NEVADA COPPER CORP.

Consolidated Condensed Interim Financial Statements
For the three and nine months ended September 30, 2016 and September 30, 2015

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, “Continuous Disclosure Obligations”, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Corporation have been prepared by management and approved by the Audit Committee and the Board of Directors of the Corporation.

The Corporation’s independent auditors have not performed a review of these consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditors.

NEVADA COPPER CORP.

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

	September 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	**$6,214**	$2,217
Amounts receivable	**20**	218
Prepaid expenses	**140**	138
	6,374	2,573
Restricted cash	**743**	1,930
Deposits	**100**	114
Deferred financing fees (note 7)	**8,205**	7,961
Mineral properties, plant, and equipment (note 4)	**225,297**	211,375
	240,719	223,953
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (notes 8 and 10)	**1,808**	4,714
Short term debt (note 5)	**-**	20,954
Current portion of long term debt (note 7)	**-**	96,233
	1,808	121,901
Convertible debt (note 6)	**27,927**	-
Convertible debt – derivatives (note 6)	**8,841**	-
Long term debt (note 7)	**120,744**	-
Asset retirement obligation	**1,075**	1,075
	160,395	122,976
Shareholders' equity:		
Share capital (note 10)	**158,827**	155,840
Other equity reserve (note 10)	**25,560**	25,074
Accumulated other comprehensive loss	**(3,578)**	(3,578)
Deficit	**(100,485)**	(76,359)
	80,324	100,977
	$240,719	$223,953

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

Approved on behalf of the Board on November 10, 2016:

(Signed) “Victor Bradley”, Director **(Signed) “Giulio Bonifacio”, Director**

NEVADA COPPER CORP.

Consolidated Condensed Interim Statements of Operations and Comprehensive Loss
(Expressed in thousands of United States dollars)
(Unaudited – Prepared by Management)

Three and nine month periods ended September 30, 2016 and September 30, 2015

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Expenses:				
Public company expenses	**$48**	$86	**$196**	$562
Consulting and remuneration	**99**	141	**346**	438
Office expenses	**64**	82	**185**	250
Professional fees	**24**	13	**74**	231
Business development	**26**	47	**105**	189
Depreciation expense	**-**	32	**2**	98
Stock-based compensation (note 10)	**903**	126	**1,080**	104
	1,164	527	**1,988**	1,872
Other income (expense):				
Interest income	**14**	13	**22**	71
Off-take buy-back (note 7)	**-**	-	**(10,000)**	-
Interest and finance expenses	**(876)**	(421)	**(2,423)**	(1,496)
Derivative fair value change (notes 6 and 7)	**707**	-	**1,794**	-
Other income (loss)	**2**	(825)	**4**	(829)
Derivative loss (notes 6 and 7)	**-**	-	**(11,424)**	-
Foreign exchange gain (loss)	**(39)**	(264)	**(111)**	(671)
	(192)	(1,497)	**(22,138)**	(2,925)
Loss for the period	**(1,356)**	(2,024)	**(24,126)**	(4,797)
Comprehensive income (loss)	**$(1,356)**	$(2,024)	**$(24,126)**	$(4,797)
Loss per common share:				
Basic and diluted	**$(0.02)**	$(0.03)	**$(0.29)**	$(0.06)
Weighted average number of shares outstanding	**88,168,125**	80,501,458	**83,859,122**	80,501,458

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

NEVADA COPPER CORP.

Consolidated Condensed Interim Statements of Changes in Equity
(Expressed in thousands of United States dollars, except share amounts)
(Unaudited – Prepared by Management)

	Share Capital					
	Number of Shares	Amount	Other Equity Reserve	Accumulated Other Comprehensive Loss	Deficit	Total
Balances, December 31, 2014	80,501,458	$155,840	$24,978	$(3,578)	$(71,361)	$105,879
Stock-based compensation	-	-	77	-	-	77
Comprehensive loss	-	-	-	-	(4,797)	(4,797)
Balances, September 30, 2015	**80,501,458**	**$155,840**	**$25,055**	**$(3,578)**	**$(76,158)**	**$101,159**

