



NEVADA COPPER CORP.

Management's Discussion and Analysis
For the three months ended March 31, 2018

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General

This Management's Discussion and Analysis ("MD&A") of Nevada Copper Corp. (the "Corporation" or "Nevada Copper") has been prepared by management as of May 10, 2018 and should be read in conjunction with the Corporation's audited consolidated financial statements and related notes for the year ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("GAAP" or "IFRS" as issued by the International Accounting Standards Board ("IASB")). The information contained within this MD&A is current to May 10, 2018.

All amounts are expressed in US Dollars unless otherwise indicated. Additional information relevant to the Corporation's activities 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.

Highlights

In Q1 2018, the Corporation was refinanced through:

- Completion an Offering raising gross proceeds of \$102.9 million through the issuance of 256,410,256 shares at a price of \$0.50 CDN per share.
- The Corporation's long-term debt was reduced to \$95 million after a \$42 million principal repayment using the proceeds from the above Offering.
- The \$3.5 million bridge loan was repaid during the quarter.
- The Corporation's convertible debt facility in the amount of \$38 million was converted into common shares through the issuance of 95,561,944 shares.

After the above refinancing, the Corporation was able to engage in the following activities in the project:

- Engineering firms have been engaged to advance critical path engineering services.
- The underground mining development contract tender process is in progress with a contractor selection anticipated to be made in the first half of 2018.
- Geotechnical drilling has commenced to advance detailed mine planning.
- Work has commenced on the optimisation and the reassessment of development options for the open pit mineral resources. This open pit study work will be incorporated into a Preliminary Economic Assessment led by Golder Associates and Sedgman Canada Limited ("Sedgman") that is targeted for completion in Q2 2018.

Description of Business

Nevada Copper Corp. (the "Corporation" or "Nevada Copper" or "NCU") was incorporated on June 16, 1999 under the Business Corporations Act of the Yukon. The Corporation's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "NCU". The principal asset of the Corporation is the 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 Pumpkin Hollow project. The Project is fully permitted for both an underground mine ("Underground Project"), or a combined underground/open pit, mine operation with associated copper concentrator and associated infrastructure. The Corporation filed a technical report on SEDAR on January 9, 2018 ("the Technical Report"). The Technical Report discloses the proposed development of a 5,000 tons/day underground project at a preliminary feasibility ("PFS") level. This is the primary focus of the Technical Report. This Technical Report also includes feasibility-level information on the potential development of a large 70,000 tons/day mine at Pumpkin Hollow with feed mainly from the nearby open pit deposits, which is from the same Mineral Resources as accessed in the Underground Project. This is referred to within the Technical Report as the Integrated Project (the "Integrated Project").

The Integrated Project, that was originally disclosed in a NI 43-101 2015 Feasibility Study Technical Report (“2015 IFS”) for which the scientific and technical information is materially unchanged, remained a viable development option as of the date of that report. However, the focus in 2018 is to advance the Underground Project and to assess a staged development option for a separate open pit mine development. Over time during 2018, these activities will gradually eliminate the Integrated Project as a development option for Pumpkin Hollow.

The Project is located entirely on private lands owned or controlled by Nevada Copper. No Federal permits are required for construction or operations.

Project Activities

Underground Project Activities

The Corporation has signed an agreement with Sedgman Limited to advance critical path engineering services and the procurement of long lead time items for the surface process plant. The signing of this contract allows for the continuation of detailed engineering and design during the negotiation and finalization of ongoing EPC contract discussions.

The Corporation has also executed a technical services contracts: a) with Mining Plus for further pre-construction mine design work and key areas of detailed engineering for the underground mine; b) with Sedgman for interim engineering services and, c) with an underground contractor for specified pre-works related to the shaft and headframe. The MiningPlus scope includes facilitation and administration of the ongoing tender process to appoint an underground mining contractor. Letters of intent have also been executed with the manufacturers for all the required underground mobile equipment.

Drilling has commenced on site, focused on select underground geotechnical targets intended to provide additional information for detailed mine planning, including the location of the secondary vent shaft, and to further de-risk the commencement of underground development and mining.

Open Pit Development Activities

Concurrent with the above developments in the Underground Project, drilling commenced on high value open pit targets an initial 10,000-meter surface drilling campaign is focused on high-value targets which Nevada Copper believes have significant upside potential, including:

- Expanding areas of high-grade mineralisation primarily in the North deposit; and
- Converting waste and inferred material into proven and probable reserves.

The drilling program targets waste-to-ore conversion both within the North Pit and in the Northern Extension and Connector Zones which were previously untested due to the timing of the land transfer program that was completed in 2015.

Nevada Copper has engaged two leading global mining engineering companies, Golder Associates and Sedgman, to evaluate the opportunity to significantly enhance the economics of an open pit project development. The concept study will focus on the potential for a reduced-capital, staged-development approach focused initially on the high-grade North Pit.

By applying the same 'margin-over-tons' operating philosophy demonstrated in the re-scoped underground project in the previously announced Technical Report, Nevada Copper believes there is potential to significantly reduce open pit capital costs while retaining full optionality over a larger-scale project. As results from the ongoing drilling program are received, opportunities to further reduce stripping and increase mill feed head grades early in the mine life will also be evaluated.

Corporate Developments

CEO Retirement

Mr. Giulio Bonifacio has retired from the Corporation as of February 15, 2018. Mr. Bonifacio founded Nevada Copper in 2005 and, over a 12-year period, led the Corporation's efforts which included resource expansion, feasibility studies and the successful permitting of both the underground and open pit deposits at the Corporation's Pumpkin Hollow project in Nevada. Mr. Abraham (Braam) Jonker was appointed interim CEO prior to the appointment of Mr. Matthew Gili (see below). Mr. Jonker is an independent non-executive Board member of the Company.

CEO Appointment

Subsequent to Q1 2018, Matthew Gili was appointed as President and Chief Executive Officer of the Corporation effective May 1, 2018. Mr. Gili has over 20 years of experience in the mining industry, having served in a variety of senior executive roles at Barrick and Rio Tinto. During his 15-year career with Rio Tinto, his appointments included Chief Operating Officer and Vice President of Resource Strategy for the Oyu Tolgoi project in Mongolia, Managing Director of Palabora Mining Company in South Africa, and Mine Manager at Greens Creek, Alaska. Prior to joining Nevada Copper, he was with Barrick for the last five years.

Director Appointments

Subsequent to Q1 2018, Tom Albanese, Ernie Nutter and Justin Cochrane were appointed to the Board of Directors at the Corporation's Annual General Meeting held on May 4, 2018.

Mr. Albanese is currently a Director of Franco-Nevada Corporation. He was previously Chief Executive Officer and a Director of Vedanta Resources plc and Vedanta Limited from 2014 to 2017. Mr. Albanese was Chief Executive Officer of Rio Tinto plc from 2007 to 2013, and previously served on the Boards of Ivanhoe Mines Limited, Palabora Mining Company and Turquoise Hill Resources Limited. Mr. Albanese holds a Master of Science degree in Mining Engineering and a Bachelor of Science degree in Mineral Economics both from the University of Alaska Fairbanks.

Mr. Nutter is a highly regarded mining analyst, formerly with one of the world's largest money managers, Capital Group, from 2004 until his retirement in 2017. Prior to this, he spent over 13 years with the Royal Bank of Canada (RBC) where he was Managing Director of RBC Capital Markets, Director of RBC's Global Mining Research team and former Chairman of RBC Dominion Securities' (now RBC Capital Markets) Strategic Planning Committee. Mr. Nutter holds a Bachelor of Science degree in Geology from Dalhousie University.

Mr. Cochrane is currently President and COO of Cobalt27 with over sixteen years of royalty and stream financing, M&A and corporate finance. He previously served as Executive VP and Head of Corporate Development for Sandstorm Gold Ltd.

Outlook

With the first stage of refinancing completed in Q1 2018 and a new executive team in place, the Corporation 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:
 - complete detailed engineering of the process plant;
 - paste plant and tails dewatering facilities; and
 - the associated surface earthworks, electrical and other infrastructure.

3.) Determining and ordering long lead-time processing equipment and other equipment.

The expenditure program above has started in Q1 2018 and will continue throughout 2018. Most of the activities above are planned to be completed by the end of 2018. Subject to the completion of a subsequent equity offering and other financings, the Corporation anticipates that initial production from the Underground Project will be in the second half of 2019.

