NEVADA COPPER

COMMITMENT – ALIGNMENT - PERFORMANCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2023

November 13, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the three and nine months ended September 30, 2023

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the three and nine months ended September 30, 2023

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Nevada Copper Corp. (the "Company" or "Nevada Copper") has been prepared by management as of November 13, 2023. Information herein is provided as of September 30, 2023, unless otherwise noted. The following discussion of performance, financial condition and outlook should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 and 2022 ("Consolidated Interim Financial Statements") and the notes thereto, prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and International Accounting Standard 34 – Interim Financial Reporting.

Additional information relevant to the Company's activities, including the Company's Annual Information Form dated March 20, 2023 (the "AIF"), can be found on SEDAR+ at www.sedarplus.ca. All amounts expressed herein are in United States Dollars unless otherwise indicated. Amounts expressed in C$ refer to Canadian dollars.

Greg French, CPG, VP of Exploration of the Company and Steven Newman, Registered Member - SME, VP Technical Services of the Company, both non-independent Qualified Persons under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (NI 43-101), approved the scientific and technical information in this MD&A.

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

HIGHLIGHTS

Highlights for the quarter ended September 30, 2023 ("Q3 2023") relating to the Company's Pumpkin Hollow underground copper mine (the "Underground Mine") include:

- **Restart activities at the Underground Mine**
    - **Capital Projects** - RAM Enterprise, Inc. ("RAM"), a Nevada construction contractor, made significant progress on critical underground capital projects, including the underground crusher and ore handling system and the life of mine ("LOM") de-watering system. As of the date of this MD&A, one of the two Geho pumps is operational with the second pump expected to begin commissioning shortly. The de-watering system is expected to be fully operational in the fourth quarter of 2023 ("Q4 2023") providing additional 1,000 gallons per minute of de-watering capacity. The underground crusher and ore handling system is expected to be completed in the first quarter of 2024 ("Q1 2024").

      The Company extracted its first longhole mining test stope in August 2023 as a part of the planned restart. This enabled the Company, supported by Patterson & Cooke Canada Inc., to commission and test the surface paste plant and the underground paste delivery system.

- **Underground Development** - During Q3 2023, Small Mining Development, LLC ("SMD") continued to ramp-up lateral development completing 3,366 feet, a 76% increase from the second quarter of 2023 ("Q2 2023"). With the assistance of development contractors, twelve ore stopes were fully developed with top and bottom lateral development completed and are now available for extraction once stope mining continues in Q4 2023. Total available ore, including developed stopes, development tons, blasted inventory and surface stockpile is 442,089 tons.Ground conditions beyond the dike crossings are proving to be competent and consistent with the geotechnical model, which should enable conventional development and ground support.

  Approximately 84,364 tons of material was hoisted during Q3 2023, including approximately 62,277 tons of development ore and approximately 7,956 tons of stope ore. Ore stockpiled on surface as at September 30, 2023 to support start of milling was estimated at 129,535 tons.

- **Final Dike Crossing** - The third and final dike crossing for the current LOM plan was completed in Q3 2023, establishing access for planned 2024 lateral development.

- **Mill Restart** - On October 3, 2023, the Company recommenced processing operations on low-grade ore at an initial feed rate of 3,000 tons per day ("tpd") to allow the process team to commission the mill, optimize reagent addition and establish and reinforce operating procedures to achieve consistent operations. Since the restart of mill, commissioning activities have demonstrated that the mill can perform at nameplate capacity, with multiple shifts exceeding expected ramp-up capacity. The process team continues to make operational and mechanical improvements in preparation for the mill operating at nameplate capacity by the end of 2023.

- Concentrate shipping in progress - The first concentrate shipment started in October with approximately 446 dry metric tonnes shipped during the month. Concentrate quality shipped to date has met sales specifications.