	Share Capital					
	Number of Shares	Amount	Other Equity Reserve	Accumulated Other Comprehensive Loss	Deficit	Total
Balances, December 31, 2015	80,501,458	$155,840	$25,074	$(3,578)	$(76,359)	$100,977
Stock-based compensation	-	-	399	-	-	399
Shares issued	7,666,667	2,987	87	-	-	3,074
Comprehensive loss	-	-	-	-	(24,126)	(24,126)
Balances, September 30, 2016	**88,168,125**	**$158,827**	**$25,560**	**$(3,578)**	**$(100,485)**	**$80,324**

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

NEVADA COPPER CORP.

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

Three and nine month periods ended September 30, 2016 and September 30, 2015

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Cash provided by (used in):				
Operations:				
Loss for the period	**$(1,356)**	$(2,024)	**$(24,126)**	$(4,797)
Items not affecting cash:				
Depreciation	**-**	97	**3**	268
Interest income received	**(14)**	(13)	**(22)**	(71)
Loss (gain) on embedded derivatives	**(707)**	825	**(1,794)**	829
Derivative loss	**-**	-	**11,424**	-
Off-take buy-back	**-**	-	**10,000**	-
Interest and finance expenses	**876**	401	**2,434**	1,476
Stock-based compensation	**903**	126	**1,080**	104
	(298)	(588)	**(1,001)**	(2,191)
Changes in non-cash working capital items:				
Amounts receivable	**4**	(7)	**198**	33
Prepaid expenses	**(18)**	3	**(2)**	12
Accounts payable and accrued liabilities	**(176)**	999	**(221)**	460
Interest received	**14**	13	**22**	71
	(474)	420	**(1,004)**	(1,615)
Investments:				
Trust account for surety bond	**-**	-	**1,187**	350
Deposits for development costs	**(24)**	-	**14**	58
Development costs	**(3,133)**	(8,906)	**(6,530)**	(25,008)
	(3,157)	(8,906)	**(5,329)**	(24,600)
Financing:				
Issuance of common shares	**-**	-	**3,618**	-
Share issue costs paid	**-**	-	**(544)**	-
Pala convertible debt facility draw	**-**	5,000	**5,000**	5,000
Transaction costs for debt financing	**-**	-	**(744)**	-
Interest paid	**-**	-	**-**	(5,722)
Long term debt draw	**-**	-	**3,000**	-
	-	5,000	**10,330**	(722)
Increase (decrease) in cash and cash equivalents	**(3,631)**	(3,486)	**3,997**	(26,937)
Cash and cash equivalents, beginning of the period	**9,845**	9,795	**2,217**	33,246
Cash and cash equivalents, end of the period	**$6,214**	$6,309	**$6,214**	$6,309
Supplementary information:				
Depreciation capitalised in mineral properties, plant, and equipment	**17**	33	**53**	86
Stock-based compensation included in mineral properties	**235**	16	**290**	45
Change in mineral properties, plant, and equipment in accounts payable and accrued liabilities	**(2,066)**	(2,401)	**(3,493)**	2,036

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

1. Nature of operations and going concern:

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

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

These consolidated condensed interim financial statements have been prepared on a going concern basis which assumes the Corporation will be able to operate in the foreseeable future. The Corporation will be able to realise its assets and discharge its liabilities in the normal course of business. The Corporation will be required to complete additional financing in 2016 in order to meet interest payment commitments and expected operating costs in 2017. The Corporation will also be required to complete additional financing in order to carry out its development activities and to draw down the remaining undrawn amount of approximately $75,000 of the Red Kite facility, which draw down is also contingent upon completion of certain project milestones to be met. As at December 31, 2015, the Corporation had breached the covenants stipulated in the Red Kite facility and as such, the loan had been re-classified from long term to short term (note 7). An amendment was finalised on June 3, 2016 re-establishing the Corporation's good standing with Red Kite. The covenants were amended and a further loan was advanced to the Corporation by Red Kite. As a result of this amendment the loan from Red Kite has been classified back to long term debt. In addition, the Pala Investments Limited ("Pala") loan has been re-classified to long term debt as the debt terms do not require payment within the next twelve months (note 6). Furthermore, with the new loan terms from Pala the Corporation is no longer in breach of any covenants under the Pala loan. There continues to be material uncertainty about whether the Corporation will be able to obtain the additional financing required to meet its obligations as they become due which may cast significant doubt about the ability of the Corporation to continue as a going concern.