In addition, additional drilling and engineering optimisations of the Open Pit Project will include:

- definition and extension drilling on the North deposit; and
- engineering and scoping level economic evaluations related to a reduced-tonnage, higher grade mine design as compared with that contemplated by previous studies.

This program is expected to be completed by Q3 2018.

Project Review

The following is the extracted summary section from the Technical Report prepared by the Technical Report Authors, each of whom is a “qualified person” and each of whom, other than Robert McKnight and Greg French, are “independent”, as such terms are defined in NI 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). Mr. Arnold is no longer an employee of Nevada Copper, but was so at the time of his authorship of a portion of the Technical Report.

The following summary does not purport to be a complete summary of the Property and is subject to all the assumptions, qualifications and procedures set out in the Technical Report and is qualified in its entirety with reference to the full text of the Technical Report. Readers should read this summary in conjunction with the Technical Report.

General

The Corporation controls approximately 17,500 acres of contiguous mineral rights near Yerington, Nevada, including approximately 10,700 acres of private land and leased patented claims (the “Pumpkin Hollow Property” or “the Property”). The Property contains two adjacent but unconnected copper gold and silver deposits separated by approximately two miles. Since the Property was acquired by NCU in 2006, these deposits have been extensively drilled and the subject of several previous engineering 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 (“Western Area”) deposits are larger and shallower, and modelling by previous engineering studies has presented them as being amenable to mining by open pit methods.

In July 2015, a technical report feasibility study was completed and filed on SEDAR, this 2015 study evaluated the development of a 70,000 stpd mine with open pit and underground mining of the both deposits, providing mill feed to single large concentrator. 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.

In early 2017 Nevada Copper retained Sedgman Canada Limited (SDM) and Mining Plus Pty Ltd (MP) to complete a Prefeasibility Study (“PFS”) for a 5,000 short tons per day (stpd) that evaluates a potential underground copper mine, processing plant and associated infrastructure, accessing the Eastern Area underground deposits.

Case A

The primary purpose of Case A is to disclose the PFS information regarding the feasibility of advancing the Pumpkin Hollow Property through mining the Eastern Area at 5,000 stpd using underground mining techniques. This project is referred to as Case A (“Case A”).

Case B

In 2015, TetraTech prepared a Feasibility Study (“2015 IFS”) on an integrated 70,000 stpd process plant and associated infrastructure, an average of 63,500 stpd of mill feed was from an open pit mine, with the remaining 6,500 stpd from an underground mine.

This integrated project is described in a NI 43-101 report issued on July 9, 2015. This “Integrated Project” is referred to as Case B (“Case B”).

The scientific and technical information and assumptions contained in the 2015 NI 43-101 report relating to Case B have not changed to any material degree and Case B remains a relevant and viable development option for the Property.

The Pumpkin Hollow Property encompasses both the Case A and Case B development options referred to as Projects. Both Case A and Case B projects have been fully permitted since NCU desired to retain optionality for the Pumpkin Hollow Property development.

Mineral Resource

The Mineral Resource estimates were prepared by TetraTech based on the results of all drilling up to the end of 2013. The effective date of this Mineral Resource estimate is April 15, 2015. The Mineral Resource estimate for the Western Area deposits has been updated from estimates stated in 2013 and the Eastern Area deposits have been updated from estimates in stated 2013. The 2015 drilling has not been used to modify the current mineral resource estimate. TetraTech confirmed that there has been no material change in the current Mineral Resources estimate. In addition, there has been no change in sampling protocols. This includes drilling, sample preparation, analytical method, verification, and security measures. TetraTech has deemed that no revision to the current Mineral Resource estimate is required.

Geologic and grade models for the deposits in the Pumpkin Hollow Property area have been generated for this estimate. The Western Area contains three deposits, referred to as the North, South, and Southeast. The Eastern Area consists of the East and E2 deposits.

The Western Area has been modelled and presented as being amenable to surface mining methods, whereas the Eastern Area has been modelled and presented as being amenable to underground mining methods. For this reason, different cut-off grades have been used for each of the Western and Eastern Areas.

Table 1-1 and Table 1-2 detail Mineral Resources of the Eastern Underground Area and Western Open Pit Areas respectively. In addition to cut-off grade, Mineral Resources of the Western Area have been constrained to an optimised pit shell and Mineral Resources of the Eastern Area have been limited to the 0.5% Cu mineralised shell interpretation.

Table 1-1: Mineral Resource Underground Eastern Area

Category	Cut-off Grade %Cu	Tons (million)	Grade %Cu	Contained Cu lb (million)	Grade Au oz/st	Contained Au ozs (thousand)	Grade Ag oz/st	Contained Ag ozs (thousand)	Grade %Fe	Contained Fe Tons (million)
Measured	0.75	12.1	1.60	389	0.006	74	0.127	1,541	18.7	2.3
Indicated	0.75	41.9	1.33	1,114	0.005	217	0.112	4,716	17.6	7.4
Measured + Indicated	0.75	54.1	1.39	1,503	0.005	291	0.116	6,257	17.8	9.6
Inferred	0.75	29.2	1.09	636	0.003	87	0.064	1,875	12.8	3.7

Notes:

- Includes East and E2 deposits
- Measured and Indicated Resources are stated as inclusive of Mineral Reserves,
- Columns may not total due to rounding,
- Resources are constrained by a 0.5% Cu mineralised interpretation

Table 1-2: Mineral Resource Open Pit Western Area

Category	Cut-off Grade %Cu	Tons (million)	Grade %Cu	Contained Cu lb (million)	Grade Au oz/st	Contained Au ozs (thousand)	Grade Ag oz/st	Contained Ag ozs (thousand)	Grade %Fe	Contained Fe Tons (million)
Measured	0.15	271.3	0.42	2,299	0.001	394	0.048	12,932	16.1	43.6
Indicated	0.15	295.1	0.43	2,541	0.001	356	0.046	13,690	11.2	33.2
Measured + Indicated	0.15	566.4	0.43	4,840	0.001	750	0.047	26,621	13.6	76.8
Inferred	0.15	8.0	0.52	83	0.001	6	0.052	414	6.1	0.5

Notes:

- Includes North, South, and Southeast deposits
- Measured and Indicated Mineral Resources are stated as inclusive of those Mineral Resources that were converted to Mineral Reserves,
- Columns may not total due to rounding

Mineral Reserve Estimates

Underground Reserves

The estimation of proven and probable mineable reserves involved the application of several modifying factors to the measured and indicated mineral resource values as provided in the Properties block models. The parameters included net smelter royalty (“NSR”) cut-off determination, stope design, external dilution and mining recovery.

Case A

For Case A, the Mineral Reserve base was limited to the Mineral Resources of the Eastern Area deposits. After application of the modifying factors to the Mineral Resource, the resulting estimated Proven and Probable Mineral Reserves totalled in Table 1-3 below.

An NSR cut-off value of \$US 46/st ore was used, reflecting estimated costs for mining, processing and G&A, based on a contractor-miner scenario until steady-state production is achieved, followed by an owner-miner scenario thereafter. The NSR cut-off value is not a break-even value, rather an elevated value intended to target higher grade material. Metal pricing assumptions are \$US 3.00 /lb, \$1,343/oz. and \$US 19.86/oz. for Cu, Au and Ag respectively. Mineable Shape Optimiser (“MSO”) was used to interrogate the resource block models to determine preliminary economic stope shapes with design considerations give to rock mechanics, mining method and equipment manoeuvring capabilities.

The transverse longhole stoping method has been selected as optimal for all zones (EN, ES and E2), based on safety, mining recovery and dilution, productivity and the ability to mine large spans given the ground conditions. Stopes will be extracted through a bottom up sequence, reducing lead time and requirements for upfront development in most instances. In the E2 zone, there are some narrower parts of the orebody which have been identified as being favourable for longitudinal longhole stoping methods, since this will provide maximum efficiency in operating lateral development.

Approximately 51% of the total measured and indicated mineral resource in the Eastern Area deposits were converted to a mineral reserve by the mine plan, due to the targeting of higher grade ore within the deposits. The stated proven and probable reserves estimate has been shown to be economic on the basis of reasonable cost assumptions and NSR values assigned to the resource model.