- **Exploration**
  - During the quarter, the Company identified a new surface exploration target, the Dimples target, located on private land owned by Nevada Copper, south of the proposed open pit area. Analysis of recent surface grab samples returned encouraging results. Drilling on the Dimples target to test the grade and continuity is expected to be completed in Q4 2023 with assay results expected in Q1 2024.
  - As of the date of this MD&A, the 2023 drill campaign is complete with a total of 11 holes (3,305 feet) drilled on the Copper Ridge target and 9 holes (1,653 feet) on the Dimples target. Preliminary assays have indicated mineralization at surface with consistent runs throughout the hole. Final assays are expected to be received in Q4 2023 and Q1 2024.

- **Corporate**
  - **2023 Financing Package Agreement** - During Q3 2023, the Company received lender consents for a $10 million expansion of the KfW Tranche A-2 Loan (as defined in the "Business Development" section below) and each of Pala Investments Limited ("Pala"), Mercuria Energy Holdings (Singapore) PTE. Ltd ("Mercuria") and TF R&S Canada Ltd ("Triple Flag"), an affiliate of Triple Flag Precious Metals Corp., provided $3.3 million of this tranche. Also, during Q3 2023, the Company drew down $2.7 million of the $25 million available under the deferred funding facility that was entered into pursuant to the 2023 Financing Package Agreement (as defined in the

"Business Development" section below) and subsequent to September 30, 2023, the Company drew down the remaining $22.3 million under this facility. Further details are provided in the "Business Development" section of this MD&A.

- **Funding Commitment** - Subsequent to September 30, 2023, Pala provided a commitment to provide an additional $15 million under the Unsecured Credit Facility (as defined in the "Business Development" section below) to fund operating requirements. The draws under the additional commitment will be subject to certain conditions, including a condition that no material adverse effects have occurred to the mill restart and/or underground mine operations. The Company is also in discussions with another financing partner to provide additional unsecured debt funding on similar terms to Pala's commitment.

DESCRIPTION OF BUSINESS

Nevada Copper Corp. is a mining company whose principal asset is the 100%-owned Pumpkin Hollow Copper Property (the "Property"). The Property is located in northwestern Nevada and consists of approximately 24,300 acres of contiguous mineral rights including approximately 10,800 acres of owned private land and leased patented claims. See "Description of Business" in the AIF for additional details with respect to the Property.

Exploration on the Property defined two adjacent, but unconnected copper, gold and silver deposits separated by approximately two miles. The two deposits are referred to separately as the "Underground Mine" and the "Open Pit Project" (collectively, the "Project").

The Company completed construction of the production shaft and plant for the Underground Mine in the third quarter of 2019, and the first concentrate was shipped in December 2019. Mining operations at the Underground Mine were suspended in April 2020, in part, due to the COVID pandemic. The Underground Mine was restarted in August 2020 and continued during 2021 and through the first two quarters of 2022. However, in response to operational inefficiencies and liquidity constraints, during the third quarter of 2022 ("Q3 2022"), mining, processing and development activities were suspended at the Underground Mine to significantly reduce operational expenditures. The plan for the restart of operations at the Underground Mine (the "Restart Plan") was developed through Q3 2022 and the fourth quarter of 2022 ("Q4 2022") to identify critical projects required to address operational inefficiencies and to achieve full commercial production. Work related to the Restart Plan commenced with the closing of the Restart Financing Package (as defined below) in Q4 2022 and has continued through 2023. SMD, Nevada Copper's mining development contractor, mobilized and commenced underground lateral development activities in late Q2 2023.

BUSINESS DEVELOPMENT

Underground Mine

Restart Plan

The Company completed the detailed Restart Plan in Q3 2022 that outlined a phased approach to the restart of the Underground Mine. Restart activities began in Q4 2022 and are being executed in three phases:

- Phase 1 - Completion of the remaining dike crossings, construction of certain critical underground capital projects and workforce development;
- Phase 2 - Resumption of underground lateral development to establish developed stope inventory; and
- Phase 3 - Commencement of stope mining and mill start-up.

As of the date of this MD&A, the Company is continuing to advance the construction of critical underground capital projects and has initiated phase 3 of the Restart Plan including mining a test stope for paste plant commissioning and the restart of milling operations on October 3, 2023. The construction of remaining critical infrastructure is expected to be completed in Q4 2023 and Q1 2024.

