, which is translated at the rates of exchange applicable at the date of grant of the share-based compensation. Translation gains and losses are included in operations.

Foreign exchange gains or losses arising from a monetary item receivable from the Corporation's foreign subsidiary, of which settlement is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognised in other comprehensive income.

2. Significant accounting policies (continued):

On the translation to presentation currency, assets and liabilities in currencies other than the USD are translated into the USD presentation currency using the prevailing period end exchange rate. Revenue and expenses in currencies other than USD are translated to the presentation currency using the rates of exchange in effect at the time of the transactions. Translation gains and losses arising on the translation to the presentation currency are included in other comprehensive income.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less or are fully redeemable without penalty when acquired.

Restricted cash is cash held in trust as collateral for a $6,839 surety bond and this amount is not currently available for general corporate use.

(e) Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, restricted cash, amounts receivable, marketable securities, accounts payable and accrued liabilities, short-term debt, and long-term debt.

The Corporation classifies financial assets and liabilities as fair-value-through-profit-and-loss, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognised at fair value on their initial recognition.

Financial assets and liabilities classified as fair-value-through-profit-and-loss are measured at fair value, with gains and losses recognised in operations. Financial assets classified as held-to-maturity, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method of amortisation. Financial assets classified as available-for-sale are measured at fair value, with unrealised gains and losses being recognised in other comprehensive income until realised, or when impaired, in which case the unrealised loss is recorded in net earnings (loss).

The Corporation classified its cash and cash equivalents, restricted cash, and amounts receivable as loans and receivables and its accounts payable, accrued liabilities, short-term debt, and long-term debt excluding embedded derivatives as other financial liabilities. The Corporation's marketable securities are classified as available-for-sale. Other financial liabilities are initially recorded at fair value and subsequently at amortised cost.

Derivatives embedded in other financial instruments are carried at fair value with fair value changes recognised in net earnings (loss).

2. Significant accounting policies (continued):

(f) Exploration and evaluation assets

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalised as exploration and evaluation assets and classified as a component of mineral properties, plant and equipment. Exploration expenditure relates to the initial search for deposits with economic potential. Expenditures incurred before the Corporation has obtained legal rights to explore a specific area are expensed.

The recovery of the carrying amount of exploration and evaluation assets is dependent upon the future commercial success of the mineral properties or from proceeds of disposition. The amounts shown for exploration and evaluation assets represent costs incurred to date and are not intended to reflect present or future values.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mineral property development costs within mineral properties, plant and equipment.

(g) Asset retirement obligations and reclamation costs

The Corporation recognises and records the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related asset using the present value of the estimated future cash outflows. The liability is subsequently adjusted for the passage of time, and the related asset is amortised using either the unit of production or the straight line method. The liability is also adjusted for the changes to the current market-based discount rate, long term inflation rates, or the amount or timing of the underlying cash flows needed to settle the obligation.

The operations of the Corporation may be affected from time to time by changes in environmental regulations, including those for future rehabilitation and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Corporation may vary from region to region and are not entirely predictable. The Corporation's policy is to meet standards set by relevant legislation, by application of technically proven and economically feasible measures. Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against the statements of operations as incurred or capitalised and amortised depending upon their future economic benefits.

2. Significant accounting policies (continued):

(h) Mineral properties, plant and equipment

Mineral properties, plant and equipment are stated at cost which includes the acquisition price and any direct costs to bring the asset into productive use at its intended location including development costs for mineral properties transferred from exploration and evaluation assets, an estimate of asset retirement costs, and capitalised borrowing costs.

Amortisation of plant and equipment is calculated using the straight-line method to write off the cost, net of any estimated residual value, over their estimated useful lives as follows:

Building	useful life
Equipment	5 years
Mobile equipment	3 years
Computer equipment	2 years

On the commencement of commercial production, depletion of each mineral property interest will be provided on a unit-of-production basis.

(i) Impairment of non-financial assets

At each reporting date, the carrying amounts of the Corporation's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in the profit or loss for the period.

For the purposes of impairment testing, plant and equipment and exploration and evaluation assets are allocated to cash-generating units to which the exploration or development activity relates. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2. Significant accounting policies (continued):

(j) Income taxes

Income tax expense comprises current and deferred income taxes. Current and deferred income taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits, and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(k) Share-based payments

The Corporation applies the fair value method to share-based payments for all awards including grants of options and direct awards of stock. The fair value is measured at grant date and each vesting tranche is recognised as a separate award. Compensation expense is recognised over the applicable vesting period with a corresponding increase in other equity reserve. When the options are exercised, the exercise price proceeds, together with the related other equity reserve amounts are credited to share capital.

Deferred share units ("DSU") may be granted to directors as part of their long-term compensation package entitling them to receive payout in cash based on the Company's share price at the relevant time. A liability for DSU is measured at fair value on the grant date and is subsequently adjusted at each balance sheet date for changes in fair value according to the estimation made by management of the number of DSU that will eventually vest. The liability is recognised over the vesting period, with a corresponding charge to share-based compensation.