Table 1-3 Case A Mineral Reserve Estimate (Underground)

Category	Tons	Cu	Au	Ag
	(million)	%	oz/ton	oz/ton
Case A. Mineral Reserves				
Proven	7.4	1.85	0.007	0.144
Probable	16.5	1.47	0.006	0.138
Total Mineral Reserves	23.9	1.59	0.006	0.139

Dilution was estimated to be between 2.5% and 5.0% for primary stopes, and 10% for secondary stopes. An external dilution grade of 0.75% Cu was applied to primary stopes, and a range of 0.19% to 0.38% Cu dilution grade was applied to secondary stopes. These external dilution grades were assigned based on the Case A underground mining method and geologic wireframe boundaries. A mining recovery ranging from 94.9% to 95.7% was then applied to the diluted stope shapes.

Case B

For Case B, the underground Mineral Reserve base was limited to the Mineral Resources of the East Area deposits. After application of the modifying factors to the Mineral Resource, the resulting Proven and Probable Mineral Reserves totalled 32.6 million tons grading 1.29% Cu, 0.005 oz/ton for gold and 0.113 oz/ton for silver, limited to the East deposit.

An NSR cut-off value of \$29/st ore was used, with metal pricing of \$3.00/lb, \$1,250/oz. and \$18.00/oz. for Cu, Au and Ag respectively. Stopes were digitised around the target areas with design considerations give to rock mechanics and equipment manoeuvring capabilities.

Approximately 60% of the total Measured and Indicated Mineral Resource in the East Deposit was converted to a Mineral Reserve by the mine plan. The reserves have been shown to be economic and are reasonable for the statement of Proven and Probable Mineral Reserves.

The Eastern Area deposits Mineral Reserve listed in Table 1-4 was generated from the Mineral Resource after the application of the NSR cut-off, stope design, external dilution, recovery, and other modifying factors.

Table 1-4 Case B Mineral Reserve Estimate (Underground)

Category	Tons	Cu	Au	Ag
	(million)	%	oz/ton	oz/to
Case B Mineral Reserves				
Proven	8.9	1.59	0.006	0.124
Probable	23.7	1.17	0.005	0.109
Total Reserves	32.6	1.29	0.005	0.113

Dilution was estimated to be between 1.4% and 2.4% for primary stopes, and 10.7% to 11.4% for secondary stopes. An external dilution grade of 0% Cu was used for primary and secondary stopes. These grades were assigned to the external dilution material based on the geologic wireframe boundaries. An expected mining recovery of 95% was then applied to the diluted stope shapes.

Open-Pit Reserves

Case A

There is no open pit mining in Case A.

Case B

The open pit portion of Case B includes mine plans (including open pit mine and dump design, production plans, mining equipment selection, and mine operating cost estimates) and determination of mine capital and operating cost estimates. The open pit mining operations are located on the west half of the property area and include the mine rock storage facility (“MRSF”) and two open pits - the North Pit and the South Pit.

Pit shells were determined using Whittle optimisation. A breakeven cut-off was applied to obtain pit shells, then mining costs were removed within the shells to make more material economic, given the material needs to be mined and moved as ore or waste once within the shells. Cu grade was used as the only determining revenue factor.

The North cone used a breakeven cut-off grade of 0.162% Cu, and an internal cut-off grade of 0.134% Cu. The South cone used a breakeven cut-off grade of 0.165% Cu, and an internal cut-off grade of 0.137% Cu. Both the breakeven cut-off and the internal cut-off were calculated using \$2.80 Cu price. All pit optimisation results tabulated in this report are determined on a 0.15% Cu cut-off, this is slightly more conservative than the calculated internal cut-offs and match the cut-off used in the resource reporting.

The ultimate pit proven and probable reserves are provided in Table 1-5. These reserves are based on the pit designs discussed in later sections of this study. The reserves have been shown to be economic and are reasonable for the statement of proven and probable reserves.

Table 1-5: Case B Mineral Reserve Estimate Western Area (Open Pit)

Category	Tons	Cu	Au	Ag
	(million)	%	oz/ton	oz/ton
Total Reserves				
Proven	265.5	0.397	0.001	0.046
Probable	273.8	0.384	0.001	0.043
Total Reserves	539.3	0.390	0.001	0.044

Mining Methods

Case A

The underground mine was planned as a 5,000 stpd operation.

Case A has one mining area. The Eastern Area is planned to be mined by underground methods, specifically longhole stoping, with predominantly cemented paste fill methods.

Underground mining zones included in the mine plan extend between the 1040 and 2840 Levels. Access to the mine will be via a vertical shaft. Mining will be performed using the productive mechanised transverse longhole mining method, with cemented paste fill (“CPF”) in the primary and some secondary stopes, and uncemented paste fill (“UPF”) or unconsolidated rock fill of remaining secondary stopes. While waste rock can be hoisted to the surface and disposed of on the waste rock stockpile, this is only planned during initial development, until the surface paste fill plant is commissioned. Once at steady-state production, all waste rock is planned to remain underground to be used as backfill for secondary stopes.

One production/service shaft and three ventilation / emergency egress shafts are included in the mine design. Stopes will be 100 ft high by 50 ft wide for East South and E2 zones, and 75 ft high by 50 ft wide for East North zone.

Mining will be carried out using longhole drilling and blasting, with ore and waste material mucked using LHDs, direct to ore passes or to remuck bays situated for optimum materials handling. Ore material will be transported via haul trucks and/or ore passes to the Coarse Ore Bins (“COBs”) for storage before being hoisted out of the mine. Haul trucks will be used to transport ore material from the remuck bays to the COBs, or to transport waste to the backfill levels. Primary crushing is located on the surface.

Un-crushed rock will be conveyed to skips and hoisted to the surface, then crushed and stockpiled, for either direct-feed to the processing plant or stockpiling to the low-grade stockpile.

For all stopes that will be backfilled using CPF or UPF, a bulkhead will be constructed at all access points and the stope will be filled with paste delivered by a piping network from the paste plant. The paste plant will be located on the surface and booster pumps will be used where necessary to transfer paste fill through the mine workings to the fill point.

Case B

Case B has two separate mining areas. The Eastern Area is planned to be mined by underground methods (longhole stoping with paste backfill) and the Western Area is planned to be mined by open pit mining methods (conventional truck and shovel). During this period the underground mine will produce as much plant feed as possible and the open pit will supplement to provide an even feed rate of material into the process plant.

Case B Underground

The underground mine was planned as a 6,500 stpd operation.

Underground mining zones included in the mine plan occur at depths ranging from approximately 800 ft to 2,800 ft. Access to the mine will be via a vertical shaft and mining will be performed using a productive mechanised transverse longhole mining method with paste fill. When available, excess waste rock will be used as backfill when paste fill is not required.

One production/service shaft and two ventilation / emergency egress shafts are included in the mine design. Stopes will be 100 ft high by 50 ft wide for East South and E2 zones, and 75 ft high by 50 ft wide for East North zone.

Mining will be carried out using longhole drilling and blasting, with ore and waste material mined by LHDs. The LHDs will then transfer the material to haul trucks at remuck bays situated for optimum haulage distance. Haul trucks will be used to transport mined material to ore passes feeding jaw crushers. The underground mining fleet will be diesel powered. Primary crushing is located underground.

Crushed rock will be conveyed to skips and hoisted to the surface and transported by haul truck to the processing plant or a waste rock dump.

Once a stope is mined out, a bulkhead will be constructed at the access point and the stope will be filled with paste delivered by a piping network. The paste plant will be located on the surface and booster pumps will be used where necessary to transfer paste fill through the mine workings to the fill point.

Case B Open Pit

The open-pit mine was planned as a 63,500 stpd operation.

The open pit mine has been planned using diesel single pass blasthole drills, Ultra-class haul trucks and rope shovels. Production blasthole drilling for both ore and waste material will utilise Atlas PV-271 diesel drills (with the extended 65 ft mast). Primary mine production is achieved using P&H 4100 electric rope shovels along with CAT 797 haul trucks.

The open pit ore zones comprise the North and South deposits. The open pit deposits will be developed sequentially. The North open pit deposit will be developed first, starting with a pre-strip once mining equipment has arrived and been assembled at site, and when electric power is available to the shovel. Ore is mined and delivered to a primary gyratory crusher located adjacent to the pit and then conveyed to the mill. Open pit mill feed will come from the North deposit for the first 13 years when mining will transition to the South deposit.