Phase 1 - Restart Plan

Dike Crossings

In Q3 2023, the Company completed the third and final dike crossing for the current LOM plan. The completion of the third crossing established access for planned 2024 lateral development. Rock conditions beyond the dike continue to be as predicted in the geotechnical model. Continued development beyond the dike will provide a full ventilation circuit for the lower East North zone ("EN Zone") stoping areas.

The Company completed the second dike crossing in Q4 2022, and through the first nine months of 2023 the Company advanced development beyond the dike structure into the EN Zone, which provides access to larger ore stopes and is expected to significantly improve operating efficiencies. The rock quality being encountered beyond the dike, as development headings are progressed into the EN Zone, is competent and consistent with the geotechnical model.

Capital Projects

Dumas Contracting USA Inc. ("Dumas"), a Canadian mining construction company, made significant progress on critical underground capital projects including completing and commissioning the vent shaft project. All vertical and lateral excavation was completed for the underground ore handling project and de-watering projects and, as a result, the projects have been turned over to RAM for the installation and commissioning of all mechanical and electrical components, including the pumps, conveyors and crusher.

During the quarter, the Company made the following progress in relation to its restart related capital projects:

- *Underground crusher and ore handling system* – During Q3 2023, RAM advanced concrete construction and installation of scalping bars and grizzly panels on the 2850 dump truck level. RAM also began work on construction of the 2770 level conveyor drift as well as rock breaker and electrical installation. Due to project delays from additional work required because of excavation over break and restricted access to the concrete slickline due to high water levels, project completion has been delayed to January 2024.
- *LOM de-watering system* - This system provides pumping capacity from the mine bottom to handle expected LOM water volumes and integrates into the existing piping infrastructure. During Q3 2023, Dumas completed their scope of work by setting the Geho pumps and completing pipe routing to the shaft and RAM initiated mechanical and electrical installation. As of the date of this MD&A, one of the two Geho pumps is operational and commissioning of the second pump is expected to begin shortly. The de-watering system is expected to be fully operational in Q4 2023 providing additional 1,000 gallons per minute of de-watering capacity. The project is expected to be completed in Q4 2023.
- *Surface paste plant* - During Q3 2023, the paste plant was commissioned and the Company completed testing of both the surface paste plant and the underground paste delivery system.

Definition Drilling

During Q3 2023, the 2023 East North and East South underground drill programs were completed, which were focused on stope definition drilling and near-mine resource expansion targets. The Company completed twenty holes with approximately 7,968 feet of drilling. Results of drilling indicate mineralization extension in the East South Zone ("ES Zone"). (Refer to the Company's press release dated July 26, 2023).

The Company expects to continue with further drilling in 2024. The deposit remains open in all directions.

Phase 2 - Restart Plan

Underground Lateral Development

During Q2 2023, the Company awarded a 24-month 66,000-foot unit rate lateral development contract to SMD. SMD has a strong reputation for safe and productive development in Nevada hard rock mines.

During Q3 2023, 3,366 feet of lateral development was completed, a 76% increase from Q2 2023. Additionally, 84,364 tons of material were hoisted during Q3 2023, including approximately 62,277 tons of development ore and approximately 7,956 tons of stope ore.

During the nine months ended September 30, 2023, 5,286 feet of development was completed by the Company and 149,625 tons of material was hoisted, including approximately 106,000 tons of development ore and approximately 7,956 tons of stope ore.

Surface Ore Stockpile

As at September 30, 2023, the surface ore stockpile was approximately 129,535 tons with an estimated average grade of 0.60% Cu. The majority of stockpiled ore was crushed and was ready for commencement of milling operations.

Phase 3 - Restart Plan

Stope mining

The initial stope in the 2023 mining sequence was mined in August 2023 from the Sugarcube area of the ES Zone to test mining and paste operations. During the quarter, the Company completed lateral development on twelve stopes in preparation of stope mining in November 2023.

Processing plant

On October 3, 2023, the Company recommenced processing operations at an initial feed rate to the mill of 3,000 tpd to allow for the process team to commission the mill, optimize reagent addition, and establish and reinforce operating procedures to ensure consistent operations. The mill is being commissioned on lower grade ore stockpiles and will transition to a combination of mined stope ore and stockpiled ore.

