NEVADA COPPER CORP.

Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2018 and September 30, 2017

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of United States dollars)
(Unaudited – Prepared by Management)

	September 30, 2018	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	**$152,858**	$385
Amounts receivable	**380**	105
Prepaid expenses	**145**	119
	153,383	609
Restricted cash	**449**	971
Deferred share issuance costs	**-**	966
Deferred financing fees	**-**	8,260
Mineral properties, plant, and equipment (note 3)	**316,971**	251,449
	$470,803	$262,255
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$19,035**	$3,907
Stock-based compensation liabilities (note 7e)	**357**	1,547
Current portion of long term debt (note 4)	**181**	70,038
	19,573	75,492
Long term debt (note 4)	**86,600**	113,532
Deferred revenue (note 4d)	**70,500**	-
Asset retirement obligation	**895**	895
	177,568	189,919
Shareholders' Equity		
Share capital (note 7)	**402,802**	161,354
Other equity reserve (note 7)	**29,430**	26,476
Accumulated other comprehensive loss	**(3,578)**	(3,578)
Deficit	**(135,419)**	(111,916)
	293,235	72,336
	$470,803	$262,255

Contractual Obligations (note 8)

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

Approved on behalf of the Board on November 14, 2018:

(Signed) "Matthew Gili", Director **(Signed) "Lucio Genovese", Director**

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in thousands of United States dollars except per share amounts which are in United States dollars)
(Unaudited – Prepared by Management)
Three and nine-month periods ended September 30, 2018 and September 30, 2017

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	**2018**	2017
Expenses				
Consulting and remuneration	**$171**	$111	**$1,565**	$393
Public company expenses	**456**	83	**1,609**	348
Administration expenses	**428**	73	**933**	212
Professional fees	**1,069**	55	**1,839**	119
Business development	**-**	36	**73**	139
Stock-based compensation (note 7d)	**130**	106	**1,872**	131
	2,254	464	**7,891**	1,342
Interest income	**621**	1	**949**	9
Interest and finance expenses	**-**	(1,348)	**(991)**	(3,643)
Derivative fair value change (note 4b and 4ciii)	**201**	(1,294)	**(1,545)**	6,829
Other income (expense)	**-**	1	**(549)**	1
Debt extinguishment loss, net (note 4ciii)	**-**	-	**(7,737)**	-
Foreign exchange (loss) gain	**(413)**	(18)	**(854)**	5
	409	(2,658)	**(10,727)**	3,201
Net income (loss) and comprehensive income (loss)	**$(1,845)**	$(3,122)	**$(18,618)**	$1,859
Income (loss) per common share				
Basic and diluted	**$(0.00)**	$(0.03)	**$(0.04)**	$ 0.02
Weighted average number of common shares outstanding	**640,089,857**	93,178,482	**443,529,301**	90,629,428

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

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in thousands of United States dollars) (Unaudited – Prepared by Management)
Nine-month periods ended September 30, 2018 and September 30, 2017

	Share Capital					
	Number of Shares	Amount	Other Equity Reserve	Accumulated Other Comprehensive Loss	Deficit	Total
Balances, December 31, 2016	88,168,125	$158,794	$26,519	$(3,578)	$(105,327)	$76,408
Stock-based compensation	-	70		-	-	70
Shares issued	5,010,357	2,517	(70)			2,447
Comprehensive profit	-	-	-	-	1,859	1,859
Balances, September 30, 2017	**93,178,482**	**$161,381**	**$26,449**	**$(3,578)**	**$(103,468)**	**$80,784**

	Share Capital					
	Number of Shares	Amount	Other Equity Reserve	Accumulated Other Comprehensive Loss	Deficit	Total
Balances, December 31, 2017	93,178,482	$161,354	$26,476	$(3,578)	$(111,916)	$72,336
IFRS 9 adjustment (note 4cii)	-	-	-	-	(4,885)	(4,885)
Warrant revaluation	-	-	(52)	-	-	(52)
Stock-based compensation	-	-	3,006	-	-	3,006
Shares issued, (note 7b and 7c)	439,865,408	186,896	-	-	-	186,896
Share issue costs (note 7b and 7c)	-	(13,308)	-	-	-	(13,308)
Convertible debt conversion (note 4b)	95,561,944	52,657	-	-	-	52,657
Long term debt conversion (note 4ciii)	32,885,000	15,000	-	-	-	15,000
Agent warrants exercised (note 7f)	442,750	203	-	-	-	203
Comprehensive loss	-	-	-	-	(18,618)	(18,618)
Balances, September 30, 2018	**661,933,584**	**$402,802**	**$29,430**	**$(3,578)**	**$(135,419)**	**$293,235**

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

NEVADA COPPER CORP.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of United States dollars) (Unaudited – Prepared by Management)
Three and nine-month periods ended September 30, 2018 and September 30, 2017

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	**2018**	2017
Cash flows used in operating activities				
Income (loss) for the period	**$(1,845)**	$(3,122)	**$(18,618)**	$1,859
Adjustments for:				
Derivatives fair value change (note 4b and 4ciii)	**(199)**	1,294	**1,547**	(6,829)
Debt extinguishment loss (note 4ciii)	**-**	-	**7,737**	-
Interest and finance expenses	**-**	1,348	**-**	3,598
Stock-based compensation	**130**	157	**1,872**	15
Unrealized foreign exchange loss (gain)	**186**	-	**692**	-
Interest income	**(621)**	(1)	**(949)**	(9)
Depreciation and accretion expense	**12**	-	**37**	-
	(2,337)	(324)	**(7,682)**	(1,366)
Changes in non-cash working capital items:				
Amounts receivable	**(226)**	(41)	**(275)**	(48)
Prepaid expenses	**12**	13	**940**	(1)
Accounts payable and accrued liabilities	**11,581**	403	**14,102**	490
Net cash provided by (used in) operating activities	**9,030**	51	**7,085**	(925)
Cash flows used in investing activities				
Stream financing (note 4d)	**70,000**	-	**70,000**	-
Interest received	**621**	1	**949**	9
Cash moved from (to) restricted cash	**7**	(227)	**523**	(227)
Deposits for development costs	**(18,404)**	15	**(18,758)**	32
Development costs for mineral properties, plant and equipment	**(24,422)**	(1,057)	**(38,343)**	(3,321)
Net cash used in investing activities	**27,802**	(1,268)	**14,371**	(3,507)
Cash flows from financing activities				
Issuance of common shares	**82,770**	-	**185,473**	1,807
Long-term debt repayment (note 4ciii)	**-**	-	**(42,035)**	-
Short term debt	**-**	500	**-**	500
Pala Bridge Loan draw (repayment) (note 4a)	**-**	-	**(3,500)**	- 5,000
Share issuance costs incurred	**(3,753)**	-	**(8,057)**	(70)
Transaction costs for debt refinancing (note 4ciii)	**-**	-	**(135)**	(320)
Interest paid	**-**	-	**(37)**	(7,136)
Net cash provided by (used in) financing activities	**79,017**	500	**131,709**	(219)
Effect of exchange rate changes on cash and equivalents	**(186)**	-	**(692)**	-
Increase (decrease) in cash and cash equivalents	**115,663**	(717)	**152,473**	(4,651)
Cash and cash equivalents, beginning of the period	**37,195**	867	**385**	4,801
Cash and cash equivalents, end of the period	**$152,858**	$150	**$152,858**	$150
Supplementary information:				
Depreciation capitalized in mineral properties, plant, and equipment	**$53**	$13	**$78**	$40
Convertible debt conversion (note 4b)	**$-**	$-	**$52,657**	$-
Long term debt conversion (note 4ciii)	**$15,000**	$-	**$15,000**	$-
Non-cash share issuance costs – shares issued	**$1,244**	$-	**$1,646**	$-
Stock-based compensation included in mineral properties	**$306**	$-	**$969**	$103
Mineral properties, plant, and equipment in accounts payable and accrued liabilities change	**$15,753**	$(66)	**$16,776**	$222
Accretion on deferred revenue (note 4d)	**$500**	$-	**$500**	$1
Interest capitalised in mineral properties, plant and equipment	**$3,720**	$-	**$6,989**	$-

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

1. General Information and Nature of Operations:

Nevada Copper Corp. (the "Company" or "Nevada Copper") was incorporated on June 16, 1999 under the Business Corporations Act (Yukon). The Company was continued into British Columbia under the Business Corporations Act (British Columbia) on November 16, 2006. The Company is an exploration and development stage mining company engaged in the identification, acquisition, exploration and development of copper and other mineral properties located in the United States and elsewhere. Its primary focus is the development and construction of the mining project at their Pumpkin Hollow Property (the "Property") in Western Nevada, USA.

2. Significant Accounting Policies:

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual financial statements (except for the adoption of IFRS 9 – note 2ci) . These condensed consolidated interim financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2017, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These condensed consolidated interim financial statements are presented in United States dollars ("USD"), which is the Company's functional currency. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Foreign currency translation differences are recognized in operations.