All waste material is hauled by truck out of the pit and directly to the MRSF. The total MRSF design will contain 100% of the expected waste material planned to be generated - approximately 1.9 billion tons of material. The current MRSF design is approximately 650 ft high, located to the west of the pits.

A stockpile of the ore uncovered and removed during the initial “pre-stripping” period of waste movement from the North Pit area along with surplus low-grade ore mined during standard mining operations is planned to be placed near the Processing Area’s Feed Ore Stockpile. This pile will initially contain approximately 3.6 Mst of above cut-off ore material. At its maximum the stockpile will contain upwards of 10 Mst at times. These stockpiled tons will be used as a “surge pile” to smooth the small production “bumps” that occur during the regular production periods of the open pit mine.

Recovery Methods

Case A

The processing plant has been designed to process 5,000 stpd of copper ore. The plant and the unit operations therein are designed to produce a marketable concentrate targeted at 26.0% Cu or greater.

The plant will consist of a coarse ore storage facility, a semi-autogenous grinding (“SAG”) mill, a ball mill comminution (“SABC”) circuit, rougher flotation, regrind circuit, and cleaner flotation; to liberate, recover, and upgrade copper from underground ore. Flotation concentrate will be thickened, filtered, and sent to a concentrate load out stockpile for subsequent transport/shipping.

Dry stack tailings (“DST”), in conjunction with underground paste backfill, are the preferred means of final deposition having substantially less water contained than tailings discharged directly from a concentrator. DST will be produced by thickening and filtering the final flotation tailings. The underground paste backfill portion of the tailings will be thickened, classified, filtered and combined with cement before being deposited in the underground mine workings.

Thickening and filtration of tailings allows for better process water management and control. Process water will be recycled from the tailings and concentrate thickener overflows. Fresh water will generally be used only for pump gland service, mill lube cooling, SAG mill ring motor cooling, reagent preparation, and safety showers / eyewash stations.

The process plant will consist of the following unit operations and facilities:

- Coarse ore receiving and storage area from the underground mine. Ore will have already passed through primary crushing on the surface. A radial stacker can stockpile direct to the coarse ore stockpile, or slew to stack low grade for transport to the adjacent low-grade stockpile
- A coarse ore stockpile and reclaim system
- A combined SAG/ball mill grinding circuit incorporating cyclones for classification
- A SAG mill pebble crushing circuit
- A rougher flotation circuit
- A rougher concentrate regrinding circuit
- A 1st cleaner, 2nd cleaner, and cleaner-scavenger flotation circuit
- Concentrate thickening and filtration circuits, including a concentrate storage shed
- Tailings thickening and filtration circuits
- Tailings disposal at a dry-stack storage facility, and
- A paste-backfill plant to be used on a regular but intermittent basis.

Case B

The processing plant has been designed to process 70,000 stpd of ore; the sum of the combined output from the surface mining (approximately 63,500 stpd) operations and the underground mining (6,500 stpd) operations. The SPF and the unit operations therein are designed to produce a marketable concentrate targeted at 25.5% Cu or greater.

The SPF will consist of a coarse ore storage facility, a SAG mill/twin ball mill comminution circuit, rougher flotation, regrind circuit, and cleaner flotation; to liberate, recover, and upgrade copper from the run of mine (“ROM”) ores. Flotation concentrate will be thickened, filtered, and sent to a concentrate load out stockpile for subsequent transport/shipping.

DST, in conjunction with underground paste backfill, are the preferred means of final deposition having substantially less water contained than tailings discharged directly from a concentrator. DST will be produced by thickening and filtering the final flotation tailings. The underground paste backfill portion of the tailings will be thickened and combined with cement and fly ash before being deposited in the underground mine workings.

Thickening and filtration of tailings allows for better process water management and control. Process water will be recycled from the tailings and concentrate thickener overflows. Fresh water will generally be used only for pump gland service, mill lube cooling, SAG mill ring motor cooling, reagent preparation, and safety showers / eyewash stations.

The process plant will consist of the following unit operations and facilities:

- Coarse ore receiving and storage area from the open pit and underground mines. The surface and underground ores will have their own independent stockpile. Ore will have already been passed through primary crushing in separate crushing areas;
- A coarse ore stockpile reclaim system accommodating the surface and underground ore stockpiles. The reclaim from these stockpiles will then be blended together prior to feeding the ores into the process facility;
- A combined SAG/ball mill grinding circuit incorporating hydrocyclones for classification;
- A SAG mill pebble crushing circuit;
- A rougher flotation circuit;
- A rougher concentrate regrinding circuit;
- A 1st cleaner, 2nd cleaner, and cleaner scavenger flotation circuit;
- A concentrate thickening and filtration circuit including a concentrate stockpile and dispatch area;
- Tailings thickening and filtration circuits;
- Underground tailings paste plant; and
- Tailings disposal at a DST facility.

Infrastructure

Case A

Infrastructure at the Property is well developed. County Road (“CR”) 827 and CR 208 provide existing paved access to the site. Access to the site is proposed via minor upgrades to E Pursel Lane from this sealed road network adjacent to the site. The City of Yerington, Nevada and Yerington Municipal Airport are both approximately eight miles from the site. The Reno-Tahoe International Airport is an 80-mile drive from the site.

Key aspects of the layout design include:

- Minimisation of movement of bulk materials (low grade ore, waste ore and tailings) to reduce Opex costs
- Minimisation of interaction between light vehicles (including delivery trucks) and heavy vehicles (moving low grade ore and/or dry stacked tailings) and minimisation of interaction between pedestrians and vehicles for improved safety

The layout was developed taking into account the location of the existing production shaft and winder house, and other existing surface facilities, existing topography and features, including the existing roads, the existing 120kV power line and the Case B footprint.

Access within the site will be via unsealed roads. The site and relevant facilities within the site will be fenced.

Proposed support facilities include:

- Administration complex
- Parking areas
- Process plant workshop and store
- Process plant dry

- Concentrate storage shed
- Truck scales
- Sewage treatment plant treating a gravity only sewerage reticulation system
- Potable water treatment plant
- Fuel facility; and
- Truck wash.

The following infrastructure currently exists on the site as is intending to be kept in-situ:

- Waste Rock Stockpile
- Mine operations office
- Mine warehouse
- Mine workshop
- Mine dry; and
- Explosive storage compound

Fresh water supply is sourced from dewatering wells. Potable water will be sourced from well WW-01 after treatment through a reverse osmosis treatment plant. A sewage treatment plant, meeting the city of Yerington standards, will dispose of treated effluent into the tailings thickener.

Several diversion channels have been proposed to divert surface water run on to minimise non-contact and potential contact water volumes to be managed. There are currently existing pipelines with three destinations for disposal of non-contact mine dewatering water, all terminating in water reuse, rapid infiltration basins or irrigation to pasture. The following is proposed to manage other non-contact water:

- Two new basins are proposed adjacent to Little Pumpkin Hollow
- An additional lined sedimentation pond will be constructed in parallel to Pond E4, to allow each to be dried offline to de-silt by excavator or loader during operations
- Two mine stormwater management basins adjacent to the processing facilities and the mine waste rock stockpile respectively.

A total of two potential contact water ponds or secondary containment ponds will be required; one pond will be located next to the processing facilities, the other adjacent to the Dry Stack Tailings (DST) pad.

The 120-kV transmission line runs from a service point on the NV Energy system to the proposed 120 kV switchyard. The Nevada Energy meter will be installed at the 120-kV switchyard. The main substation will have an incoming 120 kV source serving a 30 MVA power transformer. The voltage will be stepped down to a utilisation voltage for distribution at 4.16kV. The facility will be a fenced compound, and will include the transformer, outdoor 120 kV switchgear, neutral earthing resistor, 4.16 kV switchboard, demountable switchroom, substation services. This voltage will be fed into substations to supply the various electrical demands for surface and underground.

Concentrate will be trucked to a transload facility at Wabuska for transfer to rail to either:

- A west coast terminal (the ports of Vancouver, Oakland or Stockton were considered) for shipping to Asia or Europe; or
- A North American market.

Being a shaft accessed underground mine, two skip hoisting through the main shaft will be used to transport ore and waste material out of the mine. A loadout conveyor and skip loading system will transfer material from the COBs and place it into the skips.