Open Pit Project

The Company has paused work on the Open Pit Project as it dedicates its management and financial resources to the successful restart of the Underground Mine. The Open Pit Project remains one of the largest permitted copper development projects in the continental United States with estimated proven and probable copper mineral reserves of 3,590 million pounds from 385.7 million tons grading 0.47% copper.

Exploration

The Property has not been extensively explored in the past as the Company was focused on developing the known mineral resources, resulting in the development of the Underground Mine and advancement of the Open Pit Project. Recent drone magnetic surveys have identified several high-quality targets of interest and surface reconnaissance on these high-quality areas demonstrates that these targets have the potential to host additional independent mineralized systems, outside of the existing deposits.

The Company has identified a new exploration target, the Dimples target, located on private land owned by Nevada Copper south of the proposed open pit area in the southern area of the Property. Analysis of recent surface grab samples has returned encouraging results. A total of 55 grab samples have been collected in 2023 with 42 of those samples returning gold values greater than 0.1 grams per ton ("gpt") Au[1] and 14 samples being greater than 1 gpt Au[1], in quartz rich veins within granodiorite porphyry. Higher-grade copper was identified in eleven samples, with values greater than 1.0% Cu[1]. High-grade copper rich zones are found in the granodiorite porphyry veins as well as skarns within metavolcanics. The Mesozoic rocks in the area are dominated by granodiorite porphyries and metavolcanics.

Surface sampling results from surface outcrops and prospect pits in the Copper Ridge area have indicated a potential for high-grade copper, highlighted by grades including 5.03% and 5.43% Cu. The Copper Ridge area is located north of the main Property within 103 hectares of unpatented and patented claims. The target was mined for high-grade copper in the early 1900's through several adits, as well as a 400 feet inclined shaft.

The 2023 drill program is designed to follow-up on historic reconnaissance work completed in the early 1990s by a major copper company and has the potential to provide additional high-grade feed for the existing underground mill. Rock samples were collected to confirm and extend the known mineralization along the vein and dike structures in the Yerington Batholith granodiorites.

The Company completed 2023 drill program with a total of 11 holes (3,305 feet) drilled on the Copper Ridge target and 9 holes (1,653 feet) on the Dimples target. Preliminary assays have indicated mineralization at surface with consistent runs throughout the hole. Final assays are expected to be received in Q4 2023 and Q1 2024.

Corporate

On May 30, 2023, the Company completed a public offering of 196,038,400 units of the Company ("Units"), at a price of C$0.27 per Unit, for aggregate gross proceeds of approximately $38.9 million (the "2023 Unit Offering"). Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant (each full warrant, a "2023 Warrant"). Each 2023 Warrant is exercisable for one common share at a price of C$0.34 per common share until September 30, 2024. Pala, the Company's largest shareholder, purchased an aggregate of 108,442,714 Units and Mercuria, another significant shareholder of the Company, purchased 24,814,814 Units under the 2023 Unit Offering.

On May 9, 2023, in connection with the 2023 Unit Offering, the Company entered into a financing agreement with Pala, Mercuria and Triple Flag (the "2023 Financing Package Agreement"). A summary of the key components of the 2023 Financing Package Agreement are described below:

- KfW Tranche A-2 Loan - Pala, Mercuria and Triple Flag committed to provide the remaining $10 million undrawn amount under the new tranche (the "KfW Tranche A-2 Loan") of the Company's senior credit facility (the "KfW IPEX-Bank Facility") with KfW IPEX-Bank ("KfW"), in accordance with the terms and conditions of the KfW IPEX-Bank Facility. This amount was drawn in full by May 11, 2023. Also, Pala, Mercuria and Triple Flag agreed to support the expansion of the KfW Tranche A-2 Loan, subject to KfW and other lender consents, by $10 million, to an aggregate amount of $35 million. During Q3 2023, the Company received lender consents for the $10 million expansion of the KfW Tranche A-2 Loan and each of Pala, Mercuria and Triple Flag provided $3.3 million of this tranche.

[1] The grades identified are conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the delineation of a mineral resource.