(l) Provisions

Provisions are recognised when a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognised as accretion expense.

2. Significant accounting policies (continued):

(m) Loss per share

Basic loss per share is calculated by dividing net loss available to the shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated to reflect the dilutive effect of exercising outstanding stock options and warrants by application of the treasury stock method. Outstanding stock options and share purchase warrants that would potentially dilute basic loss per share have not been included in the computation of diluted loss per share because to do so would be anti-dilutive.

(n) Interest income and finance costs

Interest income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings and the unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(o) Segmented information

The Corporation conducts its business in a single segment, being the acquisition, exploration and development of mineral properties. All mineral properties are located in the United States.

3. Recent accounting pronouncements:

In July 2014, the IASB issued the final version of IFRS 9 “Financial Instruments”. This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. IFRS 9 provides a revised model for recognition, measurement and impairment of financial instruments. IFRS 9 also includes a substantially reformed approach to hedge accounting. The Corporation is in the process of determining the impact of IFRS 9 on its consolidated financial statements.

In May 2014, the IASB issued IFRS 15 “Revenue from Contracts with Customers” (“IFRS 15”). The standard replaces IAS 11 “Construction Contracts”, IAS 18 “Revenue”, IFRIC 13 “Customer Loyalty Programmes”, IFRIC 15 “Agreements for the Construction of Real Estate”, IFRIC 18 “Transfer of Assets From Customers” and SIC 31 “Revenue – Barter Transactions Involving Advertising Services”. IFRS 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity’s contract with customers. This standard is effective for annual periods beginning on or after January 1, 2017, and permits early adoption. The Corporation is in the process of determining the impact of IFRS 15 on its consolidated financial statements.

(Expressed in thousands of United States dollars, except share amounts)

4. Marketable securities:

On October 9, 2012, the Corporation completed the purchase of 46,000,000 common shares of Mercator Minerals Ltd. ("Mercator"), representing, at that time, approximately 17.8% of the issued and outstanding common shares of Mercator, in consideration for the issuance of 7,315,000 common shares of the Corporation. The fair value of the Mercator shares was determined to be $23,969 ($23,460 CAD) plus transaction costs of $186 ($182 CAD) at the time of purchase.

The investment in Mercator was classified as an available-for-sale financial asset. Gains and losses recognized when marking the investment to market are recognized in other comprehensive income unless there is objective evidence of impairment.

The Corporation reviewed the value of its marketable securities for objective evidence of impairment based on both quantitative and qualitative criteria and determined that impairment was required commencing the year ended June 30, 2013. Accordingly, the Corporation recorded a pre-tax charge of $4,109 ($4,370 CAD) in profit or loss for the year ended December 31, 2014 (six months ended December 31, 2013 – $3,676 ($3,910 CAD) and year ended June 30, 2013 - $14,606 ($15,362 CAD)) as a result. The fair value of the Mercator shares at December 31, 2014 is nil.

5. Mineral properties, plant and equipment:

	Mineral Properties			
	Development Costs	Exploration and Evaluation assets	Plant & Equipment	Total
Cost:				
As at June 30, 2012	$67,330	$-	$698	$68,028
Additions	35,508	-	2	35,510
As at June 30, 2013	102,838	-	700	103,538
Additions	22,528	-	310	22,838
As at Dec. 31, 2013	125,366	-	1,010	126,376
Additions	46,867	-	118	46,985
As at Dec. 31, 2014	**172,233**	**-**	**1,128**	**173,361**
Accumulated depreciation:				
As at June 30, 2012	-	-	199	199
Additions	-	-	71	71
As at June 30, 2013	-	-	270	270
Additions	-	-	82	82
As at Dec. 31, 2013	-	-	352	352
Additions	-	-	254	254
As at Dec. 31, 2014	**-**	**-**	**606**	**606**
Net book value:				
As at June 30, 2012	67,330	-	499	67,829
As at June 30, 2013	102,838	-	430	103,268
As at Dec. 31, 2013	125,366	-	658	126,024
As at Dec. 31, 2014	**$172,233**	**$-**	**$522**	**$172,755**

5. Mineral properties, plant and equipment (continued):

Pumpkin Hollow Copper Development Property:

On March 1, 2005, the Corporation entered into an Option Agreement to acquire a ten-year lease for mining rights (the "Lease"), effective May 4, 2006 and expiring May 4, 2016, for the Pumpkin Hollow Copper Development Property (the "Property") located in north-western Nevada, United States, approximately one hundred miles southeast of Reno. The Property is located within a contiguous 26 square mile land package comprised of patented and unpatented claims. During the 2006 fiscal year, the Corporation paid $80 to the optionor in full payment of the option and obtained a 100% interest in the Property pursuant to the lease terms.