Other underground infrastructure will include the following:

- Workshop
- Explosives magazine

- Mine dewatering system
- Power supply reticulation
- Compressed air supply network
- Potable water supply network
- IT and communications network
- Escape ways.

Case B

Infrastructure at the Property is well developed. CR 827 and CR 208 provide existing paved access to the site. A new access road will be constructed to the north to connect directly to US Highway 95A, a major north-south route in central Nevada. A rail line runs approximately 13 line miles north of the site. The City of Yerington, Nevada and Yerington Municipal Airport are both approximately eight miles from the site. The Reno-Tahoe International Airport is an 80 mile drive from the site.

The following are the main surface facilities that support the mining and processing operations:

- Power Substation
- Mine Rock Pile
- Fuel Storage Tank
- Raw Water Tanks
- Covered Storage and Yard
- Paste Thickener
- Mine Rock Storage Facility (MRSF)
- Process Facility
- Pebble Crushing
- DST Facility
- Process and Mine Office Buildings
- Administration Building
- Parking Area
- Truck Shop
- Tailings Filtration Plant
- Truck Scale
- Site Entrance Security Building
- Wastewater Treatment Plant
- Potable Water Treatment Plant
- Powder Magazines; and
- Settling Basins.

Initial road surfacing will be provided by a local quarry. Once production starts, road surfacing for maintenance and future roads will use on-site materials. When possible, proposed access roads will follow topography and existing roads. Newly constructed and altered roads will be designed and constructed per Lyon County standards. Existing roads will be regraded and capped with an all-weather surface. Road capping material will come from a nearby quarry and will be supplied by a third-party contractor. Signage is required to meet the design requirements; this includes regulatory, preventative and informative signage. Speed limits will be posted on-site for safety and will be strictly enforced.

A package sewage treatment plant, meeting State of Nevada standards for publicly owned treatment works will be supplied by a qualified vendor and contractor and constructed west of the filtration area. Sewage will be collected at main working areas and package lift stations will be constructed to pump sewage water to the treatment plant. After the wastewater is treated, effluent water will be used for plant process water and will be stored until process water is needed. When process make-up water is not required from the sewage treatment plant and the effluent water storage tank is full, effluent will drain by gravity to a nearby infiltration basin.

Process make-up water will be delivered from wells on site or piped 6 miles from an existing pipeline take off point. This water pipeline, which is connected to the City of Yerington water supply, is shared with an existing user but

has been oversized to allow for Nevada Copper's future usage. From the pipeline take-off point, a new extension will be constructed to the site and water will be distributed within the mine site through the potable water pipeline or the raw water pipeline.

Electrical service will be delivered via a 120-kV overhead line that will enter the site near the northeast corner of the site. For this report this location is referenced as "Metering Point Switchyard" as this location will be where NVE installs its revenue metering. From the Metering Point Switchyard one portion of the 120-kV transmission line (with 13.8 kV underbuild) continues south to the East Shaft Substation (approximately 0.83 miles). Two 13.8 kV distribution lines (approximately 0.96 miles each), emanating from the East Shaft Substation, extend to the south to provide service to the associated above ground electrical facilities at the E2 Vent location.

Another 120-kV line (with 13.8 kV underbuild) begins at the Metering Point Switchyard and continues west to the Tailings/Filtration Substation (approximately 1.35 miles). From the Tailing/Filtration Substation, the line continues west then south to the Process Facility Substation (approximately 2.97 miles). Line switches, 120 kV and 13.8 kV, are included near the Administration Building to isolate the Process Facility line segments for maintenance purposes. From the Process Facility Substation, two parallel 13.8 kV distribution lines will extend out to the edge of the North and South Pits (approximately 0.45 miles) where they will split to continue into the pits (approximately 3.40 miles total in length).

NCU plans to transport concentrate from site to the US west coast where the concentrate will be exported to East Asia. They will be trucked approximately 20 miles to a new rail loading facility to be constructed on UP tracks. The truck route is via a new mine access road north to State Highway 95A and on to the train loading facility. Concentrates will be railed to a west coast bulk port for shipping to smelters.

Preferred options are to transport concentrate to a proposed new terminal to be constructed at a site in the eastern San Francisco Bay area or the existing bulk terminal at the Port of Vancouver, Washington. The Bay area site is about 330 miles by rail closer than the Vancouver Washington terminal, the terminal has been proposed with the operational date of 2017 to 2018.

Market Studies and Contracts

Case A

There are several possibilities for marketing the concentrates, including Asian, US domestic and European smelters, the latter likely under a concentrates swap arrangement. For cashflow purposes, average concentrate transportation costs are estimated at \$75 per wet metric tonne based on product moved:

- via the Port of Vancouver, Washington; and
- to North American consumers.

There is an existing offtake contract covering 25.5% of the Case A copper concentrates.

Case B

The most likely markets for the NCU concentrates are in Asia, specifically Japan, Korea and China. While the West Coast ports are the shipping options, future alternatives for shipping some Cu concentrates to other markets in North America by truck or rail have not been ruled out.

There is an existing offtake contract covering 25.5% of the Case B copper concentrates from the portion of the concentrates derived from the Eastern Area underground ores processed.

Environmental Studies, Permitting and Social or Community Impact

Both Case A and Case B have been fully permitted since NCU desired to retain optionality for the Pumpkin Hollow Property development. Therefore, the permit applications were structured to include:

- A stand-alone 6,500 stpd (maximum) underground mine and dedicated process facility

- A stand-alone 62,500 stpd (maximum) open pit mine with a different, dedicated process facility; or
- A combined 70,000 stpd (maximum) underground and open pit mine with a single process facility.

The location of the process facility for the 6,500 stpd or 62,500 stpd cases are the same, but the throughput is different. In any case, the permits are for the “maximum throughput”. Any configuration with a lower throughput, such as Case A, does not require a revised permit, as long as:

- The process is fundamentally the same (mine, crush, grind, float, filtered tailings, dry stack tailings disposal facility), then
- The environmental controls are the same for containment of process fluids and control of emissions from air emissions sources.

Most developments require changes during final design and Cases A and B will also require changes from the original permit. These changes are permit compliance items that require notification and submission of revised designs to the respective Nevada state agencies. Items include any changes in location, configuration and/or size of environmental control facilities to ensure that the changes meet design requirements in the permits and regulations. These design changes are considered “engineering design changes” (“EDCs”) or minor modifications to the permit and are not a new permit or “major modification” that require a new application and public notice and review.

Both Case A and Case B developments will be completed on 100% privately-owned lands because of the Yerington Land Conveyance (see Section 20.2.6 Yerington Land Conveyance). Both Case A and B developments are now under local and Nevada state oversight. There is no other nexus under federal statutes and regulations that require federal environmental permits or preparation of an environmental impact statement pursuant to the National Environmental Policy Act (“NEPA”). There are no endangered species located on or near the property, no surface waters, no jurisdictional waters of the US that require a permit, no designated wilderness near the property, no Class I air quality designations, no critical habitat areas, no sage grouse (a species of concern in Nevada), and no wildlife migration zones that cause environmental constraints.

Archaeological surveys were performed on all the private lands owned or controlled by NCU, including the Case A and B areas, in 2011-2012. There are currently three prehistoric sites and two historic sites, a total of five sites, within the federal lands that were conveyed to NCU that are either recommended for eligibility on the national register of historic places (three sites) or require further evaluation (two sites). These sites are now administered by the Nevada State Historical Preservation Office (“SHPO”) pursuant to a Memorandum of Understanding amongst the SHPO, BLM, City and NCU, and will be evaluated and mitigated (data recovery, recordation and collection and recovery of artifacts (if necessary)) prior to any disturbance. In any event, none of these are within the area of disturbance of the Property. The Property area does not affect any Native American Reservation Lands or sacred sites.

Case A

Social or Community Impacts

The Case A and B developments occur entirely within Lyon County, Nevada, which has historically the highest unemployment rate in the state. The site is expected to bring more than 500-600 direct and indirect jobs to the area.

A major element of the work leading up to the Case A design included approval of the Special Use Permit (“SUP”) by the Lyon County Board of Commissioners. On June 11, 2013 the Lyon County Planning Commission recommended approval for a 6,500 stpd underground mine by a unanimous vote. Subsequently, on June 20, 2013, the Lyon County Commission unanimously approved the County SUP for an underground development. Approval of the SUP was a critical milestone for obtaining the permits necessary to support Case A and is notable in that they confirm that there is strong local support for the site. An additional SUP is not required for future stages of mine development at Pumpkin Hollow since both the Case A & B developments now lay entirely within the City of Yerington boundaries as a result of annexation by the City after the Federal land acquisition in 2015.