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

2. Basis of presentation and significant accounting policies:

Basis of presentation:

These consolidated condensed interim financial statements have been prepared in accordance and in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in compliance with International Accounting Standards ("IAS") 34 Interim Financial Reporting.

2. Basis of presentation and significant accounting policies (continued):

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

These consolidated condensed interim financial statements were approved for issue by the Board of Directors on November 10, 2016.

Basis of measurement:

These consolidated condensed interim financial statements have been prepared on the historical cost basis, except for certain instruments carried at fair value. In addition, these consolidated condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies and methods of computation applied by the Corporation in these consolidated condensed interim financial statements are the same as those applied in the Corporation's annual consolidated financial statements for the year ended December 31, 2015.

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

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

3. Recent accounting pronouncements:

The Corporation continuously monitors the potential changes proposed by the IASB and analyses the effect that changes in the standards may have on the Corporation's consolidated financial statements.

The Corporation has evaluated the impact of accounting policy changes effective January 1, 2016 and has determined that there are no policy changes that impact the interim condensed consolidated financial statements for the period ended September 30, 2016. Future changes in accounting standards which may impact the December 31, 2016 consolidated financial statements pertain to adoption of IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases. The mandatory effective date of these standards is on or after January 1, 2018.

On January 7, 2016, the IASB issued amendments to IAS 7. The amendments apply prospectively for annual periods beginning on or after January 1, 2017 with early adoption permitted. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The Corporation intends to adopt the amendments to IAS 7 in its financial statements for the annual periods beginning on January 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.

On January 19, 2016, the IASB issued amendments to IAS 12. The amendments apply retrospectively for annual periods beginning on or after January 1, 2017 with early adoption permitted. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax basis at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine future income tax profits used for assessing the utilization of deductible temporary differences. The Corporation intends to adopt the amendments to IAS 12 in its financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.

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

3. Recent accounting pronouncements (continued):

On June 20, 2016, the IASB issued amendments to IFRS 2 clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of a transaction from cash-settled to equity settled.

The amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively. Retrospective, or early, application is permitted if information is available without the use of hindsight. The Corporation intends to adopt the amendments to IAS 2 in its financial statements for the annual period beginning January 1, 2018. The extent of the impact of adoption of the amendments has not yet been determined.

4. Mineral properties, plant and equipment:

	Mineral Properties			
	Development Costs	**Exploration and Evaluation assets**	**Plant & Equipment**	**Total**
Cost:				
As at Dec. 31, 2014	172,233	-	1,128	173,361
Additions	38,856		-	38,856
As at Dec. 31, 2015	211,089	-	1,128	212,217
Additions	13,978		-	13,978
As at Sep. 30, 2016	**225,067**	**-**	**1,128**	**226,195**
Accumulated depreciation:				
As at Dec. 31, 2014	-	-	606	606
Additions	-	-	236	236
As at Dec. 31, 2015	-	-	842	842
Additions			56	56
As at Sep. 30, 2016	-	-	**898**	**898**
Net book value:				
As at Dec. 31, 2014	172,233	-	522	172,755
As at Dec. 31, 2015	211,089	-	286	211,375
As at Sep. 30, 2016	**$225,067**	**$-**	**$230**	**$225,297**

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

Pumpkin Hollow Copper Development Property:

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

Under the terms of the Lease, the Corporation has made Lease payments totaling $600 during the period May 4, 2007 to May 4, 2011. Subsequent to May 4, 2011, the Corporation is required to pay advance royalty payments of $600 annually until the first expiry date of the Lease on May 4, 2016 to a total of $3,000. Quarterly lease payments of $150 were due and paid commencing in April 2012. The Corporation is current with all required Lease payments and advance royalty payments. Cumulative advance royalty payments made total $2,900 to September 30, 2016.