Under the terms of the Lease, the Corporation has made Lease payments totaling $600 during the period May 4, 2007 to May 4, 2011. Subsequent to May 4, 2011, the Corporation is required to pay advance royalty payments of $600 annually until the first expiry date of the Lease on May 4, 2016 to a total of $3,000. Quarterly lease payments of $150 were due and paid commencing in April 2012. The Corporation is current with all required Lease payments and advance royalty payments. Cumulative advance royalty payments made total $1,650 to December 31, 2014.

The Company must pay RGGS a net production royalty on copper obtained from Fee Land and Patented Claims comprising the Property which are described in the Lease Agreement. The royalty rate is 4% on copper when the copper price is less than US$1.00 per pound, a 5% net production royalty on copper when the copper price is between US$1.00 and US$2.00 per pound and a 6% net production royalty on copper when the price of copper is greater than US$2.00 per pound. On all other minerals such as gold and silver, except iron, the royalty rate is 5%. The Corporation was obligated to make exploration and development expenditures on the Property of at least $4,000 during the first three years of the Lease, with expenditures of at least $500 each year, and an additional $4,000 during the 4th through 6th years of the Lease, with expenditures of at least $500 each year. During 2008, and in less than three years, the Corporation satisfied these obligations.

The Corporation may extend the Lease for up to three additional terms of ten years each, subject to performing continuous mining activities, payment of advance royalty payments of at least $3,000 in the first ten-year term and payment of production royalties and minimum royalty payments of $10,000 in each subsequent ten-year term.

(Expressed in thousands of United States dollars, except share amounts)

5. Mineral properties, plant and equipment (continued):

Project costs capitalised for the year ended December 31, 2014 and six months ended December 31, 2013 and the year ended June 30, 2013 on the Property consists of the following:

	Development Costs						
	Dec. 31, 2014	2014	Dec. 31, 2013	July-Dec. 2013	June 30, 2013	2012-2013	June 30, 2012
Property payments	**$1,961**	$-	$1,961	$107	$1,854	$214	$1,640
Advance royalty payments	**1,650**	600	1,050	300	750	600	150
Water rights	**1,407**	244	1,163	142	1,021	144	877
Drilling	**36,614**	-	36,614	860	35,754	2,141	33,613
Geological consulting, exploration & related	**7,627**	496	7,131	351	6,780	838	5,942
Feasibility, engineering & related studies	**17,571**	-	17,571	1,509	16,062	3,726	12,336
Permits/ environmental	**8,278**	1,681	6,597	975	5,622	2,019	3,603
East deposit underground project							
Underground access, hoist, head frame, power, & related	**63,375**	26,609	36,766	10,563	26,203	21,583	4,620
Eng. procurement	**10,431**	3,653	6,778	4,435	2,343	2,343	-
Surface infrastructure	**3,371**	3,371	-	-	-	-	-
Site costs	**9,307**	5,787	3,520	1,285	2,235	604	1,631
	161,592	42,441	119,151	20,527	98,624	34,212	64,412
Amortisation	**455**	121	334	66	268	70	198
Capitalised interest	**6,594**	3,992	2,602	1,830	772	772	-
Stock-based compensation	**3,592**	313	3,279	105	3,174	454	2,720
Total	**$172,233**	$46,867	$125,366	$22,528	$102,838	$35,508	$67,330

(Expressed in thousands of United States dollars, except share amounts)

5. Mineral properties, plant and equipment (continued):

Plant and equipment:

	Building	Equipment	Mobile Equipment	Computer Equipment	Total
Cost:					
As at June 30, 2012	$472	$80	$65	$81	$698
Additions	2	-	-	-	2
As at June 30, 2013	474	80	65	81	700
Additions	6	13	20	271	310
As at Dec. 31, 2013	480	93	85	352	1,010
Additions	-	3	54	61	118
As at Dec. 31, 2014	**480**	**96**	**139**	**413**	**1,128**
Accumulated depreciation:					
As at June 30, 2012	66	52	46	35	199
Additions	48	11	8	4	71
As at June 30, 2013	114	63	54	39	270
Additions	24	5	3	50	82
As at Dec. 31, 2013	138	68	57	89	352
Additions	51	11	36	156	254
As at Dec. 31, 2014	**189**	**79**	**93**	**245**	**606**
Net book value:					
As at June 30, 2012	406	28	19	46	499
As at June 30, 2013	360	17	11	42	430
As at Dec. 31, 2013	342	25	28	263	658
As at Dec. 31, 2014	**$291**	**$17**	**$46**	**$168**	**$522**

During the year ended December 31, 2014, the Corporation added $118 in plant and equipment (Six months ended December 31, 2013 - $310 and year ended June 30, 2013 - $2) and had amortisation of plant and equipment of $254 (Six months ended December 31, 2013 - $82 and year ended June 30, 2013 - $71), of which $121 (six months ended December 31, 2013 - $66 and year ended June 30, 2013 - $70) was included in capitalised mineral property expenditures.