Approvals, Permits and Licenses

Case A will require approvals, permits and licenses for various components of the work.

Mine Closure

The area within the Case A perimeter fence is approximately 1,200 acres. Of this area, a total of approximately 220 acres will be disturbed as part of mining operation. A portion of this area will not be reclaimed - permanent water management diversion channels and select infrastructure that will be retained for post-mining industrial use. Reclaimed areas will include the waste rock stockpile, low grade stockpile, DST facility, reclamation material stockpiles, infrastructure which will be removed at closure, and water management features which will be reclaimed at closure.

Case B

Social or Community Impacts

Case B occurs entirely within Lyon County, Nevada, which had the highest unemployment rate in the state. The larger Case B development is estimated to bring more than 800-1,000 direct jobs and 2,000-3,000 indirect jobs to the area.

In addition to the local advocacy as described by the SUP above, there have been no formal objections to either the Case A and B from environmental groups or other non-governmental organisations.

Approvals, Permits and Licenses

Case B has received its key construction and operating permits but will require routine approvals, permits and licenses of lesser importance for other components of the work.

Mine Closure

The area within the Case B perimeter fence is approximately 6,700 acres. Of this area, a total of approximately 4,500 acres will be disturbed as part of mining operation. A portion of this area will not be reclaimed, including the north and south pits, permanent water management diversion channels, and select infrastructure that will be retained for post-mining industrial use. A total area of approximately 3,300 acres will be reclaimed, including the mine rock storage facilities, DST facility, reclamation material stockpiles, infrastructure which will be removed at closure, and water management features which will be reclaimed at closure.

Capital and Operating Costs

Case A

Initial Capital Costs

The capital cost estimate (“CAPEX”) consists of direct costs, indirect costs (including Owner costs) and contingency. The Initial CAPEX for the Case A Project development option of the Pumpkin Hollow Property is approximately \$182.4 million, subject to qualifications, assumptions, and exclusions. The initial capex estimate is at a Pre-Feasibility level with an accuracy of +/-25%.

The Initial Capital Costs Summary and distribution are shown in Table 1-6.

Table 1-6: Initial Capital Costs Summary

Item	US\$ millions
Direct Costs	
Underground mining	42.3
Process Plant (including Concentrate Handling)	59.9
Infrastructure and Tailings	49.9
Indirect Costs	
Infrastructure - EPCM Costs	7.0
Sales & Tax Use Tax on Purchased Equipment	Included in Directs
Construction Indirects	4.6
Owner's Costs	8.8
Spares and First Fills	0.6
Commissioning and Start up	0.4
Total Indirect Costs	21.7
Total Direct and Indirect Costs	173.4
Contingency	9.0
Total Initial Capital	182.4

Sustaining Capital

Sustaining capital over mine life totals \$110.6 million and includes: replacement of, and additions to, underground mobile equipment; lease costs for the initial mining fleet; reclamation costs; and expenditures on the tailings storage facility. Table 1-7 shows the breakdown of the sustaining capital costs. The sustaining capex estimate is at a Pre-Feasibility level with an accuracy of +/-25%.

Table 1-7: Life of Mine (“LOM”) Total Sustaining Capital Expenditures

Area	US\$ millions
Underground Mine Development	67.7
Process Plant, Infrastructure and Tailings	32.3
Deferred Capital	3.5
Contingency	7.1
Total Sustaining Capital	110.6

Operating Costs

The LOM operating costs average \$44.52 per ton milled. The first 1.5 years of costs are higher with use of a mining contractor. LOM site unit operating cash costs are as summarised in Table 1-8.

Table 1-8: LOM Unit Operating Cost Summary

Area	LOM operating cost US\$/ton-ore milled (Contractor Miner)	LOM Operating Cost US\$/ton-ore milled (Owner Miner)
Mining	35.33	27.20
Processing	12.65	12.65
General and Administrative	4.57	3.98
Total	52.55	43.83

Case B

Initial Capital Costs

The CAPEX consists of four main parts: direct costs, indirect costs, contingency, and Owner's costs, as described below. The CAPEX estimate for the Case B development option for the Pumpkin Hollow Property is approximately \$1,041m, subject to qualifications, assumptions, and exclusions. The capital cost summary and distribution are shown in Table 1-9. The initial capex estimate is at a Feasibility level with an accuracy of +/-15%.

Table 1-9: Initial Capital Costs (\$000s)

Cost Category	Initial (\$000s)
Direct Costs	
100 Open Pit Mine	\$262,709
200 Underground Mine	\$80,611
300 Ore Handling	\$12,169
400 Process Facility	\$267,910
500 DST Facility	\$69,229
600 Infrastructure	\$88,171
700 Water Management	\$17,815
800 Environmental and Reclamation	\$12,418
Total Directs	\$811,032
Indirect Costs	
911 Construction Indirects	\$65,595
912 Spares and Warehouse Inventory	\$9,825
913 Initial Fills	\$4,500
914 Freight and Logistics	\$14,947
915 Commissioning and Start-Up	\$2,354
916 EPCM	\$57,910
917 Vendor and Consulting Assistance	\$798
Total Indirects	\$155,929
Subtotal	\$966,961
Contingency	\$67,066
Owner Costs	\$6,699
Total Capital	\$1,040,727

Sustaining Capital

Sustaining capital over mine life totals approximately \$634m. The sustaining capex estimate is at a Feasibility level with an accuracy of +/-15%.

Open pit mine, underground mine, process facility, and DST facility all utilise leased mobile equipment. Leases are capitalised during the pre-production period, then reported in the operating costs during the production.

Table 1-10: Sustaining Capital Costs (\$000s)

Cost Category	Sustaining (\$000s)
Direct Costs	
100 Open Pit Mine	\$222,143
200 Underground Mine	\$157,597
300 Ore Handling	\$2,434
400 Process Facility	\$52,325
500 DST Facility	\$78,694
600 Infrastructure	\$0
700 Water Management	\$1,582
800 Environmental and Reclamation	\$41,293
Total Directs	\$556,068
Indirect Costs	
911 Construction Indirects	\$35,280
912 Spares and Warehouse Inventory	\$2,358
913 Initial Fills	\$0
914 Freight and Logistics	\$1,487
915 Commissioning and Start-Up	\$0
916 EPCM	\$0
917 Vendor and Consulting Assistance	\$0
Total Indirects	\$39,125
Subtotal	\$595,193
Contingency	\$38,938
Owner Costs	\$0
Total Capital	\$634,130

Operating Costs

LOM operating costs are summarised in Table 1-11. Further details are available in Section 24. The operating cost estimate is at a Feasibility level of accuracy.

Table 1-11: LOM Operating Costs

Cost Category	Unit Cost (\$/st-ore)	Unit Cost (\$/st-waste)	Unit Cost (\$/st-milled)
Open Pit Mining-Ore	\$1.575	-	-
Open Pit Mining-Waste	-	\$1.165	-
Underground Mining	\$24.059	-	-
Underground Haul	\$1.250	-	-
Process Facility	-	-	\$4.732
Tailings Management	-	-	\$0.171
Water Management	-	-	\$0.003
Environmental and Reclamation	-	-	\$0.014
GandA	-	-	\$0.400
Subtotal	-	-	\$11.796
OP Equipment Lease	\$0.162	\$0.160	-
UG Equipment Lease	\$0.349	-	\$0.020
Process Equipment Lease	-	-	\$0.0002
Tailings Equipment Lease	-	-	\$0.010
Subtotal	-	-	\$12.520
Nevada State Minerals Tax	-	-	\$0.284
Total Operating Costs	-	-	\$12.805

Refining charges, transportation, and royalties are not included in the operating cost estimate.