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

Pursuant to the terms of the Lease the Corporation notified RGGS of its intention to extend the lease for the period May 2, 2016 to May 2026. This notice has been acknowledged and accepted by RGGS and provision was made for payment of the residual balance of the $3,000 minimum advance royalty in the first 10 year lease term. The Corporation may extend the Lease for up to two additional terms of ten years each, subject to performing continuous mining activities, payment of advance royalty payments and payment of production royalties and minimum royalty payments of $10,000 in each ten-year term.

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

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

Project costs capitalised for the nine months ended September 30, 2016 and the year ended December 31, 2015 on the Property consists of the following:

	Sep. 30, 2016	Jan-Sep 2016	Dec. 31, 2015	2015	Dec. 31, 2014
Property payments	**$1,961**	$-	$1,961	$-	$1,961
Advance royalty payments	**2,900**	650	2,250	600	1,650
Water rights	**1,880**	188	1,692	285	1,407
Drilling	**41,157**	10	41,147	4,533	36,614
Geological consulting, exploration & related	**7,923**	9	7,914	287	7,627
Feasibility, engineering & related studies	**19,583**	-	19,583	2,012	17,571
Permits/ environmental	**11,705**	122	11,583	3,305	8,278
East deposit underground project					
Underground access, hoist, head frame, power, & related	**77,613**	727	76,886	13,511	63,375
Eng. procurement	**10,550**	-	10,550	119	10,431
Surface infrastructure	**3,804**	7	3,797	426	3,371
Site costs	**13,314**	1,161	12,153	2,846	9,307
	192,390	2,874	189,516	27,924	161,592
Depreciation	**619**	53	566	111	455
Capitalised interest (note 7)	**28,120**	10,761	17,359	10,765	6,594
Stock-based compensation	**3,938**	290	3,648	56	3,592
Total	**$225,067**	$13,978	$211,089	$38,856	$172,233

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

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

Plant and equipment:

	Building	Equipment	Mobile Equipment	Computer Equipment	Total
Cost:					
As at Dec. 31, 2014	$480	$96	$139	$413	$1,128
Additions	-	-	-	-	-
As at Dec. 31, 2015	480	96	139	413	1,128
Additions	-	-	-	-	-
As at Sep. 30, 2016	**480**	**96**	**139**	**413**	**1,128**
Accumulated depreciation:					
As at Dec. 31, 2014	189	79	93	245	606
Additions	51	6	14	165	236
As at Dec. 31, 2015	240	85	107	410	842
Additions	39	3	11	3	56
As at Sep. 30, 2016	**279**	**88**	**118**	**413**	**898**
Net book value:					
As at Dec. 31, 2014	291	17	46	168	522
As at Dec. 31, 2015	240	11	32	3	286
As at Sep. 30, 2016	**$201**	**$8**	**$21**	**$-**	**$230**

During the nine months ended September 30, 2016, the Corporation added nil in plant and equipment (September 30, 2015 – nil) and had amortisation of plant and equipment of $56 (September 30, 2015 - $182), of which $53 (September 30, 2015 - $86) was included in capitalised mineral property expenditures.

5. Short term debt:

On August 26, 2014, the Corporation closed a $20 million bridge loan facility (“Pala Facility”) with Pala Investments Limited (“Pala”). The initial term of the facility was four months, with up to two additional two month extensions. The Pala Facility was to be drawn in $5 million tranches. The annual interest rate is 10% and a 4% arrangement fee was payable upon each tranche drawn. The Pala Facility is secured against the Corporation's assets, and is subordinate to the security granted in connection with the $200 million senior credit facility entered into by the Corporation on December 30, 2014.

In July 2015, the loan term was extended to January 31, 2016 and the total amount available under the Pala Facility was increased to $25 million. On September 30, 2015, the loan term was further extended to June 30, 2016. The interest rate of the loan increased from 10% to 12%.

The arrangement fee of $200 for the fourth draw was accrued and added to the balance payable. Through December 31, 2015, $20 million (four tranches) has been drawn from the Pala Facility. The Corporation has paid $1,099 of interest for the Pala Facility, and accrued an additional $1,887 through June 3, 2016. The Pala Facility is carried at amortised cost on the consolidated condensed interim statements of financial position.