6. Short term debt:

On August 26, 2014, the Corporation closed a $20 million bridge loan facility ("Pala Facility") with Pala Investments Limited ("Pala"). The initial term of the facility was four months, with up to two additional two month extensions. The Pala Facility is drawn in $5 million tranches. The initial tranche of $5 million was received on August 26, 2014. Through December 31, 2014, $15 million (three tranches) have been drawn from the Pala Facility. Both of the two month extensions have been exercised by the Corporation with the maturity date now April 26, 2015. The annual interest rate is 10% and a 4% arrangement fee was payable upon each tranche drawn. The Pala Facility is secured against the Corporation's assets, and is subordinate to the security granted in connection with the $200 million senior credit facility entered into by the Corporation on December 30, 2014. The Corporation has paid $355 of interest for the Pala Facility, which was paid in full through December 31, 2014. The Pala Facility is carried at amortised cost on the statement of financial position. The current short term loan carrying value is $14,594.

7. Long term debt (December 30, 2014 loan facility):

On December 30, 2014, the Corporation entered into a $200 million loan facility with EXP T1 Ltd that is owned by RK Mine Finance, ("Red Kite" or the "Loan"). The Loan is comprised of two tranches - Tranche A for $90 million, which was received on December 30, 2014, and Tranche B for $110 million which is contingent upon completion of other financing transactions whereby the Corporation will obtain sufficient proceeds necessary to achieve commencement of commercial production and certain project milestones.

Amounts advanced under the Loan bear interest at the greater of three-month LIBOR and 1%, plus 10% until the commencement of commercial production where the amounts advanced under the Loan bear interest at the greater of three-month LIBOR and 1%, plus 7.5%. The Loan was subject to a 3.5% loan origination fee on the total loan facility, which was paid on December 30, 2014.

The Loan is to be repaid by December 31, 2020 with quarterly principal repayments commencing on September 30, 2017. Interest is payable on a quarterly basis with the first interest payment, of $2,554 due on March 31, 2015. The Loan can be repaid without penalty at any time prior to maturity.

The Loan is carried at amortised cost on the statement of financial position. The Corporation incurred $7,392 of transaction costs, including the 3.5% origination fee, on the total amount available under the Loan. A pro-rata portion of the transaction costs was recognised as part of the Loan based on the amount drawn.

The remainder of the transaction costs have been accounted for as deferred financing costs and will be netted against future tranches when drawn on a pro-rata basis. During the year ended December 31, 2014, $55 of interest was accrued and capitalised to mineral property development costs at an effective interest rate of 11.6%.

The Loan is fully and unconditionally guaranteed, on a joint and several basis, by the Corporation's existing and future subsidiaries and secured by all current and future assets of the Corporation. The loan is collateralised against the Corporation's assets, including the shares of the Corporation's subsidiary which holds the Nevada Copper assets.

In addition to, and related to, the Loan, the Corporation also entered into an off-take agreement with Red Kite for the sale of copper concentrates from the underground mine of the eastern deposits. The Corporation will supply Red Kite with the percentage of total copper concentrate production based on the amount advanced to the Corporation through tranches divided by the total available loan. Red Kite will be entitled to up to 74.5% of production after advancing all of the funds available under the facility. In relation to the first tranche advanced, Red Kite will be entitled to purchase 33.5% of the Corporation's annual copper concentrates production from the eastern deposits when the Corporation commences commercial production. Combined with the off-take agreement relating to the March 28, 2013 loan facility these two off-take agreements represent in total 59% of concentrates that may be produced from the eastern deposits or an estimated 12% of the total project off-take. The off-take agreement includes concentrate pricing based on market terms.

An embedded derivative liability relating to the interest rate floor has been recognised for the Loan. The embedded derivative fair value of the loan at inception was $996. The fair value of the embedded derivative liability is $1,005 at December 31, 2014. The change in value was recognised in the statement of operations as other expense of $9 for the year ended December 31, 2014.

(Expressed in thousands of United States dollars, except share amounts)

8. Long term debt (March 28, 2013 loan facility):

On March 28, 2013, the Corporation entered into a $200 million loan facility with MF Investment Holding Company 2 (CAYMAN) SPC, or the “2013 Loan”. The 2013 Loan was comprised of four tranches - Tranche A for $36 million, which was received on March 28, 2013, Tranche B for $15 million which was received on October 9, 2013, Tranche C for $10 million which was subject to completion of the Yerington land transfer, and Tranche D which was subject to completion of other financing transactions whereby the Corporation was to obtain sufficient proceeds necessary to achieve commencement of commercial production and certain project milestones, for $139 million or $149 million depending whether or not Tranche C was received.