These interim consolidated financial statements were approved for issue by the Board of Directors on November 14, 2018.

b) Use of judgments and estimates

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated audited financial statements as at the year ended December 31, 2017 aside from the below.

To determine the transaction price for streaming agreements and the revenue to be recognized as control transfers, the Company must make estimates with respect to interest rates implicit in the agreements and future production of the life of mine and Mineral Resources and Reserves quantities. These estimates are subject to variability and may have an impact on the timing and amount of revenue recognized. The Company also exercises judgment in the identification of performance obligations under its streaming contracts and the allocation of the transaction price thereto. Specifically, management considered the customer's rights in relation to future production and the interrelationship of the customer's ability to benefit from this right and related extraction activities performed by the Company, as well as the Company's role as an agent to deliver future refined metal following extraction activities it performs.

c) Recent accounting pronouncements:

i) Financial Instruments (IFRS 9), effective January 1, 2018, replaced the requirements in IAS 39, Financial Instruments, Recognition and Measurement for classification and measurement of financial assets and liabilities. IFRS 9 introduces a single classification and measurement approach for financial instruments, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements and results in a single impairment model being applied to all financial instruments. IFRS 9 also modified the hedge accounting model to incorporate the risk management practices of an entity.

The Company adopted IFRS 9 effective January 1, 2018. There was a change to the carrying value of the Red Kite long-term debt (note 4c) as a result of this new accounting standard. The Company has taken an exemption not to restate comparative information for prior periods with respect to the classification and measurement requirements of IFRS 9. Accordingly, the comparative information for 2017 is presented under IAS 3 with modified retrospective application during the period and the effects of the adoption are disclosed in Note 4cii.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI); or Fair Value from Profit or Loss (FVPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset as FVPL if doing so significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets.

1. Financial assets at FVPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
2. Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method, and reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
3. Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents

a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

ii) Leases (IFRS 16), effective for annual periods beginning on or after January 1, 2019, provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17 Leases and its associated interpretive guidance. Significant changes were made to lessee accounting with the distinction between operating and finance leases removed and assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Company is evaluating the impact of the adoption on IFRS 16 but has yet to make any final conclusions.

3. Mineral Properties, Plant and Equipment:

	Mineral Properties Development Costs	Plant & Equipment	Deposits	Total
Cost:				
As at Dec. 31, 2017	$251,206	$1,128	$84	$252,418
Additions	46,800	-	18,758	65,558
As at Sept. 30, 2018	**$298,006**	**$1,128**	**$18,842**	**$317,976**
Accumulated depreciation:				
As at Dec. 31, 2017	$-	$969	$-	$969
Additions	-	36	-	36
As at Sept. 30, 2018	**$-**	**$1,005**	**-**	**$1,005**
Net book value:				
As at Dec. 31, 2017	$251,206	$159	$84	$251,449
As at Sept. 30, 2018	**$298,006**	**$123**	**$18,842**	**$316,971**

Pumpkin Hollow Copper Development Property (the "Property"):

The Company has a 100% interest in the Property situated near Yerington, Nevada. The Property is comprised of private land owned directly by the Company and leased patented claims.

The Company entered into the Lease Agreement (the "Lease") for the leased patented claims with RGGS Land & Minerals Ltd. ("RGGS") in May 2006. The term of the initial Lease was for ten years, renewable for up to three more additional ten-year terms for a total of 40 years. The Company's Lease obligations in the first ten-year term have been fully met and the Lease has extended to its second ten-year term expiring May 2026.

Under the terms of the Lease, the Company is required to pay advance royalty payments of $600 annually until the second expiry date of the Lease on May 2026. Following the completion of the second ten-year term the Lease can be extended for to two further ten-year terms subject to performing continuous mining activities, and payment of production royalties and minimum royalty payments of $10,000 in each of these subsequent ten-year terms.

The Company must also pay RGGS a net production royalty on copper obtained from leased patented claims. The royalty rate is 4% on copper when the copper price is less than $1.00 USD per pound, 5% when the copper price is between $1.00 USD per pound and $2.00 USD per pound, and 6% when the price of copper is greater than $2.00 USD per pound. On all other minerals such as gold and silver, except iron, the royalty rate is 5%. These royalties will be offset by earlier advance royalty payments subject to the annual minimums.

There is also a smaller royalty payable to RGGS on copper, gold, silver and taconite (iron) on any production derived from a defined Area of Interest (AOI) surrounding, and extending approximately 1 mile from the boundary of, the leased patented claims.

During 2017, an agreement was reached with RGGS to defer the advance royalty payments in 2017 to 2018. At December 31, 2017, the deferred amount was $863 which was accrued in the Company's accounts. In consideration for this deferral, the RGGS royalty rates on production from within the AOI, increased from 1% to 2% for non-ferrous metals and the royalty rate for ferrous metals increased from $0.10 per ton to $0.20 per ton.

Three months prior to commencing mining operations, the Company must provide RGGS with a standing irrevocable letter of credit in favour of RGGS. If RGGS withdraws any amounts from the letter of credit, the Company must replace the funds withdrawn within ten days of receiving notice from RGGS that funds have been withdrawn. The letter of credit remains in effect until all obligations of the Company under the Lease have been performed, and RGGS has the right to request a revision upward in the required amount of the letter of credit based upon past and projected production royalties from the Property.

The Company is current with all required Lease payments and advance royalty payments. Lease payments of $450 and $647 of 2017 deferred Lease payment were due and paid during the nine month period ended September 30, 2018. Cumulative advance royalty payments made total $4,259 to September 30, 2018.

Project costs capitalised for the nine months ended September 30, 2018 on the Property consists of the following:

	September 30, 2018	2018 Additions	Dec. 31, 2017	2017 Additions	Dec. 31, 2016
Property payments	**$1,961**	$-	$1,961	$-	$1,961
Advance royalty payments	**4,261**	1,098	3,163	-	3,163
Water rights	**2,435**	185	2,250	279	1,971
Drilling	**42,715**	1,558	41,157	-	41,157
Geological consulting, exploration & related	**10,579**	2,656	7,923	-	7,923
Feasibility, engineering & related studies	**22,585**	1,223	21,362	1,779	19,583
Permits/environmental	**11,921**	277	11,644	63	11,581
East deposit underground project					
Underground access, hoist, head frame, power & related	**90,785**	11,884	78,901	1,140	77,761
Engineering procurement	**26,725**	16,175	10,550	-	10,550
Surface infrastructure	**4,529**	725	3,804	-	3,804
Site costs	**18,964**	3,620	15,344	1,494	13,850
	237,460	39,401	198,059	4,755	193,304
Depreciation	**715**	25	690	53	637
Capitalised interest	**54,364**	6,405	47,959	15,975	31,984
Stock-based compensation	**5,467**	969	4,498	103	4,395
Total	**$298,006**	$46,800	$251,206	$20,886	$230,320

4. Debt:

	September 30, 2018	December 31, 2017
Current portion of long term-debt:		
Pala Bridge Loan (a)	**$-**	$3,525
Current portion of convertible debt (b)	**-**	36,485
Current portion of convertible debt - derivatives (b)	**181**	11,735
Current portion of long term debt (c)	**-**	18,293
Total Current portion of long term-debt	**181**	70,038
Long term debt (c)	**86,600**	113,532
Total Long-Term debt	**$86,781**	$183,570

a) Bridge loan:

During October 2017, Pala Investments Limited ("Pala"), a significant shareholder (note 5), advanced funds to the Company (the "Pala Bridge Loan") as a short-term bridge loan. The Pala Bridge Loan had a maximum principal amount of $3,500, carried an interest rate of 7% and the interest was payable at maturity. The Pala Bridge Loan had a maximum term of six months and could be repaid early without penalty. The loan was advanced in two tranches. The first tranche of $2,500 was received in October 2017 and the second tranche, of $1,000, was received in December 2017. The loan was collateralised against the Company's assets. During the period ended March 31, 2018, the Company repaid the entire Pala Bridge Loan balance, including interest of $37, upon completion of the Offering (note 7b).

b) Convertible debt:

	Loan facility	**Deferred financing fees**	**Total**
December 31, 2017	$38,232	($1,747)	$36,485
Interest accrued	224	-	224
Conversion	(38,456)	1,747	(36,709)
September 30, 2018	$-	$-	$-

	Convertible Derivative	**Warrants Derivative**	**Total**
December 31, 2017	$10,986	$749	$11,735
Change in fair value	4,961	(568)	4,393
Conversion	(15,947)	-	(15,947)
September 30, 2018	$-	$181	$181

On June 3, 2016, the Company and Pala entered into a Convertible Facility (the "Facility"). The Facility had an initial balance of $20,200 ("Tranche 1") and subsequent additional funding of $5,000 in each of the 2016 ("Tranche 2") and 2017 ("Tranche 3") fiscal years aggregating to a total principal balance of $30,200 at an interest of 12% per annum. The Facility was collateralised against the Company's assets and was payable on the earliest of (1) December 31, 2018; (2) the date when outstanding amounts under the Loan Agreement (note 4c) were paid in full; or (3) if a change of control occurred.