On June 3, 2016, the Corporation and Pala entered into an amendment to change the structure of the Pala Facility (note 6). The short term loan carrying value at June 3, 2016 was $22,087 (December 31, 2015 - $20,954) and the Corporation recorded a loss relating to the modification of the Pala debt of $11,424 in the consolidated condensed interim financial statements for the nine months ended September 30, 2016 due to the amended and additional terms and costs of the amended loan (note 6).

6. Convertible debt:

On June 3, 2016, the Corporation changed the structure of the loan agreement with Pala. The Corporation executed the amendment of its existing subordinated loan facility (note 5) into the Pala Convertible Facility (“convertible facility”).

Pala advanced a further $5,000, such that an aggregate principal amount of $27,090 was outstanding under the Pala Convertible Facility as at June 3, 2016. The interest rate of the convertible facility increased from 10% to 12% per annum. Interest will not be paid in cash and will accrue monthly. The Pala Convertible Facility will mature and be payable on the earliest of (1) December 31, 2017; (2) the date when outstanding amounts under the Red Kite Loan Agreement are paid in full; or (3) when a change of control occurs.

All outstanding amounts under the convertible facility may be prepaid in full by the Corporation with payment of the following early repayment fee ("Prepayment Fee") equivalent to: 25% of outstanding amounts to be prepaid, if prepayment is made prior to December 31, 2016; and 35% of outstanding amounts to be prepaid, if prepayment is made between January 1, 2017 and December 31, 2017. The Prepayment Fee will be applicable on any repayment of the convertible facility prior to December 31, 2017.

Pala may elect to convert the principal amount and any accrued and unpaid interest under the convertible facility, including the Prepayment Fee, if applicable, in full or in part, at the Conversion Price, into common shares in the capital of the Corporation at any time up to the maturity date or upon any voluntary prepayment by the Corporation. The Conversion Price is $0.69 CDN per share, which represents a 15% premium to the June 2016 public equity share offering price of $0.60 per share.

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

6. Convertible debt (continued):

Additional terms and costs of the convertible facility include the following:

1. An arrangement fee of $200 was paid upon execution and a further $100 was paid for legal fees. These costs were paid out of the proceeds of the $5,000 advance;

2. 2,500,000 warrants issued to Pala with a three year term, exercisable to acquire common shares of the Corporation at an exercise price of $1.20 CDN per share; and

3. Pala was granted the right, so long as it holds at least 15% of the outstanding common shares of the Corporation, to participate in future equity offerings of the Corporation.

The convertible facility is carried at amortised cost in the consolidated condensed interim financial statements and the convertible option and the warrants of the convertible facility are recorded at their respective fair values as at June 3, 2016 and the reporting date as they are classified as embedded derivatives. Changes in the fair values of these financial instruments are recorded in profit or loss.

	Loan facility	**Deferred financing fees**	**Total**
June 3, 2016	$27,090	($300)	$26,790
Interest accrued	1,084	-	1,084
Accretion expense	-	53	53
September 30, 2016	$28,174	($247)	$27,927

	Convertible Derivative	**Warrants Derivative**	**Total**
June 3, 2016	$10,959	$426	$11,385
Change in fair value	(2,442)	(102)	(2,544)
September 30, 2016	$8,517	$324	$8,841

The change in value was recognised in the consolidated condensed interim statement of operations as other loss of $149 for the three month period ended September 30, 2016 (September 30, 2015 - $nil). For the nine month period ending September 30, 2016 other income of $2,544 was recognised in the condensed consolidated interim statement of operations (September 30, 2015 - $nil).