Economic Analysis

Case A

Base Case

Base case metal prices employed the mean of analyst's consensus prices for copper gold and silver from 2017 to 2021, thereafter the prices were held constant. These base case metals prices are shown in the table below:

Table 1-12: Base Case Metal Prices

		2017	2018	2019	2020	2021	2022+
Consensus Copper Prices	\$/lb	\$2.62	\$2.66	\$2.83	\$3.05	\$3.14	\$3.20
Consensus Gold Prices	\$/oz	\$1,254	\$1,268	\$1,276	\$1,285	\$1,284	\$1,325
Consensus Silver Prices	\$/oz	\$17.31	\$18.21	\$18.77	\$19.40	\$19.53	\$20.01
<i>Source: Consensus Economics Inc. - August 2017</i>							

In addition to the base case prices, the economics were also examined with alternate metals price scenarios with copper prices lower and higher than current spot prices as shown below. Gold and silver prices were held constant at the levels show due to their low importance relative to copper. All prices were held constant.

Table 1-13: Alternate Metal Price Scenarios

		Low	High
Copper	\$/lb	\$2.60	\$3.50
Gold	\$/oz	\$1,300	\$1,300
Silver	\$/oz	\$17.00	\$17.00

The economic analysis of the Case A development at a copper price of \$3.00/lb, results in an after tax Net Present Value as a discount rate of 5% (NPV5%) of \$247 million; an Internal Rate of Return of 22.9% and a capital payback period of 4.9 years. The life of the mine is 13.1 years. Other metal price sensitivity cases are summarized below.

Table 1-14: Comparison of economic analysis

		Low Case	Base Case	High Case
Copper Price	\$/lb	\$2.60	Consensus**	\$3.50
Gold Price	\$/oz	\$1,300	Consensus**	\$1,300
Silver Price	\$/oz	\$17	Consensus**	\$17
		US\$M	US\$M	US\$M
Net Smelter Revenue*, after royalty	LOM	\$1,582	\$1,941	\$2,150
Operating Margin	LOM	\$518	\$876	\$1,085
Operating Margin	Avg/Yr	\$40	\$67	\$83
Undiscounted Net Cashflow	Pre-tax	\$224	\$582	\$791
NPV 0%	After-tax	\$212	\$496	\$658
NPV 5%	Pre-tax	\$108	\$356	\$510
NPV 5%	After-tax	\$100	\$301	\$421
IRR	Pre-tax	13.4%	27.2%	36.8%
IRR	After-tax	12.8%	25.2%	33.6%
Payback - years	After-tax	6.50	4.75	4.00

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

** Consensus prices as shown on Table 1-12

Case B

The Case B development option is at a Feasibility level of study and the cost estimates and economics are prepared on a quarterly basis for the calendar years for production years 1 -4 and annually thereafter. Based upon design criteria presented in this report, the level of accuracy of the estimate is considered $\pm 15\%$.

Case B economics are summarised below based upon the inputs disclosed:

		Low Case	Base Case	High Case
Copper Price	\$/lb	\$2.85	\$3.15	\$3.75
Gold Price	\$/oz	\$1,200	\$1,200	\$1,200
Silver Price	\$/oz	\$18	\$18	\$18
(In Millions of US Dollars)				
Net Smelter Revenue, after royalty		\$10,768	\$11,990	\$14,434
Net Cash Flow	Pre-tax	\$1,831	\$2,992	\$5,315
Net Cash Flow	After-tax	\$1,584	\$2,514	\$4,249
Annual Net Cash Flow	Yr. 1-5 avg.	\$204	\$262	\$366
Pre-tax Operating Margin*	Yr. 1-5 avg.	\$300	\$380	\$540
NPV 5%	Pre-tax	\$659	\$1,362	\$2,768
NPV 5%	After-tax	\$534	\$1,100	\$2,155
IRR	Pre-tax	11.30%	17.50%	28.80%
IRR	After-tax	10.40%	15.60%	24.60%
Payback - years	Pre-tax	7.9	4.2	2.8
Payback - years	After-tax	8.2	4.7	3.2

Mine Life is 23 years with cash costs (excluding equipment leases and Nevada State Minerals tax) of \$1.67/lb-Cu, \$1.49/lb-Cu net of by-product credits; and initial capital of \$1.04 billion, sustaining capital of \$634 million, and total capital of \$1.67 billion.

All costs and economic results are presented in Q2 2015 US dollars. Quantities and values are presented using US Customary units unless otherwise specified. No escalation has been applied to capital or operating costs. No gearing apart from equipment leasing is assumed in the analysis.

Technical economic tables and figures presented in this appendix require subsequent calculations to derive subtotals, totals, and weighted averages. Such calculations inherently involve a degree of rounding. Where these occur, they are not considered to be material.

Financial Results

(in thousands of US dollars except per share amounts)

	March 31, 2018	March 31, 2017
Expenses		
Consulting and remuneration	\$1,088	\$148
Public company expenses	417	121
Office expenses	131	75
Professional fees	239	34
Business development	42	61
Stock-based compensation	27	121
	(1,944)	(560)
Interest income	141	5
Interest and finance expenses	(28)	(1,032)
Derivative fair value change	(2,159)	1,283
Other income	(549)	1
Debt extinguishment loss, net	(7,737)	-
Foreign exchange loss	(325)	7
Net loss and comprehensive loss	\$ (12,601)	\$ (296)
Loss per common share		
Basic and diluted	\$ (0.05)	\$ (0.00)

For the three months ended March 31, 2018. The corporation reported a net loss of \$12.6 million (or \$0.05 basic and diluted loss per common share) compared to a net loss of \$0.3 million for the corresponding period in 2017 (or \$0.00 basic and diluted loss per common share).

The \$12.3 million increase in net loss period to period is driven by the Corporation's refinancing and restructuring initiatives in Q1 2018:

- \$7.7 million was recorded as a debt extinguishment loss as a result of the refinancing of the Red Kite long term debt (2017 - \$Nil);
- \$2.2 million was recorded as a derivative fair value loss (2017 gain of \$1.3 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 \$1.2 million as at March 31, 2018 and \$1 million was recorded as a derivative fair value loss on the convertible derivative option in the Corporation's Convertible Debt Facility prior to its conversion to common shares.
- \$1 million increase in consulting and remuneration from \$0.1 million in Q1 2017 to \$1.1 million in Q1 2018 due to the payment of benefits under an the employment contract of a certain senior officer during the period;
- \$0.5 million increase in other expenses resulting from a settlement of a claim related to an expired option agreement, and
- \$0.6 increase in public company, office and professional fee expenses related to Corporation's restructuring initiatives.

Pumpkin Hollow Project Expenditures

Project costs capitalised for the three months ended March 31, 2018 on the Pumpkin Hollow Copper Development Property consists of the following:

(in thousands of US dollars)	Mar. 31, 2018	2018 Expenditure s	Dec. 31, 2017	Mar. 31, 2017	2017 Expenditures	Dec. 31, 2016
Property payments	\$1,961	\$-	\$1,961	\$1,961	\$-	\$1,961
Advance royalty payments	3,529	366	3,163	3,163	-	3,163
Water rights	2,297	47	2,250	2,021	50	1,971
Drilling	41,832	675	41,157	41,157	-	41,157
Geological consulting, exploration & related	8,459	536	7,923	7,923	-	7,923
Feasibility, engineering & related studies	22,585	1,223	21,362	19,583	-	19,583
Permits/ environmental	11,707	63	11,644	11,634	53	11,581
East deposit underground project Underground access, hoist, head frame, power, & related	79,247	346	78,901	77,989	228	77,761
Engineering procurement	10,550	-	10,550	10,550	-	10,550
Surface infrastructure	3,804	-	3,804	3,804	-	3,804
Site costs	16,012	668	15,344	14,326	476	13,850
	201,983	3,924	198,059	194,111	807	193,304
Depreciation	703	13	690	652	15	637
Capitalised interest	51,317	3,358	47,959	35,714	3,730	31,984
Stock-based compensation	4,498	-	4,498	4,489	94	4,395
Total Development Costs	\$258,501	7,295	\$251,206	\$234,966	\$4,646	\$230,320

For the period ended March 31, 2018, the Corporation incurred \$7.3 million of project expenditures compared to \$4.6 for the same period in 2017. The \$2.1 million increase reflects the resumption of the advance royalty payments which was deferred in 2017, commencement of drilling activities and engineering design work. The focus during the comparative period ended March 31, 2017 was care and maintenance activities only.

Capitalised interest costs were \$3.4 million for the quarter ended March 31, 2018 compared to the capitalised interest costs for the year ended March 31, 2017 of 3.7 million.