Pala could elect to convert the principal amount and any accrued and unpaid interest under the Facility, in full or in part, at the conversion price, into common shares in the capital of the Company at any time up to

the maturity date or upon any voluntary prepayment by the Company. The conversion price was $0.69 CAD per share for Tranche 1 and 2 and $0.76 CAD for Tranche 3.

In addition, 2,500,000 warrants (note 7f) were issued to Pala with a three-year term, exercisable to acquire common shares of the Company at an exercise price of $1.20 CAD per share in relation to Tranche 2. A further 2,500,000 warrants (note 7f) were issued to Pala with a three-year term, exercisable to acquire common shares of the Company at an exercise price of $0.97 CAD per share in relation to Tranche 3.

The Facility also granted Pala the right, so long as it holds at least 15% of the outstanding common shares of the Company, to nominate up to three members to the Board and to participate in future equity offerings of the Company on a pro rata basis.

The Facility was carried at amortised cost and the convertible option and the warrants of the Facility were recorded at their respective fair values at inception and each subsequent measurement date as they were classified as derivatives. Changes in the fair values of these financial instruments are recorded in the statements of operations and comprehensive loss.

On December 21, 2017, the Facility was amended. The conversion price was revised to be the lower of: $0.50 CAD, the price per common share paid in connection with any equity subscription closed in connection with the senior loan refinancing transactions, and the original terms of $0.69 CAD and $0.76 CAD per share.

On January 19, 2018 (“Conversion Date”), the Facility was converted into shares at a conversion price of $0.50 CAD per share. The Facility balance at the time of conversion was $38,456 ($47,781 CAD). This resulted in the issuance of 95,561,944 shares to Pala.

The Facility of $38,456, the deferred financing fees of $1,747 and the fair value of the convertible derivative obligation of $15,948 at the Conversion Date were all reclassified to share capital resulting in an increase in share capital of $52,657.

The warrants relating to the Facility remain outstanding. The value related to the change in conversion price has been treated as part of the deferred financing cost of Pala agreeing to backstop certain financings (note 7b). Pala has also been granted the continuation of certain rights it held pursuant to the Facility, including the right to nominate up to three members of the Board, subject to Pala maintaining certain share ownership thresholds, and the right, as long as Pala holds 15% of the outstanding shares, to participate in future equity offerings on a pro rata basis.

c) Long term debt:

	Loan facility – amortised cost	Deferred financing fee	Derivative	Total
Balance at December 31, 2017*	$131,759	$-	$66	$131,825
IFRS 9 adjustments (ii)	4,885	-	-	4,885
Balance at January 1, 2018	136,644	-	66	136,710
Interest, accretion and other adjustments to refinancing	391	-	(66)	325
Refinancing (iii)	(42,035)	(135)	914	(41,256)
Balance after refinancing	95,000	(135)	914	95,779
Interest and accretion expense	5,905	-	-	5,905
Conversion to shares (iii)	(15,000)	-	-	(15,000)
Change in fair value	-	-	(84)	(84)
Balance at September 30, 2018	$85,905	$(135)	$830	$86,600
* short term and long term portion				

i) Red Kite Loan Facility: Original Terms

On December 30, 2014 and amended September 2015, January 2016, April 2016, May 2016, and March 2017, the Company entered into a loan agreement with EXP T1 Ltd, an affiliate of RK Mine Finance ("Red Kite"), pursuant to which Red Kite agreed to make a $200,000 senior secured loan facility (the "Loan") available to the Company. The Company borrowed a total of $110,000. The balance of the Loan, or new additional loan amounts, may be drawn down by the Company, subject to the Company achieving certain milestones relating to the development of the Project.

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

Under the original terms of the Loan Agreement, the Loan is to be repaid by December 31, 2020 with quarterly principal repayments commencing on September 30, 2017. The Loan can be repaid without penalty at any time prior to maturity. 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%.

Since inception through the period ended September 30, 2018, $53,864 (note 3) (2017 - $47,959) of interest was accrued and capitalised to mineral property development costs.

The Loan is carried at amortised cost on the consolidated statements of financial position. The Company has incurred $15,018 of transaction costs, 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 in the amount of $8,260, which was written off during the period as part of the January 2018 refinancing.

In addition to, and related to, the Loan, the Company also entered into an off-take agreement with Red Kite for the sale of copper concentrates from the underground mine of the eastern underground deposits. The Company will supply Red Kite with the percentage of total copper concentrate production based on the amounts advanced to the Company, post repayment of the previous loan facility, 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. None of the 74.5% of the available concentrates has been earned by Red Kite.

The remaining 25.5% balance of the underground offtake is held by prior lender, MF Investments, under a previous loan agreement. The off-take agreement includes concentrate pricing based on market terms.

ii) Subsequent amendments and IFRS 9 adjustment

As mentioned above, the Loan agreement had amendments (the "Amendments") in September 2015, January 2016, April 2016, May 2016, and March 2017. Under IAS 39, when an entity made such Amendments, it must decide whether this modification was significant enough to constitute an extinguishment (either qualitatively or where the change in present value of cash flows exceeded 10% in accordance with the entity's accounting policy). If the modification was considered an extinguishment of the initial debt, the new modified debt was recorded at fair value and a gain/loss recognized in income for the difference between the carrying amount of the old debt and the new debt. This extinguishment accounting remains the same under IFRS 9.

However, accounting under the newly adopted IFRS 9 differs where the change was not significant enough to be an extinguishment. Under IAS 39 modifications would not lead to an immediate income charge because

the entity would typically discount the cash flows of the modified debt at a revised effective interest rate. However, under IFRS 9, the cash flows under the modified debt should be rediscounted at the original effective interest rate. This leads to an immediate income charge on the date of modification.

Since the Company determined that the above Amendments were not significant enough to be extinguishments under IAS 39, the cash flows under each Amendment had to be rediscounted at the original effective interest rate upon adoption of IFRS 9 on January 1, 2018. This analysis resulted in a $4,885 increase in the carrying value of the Loan and a corresponding charge to deficit as at January 1, 2018 under a modified retrospective basis without adjustment to comparatives.

iii) January 2018 refinancing

Concurrent with completion of the Offering (note 7b) on January 19, 2018, $42,035 was repaid to Red Kite from proceeds of the Offering. The refinancing reduced the Loan outstanding after the financing to $95,000 (the "Refinanced Loan"). $80,000 of the Refinanced Loan balance consists of two tranches ("Tranche 1" and Tranche 2") of $40,000 each. Subject to completion of another equity offering in 2018, Red Kite agreed to convert into shares a further $15,000 of outstanding Refinanced Loan at a conversion price to be set based on the share price of that equity offering.

During the three-month period ended September 30, 2018, the $15,000 above was converted into 32,885,000 common shares of the Company concurrent with the closing of the Second Offering (note 7c).

Tranche 1 has a seven-year term maturing on January 19, 2025; bearing interest at the greater of the three-month LIBOR and 1%, plus 8% payable quarterly A two-year grace period has been obtained on cash interest payments wherein interest shall be capitalized to the loans. After the grace period, interest shall be paid quarterly together with the 20 quarterly principal repayments over a 5-year amortization period. The quarterly repayments shall be 1% of the outstanding balance for quarters 1 to 5; 5.25% from quarters 6 to 7 and 6.50% from quarters 8 to 20.

Tranche 2 has a nine-year term maturing on January 19, 2027, bearing interest at the greater of three-month LIBOR and 1%, plus 8.5% and a single repayment of principal and interest at maturity.

The Refinanced Loan has the same security terms as the original agreement and contains certain financial and non-financial affirmative and restrictive covenants similar to those found in a traditional bank financing. The Company is in compliance with these covenants as at September 30, 2018.

The Company may prepay the outstanding balance of Tranche 2. Tranche 1 could be repaid at any time following the repayment in full of Tranche 2. The prepayment option is available without premium or penalty, at any time prior to maturity. Each prepayment shall be in a principal amount at least equal to the lesser of $5,000 or the outstanding principal balance of the Refinanced Loan.

An embedded derivative liability relating to the interest rate floor and the prepayment option has been recognised. The embedded derivative fair value at inception was $914. The fair value of the embedded derivative liability is $830 at September 30, 2018. The change in value was recognised in the consolidated statement of operations as derivative fair value change of $84 for the nine month period ended September 30, 2018.

In accordance with IFRS 9, the Company concluded that the Refinanced Loan terms constituted an extinguishment of the initial Loan. Accordingly, the new Refinanced Loan was recorded at fair value and a $7,737 loss recognized in income for the difference between the carrying amount of the initial Loan and the Refinanced Loan.

d) Stream agreement

The Company, and Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") have entered into a metals purchase and sale agreement on December 21, 2017 (the "Stream Agreement") whereby Triple Flag committed to deposit $70,000 (the "Stream Deposit") against the future delivery by Nevada Copper of 90% of the gold and silver production equivalent from the Underground Project. The gold and silver production is to be calculated based on a fixed ratio of 162.5 ounces of gold and 3,131 ounces of silver for each 1 million pounds of copper in concentrate produced. The Company will receive an ongoing payment of 10% of the spot price for each ounce of gold and silver delivered to Triple Flag. The Company has a one-time option on March 31, 2020 to reduce the amount of gold and silver to be delivered under the Stream Agreement to 55% of the gold and silver production from the Underground Project (based on the fixed ratios noted above) by making a payment of $36,000 to Triple Flag, subject to certain adjustments. The Company and its subsidiaries have provided security for the performance of the obligations under the Stream Agreement over all of their respective assets.