The fair value of the conversion derivative at September 30, 2016 and June 3, 2016 was measured using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2016	**June 3, 2016**
Risk-free interest rate	0.52%	0.51%
Expected dividend yield	0	0
Expected stock price volatility	81%	79%
Expected life in years	1.3	1.6

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

6. Convertible debt (continued):

The fair value of the warrants derivative at September 30, 2016 and June 3, 2016 was measured using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2016	June 3, 2016
Risk-free interest rate	0.52%	0.55%
Expected dividend yield	0	0
Expected stock price volatility	70%	69%
Expected life in years	2.7	3.0

7. Long term debt:

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

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

On September 30, 2015 the loan terms were amended. The Loan is to be repaid by December 31, 2021 with quarterly principal repayments commencing on September 30, 2018. An interest payment holiday has been given until January 2017. An additional financing fee of $7,000 was added to the principal of the loan in consideration of the extended timing of the loan and the interest holiday provided.

In January 2016, and as amended in May 2016, a Red Kite loan extension was granted. The May amendment waived the existing defaults under the loan agreement. The requirement to complete an alternative interim financing transaction in the minimum amount of $10,000 was waived. This agreement and subsequent amendment also reduced the minimum working capital requirement from $10,000 to $100. A further covenant is that all loan interest cash payments due in 2017 are to be paid monthly in advance in 2017. Compliance with these covenants means the Corporation has re-classified the balance of the loan as long term debt. A $3,000 advance was made by Red Kite to the Corporation on June 3, 2016 after completion of the Pala Convertible Loan Facility agreement.

In January 2016 the Corporation purchased, through the addition of $10,000 to the loan principal, the 33.5% portion of the underground offtake held by Red Kite under the loan provisions. Currently, .25.5% of the underground offtake is held by an entity, MF Investments, under the previous 2013 loan agreement.

Interest, commencing on January 31, 2017, is payable on a monthly basis in advance. Two interest payments, of $4,978, have been paid through December 31, 2015. Interest payments were accrued during the nine months ended September 30, 2016. The Loan can be repaid without penalty at any time prior to maturity.

The Loan is carried at amortised cost on the consolidated condensed interim statement of financial position. The Corporation has incurred $14,918 of transaction costs, including the 3.5% origination fee, and the 3.5% amendment fee, on the total amount available under the Loan. A pro-rata portion of the transaction costs was recognised as part of the Loan based on the amount drawn.

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

7. Long term debt (continued):

The remainder of the transaction costs have been accounted for as deferred financing costs and will be netted against future tranches when drawn on a pro-rata basis. Since inception through the period ended September 30, 2016, $28,120 (note 4) (December 31, 2015 - $17,359) of interest was accrued and capitalised to mineral property development costs.

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

In addition to, and related to, the Loan, the Corporation also entered into an off-take agreement with Red Kite for the sale of copper concentrates from the underground mine of the eastern underground deposits. The Corporation will supply Red Kite with the percentage of total copper concentrate production based on the amount advanced to the Corporation through tranches divided by the total available loan. Red Kite will be entitled to up to 74.5% of production after advancing all of the funds available under the facility. In relation to the first tranche advanced, Red Kite will be entitled to purchase 33.5% of the Corporation's annual copper concentrates production from the eastern deposits when the Corporation commences commercial production. Combined with the off-take agreement relating to the March 28, 2013 loan facility these two off-take agreements would have represented in total 59% of concentrates that may be produced from the eastern deposits or an estimated 12% of the total project off-take. However, under an agreement with Red Kite in January 2016, the 33.5% portion of the off-take which included a "fixed tonnage" option was bought back for a $10,000 consideration. The current 25.5% balance of the underground offtake is held by a lender, MF Investments, under a previous 2013 loan agreement. The off-take agreement includes concentrate pricing based on market terms.

The deferred financing fees increased by $244 from the December 31, 2015 value of $7,961 to the September 30, 2016 value of $8,205. The increase resulted from the Corporation incurring additional fees after completing amendments to the Loan.

	Loan facility – amortised cost	**Derivative**	**Total**
Dec 31, 2015	$95,295	$938	$96,233
Draws	13,000	-	13,000
Interest accrued	9,779	-	9,779
Accretion expense	982	-	982
Change in fair value	-	750	750
September 30, 2016	$119,056	$1,688	$120,744

An embedded derivative liability relating to the interest rate floor has been recognised for the Loan. The embedded derivative fair value of the loan at inception was $996. The fair value of the embedded derivative liability is $1,688 at September 30, 2016 (December 31, 2015 - $938).