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	2017	2017	2017	2017	2016	2016	2016
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Working capital	41,923	(73,917)	(2,717)	(1,032)	2,114	2,435	4,566	6,572
Total assets	307,827	262,255	255,544	250,936	248,955	244,516	240,719	239,382
Development property	258,501	251,206	245,740	240,642	234,966	230,320	225,067	220,120
Total noncurrent liabilities	98,524	114,427	171,702	164,968	170,247	165,600	158,587	154,677
Shareholders' equity	206,205	72,336	80,784	83,906	76,112	76,408	80,324	81,286
Net profit (loss)	(12,601)	(8,448)	(3,122)	5,277	(296)	(4,842)	(1,356)	(10,278)
Net profit (loss) per share	(0.05)	(0.09)	(0.03)	0.06	(0.01)	(0.05)	(0.02)	(0.11)

Liquidity and Capital Resources

As of March 31, 2018, the Corporation had a cash balance of \$44.7 million, excluding restricted cash. The Corporation's working capital as at Mar 31, 2018, was \$41.9 million compared with working capital deficit of \$73.9 million as at December 31, 2017.

The increase in the Corporation's working capital during the period ended March 31, 2018 is due to Equity Offering completed in January 2018 which gross proceeds of \$102.9 million through the issuance of 256,410,256 common shares at a price of \$0.50 CDN per share.

Concurrent with completion of the Offering above, \$42 million was repaid to Red Kite from proceeds of the Offering. The refinancing 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. Subject to completion of another equity offering in 2018 another \$15 million of outstanding Refinanced Loan will be converted into shares at a conversion price to be set based on the price per the subsequent equity offering.

During the period, the Corporation also repaid the entire Pala Bridge Loan balance of \$3.5 million including interest upon completion of the above Offering. In addition, the Pala Convertible debt Facility was converted into shares at a conversion price of \$0.50 CAD per share. The Facility balance at the time of conversion was \$38.5 million (\$47.8 million CAD). This resulted in the issuance of 95,561,944 shares to Pala.

The Corporation will need to raise additional funds to support its development operations and administration expenses in the future. Future sources of liquidity may include debt financing, equity financing, convertible debt, exercise of options, or other means. The continued operations of the Corporation are dependent on its ability to obtain additional financing or to generate future cash flows.

The Corporation, and Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") have entered into a metals purchase and sale agreement dated December 21, 2017 (the "Stream Agreement") whereby Triple Flag has 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 of the Corporation's 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 Corporation will receive an ongoing payment of 10% of the spot price for each ounce of gold and silver delivered to Triple Flag. The Corporation 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 Corporation and its subsidiaries have provided security for the performance of the obligations under the Stream Agreement over all of their respective assets. To date no monies have been received under this arrangement. Funding of the Stream Deposit is conditional on, among other things, a decision to proceed with construction of the underground project on a fully funded basis (excluding working capital).

In addition to the above Stream Agreement, the Corporation intends to complete a further subsequent equity offering for aggregate proceeds together with the Offering of at least \$150 million (net of applicable fees and expenses) on terms to be determined in the context of the market, in compliance with the policies of the TSX.

To ensure that the Corporation will be well-positioned to successfully implement the subsequent equity offering at the time of its choosing and to take advantage of favourable market conditions, the Corporation has entered into equity backstop agreement with Pala in which Pala will purchase common shares offered during a subsequent offering (or securities convertible into common shares) for an aggregate amount of up to \$60 million which may be called by the Corporation, at its option. Pala was paid \$1.2 million which represents 2% of the Pala's backstop commitment.

Transactions with Related Parties

Pala is a related party because it is a Corporation that currently holds 53.5% of Nevada Copper shares. Additionally, two Pala executives, Evgenij Iorich, and Stephen Gill, are on the Corporation's Board of Directors as at March 31, 2018. During the period, the following transactions were entered into with Pala:

- Offering subscription in the amount of \$39.5 million (\$49.2 CAD);
- Repayment of the Pala Bridge Loan in the amount of \$3.5 million;
- Conversion of the Pala convertible debt into shares at a conversion price of \$0.50 CAD per share. The Facility balance at the time of conversion was \$38.5 million (\$47.8 million1 CAD). This resulted in the issuance of 95,561,944 shares to Pala;
- Back stop fees of \$1.8 million;
- Repayment of accounts payable of \$2.1 million; and
- Interest paid or accrued \$1.2 million.

The Corporation has entered into management agreements with certain senior officers. In the event that there is a change of control, the Corporation may be required to pay severance payments ranging from three months to eighteen months of salary for these senior officers. The amount of this contingent liability is \$0.7 million (2017 - \$1.6 million) and is not recorded in the consolidated statements of financial position. Pala exercising their conversion rights under the convertible debt triggered the change in control clauses. During the period, \$1 million was paid to a senior officer pertaining to this management agreement.

During the quarter, \$0.3 million (2017-\$Nil) was paid in director fees. As of March 31, 2018, accounts payable and accrued liabilities include director fees payable of \$0.1 million (2017- \$nil).

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

Contractual Obligations

The following table sets forth the Corporation's known contractual obligations as at March 31, 2018:

(in thousands of USD)	Payments due by period				
Contractual obligations	Total	1 year	2-3 years	4-5 years	5 years+
Accounts payable and accrued liabilities	\$2,642	\$2,642	\$-	\$-	\$-
DCU and DSU payable	477	477	-	-	-
Long-term debt (ii)	141,066	-	14,441	25,945	100,680
Total USD obligations	\$144,185	\$3,119	\$14,441	\$25,945	\$100,680
	CAD	CAD	CAD	CAD	CAD
Office lease	\$158	\$158	-	-	-
Total CAD obligations	\$158	\$158	-	-	-

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

(ii) These values reflect accrued interest through loan maturity.

Previously, the Corporation had entered into certain construction and engineering contracts relating to the construction of the underground shaft. Work incurred on these contracts were billed monthly and therefore are not listed as commitments. There are currently no material construction or engineering contracts in force.

Off-Balance Sheet Arrangements

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

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate 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 three months March 31, 2018.

New Accounting Pronouncements

Certain recent accounting pronouncements have been included under Note 2c in the corporation's March 31, 2018 unaudited interim consolidated financial statements.

The Corporation 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 Corporation's Red Kite long-term debt with had 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 Corporation 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 loan and a corresponding charge to accumulated deficit as at January 1, 2018.

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

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 or where measurements are uncertain are as follows:

- i. Mineral property assets. The measurement and impairment of mineral properties are based on various judgments and estimates. These include the determination of the technical and commercial feasibility of these properties, which incorporates various assumptions for mineral reserves and/or resources, future mineral prices and operating and capital expenditures for the properties.
- ii. Taxation. Tax provisions are recognised to the extent that it is probable that there will be future outflow of funds to a taxation authority. Such provisions often require judgment on the treatment of certain taxation

matters that may not have been reported to or assessed by the taxation authority at the date of these financial statements. Differences in judgment by the taxation authority could result in changes to actual taxes payable by the Corporation.

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

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

- iii. Stock-based compensation. The Corporation uses the Black-Scholes option pricing model to determine the fair value of stock options and share purchase warrants granted. This model requires management to estimate the volatility of the Corporation's future share price, expected lives of stock options and future dividend yields. Consequently, there is significant measurement uncertainty in the stock-based compensation expense reported.
- 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 rate issued by comparable issuers and accounting for at amortised cost using the effective interest rate method.

Risk Factors

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

Share Data

Capital Structure as of May 10, 2018:

Common shares issued and outstanding:	445,150,682
Total stock options outstanding:	6,693,500
Total warrants outstanding:	5,460,000

Forward-Looking Statements

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

Forward-looking statements or information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information, including,

without limitation, risks and uncertainties relating to: history of losses; requirements for additional capital; dilution; loss of its material properties; interest rates increase; global economy; no history of production; future metals price fluctuations, speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labour disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; legal and regulatory proceedings and community actions; title matters; regulatory restrictions; permitting and licensing; volatility of the market price of Common Shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; as well as those factors discussed in the section entitled “Risk Factors” in this MD&A and the Corporation’s Annual Information Form dated March 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 Corporation disclaims any intent or obligation to update forward-looking statements or information except as required by law, and you are referred to the full discussion of the Corporation’s business contained in the Corporation’s reports filed with the securities regulatory authorities in Canada.