The Company received the full amount of the $70,000 Stream Deposit on September 6, 2018 following the announcement of the decision to proceed with construction of the Underground Project. The Company recorded the Stream Deposit as deferred and will recognize amounts in income as its performance obligations are satisfied. The amortization of the amount is calculated on a per unit basis using the estimated total number of silver and gold ounces expected to be delivered to Triple Flag over the life of the Underground Project.

In accordance with IFRS 15 revenue from contracts with customers, the Company identified a significant financing component related to the Stream Arrangement resulting from a difference in the timing of the up-front consideration received and the expected future deliveries of metal. Interest expense on deferred revenue is recognized as a finance cost. The interest rate is determined based on the rate implicit in the Streaming Agreement. $500 of accretion expenses was recognized during the three months ended September 30, 2018.

5. Related Party Transactions:

Pala is a related party in relation to the Company as a result of its 36.5% (2017 – 47.2%) shareholding in Nevada Copper as at September 30, 2018. Additionally, two Pala executives are on the Company's Board of Directors as at September 30, 2018.

During the period, the following transactions were entered into with Pala:

- Offering subscription in the amount (note 7b);
- Repayment of the Pala Bridge Loan (note 4a);
- Conversion of the Pala convertible debt into shares (note 4b);
- Back stop fees of $1,800 (note 7b);
- Repayment of accounts payable of $2,067; and
- Interest paid or accrued of $1,194.

The Company has entered into management agreements with certain senior officers. In the event that there is a change of control, the Company may be required to pay severance payments ranging from six months to twenty-four months of salary for these senior officers. The amount of this contingent liability is $1,141 (2017 - $1,587) and is not recorded in the consolidated statements of financial position. During the period, $981 (note 6) was paid to a senior officer pertaining to this management agreement.

During the nine months and three months ended September 30, 2018, $466 (2017-$nil) and $282 (2017-$nil) was earned in director fees. As of September 30, 2018, accounts payable and accrued liabilities include director fees and expenses payable of $442 (2017- $488).

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

6. Key Management Personnel Compensation:

The remuneration of the chief executive officer, chief financial officer, and directors, being those persons having authority and responsibility for planning, directing, and controlling activities of the Company, are as follows:

	Three months ended September 30, 2018	**Nine months ended September 30, 2018**	Three months ended September 30, 2017	Nine months ended September 30, 2017
Change of control benefits (note 5)	**$ -**	**$ 981**	$-	$-
Short-term employee benefits	**389**	**1,249**	$127	$364
Stock-based compensation	**204**	**1,447**	-	(17)
Total	**$593**	**$3,677**	$127	$347

7. Share Capital:

a) Authorised and issued:

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

b) Offering

On January 19, 2018, the Company completed an Offering ("the Offering") raising gross proceeds of approximately $102,902 ($128,205 CAD) through the issuance of 256,410,256 Special Warrants at a price of $0.50 CAD per Special Warrant. Within the Offering, an aggregate of 98,450,896 Special Warrants (the "Pala Special Warrants") were issued to Pala on the closing date, for total subscription proceeds from Pala of $39,510 ($49,225 CAD). On the closing date, the Company paid Pala a backstop fee of $600 in respect of a backstop arrangement under which Pala agreed to backstop up to $30,000 in respect of the Offering, which backstop arrangement was not exercised by the Company.

Within the Offering, an aggregate of 88,200,000 Special Warrants were issued to Castlelake LP ("Castlelake"), for total subscription proceeds from Castlelake of $35,396 ($44,100 CAD), which resulted in Castlelake holding approximately 19.8% of the outstanding Common Shares on the exercise, or the deemed exercise, of Castlelake's Special Warrants into Common Shares. The Company also entered into an investor rights agreement with Castlelake dated January 19, 2018, which provides Castlelake with certain rights, including the right to nominate one member of the Board and the right to participate in further equity offerings of the Company, in each case subject to Castlelake maintaining certain minimum percentage share ownership thresholds.

The Special Warrants were converted to the Company's common shares effective March 7, 2018 once the Company filed a short form prospectus. Part of the proceeds from the Offering was used to repay the Pala Bridge Loan (note 4a) and a portion of the Red Kite long term debt (note 4c).

Share issuance costs of $4,382 were incurred in relation to the Offering, Included in these costs was the equity backstop fee of $600 charged by Pala.

c) Second Offering

During the three months period ended September 30,2018, the Company completed a Second Offering ("the Second Offering") raising gross proceeds of approximately $82,750 ($108,463 CAD) through the issuance of 180,771,021 Common Shares at a price of $0.60 CAD per share. Share issuance costs of $8,926 were incurred in relation to the Second Offering. Included in these costs was the equity backstop fee of $1,200 charged by Pala and 2,684,131 shares issued to an arm's length party.

An aggregate of 3.6 million shares were issued to Pala, for total subscription proceeds from Pala of $1,643 ($2,160 CAD).

Concurrent with the closing of the Second Offering, $15,000 of the Red Kite Loan automatically converted into 32,885,000 common shares of the Company (the "Conversion Shares"), which were issued at $0.60 per common share (note 4ciii)

d) Share Purchase Options:

	Number of Options	Weighted average exercise price $(CAD)
Outstanding December 31, 2017	5,703,500	$0.84
Granted	17,993,000	0.68
Expired/cancelled	(1,285,000)	0.46
Outstanding September 30, 2018	**22,411,500**	**$0.71**
Exercisable September 30, 2018	**11,952,500**	**$0.71**

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan (the "Plan"), originally approved by the shareholders on November 16, 2007 and re-approved April 27, 2017, 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 Company 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 Company, those options shall immediately expire.

During the nine months period ended September 30, 2018, 17,993,000 options (2017 – nil) at a weighted-average exercise price of $0.68 CAD (2017 – $nil) were granted to employees, consultants and directors exercisable for a period of five years with various vesting terms between nil and three years. The weighted-average fair value attributable to options granted in the period was $0.31 CAD.

During the nine months period ended September 30, 2018, $3,006 (2017 - $nil) in stock-based compensation was recorded for options granted to officers and employees, of which $2,037 (2017 -$nil) was charged to operations. The Company 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:

	September 30, 2018	**September 30, 2017**
Risk free interest rate	2.34%	n/a
Expected dividend yield	0%	n/a
Expected stock price volatility	65.3%	n/a
Expected life in years	5	n/a
Expected forfeitures	0%	n/a

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 Company'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 Company's options.

The following table summarises the stock options outstanding and exercisable as at September 30, 2018:

	Outstanding		Exercisable	
Exercise price	Number outstanding	Weighted average remaining life (years)	Number outstanding	Weighted average remaining life (years)
\$0.50 - \$0.74	20,636,500	4.33	10,737,500	4.06
\$0.75 - \$1.00	1,190,000	2.24	630,000	2.39
\$1.01 - \$1.96	585,000	1.12	585,000	1.12
	22,411,500	**4.14**	**11,952,500**	**3.81**

e) Deferred share units:

	Number of DSUs
Outstanding December 31, 2017	875,340
Issued	-
Expired/cancelled	-
Outstanding September 30, 2018	**875,340**

The Company established a deferred share unit ("DSU") plan that allows directors to receive directors' fees in the form of DSUs. Directors receive cash upon the exercise of the DSU. DSUs may only be exercised when the holder ceases to be a director. Vesting terms are established by the directors at the date of grant. Settlement of DSUs is a cash pay-out based on the 5-day volume weighted average price ("VWAP") 120 days after the director ceases to be a director.

Periodically since 2013, directors have been granted DSUs, which replaced stock option grants and cash payments as a component of their compensation. All of the DSUs have vested. The current DSU payable amount is \$357 (2017 - \$749).

f) Warrants:

	Number of warrants
Outstanding December 31, 2017	5,460,000
Issued	-
Exercised	(442,750)
Expired/cancelled	(17,250)
Outstanding September 30, 2018	**5,000,000**

As part of the Company's June 2016 equity offering, the Company issued 460,000 agent warrants. These warrants had an exercise price of $0.60 CAD per warrant and those not exercised expired on June 9, 2018. During the nine months period ended September 30, 2018, the Company issued 442,750 shares pursuant to the exercise of warrants at $0.60 CAD per share for gross proceeds of $205.