The $51,000 principal and accrued interest was repaid in full on December 30, 2014. The carrying value of financing costs incurred in previous periods relating to this loan were $6,084 and were recognised in the statement of operations on repayment. As the loan was held at amortised cost the Corporation was required to write-off deferred financing fees and eliminate the embedded derivative liabilities, and unamortised amounts on tranches that were drawn under the 2013 Loan.

Amounts advanced under the 2013 Loan bore interest at the greater of three-month LIBOR and 1%, plus 6%. The 2013 Loan was subject to a 3% loan origination fee, which was paid on March 28, 2013.

The 2013 Loan was carried at amortised cost on the statement of financial position. The Corporation incurred $6,522 of transaction costs, including the 3% origination fee, relating to the 2013 Loan for a net amount received of $29,478. A pro-rata portion of the transaction costs was recognised as part of the 2013 Loan based on the amount drawn.

The remainder of the transaction costs were accounted for as deferred financing costs. During the year ended December 31, 2014, $3,937 of interest was accrued and capitalised to mineral property development costs at an effective interest rate of 8.6% (Six months ended December 31, 2013 – $1,830 and year ended June 30, 2013 - $772).

In addition to, and related to, the 2013 Loan, the Corporation entered into an off-take agreement with Red Kite for the sale of copper concentrates from the underground mine of the eastern deposits. The Corporation will supply Red Kite with the percentage of total copper concentrate production based on the amount advanced to the Corporation through tranches divided by the total available loan. Post Tranche B, Red Kite is entitled to purchase 25.5% of the Corporation’s annual copper concentrates production from the eastern deposits when the Corporation commences commercial production. The off-take agreement includes concentrate pricing based on market terms.

An embedded derivative liability relating to the interest rate floor was recognised for the 2013 Loan. The embedded derivative fair value of Tranche A of the loan at inception was $847 (December 31, 2013 - $582). The embedded derivative fair value of Tranche B of the 2013 Loan at inception was $246 (December 31, 2013 - $233). When the 2013 Loan was repaid, the embedded derivative was settled.

9. Interest and finance expenses:

	Year ended December 31, 2014	Six months ended December 31, 2013	Year ended June 30, 2013
Expenses:			
Red Kite March 28, 2013 settlement costs	**$6,084**	$-	$-
Pala Facility August 26, 2014 interest costs	**616**	-	-
	$6,700	$-	$-

(Expressed in thousands of United States dollars, except share amounts)

10. Related party transactions:

A short term $20 million bridge loan facility funded by Pala was entered into on August 26, 2014. Please see note 6 for additional details. The current short term loan carrying value is $14,594.

Pala holds more than 50% of Nevada Copper shares and has three executives on the Corporation's Board of Directors as at December 31, 2014.

On October 9, 2012, the Corporation completed the purchase of 46,000,000 common shares of Mercator, from Pala in consideration for the issuance of 7,315,000 common shares of the Corporation (note 4).

The Corporation has entered into management agreements with certain senior officers. In the event that there is a change of control, the Corporation may be required to pay severance payments ranging from one to three years of salary for these senior officers. The amount of this contingent liability is $1,759 ($2,041 CAD).

As of December 31, 2014, accounts payable and accrued liabilities include director fees and expenses payable of $108 (December 31, 2013 - $110).

Related party transactions are recorded at the amount paid or received as established by contract or as agreed upon by the Corporation and the related party.

11. 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 Corporation, are as follows:

	Year ended Dec. 31, 2014	Six months ended Dec. 31, 2013	Year ended June 30, 2013
Short-term employee benefits	**$883**	$632	$1,160
Stock-based compensation	**861**	311	1,933
Total	**$1,744**	$943	$3,093

12. Asset retirement obligation:

The asset retirement obligation has been recorded as a liability at fair value, assuming a risk-free discount rate of 1.7% and an inflation factor of 2.0%. The liability for retirement and remediation on an undiscounted basis before an inflation factor of 2.0% is estimated to be approximately $924 and as of December 31, 2014 settlement is expected to be by December 31, 2019.

	Asset retirement obligation
Balance at June 30, 2012	$421
Change in estimated timing and amount of closure costs	181
Accretion	3
Balance at June 30, 2013	605
Change in estimated timing and amount of closure costs	113
Accretion	9
Balance at Dec. 31, 2013	**727**
Change in estimated timing and amount of closure costs	223
Accretion	13
Balance at Dec. 31, 2014	**$963**

(Expressed in thousands of United States dollars, except share amounts)

13. Share capital:

(a) Authorised:

The Corporation is authorised to issue an unlimited number of common shares without par value.

(b) Options:

The Corporation grants incentive stock options as permitted pursuant to the Corporation's Stock Option Plan (the "Plan"), originally approved by the shareholders on November 16, 2007 and re-approved August 27, 2010 and December 16, 2013, which complies with the rules and policies of the TSX. Under the Plan, the aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Corporation as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of ten years, and the term will be reduced to one year following the date of death of the Optionee. If the Optionee ceases to be qualified to receive options from the Corporation, those options shall immediately expire.