The change in value was recognised in the consolidated condensed interim statement of operations as other gain of $856 for the three month period ended September 30, 2016 (September 30, 2015 - ($825)). The change in value was recognised in the consolidated condensed interim statement of operations as other loss of $750 for the nine month period ended September 30, 2016 (September 30, 2015 - $(829)).

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

8. Related party transactions:

A short term $25 million bridge loan facility funded by Pala was entered into on August 26, 2014. Please see note 5 for additional details. This short term facility was replaced by a convertible facility with Pala in a transaction completed June 3, 2016. Please see note 6 for additional details. The convertible loan carrying value is $36,768 (December 31, 2015 - $nil).

Pala holds 45.7% of Nevada Copper shares and has three executives out of nine on the Corporation's Board of Directors as at September 30, 2016 and December 31, 2015.

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 three years of salary for these senior officers. The amount of this contingent liability is $1,646 ($2,159 CAD).

As of September 30, 2016, accounts payable and accrued liabilities include director fees and expenses payable of $nil (December 31, 2015 - $39) and a DSU payable of $915 (December 31, 2015 - $373).

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.

9. Key management personnel compensation:

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

	Period ended Sep. 30, 2016	Period ended Sep. 30, 2015
Short-term employee benefits	**$270**	$492
Stock-based compensation	**972**	72
Total	**$1,242**	$564

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

10. Share capital:

(a) Authorised:

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

(b) Options:

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

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

As of September 30, 2016, the Corporation has stock options outstanding to directors, officers and employees to acquire an aggregate of 3,290,000 common shares summarised as follows. All of these options vested upon grant except for 50,000 which vest over three years. The outstanding options have expiry periods between two and five years.

	Number of Options	Weighted average exercise price $(CAD)
Outstanding December 31, 2014	7,590,000	$2.90
Exercisable December 31, 2014	7,239,200	2.93
Expired	(190,000)	2.27
Outstanding December 31, 2015	7,400,000	$2.22
Exercisable December 31, 2015	7,350,000	2.22
Granted	1,485,000	0.69
Expired/ cancelled	(5,595,000)	2.44
Outstanding September 30, 2016	**3,290,000**	**$1.16**
Exercisable September 30, 2016	**3,240,000**	**$1.15**

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

10. Share capital (continued):

During the three months ended September 30, 2016, under the fair value method, $394 (September 30, 2015 – $26) in share-based compensation was recorded for options granted to officers and employees, of which $281 (September 30, 2015 - $11) was charged to operations and $113 (September 30, 2015 – $15) was capitalised to development costs. During the nine months ended September 30, 2016, under the fair value method, $399 (September 30, 2015 – $77) in share-based compensation was recorded for options granted to officers and employees, of which $281 (September 30, 2015 - $32) was charged to operations and $118 (September 30, 2015 – $45) was capitalised to development costs.

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

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

The following table summarises the stock options outstanding and exercisable as at September 30, 2016:

	Outstanding		Exercisable	
Exercise price	Number outstanding	Weighted average remaining life (years)	Number outstanding	Weighted average remaining life (years)
$0.50 - $0.74	1,485,000	4.86	1,485,000	4.86
$0.75 - $1.00	705,000	1.86	705,000	1.86
$1.01 - $1.96	1,100,000	2.95	1,050,000	2.99
	3,290,000	**3.58**	**3,240,000**	**3.60**

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

10. Share capital (continued):

(c) Deferred share units:

The Corporation 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 payout based on 5 day volume weighted average price ("VWAP") 120 days after the director ceases to be a director.

	Number of DSUs
Outstanding December 31, 2014	376,400
Granted in 2015	405,802
Outstanding December 31, 2015	782,202
Granted during period	1,407,725
Expired during period	(313,688)
Outstanding September 30, 2016	**1,876,239**

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 $915 (December 31, 2015 - $373). The Corporation recognized $466 expense for the three months ended September 30, 2016 (September 30, 2015 – $115) in the statement of operations in relation to change in value of these DSUs. The Corporation recognized a $542 expense for the nine months ended September 30, 2016 (September 30, 2015 – $72) in the statement of operations in relation to the change in value of DSUs.