In June 2016, the Company issued 2,500,000 warrants with an exercise price of $1.20 CAD per share to Pala in relation to the Pala Convertible Facility and in March 2017, a further 2,500,000 warrants were issued with an exercise price of $0.97 CAD per share (note 4b). The change in value of the warrant derivatives was recognised in the consolidated statement of operations as derivative fair value gain of $568 for the nine months period ended September 30, 2018 (2017 – $51). The fair value of the warrants derivative at September 30, 2018 and September 30, 2017 was measured using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2018	September 30, 2017
Risk-free interest rate	2.04%	1.05%
Expected dividend yield	0	0
Expected stock price volatility	56.32%	66%
Expected life in years	1.1	1.6

8. Contractual Obligations:

The following table sets forth the Company's contractual obligations for the next five fiscal years as at September 30, 2018:

		Payments due by period			
Contractual obligations	Total	1 year	2-3 years	4-5 years	5 years+
Accounts payable and accrued liabilities	$19,035	$19,035	$-	$-	$-
EPC contractual obligations	$12,650	$12,650	-	-	-
DCU and DSU payable	357	357	-	-	-
Long-term debt	165,685	-	12,245	31,818	121,622
Total USD obligations	$185,077	$19,392	$12,245	$31,818	$121,622
	CAD	CAD	CAD	CAD	CAD
Office lease	$40	$40	-	-	-
New office lease	410	114	273	23	-
Total CAD obligations	$450	$154	273	23	-

9. Financial Instruments:

(a) Fair value measurements:

The carrying amounts for cash and cash equivalents, restricted cash, accounts payable and accrued liabilities, approximate fair values due to the immediate or short-term maturities of these financial instruments.

The following is a classification of fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

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

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

The fair value of the convertible debt embedded derivative, prior to conversion, was determined using Level 2. The fair value for Level 2 has been calculated using market-based inputs for risk free rate of return, volatility, and foreign exchange rates. The fair value of the long-term debt embedded derivative 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.

(b) Financial risk factors:

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

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

(c) 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 Company's loan agreement with Red Kite (note 4c) currently provides for interest at LIBOR plus 8%-8.5% per annum, subject to a minimum interest rate of 9%-9.5%. Due to the capitalisation of borrowing costs and the minimum interest rate provision, and as long as LIBOR is less than 1%, the Company'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 Company is exposed to currency fluctuations on its foreign currency monetary assets and liabilities. A significant change in the currency exchange rate between the U.S. dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

At September 30, 2018, the Company held $3,590 CAD (2017 - $21 CAD) in cash and cash equivalents in a company with a functional currency of United States dollars. At September 30, 2018, the Company had $1,427 CAD (2017 - $1,567 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 +/-$216 on loss for the nine month period ended September 30, 2018.

(d) 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 Company to credit risk consist of cash and cash equivalents, restricted cash, reclamation bond, and amounts receivable. The Company has reduced its credit risk by investing its cash and cash equivalents in high quality Canadian chartered banks. The Company's maximum exposure to credit risk is $153,687 as at September 30, 2018, being the carrying value of cash and cash equivalents, restricted cash and amounts receivable.

(e) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. During the nine months period ended September 30, 2018, the Company received additional equity financing, debt refinancing and stream financing that provides the Company with enough funds to meet its financial liabilities and future financial liabilities under its current commitments over the next twelve months ending September 30, 2019.

The Company is currently in the development stage and as result it is not yet generating revenue. The Company is reliant upon its existing cash and other sources of potential funding to:

1.) Complete construction of the Underground Project, and to take it into full production with positive steady state cashflow;
2.) Continue delineation drilling and advance engineering feasibility studies on the Open Pit Development Project; and
3.) Address other corporate costs.

The Company continuously assesses its cash requirements and sources of funds in order to optimize its financing strategy. The Board of Directors is confident that, based on its existing cash and financing sources and through access to additional debt and equity capital that may be available to it in the future, the Company should have access to sufficient funds to meet its requirements.

NEVADA COPPER CORP.

Management's Discussion and Analysis
For the nine months ended September 30, 2018

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General

This Management's Discussion and Analysis ("MD&A") of Nevada Copper Corp. (the "Company" or "Nevada Copper") has been prepared by management as of November 14, 2018. This MD&A should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and notes thereto for the three and nine months ended September 30, 2018. The financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as applicable to interim financial statements. The information contained within this MD&A is current to November 14, 2018.

All amounts are expressed in US Dollars unless otherwise indicated. Additional information relevant to the Company's activities, including the Company's current Annual Information Form dated March 28, 2018, can be found on SEDAR at www.sedar.com.

Robert McKnight, P.Eng, David Swisher, PE, and Greg French, PG are non-independent qualified persons under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"), and have approved the scientific and technical information in this MD&A.

Readers are cautioned that this MD&A contains forward-looking statements and that actual results may vary from management's expectations. See "Forward-Looking Statements" at the end of this MD&A and the various risk factors and other matters discussed in the Company's public disclosure at www.sedar.com.

Highlights

In Q3 2018, the Company:

- Completed a public offering of 180,771,021 common shares at a price of CAD$0.60 per common share for gross proceeds of approximately $82.75 million (CAD$108.5 million);
- Announced the construction decision for the Pumpkin Hollow Underground Project (the "Underground Project");
- Received the US$70 million precious metals stream deposit from Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag");
- Awarded the underground mining contract and surface construction lump sum engineering, procurement and construction ("EPC") contract; and
- Announced the results of a preliminary economic assessment for the development of the Pumpkin Hollow Open Pit Project (the "Open Pit Project").

Description of Business

Nevada Copper was incorporated on September 16, 1999 under the *Business Corporations Act* (Yukon). The Company was continued into British Columbia under the *Business Corporations Act* (British Columbia) on November 16, 2006. The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "NCU". The principal asset of the Company is the 100%-owned Pumpkin Hollow copper project (the "Project") located in north-western Nevada, approximately ninety road miles southeast of Reno. The property consists of a contiguous 27 square mile land package comprising private lands, patented and unpatented mineral claims.

Nevada Copper is engaged in the development of the Project. The Project is fully permitted for the Underground Project, the copper concentrator and associated infrastructure. The Underground Project is currently under construction and is expected to commence production in Q4 2019. The Project is located entirely on private lands owned or leased by Nevada Copper.

The Company filed a technical report on SEDAR on October 11, 2018 (the "October 2018 Technical Report"). The October 2018 Technical Report, entitled "Pumpkin Hollow Development Options – NI 43-101 Technical Report: Pre-feasibility Study 5,000 tons/day Underground Project (Case A), Feasibility Study for a 70,000 tons/day Open Pit/Underground Project (Case B), and Preliminary Economic Assessment of an Open Pit Project with Initial Capacity of 37,000 tons/day and Expansion to 70,000 tons/day" (the "PEA"), has an effective date August 17, 2018.

Following the filing of the October 2018 Technical Report, the British Columbia Securities Commission (the "BCSC") completed a review of the Company's technical disclosure. As a result of the review, the Company issued a press release clarifying its technical disclosure. See the Company's press release, dated November 13, 2018, for further details.

The Company is continuing its ongoing work on the preparation of a new technical report for the Project for release in Q1 2019 (the "New Technical Report"). The New Technical Report will supersede all prior technical reports for the Project and is expected to, among other things, incorporate the results of the Company's previously announced 2018 drilling program and evaluate, in addition to the underground project currently under construction, a standalone, staged, open pit mine development at a preliminary feasibility study level.

Project Activities

Underground Project Activities

The Company continued to advance construction activities for the Underground Project during Q3 2018.

Site preparation and construction activities during the quarter include:

- Installation of 4 Galloway winches and ropes;
- Refurbishment of Galloway and East Main shaft sub-collar;
- Installation and commissioning of underground contractor buildings and safety facilities;
- Construction of Auxiliary hoist pad and receipt of Auxiliary hoist;
- East Main shaft vertical advance of 90' from the previous 1,900' (2940' mean sea level (msl)) level to the 1,990' (2850 msl) level;
- 2850 shaft station development and approximately 120 feet of lateral development;
- Lowering of a single boom jumbo and LHD to the 2850' level;
- Excavation of the East North ventilation shaft sub-collar area;
- East North ventilation shaft sub-collar concrete floor foundation completed; and
- Process plant earthworks began.

Additional milestones during the quarter contributing to Underground Project execution include:

- Procurement of long lead items for both underground and surface infrastructure;
- Major mobile equipment lease agreements negotiated;
- East North ventilation shaft engineering work largely completed; and
- Mobilization of Sedgman USA Inc. ("Sedgman") (EPC surface contractor) project personnel to site.

Following the construction decision announced on August 28, 2018, the transition from pre-construction works to full-scale construction of the Underground Project commenced during the quarter.

The Company awarded a contract for shaft sinking and underground mine development work at the Project to Cementation, USA, Inc. ("Cementation"). This follows the earlier pre-works program carried out by Cementation at the Project to prepare the existing shaft and hoist infrastructure in advance of commencement of underground construction activities.

The underground mine development work includes:

- Finishing the sinking of the East Main shaft to the 2850 ft and 2770 ft levels;
- Carrying out lateral development at both the 2850 ft and 2770 ft levels;
- Beginning Alimak raise from the 2850 ft level to the 3450 ft level;
- Carrying out the engineering and procurement for East North ventilation shaft; and
- Sinking the East North ventilation shaft from surface to intersect the Alimak raise at the 3450 ft level.