All options vest when granted unless otherwise specified by the Board of Directors.

As of December 31, 2014, the Corporation has stock options outstanding to directors, officers and employees to acquire an aggregate of 7,590,000 common shares summarised as follows. All of these options vested upon grant except for 100,000 which vest over three years and 250,800 which vest over two years. The outstanding options have expiry periods between 3 and 9 years.

	Number of Options	Weighted average exercise price $(CAD)
Outstanding June 30, 2012	6,330,000	$3.55
Granted	895,000	3.25
Expired	(500,000)	3.68
Exercised	(115,000)	1.00
Outstanding June 30, 2013	6,610,000	3.54
Granted	1,100,000	2.25
Expired	(490,000)	3.51
Exercised	-	-
Outstanding December 31, 2013	7,220,000	3.35
Granted	770,000	2.00
Expired	(400,000)	4.28
Exercised	-	-
Outstanding December 31, 2014	**7,590,000**	**$2.90**
Exercisable December 31, 2014	**7,239,200**	**$2.93**

During the year ended December 31, 2014, under the fair value method, $647 (six months ended December 31, 2013 – $440 and year ended June 30, 2013 - $2,670) in share-based compensation was recorded for options granted to officers and employees, of which $334 (six months ended December 31, 2013 - $308 and year ended June 30, 2013 - $2,216) was charged to operations and $313 (six months ended December 31, 2013 – $105 and year ended June 30, 2013 - $454) was capitalised to development costs.

(Expressed in thousands of United States dollars, except share amounts)

13. Share capital (continued):

The Corporation uses the Black-Scholes option pricing model to value stock options, which requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following weighted average assumptions were used:

	Year ended Dec. 31, 2014	Six months ended Dec. 31, 2013	Year ended Jun. 30, 2013
Risk free interest rate	**1.60%**	1.89%	1.60%
Expected dividend yield	**0%**	0%	0%
Expected stock price volatility	**49%**	66%	90%
Expected life in years	**5**	5	8
Expected forfeitures	**0%**	0%	0%

The risk free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected volatility is based on the Corporation's historical share prices. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. Expected forfeitures are based on historical forfeitures of the Corporation's options.

During the year ended December 31, 2014, 4,245,000 options were re-priced, by decreasing the exercise price of the options by 40%, and the terms of the longer termed options were reduced to five years. The resulting exercise price was at a premium of between 33% and 119% of the market price of $1.47 as at November 12, 2014. Of the re-priced options 3,055,000 are held by insiders and are subject to disinterested shareholder approval at the Corporation's 2015 annual general meeting to be held prior to June 30, 2015. There was no incremental fair value recognised as a result of the re-pricing of the stock options because the impact of the decrease in exercise price was more than offset by the shortening of the expiry date.

Original Exercise Price	Revised Exercise Price	Number	Original Grant Date	Original Expiry Date	Revised Expiry Date
$3.25	$1.95	620,000	Sep. 26, 2012	Sep. 26, 2022	Nov. 12, 2019
3.27	1.96	320,000	Jan. 14, 2010	Jan. 14, 2020	Nov. 12, 2019
3.74	2.24	450,000	Oct. 13, 2010	Oct. 13, 2020	Nov. 12, 2019
4.24	2.54	1,815,000	Aug. 18, 2011	Aug. 18, 2021	Nov. 12, 2019
4.50	2.70	90,000	Apr. 17, 2012	Apr. 17, 2022	Nov. 12, 2019
4.55	2.73	140,000	Jan. 6, 2011	Jan. 6, 2021	Nov. 12, 2019
4.82	2.89	200,000	Feb. 23, 2012	Feb. 23, 2022	Nov. 12, 2019
$5.37	$3.22	610,000	Feb. 22, 2011	Feb. 22, 2021	Nov. 12, 2019
		4,245,000			

(Expressed in thousands of United States dollars, except share amounts)

13. Share capital (continued):

The following table summarises the stock options outstanding and exercisable as at December 31, 2014:

	Outstanding		Exercisable	
Exercise price	Number outstanding	Weighted average remaining life (years)	Number outstanding	Weighted average remaining life (years)
\$0.75 - \$1.00	725,000	3.61	725,000	3.61
\$1.01 - \$3.74	4,830,000	5.25	4,479,200	5.35
\$3.75 - \$5.37	2,035,000	6.56	2,035,000	6.56
	7,590,000	**5.44**	**7,239,200**	**5.52**

In December 2013 and August 2014 directors were granted deferred share units (“DSUs”), which replaced stock option grants as a component of their compensation. All of the DSUs have vested. The Corporation recognised \$604 of expense for the year ended December 31, 2014 (six months ended December 31, 2013 – \$27) in the statement of operations in respect of the DSUs.