(d) Deferred compensation units:

The Corporation established a deferred compensation unit ("DCU") plan that allows employees to receive compensation in the form of DCUs. The DCUs vest over a period of time ranging up to one year. Employees receive cash upon the exercise of the DCU. Vesting terms are established at the date of grant. Settlement of DCUs is a cash payout based on the closing price the day prior to settlement.

	Number of DCUs
Outstanding December 31, 2015 and 2014	-
Granted during 2016	1,918,119
Outstanding September 30, 2016	**1,918,119**

In January 2016 and May 2016 employees were granted DCUs, which replaced stock option grants as a component of their compensation which are vesting over a period of time and will fully vest on January 1, 2017. A further 1,480,000 DCUs were granted August 10, 2016. These DCUs are vesting over a period of time and will fully vest on March 31, 2017. The current DCU payable amount is $303 (December 31, 2015 - $nil).

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

10. Share capital (continued):

The Corporation recognised $86 of expense for the three months ended September 30, 2016 (September 30, 2015 – $nil) in the consolidated condensed interim statement of operations in respect of the DCUs and $113 (September 30, 2015 - $nil) was capitalised to development costs. During the nine months ended September 30, 2016, under the fair value method, $303 (September 30, 2015 – $nil) in share-based compensation was recorded for DCUs granted to officers and employees, of which $141 (September 30, 2015 - $nil) was charged to operations and $162 (September 30, 2015 – $nil) was capitalised to development costs.

(e) Warrants:

The Corporation granted 460,000 warrants to agents through the equity offering announced on June 9, 2016. These warrants have an exercise price of $0.60 per warrant, expiring on June 9, 2018, and vest immediately. The value of the warrants was determined to be $87 based on an evaluation using the Black-Scholes pricing model.

The fair value of the agents' warrants was measured using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2016
Risk-free interest rate	0.51%
Expected dividend yield	0
Expected stock price volatility	73%
Expected life in years	1.7

The Corporation granted 2,500,000 warrants to Pala in relation to the Pala Convertible Facility (please see note 6 for additional details). The Pala warrants have an exercise price of $1.20 per warrant and an expected life of three years. The Pala warrants are considered a liability (please see note 6).

	Number of warrants
Outstanding December 31, 2015 and 2014	-
Granted	2,960,000
Outstanding September 30, 2016	**2,960,000**

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

11. Financial instruments:

Contractual obligations:

The following table sets forth the Corporation's contractual obligations for the next five fiscal years as at September 30, 2016:

Contractual obligations	Payments due by period				
	Total	1 year	2-3 years	4-5 years	5 years+
Lease obligation – payment on Pumpkin Hollow Property *(i)*	$10,100	$850	$1,200	$1,200	$6,850
First amendment to lease – payment of water rights on property	1,737	189	378	206	964
City of Yerington –advanced water service payments	438	88	175	175	-
Accounts payable and accrued liabilities	1,808	1,808	-	-	-
Convertible debt	32,713	4,657	28,056	-	-
Long-term debt *(ii)*	175,501	10,729	72,244	84,888	7,640
Total USD obligations	$222,297	$18,321	$102,053	$86,469	$15,454
	CAD	CAD	CAD	CAD	CAD
Office lease	$500	$229	$271	-	-
Total CAD obligations	$500	$229	$271	-	-

Lease obligations over five years for lease payments relating to water rights are $964.

(*i*) See note 4 for renewal terms.

(ii) See note 7 for contractual maturity. These values include accrued interest through loan maturity.

12. Management of capital:

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

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

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

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

CORPORATE INFORMATION

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Gus McDonald
Vice President, Corporate Controller

Eugene Toffolo
Vice President, Investor Relations and Communications

Catherine Tanaka
Vice President, Corporate Secretary

REGISTRAR AND TRANSFER AGENT
Computershare Trust Company of Canada
Vancouver, Canada

SHARES LISTED
TSX Exchange: NCU

CAPITALIZATION
(As at September 30, 2016)
Shares Issued and Outstanding: 88,168,125

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