Once the East North ventilation shaft is established, it could be used to hoist men, materials and ore to the surface. Concurrently, the sinking of the East Main shaft to the 2710 ft level and the installation of steel infrastructure, service hoist, auxiliary hoist and production hoist upgrades required for production will be completed.

In addition, Nevada Copper awarded an EPC contract for the surface plant and infrastructure for the Underground

Project to Sedgman, a member of CIMIC Group, for a fixed price of US$118 million. The EPC contract follows several months of a detailed engineering and design program conducted by Sedgman incorporating a number of significant improvements to the earlier pre-feasibility study for the Underground Project published in November 2017.

The fixed price nature of the EPC contract provides Nevada Copper with significant cost protection for underground project delivery and the use of a leading mineral processing EPC contractor with knowledge of the Project further de-risks project execution during ramp-up.

The surface works will include construction of:

- Ore and waste stacking conveyance system from the headframe to stockpiles;
- Crushing and grinding circuit;
- Flotation and Thickening circuit;
- Filtering circuit;
- Dry stack waste disposal;
- Concentrate loading facility;
- Pastefill plant to return waste underground and fill open cuts;
- All electrical, instrumentation and communications equipment; and
- Parking, administrative buildings and maintenance facilities.

Corporate Developments

Executive Appointments

Subsequent to Q3 2018, Abraham Jonker was appointed as Chief Financial Officer of the Company effective October 1, 2018. Mr. Jonker has been a member of the Board of Directors of the Company since May 2017 and served as interim CEO between February 15, 2018 and May 1, 2018. He was previously Chief Financial Officer of Western Coal Corporation and currently serves as Lead Independent Director of the Board of Directors of Mandalay Resources Corporation and non-Executive Chairman of Golden Reign Resources Ltd. Mr. Jonker has 25 years of management, accounting and corporate finance experience. He is a registered Chartered Professional Accountant in British Columbia, (Canada) and holds equivalent accreditation in England, Wales and South Africa.

Mr. Jonker, as part of this transition, has stepped down from his position as Non-Executive Director of the Company, effective October 1, 2018 and Mr. Bob McKnight, a highly experienced geological engineer with broad experience in the mining industry, has transitioned to a new role as Executive Vice President - Concentrate Sales and Logistics.

Subsequent to Q3 2018, Mark Wall was appointed as Chief Commercial Officer of the Company effective October 1, 2018. Mr. Wall has more than 22 years of experience in the mining industry, most recently as Senior Vice President & Operations Officer for Barrick Gold Corporation ("Barrick") where he was responsible for coordinating all aspects of Barrick's portfolio of operations. Mr. Wall has significant experience in operations, risk management and sustainability. During his twelve years at Barrick he served as General Manager for the Veladero operations in Argentina, Barrick's Vice President of non-financial assurance activities (Environment, Safety & Health, Maintenance, Technical Services, Community Relations and Security), and other senior roles. He also served on the Executive Committee of Australia's largest open pit gold mine, a joint venture between Barrick and Newmont Mining Corporation. Prior to joining Barrick, Mr. Wall worked with Placer Dome Inc. and Western Mining Corporation.

Mr. Wall's qualifications include a Master of Business Administration, Master of Management, Masters Certificate in Risk Management & Business Performance, Diploma of Project Management and Diploma of Mineral Processing.

Outlook

With the second stage of financing completed, the Company will continue the advancement of engineering and construction of the Underground Project with the focus on the following activities:

1.) Underground mine development:
    - complete the main shaft to its final depth and equip the shaft for haulage of materials;
    - sink a secondary shaft for ventilation and emergency egress; and
    - start lateral underground development and establishment of the initial necessary underground infrastructure and stope development to allow for sustained mining operations.

2.) Surface plant and infrastructure development:
    - Execute construction of the process plant;
    - Construct a paste plant and tails dewatering facilities; and
    - Construct other surface support infrastructure.
3.) Procure all remaining underground support and processing equipment.

Mine and surface development will continue throughout 2018 and 2019 and completion and initial production from the Underground Project is expected in Q4 2019.

In addition, the Company intends to complete:

- additional definition and extension drilling on the North deposit of the Open Pit Project; and
- the preparation of the New Technical Report which is expected to, among other things, incorporate the results of the Company's previously announced 2018 drilling program and evaluate, in addition to the underground project currently under construction, a standalone, staged, open pit mine development at a preliminary feasibility study level.

Pumpkin Hollow Project

The Pumpkin Hollow Property (the "Pumpkin Hollow Property" or the "Property") is the principal mining asset of the Company. The Property, located approximately 60 miles southeast of Reno, Nevada near Yerington, consists of approximately 17,500 acres of contiguous mineral rights including approximately 10,700 acres of private land and leased patented claims. The Property contains two adjacent but unconnected copper gold and silver deposits separated by approximately two miles. Since the Property was acquired by Nevada Copper in 2006, these deposits have been extensively drilled and the subject of several previous technical reports.

The eastern-most ("Eastern Area") deposits are too deep for open pit mining and modelling by previous engineering studies has presented them as being amenable to mining by underground methods. The western-most deposits are larger and shallower, and modelling by previous engineering studies has presented them as being amenable to mining by open pit methods. Development of the deposits can therefore be made as either (i) a separate underground mine and process facility and/or a separate open pit mine and process facility, or (ii) an "Integrated" development with both underground and open pit mines feeding a single process facility. Three alternative development options have been established and analyzed by the Company in order to confirm the long-term development options for the Project.

In July 2015, a technical report feasibility study was completed and filed on SEDAR. This 2015 study evaluated the development of mines on both the open pit and underground deposits, providing mill feed to a single large 70,000 short tons per day (stpd) concentrator ("2015 IFS"). The technical and scientific information in the 2015 study is materially unchanged and relevant and remains as one of the viable development options (cases) for the Property. This is presented in the October 2018 Technical Report as "Case B".

In early 2017, Nevada Copper retained Sedgman Canada Limited and Mining Plus Pty Ltd to complete a Prefeasibility Study ("PFS") that evaluates a potential 5,000 stpd underground copper mine, processing plant and associated infrastructure, accessing the Eastern Area underground deposits. This PFS was disclosed as "Case A" in a technical report filed on SEDAR in December 2017 and as amended in January 2018. This technical report, which superseded and replaced all previous technical reports, also disclosed the 2015 IFS as "Case B".

<u>October 2018 Preliminary Economic Assessment (PEA)</u>

Following the successful completion of financing transactions for the construction of the underground mine portion of the Project on a standalone basis (Case A), the Company decided to re-scope the development of the open pit by examining the potential to also develop the open pit on a standalone basis. Similar to the 2017 pre-feasibility study in respect of Case A, the PEA presents an alternative to the integrated development of the Project (Case B) by utilizing a phased development approach to implement the Company's "margin-over-tons" philosophy. The PEA focuses on a fresh mining perspective for the open pit, with a focus on project value and economic returns by reducing throughput for the first part of the mine life, reducing tonnage and concentrating on higher grade mineralized material. The PEA approach proposes an initial production rate of 37,000 stpd followed by an optional expansion of mining and processing facilities to 70,000 stpd.

Following the filing of the October 2018 Technical Report which included the PEA, the BCSC completed a review of the Company's technical disclosure. As a result of the review, the Company issued a press release clarifying its technical disclosure. See the Company's press release, dated November 13, 2018, for further details.

Permitting

The Company has obtained all material permits and approvals for the development and operation of the Project as described in the October 2018 Technical Report. However, certain of those permits and approvals may need to be renewed as a result of the passage of time and certain of those permits and approvals may need to be modified in order to accommodate design changes and other optimizations. It is also possible that the Company may determine that it requires other supporting permits and approvals as the development of the Project advances, including due to the foregoing and regulatory changes and developments. There can be no assurance that those renewals, modifications and other permits and approvals will be obtained on a timely basis, if at all.

Financial Results

(Unaudited – Expressed in United States dollars in thousands, except per share amounts)

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2018	2017	**2018**	2017
Expenses				
Consulting and remuneration	**$171**	$111	**$1,565**	$393
Public company expenses	**456**	83	**1,609**	348
Administration expenses	**428**	73	**933**	212
Professional fees	**1,069**	55	**1,839**	119
Business development	**-**	36	**73**	139
Stock-based compensation	**130**	106	**1,872**	131
	2,254	464	**7,891**	1,342
Interest income	**621**	1	**949**	9
Interest and finance expenses	**-**	(1,348)	**(991)**	(3,643)
Derivative fair value change	**201**	(1,294)	**(1,545)**	6,829
Other income (expense)	**-**	1	**(549)**	1
Debt extinguishment loss, net	**-**	-	**(7,737)**	-
Foreign exchange (loss) gain	**(413)**	(18)	**(854)**	5
	409	(2,658)	**(10,727)**	3,201
Net income (loss) and comprehensive income (loss)	**$(1,845)**	$(3,122)	**$(18,618)**	$1,859
Income (loss) per common share				
Basic and diluted	**$(0.00)**	$(0.03)	**$(0.04)**	$ 0.02

For the three months ended September 30, 2018, the Company reported a net loss of $1.8 million (or $0.00 basic and diluted loss per common share) compared to a net loss of $3.1 million for the corresponding period in 2017 (or $0.03 basic and diluted loss per common share).