(c) Warrants:

As of December 31, 2014, the Corporation has nil share purchase warrants outstanding:

	Number of Warrants	Weighted average exercise price (CAD)
Outstanding June 30, 2012	301,250	\$6.00
Outstanding June 30, 2013	301,250	\$6.00
Outstanding Dec. 31, 2013 and 2014	-	-

14. Public company expenses:

	Year ended December 31, 2014	Six months ended December 31, 2013	Year ended June 30, 2013
Expenses:			
Investor relations	**\$628**	\$225	\$615
Directors’ fees and related	**518**	217	335
Other public company expenses	**147**	82	159
	\$1,293	\$524	\$1,109

(Expressed in thousands of United States dollars, except share amounts)

15. Debt advisory fees, due diligence fees, and business development expenses:

	Year ended December 31, 2014	Six months ended December 31, 2013	Year ended June 30, 2013
Expenses:			
Debt advisory fees	**$639**	$-	$167
Due diligence & project reviews	**307**	74	18
Other professional fees	**258**	427	-
Travel	**116**	8	68
Business development general	**162**	74	166
	$1,482	$583	$419

16. Income taxes:

(a) Effective tax rate:

The effective income tax rates differ from Canadian statutory rates for the following reasons in the year ended December 31, 2014, the six months ended December 31, 2013 and the year ended June 30, 2013:

	Dec. 31, 2014	Dec. 31, 2013	Jun. 30, 2013
Loss before Taxes	**$(17,063)**	$(6,124)	$(19,134)
Canadian Statutory Tax Rate	**26.00%**	26.00%	25.25%
Expected tax expense / (recovery)	**(4,436)**	(1,592)	(4,831)
Permanent differences	**898**	664	2,406
Items credited/charged through equity	**91**	49	(152)
Changes in income tax rates and foreign tax rates	**(421)**	(1)	(301)
Foreign exchange	**86**	24	175
Expired losses and other	**440**	(218)	142
Deferred tax assets not recognised	**3,342**	1,074	2,561
Income Tax Expense / (Recovery)	**$ -**	$ -	$ -

The Canadian statutory rate changed to 26% due to legislated changes in 2013.

(Expressed in thousands of United States dollars, except share amounts)

16. Income taxes (continued):

(b) Deferred income tax assets and liabilities:

Deferred tax assets and liabilities have been recognised with respect to the following:

	Dec. 31, 2014	Dec. 31, 2013	Jun. 30, 2013
Capitalised interest and foreign exchange	**$(655)**	$(728)	$(189)
Asset retirement obligation	**(329)**	(251)	(211)
Mineral properties, plant and equipment	**(173)**	(86)	(25)
Tax losses	**677**	750	211
Asset retirement obligation asset and other	**480**	315	214
Net deferred income tax liabilities	**$ -**	$ -	$ -

Deferred tax assets and liabilities have not been recognised with respect to the following temporary differences:

	Dec. 31, 2014	Dec. 31, 2013	Jun. 30, 2013
Marketable securities	**$2,776**	$18,120	$14,614
Long term debt and other	**1,915**	815	64
Deductible temporary differences on account of capital	**4,691**	18,935	14,678
Tax Losses (Canada)	**25,663**	16,799	14,024
Financing Costs	**6,748**	1,714	2,499
Mineral properties, plant and equipment	**180**	388	197
Other	**130**	28	77
Deductible temporary differences on account of income	**32,721**	18,929	16,797
	$37,412	$37,864	$31,475

The Corporation has Canadian tax loss carry forwards of approximately $30,143 CAD and US tax loss carry forwards of approximately $60 as at December 31, 2014. The non-capital losses can offset deferred income for tax purposes which expire between 2015 and 2034.

(Expressed in thousands of United States dollars, except share amounts)

17. Financial instruments:

(a) Fair values in the consolidated statement of financial position:

The carrying amounts reported in the consolidated statement of financial position for cash and cash equivalents, restricted cash, amounts receivable, and 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 recognised in the consolidated statement of financial position 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 marketable securities has been determined using Level 1. The fair value of the embedded derivatives has been determined using Level 2. The fair value for Level 2 has been calculated using market-based inputs from Bloomberg on the risk free rate from the USD swap curve and the credit spread of the loan.