The $1.3 million decrease in net loss period to period is mainly driven by:

- $0.2 million derivative fair value gain compared to a 2017 loss of $1.3 million relating to the derivatives recognized as part of the Pala Convertible Debt (as defined below under the heading "Liquidity, Cash Flow and Capital Resources");
- $Nil in interest expense compared to $1.3 million during the three months ended September 30, 2017 due to the conversion of the Pala Convertible Debt and the extinguishment of the Pala Bridge Loan (as defined below under the heading "Liquidity, Cash Flow and Capital Resources") earlier during the 2018 calendar year; and
- $1.7 million increase in public company, administration and professional fee expenses, including expenses relating to the Company's development and financing activities.

For the nine months ended September 30, 2018, the Company reported a net loss of $18.6 million (or $0.04 basic and diluted loss per common share) compared to a net income of $1.9 million for the corresponding period in 2017 (or $0.02 basic and diluted earnings per common share).

The $20.5 million increase in net loss period to period is mainly driven by the Company's refinancing and restructuring initiatives in 2018 and include:

- $7.7 million debt extinguishment loss as a result of the refinancing of the long term debt in favour of affiliates of Red Kite Mine Finance (collectively, "Red Kite") (2017 - $Nil);
- $1.5 million derivative fair value loss (2017 gain of $6.8 million) as a result of recognizing a new embedded derivative liability in the refinanced Red Kite long-term loan that had a fair value of $0.8 million as at September 30, 2018 and a further $1 million that was recorded as a derivative fair value loss on the convertible derivative option in the convertible portion of Red Kite's Refinanced Loan (as defined below under the heading "Liquidity, Cash Flow and Capital Resources");
- $1.2 million increase in consulting and remuneration from $0.4 million for the nine months ended September 30, 2017 to $1.6 million for the nine months ended September 30, 2018 partly due to the payment of benefits under the employment contracts of certain senior officers during the period and partly as a result of the increased activities underway during the period under review;
- $0.5 million increase in other expenses resulting from a settlement of a claim related to an expired option agreement;
- $3.7 million increase in public company, administration and professional fee expenses, including expenses relating to the Company's development and financing activities.
- $1.8 million increase in stock option expenses related to the stock options granted and vested during the period. No options were granted during the comparable period in 2017; and
- The above increases were offset by the decrease in interest expense from $3.6 million during the nine months ended September 30, 2017 to $1 million due to the conversion of the Pala Convertible Debt and the extinguishment of the Pala Bridge Loan.

Pumpkin Hollow Project Expenditures

Project costs capitalised for the nine months ended September 30, 2018 on the Property consist of the following:

(Expressed in thousands of United States dollars) (Unaudited – Prepared by Management)

	Cumulative as of September 30, 2018	2018 Additions	Cumulative as of Dec. 31, 2017	**Cumulative as of September 30, 2017**	2017 Additions	Cumulative as of Dec. 31, 2016
Property payments	**$1,961**	$-	$1,961	**$1,961**	$-	$1,961
Advance royalty payments	**4,261**	1,098	3,163	**3,163**	-	3,163
Water rights	**2,435**	185	2,250	**2,159**	188	1,971
Drilling	**42,715**	1,558	41,157	**41,157**	-	41,157
Geological consulting, exploration & related	**10,579**	2,656	7,923	**7,923**	-	7,923
Feasibility, engineering & related studies	**22,585**	1,223	21,362	**20,853**	1,270	19,583
Permits/environmental	**11,921**	277	11,644	**11,701**	120	11,581
East deposit underground project						
Underground access, hoist, head frame, power & related	**90,785**	11,884	78,901	**78,602**	841	77,761
Eng. procurement	**26,725**	16,175	10,550	**10,550**	-	10,550
Surface infrastructure	**4,529**	725	3,804	**3,804**	-	3,804
Site costs	**18,964**	3,620	15,344	**14,974**	1,124	13,850
	237,460	39,401	198,059	**196,847**	3,543	193,304
Depreciation	**715**	25	690	**677**	40	637
Capitalised interest	**54,364**	6,405	47,959	**43,718**	11,734	31,984
Stock-based compensation	**5,467**	969	4,498	**4,498**	103	4,395
Total	**$298,006**	$46,800	$251,206	**$245,740**	$15,420	$230,320

For the nine month period ended September 30, 2018, the Company incurred $46.8 million of Project expenditures compared to $15.4 million for the same period in 2017. The $30.9 million increase reflects the resumption of the advance royalty payments which was deferred in 2017, commencement of drilling activities, engineering design work, site preparation / pre-works and construction activities. The focus during the comparative period ended September 30, 2017 was care and maintenance activities only.

Capitalised interest costs were $6.4 million for the nine month period ended September 30, 2018 compared to the capitalised interest costs for the nine month period ended September 30, 2017 of $11.7 million due to the debt refinancing that occurred during the year.

Liquidity, Cash Flow and Capital Resources

Financial Condition (Unaudited – Expressed in thousands of United States dollars)

	September 30, 2018	December 31, 2017
Cash and cash equivalents	**$152,858**	$385
Other current assets	**525**	224
Other assets	**449**	10,197
Mineral properties, plant, and equipment	**316,971**	251,449
Total assets	**$470,803**	$262,255
Accounts payable and accrued liabilities	**$19,035**	$3,907
Stock-based compensation liabilities	**357**	1,547
Current portion of long term debt	**181**	70,038
Current liabilities	**19,573**	75,492
Long term debt	**86,600**	113,532
Deferred revenue	**70,500**	-
Asset retirement obligation	**895**	895
Total liabilities	**177,568**	189,919
Shareholders' Equity	**293,235**	72,336
	$470,803	$262,255

As of September 30, 2018, the Company had a cash balance of $152.9 million, excluding restricted cash. The Company's working capital as at September 30, 2018, was $133.8 million compared with a working capital deficit of $73.9 million as at December 31, 2017.

The increase in the Company's working capital during the nine month period ended September 30, 2018 is due to the equity offerings completed in January 2018 with gross proceeds of approximately $102.9 million through the issuance of 256,410,256 common shares at a price of CAD$0.50 per share and in July 2018 with gross proceeds of approximately $82.75 million through the issuance of 180,771,021 common shares at a price of CAD$0.60 per share.

In addition, the Company received the $70 million Stream Deposit on September 6, 2018 following the announcement of the decision to proceed with construction of the Underground Project. The Company and Triple Flag entered into a metals purchase and sale agreement on December 21, 2017 (the "Stream Agreement") whereby Triple Flag committed to fund a deposit of $70 million (the "Stream Deposit") against future sale and delivery by Nevada Copper of 90% of the gold and silver production from the Underground Project, calculated based on a fixed ratio of 162.5 ounces of gold for each 1 million pounds of copper in concentrate produced and 3,131 ounces of silver for each 1 million pounds of copper in concentrate produced. The Company will receive an ongoing payment of 10% of the spot price for each ounce of gold and silver delivered to Triple Flag. The Company has a one-time option on March 31, 2020 to reduce the amount of gold and silver to be delivered under the Stream Agreement to 55% of the gold and silver production from the Underground Project (based on the fixed ratios noted above) by making a payment of $36

million to Triple Flag, subject to certain adjustments. The Company and its subsidiaries have provided security for the performance of the obligations under the Stream Agreement over all of their respective assets.

The Company recorded the Stream Deposit as deferred and will recognize amounts in income as its performance obligations are satisfied. The amortization of the amount is calculated on a per unit basis using the estimated total number of silver and gold ounces expected to be delivered to Triple Flag over the life of the Underground Project.

The above cash inflows from investing and financing activities were offset by cash outflows from investing activities related to Project development expenditures and deposits related to development costs in the amount of $38.3 million and $18.8 million, respectively, for the nine month period ended September 30, 2018.

In addition, the following cash outflows resulted from financing activities during the nine month period ending September 30, 2018:

- $42 million was repaid to Red Kite (in partial satisfaction of the previous loan facility provided by it) from proceeds of the January 2018 equity offering. This reduced the Red Kite long-term debt outstanding to $95 million (the "Refinanced Loan"). $80 million of the Refinanced Loan balance consists of two tranches of $40 million each and the remaining $15 million tranche was converted into 32,885,000 common shares of the Company concurrent with the completion of the equity financing in July 2018. The Company and its subsidiaries have provided security for the performance of the obligations under the Refinanced Loan over all of their respective assets.

- The Company also repaid the entire $3.5 million bridge loan that was advanced by Pala Investments Limited ("Pala") to the Company on November 14, 2017 (the "Pala Bridge Loan"). The Pala Bridge Loan was repaid in full, along with accrued interest, upon completion of the January 2018 equity offering. In addition, the convertible debt in favour of Pala owing under the third amended and restated loan and security agreement between the Company and Pala dated February 23, 2017 (the "Pala Convertible Debt") was converted into common shares of the Company at a conversion price of CAD$0.50 per share. The Pala Convertible Debt balance at the time of conversion was $38.5 million (CAD$47.8 million). This resulted in the issuance of 95,561,944 shares to Pala.

The Company has secured as of August 28, 2018 a commitment from Pala, to make available to the Company, at the Company's election, a standby subordinated loan facility of up to $25 million at market terms to be mutually agreed and on intercreditor terms acceptable to the Company's secured lenders. The commitment has been provided should the Company require funds over the next 12-to-24 months following the date of the commitment for various corporate purposes, including but not limited to, costs of the Underground Project, advancement of the Open Pit Project and exploration drilling.

The Company is currently in the development stage and as a result, it is not yet generating revenue. The Company is reliant upon its existing cash and other sources of potential funding to:

1. Complete construction of the Underground Project, and to take it into full production with positive steady state cash flow;
2. Continue delineation drilling and advance engineering studies on the Open Pit Project; and
3. Address other corporate costs.

The Company continuously assesses its cash requirements and sources of funds in order to optimize its financing strategy. Management believes that, based on its existing cash and financing sources and through access to additional debt and equity capital that may be available to it in the future, the Company should have access to sufficient funds to meet its requirements.

Summary of Quarterly Results

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

(In thousands of US dollars except amounts per share)	2018 Sep 30	2018 Jun 30	2018 Mar 31	2017 Dec 31	2017 Sep 30	2017 Jun 30	2017 Mar 31	2016 Dec 31
Working capital	133,810	29,335	41,923	(73,917)	(2,717)	(1,032)	2,114	2,435
Total assets	470,803	313,076	307,827	262,255	255,544	250,936	248,955	244,516
Project expenditure (cumulative)	298,006	270,593	258,501	251,206	245,740	240,642	234,966	230,320
Total noncurrent liabilities	157,995	100,424	98,524	114,427	171,702	164,968	170,247	165,600
Shareholders' equity	293,235	204,481	206,205	72,336	80,784	83,906	76,112	76,408
Net profit (loss)	(1,845)	(4,173)	(12,601)	(8,448)	(3,122)	5,277	(296)	(4,842)
Net profit (loss) per share	(0.00)	(0.01)	(0.05)	(0.09)	(0.03)	0.06	(0.01)	(0.05)

Transactions with Related Parties

Pala is a related party in relation to the Company as a result of its 36.5% shareholding in Nevada Copper as at September 30, 2018. Additionally, two Pala executives, Evgenij Iorich and Stephen Gill, are on the Company's Board of Directors as at September 30, 2018.

During the nine month period ended September 30, 2018, the following transactions were entered into and/or completed with Pala:

- Pala subscribed for common shares in the aggregate amount of $41.1 million (CAD$51.4 million) in the January and July 2018 equity offerings;
- Repayment of the Pala Bridge Loan in the amount of $3.5 million upon the completion of the January 2018 equity offering;
- Conversion of the Pala Convertible Debt into shares at a conversion price of CAD$0.50 per share upon the completion of the January 2018 equity offering. The Pala Convertible Debt balance at the time of conversion was $38.5 million (CAD$47.8 million). This resulted in the issuance of 95,561,944 shares to Pala;
- Back stop fees in the aggregate amount of $1.8 million paid to Pala in respect of the January and July 2018 equity offerings;
- Repayment of accounts payable of $2.1 million to Pala in respect of technical and other services rendered; and
- Interest paid or accrued of $1.2 million in favour of Pala under the Pala Convertible Debt and the Pala Bridge Loan.

The Company has entered into management agreements with certain senior officers. In the event that there is a change of control, the Company may be required to pay severance payments ranging from six months to twenty-four months of salary for these senior officers. The amount of this contingent liability is $1.1 million (2017 -$1.6 million) and is not recorded in the consolidated statements of financial position. During the nine month period ended September 30, 2018, $1 million was paid to a senior officer upon his departure from the Company.

During the nine months and three months ended September 30, 2018, $0.5 million (2017-$nil) and $0.2 million (2017-$nil) was earned in director fees. As of September 30, 2018, accounts payable and accrued liabilities include director fees and expenses payable of $0.4 million (2017- $0.5 million).

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

Contractual Obligations

The following table sets forth the Company's known contractual obligations as at September 30, 2018:

		Payments due by period			
Contractual obligations	Total	1 year	2-3 years	4-5 years	5 years+
Accounts payable and accrued liabilities	$19,035	$19,035	$-	$-	$-
Obligations under EPC contracts	12,650	12,650	-	-	-
DCU and DSU payable	357	357	-	-	-
Long-term debt	165,685	-	12,245	31,818	121,622
Total USD obligations	$197,727	$32,042	$12,245	$31,818	$121,622
	CAD	CAD	CAD	CAD	CAD
Office lease	$40	$40	-	-	-
New office lease	410	114	273	23	
Total CAD obligations	$450	$154	273	23	-

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that are not disclosed in the Contractual Obligations section above.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR"). Any system of ICFR, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There were no material changes in the Company's ICFR during the nine months ended September 30, 2018.

New Accounting Pronouncements

Certain recent accounting pronouncements have been included under Note 2c in the Company's September 30, 2018 unaudited interim consolidated financial statements.

The Company adopted the new IFRS 9 accounting standard that became effective as of January 1, 2018. Modifications to financial liabilities are treated differently under IFRS 9 as compared to IAS 39. The Company's Red Kite long-term debt has been modified 4 times since inception. Under IAS 39, the Company did not recognise a gain or loss at the date of modification of the loan as these prior modifications were not considered significant enough to constitute an extinguishment. Under IFRS 9, a gain or loss at the date of a modification would be recognized in profit or loss regardless of whether the change in terms are considered significant.

The Company has re-calculated the cash flows under each of the four prior amendments upon adoption of IFRS 9. This analysis resulted in a $4.9 million increase in the carrying value of the Red Kite loan and a corresponding charge to accumulated deficit as at January 1, 2018.

The Company has not identified any other implications of the transition to IFRS 9.

Leases (IFRS 16), effective for annual periods beginning on or after January 1, 2019, provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17 Leases and its associated interpretive guidance. Significant changes were made to lessee accounting with the distinction between operating and finance leases removed and assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Company is evaluating the impact of the adoption on IFRS 16 but has yet to make any final conclusions.

Critical Accounting Estimates

The preparation of the consolidated 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 consolidated 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, estimating convertible debt, and estimating accrued liabilities.

The following are areas where significant estimations have been made or where measurements are uncertain:

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 Company.

    Deferred tax assets are recognised to the extent that certain tax losses or deferred expenditures will be utilised by the Company to reduce future taxes payable. The amount of deferred tax assets recognised, if any, is based on objective evidence that the Company 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 Company's ability to generate sufficient taxable income or changes to enacted tax rates could result in the recognition of changes to the amount of deferred tax assets.

iii. Stock-based compensation. The Company 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 Company'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.

iv. Discount rate of loans. The loans are initially recognised at fair value, calculated as the net present value of the liability based upon discount rates used by comparable issuers and accounting at amortised cost using the effective interest rate method.

v. To determine the transaction price for streaming agreements and the revenue to be recognized as control transfers, the Company must make estimates with respect to interest rates implicit in the agreements and future production of the life of mine and Mineral Resources and Reserves quantities. These estimates are subject to variability and may have an impact on the timing and amount of revenue recognized. The Company also exercises judgment in the identification of performance obligations under its streaming contracts and the allocation of the transaction price thereto. Specifically, management considered the customer's rights in relation to future production and the interrelationship of the customer's ability to benefit from this right and related extraction activities performed by the Company, as well as the Company's role as an agent to deliver future refined metal following extraction activities it performs.

Risk Factors

The Company and its future business, operations and financial condition are subject to various risks and uncertainties, including due to the nature of its business and the present stage of development of its mineral properties. Certain of these risks and uncertainties are described under the heading "Risk Factors" in the Company's Annual Information Form dated March 28, 2018 which is available on SEDAR at www.sedar.com.

Share Data

Capital Structure as of November 14, 2018:

Common shares issued and outstanding:	661,933,584
Total stock options outstanding:	22,411,500
Total warrants outstanding:	5,000,000

Forward-Looking Statements

Certain of the statements made and information contained herein 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 development and construction of the Underground Project, the commencement of production at the Underground Project; the other plans of Nevada Copper with respect to the development, construction and commercial production at the Project; and access to additional financing.

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 are subject to known or unknown risks, uncertainties and other factors which may cause actual results and events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Forward-looking statements and 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; adverse events relating to construction and development; cost overruns; loss of 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 the Company's 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 Company's Annual Information Form dated March 28, 2018. 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 Company disclaims any intent or obligation to update forward-looking statements or information except as required by law. Readers are also referred to the full discussion of the Company's business contained in the Company's reports filed with the securities regulatory authorities in Canada.