Classification and carrying amounts of financial instruments:

Financial assets	**Dec. 31, 2014**	Dec. 31, 2013
Loans and receivables		
Cash and cash equivalents	**$33,246**	$46,070
Amounts receivable	**65**	119
Restricted cash	**2,280**	200
Available for Sale		
Marketable securities	**-**	4,109
Total financial assets	**$35,591**	$50,498

Financial liabilities		
Other-financial liabilities		
Accounts payable and accrued liabilities	**$5,699**	$7,913
Short term debt	**14,594**	-
Long term debt	**85,734**	50,845
Fair value through profit and loss		
Embedded derivatives	**1,005**	815
Total financial liabilities	**$107,032**	$59,573

(Expressed in thousands of United States dollars, except share amounts)

17. Financial instruments (continued):

(b) Contractual obligations:

The following table sets forth the Corporation's contractual obligations for the next five fiscal years as at December 31, 2014:

	Payments due by period				
Contractual obligations	Total	1 year	2-3 years	4-5 years	5 years+
Lease obligation – payment on Pumpkin Hollow Property *(i)*	$10,900	$600	$1,800	$2,000	$6,500
First amendment to lease – payment of water rights on property	1,892	189	378	179	1,146
City of Yerington –advanced water service payments	481	131	175	175	-
Accounts payable and accrued liabilities	5,699	5,699	-	-	-
Short-term debt	15,477	15,477	-	-	-
Long-term debt *(ii)*	129,948	10,188	31,977	59,958	27,825
Total USD obligations	$164,397	$32,284	$34,330	$62,312	$35,471
	CAD	CAD	CAD	CAD	CAD
Office lease	$886	$221	$453	$212	-
Total CAD obligations	$886	$221	$453	$212	-

Lease obligations over five years for lease payments relating to water rights are $1,146.

(*i*) See note 5 for renewal terms.

(ii) See note 7 for contractual maturity.

17. Financial instruments (continued):

(c) Financial risk factors:

The Corporation 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 Corporation's ongoing business and the Corporation does not acquire or issue derivative financial instruments for trading or speculative purposes. The Corporation's Board of Directors oversees management's risk management practices by setting trading parameters and reporting requirements.

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

(d) Market risks:

(*i*) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's loan agreement with Red Kite (note 7) currently provides for interest at LIBOR plus 10% per annum, subject to a minimum interest rate of 11%. Due to the capitalisation of borrowing costs and the minimum interest rate provision, and as long as LIBOR is less than 1%, the Corporation's sensitivity to a 1% decrease or increase in market rates of interest would have an immaterial effect on the Company's interest expense.

(*ii*) Foreign currency risk:

The Corporation 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 Corporation's results of operations, financial position and/or cash flows. The Corporation has not hedged its exposure to currency fluctuations.

At December 31, 2014, the Corporation held $7,922 CAD (December 31, 2013 - $24,980 CAD) in cash and cash equivalents in a company with a functional currency of United States dollars. At December 31, 2014, the Corporation held $1,156 CAD (December 31, 2013 - $495 CAD) in accounts payable in a company with a functional currency of United States dollars.

A +/- 10% change in the Canadian exchange rate would have had an impact of approximately +/- $677 on loss and comprehensive loss for the year ended December 31, 2014.

(e) 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 the Corporation to credit risk consist of cash and cash equivalents, restricted cash, reclamation bond, and amounts receivable. The Corporation has reduced its credit risk by investing its cash and cash equivalents in high quality Canadian chartered banks. The Corporation's maximum exposure to credit risk is $35,591 as at December 31, 2014, being the carrying value of cash and cash equivalents, restricted cash and amounts receivable.

(f) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. During the year ended December 31, 2014, the Corporation received additional debt financing that provides the Corporation with enough funds to meet its financial liabilities and future financial liabilities under its current commitments over the next twelve months ending December 31, 2015. The Corporation will be required to complete additional funding in order to meet its long-term business objectives. The Corporation handles liquidity risk through the management of its capital structure.

18. Management of capital:

The Corporation's objectives of capital management are intended to safeguard the Corporation's ability to support the Corporation's development and exploration of its mineral properties and support any expansionary plans.

The capital of the Corporation consists of the items included in shareholders' equity and debt obligations. The Corporation manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Corporation's underlying assets.

To effectively manage the entity's capital requirements, the Corporation has in place a planning and budgeting process to help determine the funds required to ensure the Corporation has the appropriate liquidity to meet its objectives. The Corporation may issue new shares or seek debt or streaming financing to ensure that there is sufficient working capital to meet its short-term business requirements.

The Red Kite loan has certain financial covenants that must be adhered to when commercial production commences.

19. Subsequent events:

During February 2015, the second Pala loan (note 6) extension was granted and is now due on April 26, 2015.

The Corporation reduced the restricted cash amount by $350 as the reclamation bond requirement decreased resulting in a less collateral required. This amount was added to Cash and cash equivalents subsequent to December 31, 2014.

CORPORATE INFORMATION

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Vice President, Corporate Controller

Eugene Toffolo
Vice President, Investor Relations and Communications

Catherine Tanaka
Corporate Secretary

REGISTRAR AND TRANSFER AGENT
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SHARES LISTED
TSX Exchange: NCU

CAPITALIZATION
(As at December 31, 2014)
Shares Issued and Outstanding: 80,501,458

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