- Pre-offering funding - Prior to the 2023 Unit Offering, Pala provided $5.5 million in debt funding through promissory notes (the "2023 Promissory Notes"). The 2023 Promissory Notes were repayable on October 31, 2023 and carry interest at 12% per annum.
- Pala 2022 Warrants exercises - On May 10, 2023 and June 22, 2023, Pala exercised 46,000,000 warrants and 352,723,212 warrants, respectively, that were issued on October 28, 2022 (the "Pala 2022 Warrants"). The amount for subscription of warrants was paid by way of deemed repayment and set-off of $76.1 million payable under the Company's credit facility with Pala.
- Mercuria 2022 Warrants exercises - On May 11, 2023, Mercuria exercised 25,848,765 warrants that were issued on October 28, 2022 (the "Mercuria 2022 Warrants") for exercise proceeds of $5 million in cash.
- Deferred Funding Facility - Pala and Mercuria entered into a deferred funding agreement in favor of the Company, pursuant to which Pala and Mercuria agreed to provide up to $15 million and $10 million, respectively (the "Deferred Funding Facility"). The Company met the conditions for drawdown under this facility and received $2.7 million during Q3 2023. Subsequent to September 30, 2023, the Company drew down further $22.3 million from this facility.
- Stream financing - Triple Flag agreed that certain metal deliveries that become due to Triple Flag under the Company’s stream agreement with Triple Flag will be financed through loans or advances committed by Triple Flag under the KfW Tranche A-2 Loan (subject to refreshed draw room becoming available thereunder) up to a maximum of $15 million for 2023, and, subject to certain conditions, for 2024.

Subsequent to September 30, 2023, the Company and Pala have agreed to amend and restate the credit facility with Pala (the "2022 A&R Pala Credit Facility") that was entered into on October 28, 2022 (as amended and restated, the "Third A&R Pala Credit Facility") on substantially the same terms as the 2022 A&R Pala Credit Facility, including a maturity date of January 31, 2026. The amounts that were owing under the 2023 Promissory Notes will become owing under the Third A&R Pala Credit Facility and the 2023 Promissory Notes will be cancelled. In connection with the Third A&R Pala Credit Facility, the Company agreed to issue common share purchase warrants of the Company to Pala, equal to the amount owing under the Third A&R Pala Credit Facility divided by the exercise price. Each warrant will entitle Pala to acquire one common share at an exercise price equal to a 5% premium to the market price of the Company's common shares at the date of issue and the warrants will expire on January 31, 2026 unless the amounts under the Third A&R Pala Credit Facility are repaid at an earlier time, in which case the warrants would expire on such applicable date. Upon exercise of these warrants, the exercise price would be payable by way of deemed repayment and set-off of outstanding amounts under the loan. Exercise of these warrants by Pala will be subject to the Company obtaining shareholder approval, which it expects to obtain at its next annual meeting of shareholders.

Subsequent to September 30, 2023, the Company agreed to enter into separate loan agreements with Pala and Mercuria (together referred as the "Unsecured Credit Facilities" and individually as the "Unsecured Credit Facility") with respect to amounts funded under the Deferred Funding Facility. The Unsecured Credit Facility is expected to have the following terms:

- The loans will be unsecured, unguaranteed, and will mature in twelve months from closing.
- The loans will carry interest at the adjusted Term Secured Overnight Financing Rate (" Term SOFR") plus 9% and interest shall be payable upon maturity. Adjusted Term SOFR equals Term SOFR plus 0.15%.

- In connection with these loans and upon entering the agreement for the Unsecured Credit Facilities, the Company has agreed to issue common share purchase warrants of the Company to Pala and Mercuria, equal to the amount owing under the Unsecured Credit Facilities divided by the exercise price. Each warrant will entitle the holder thereof to acquire one common share at an exercise price equal to a 5% premium to the market price of the Company's common shares at the date of issue and the warrants will expire on loan maturity unless the amounts under these loans are repaid at an earlier time, in which case the warrants would expire on such applicable date. Upon exercise of these warrants, the exercise price would be payable by way of deemed repayment and set-off of outstanding amounts under the loans. Exercise of these warrants by Pala and Mercuria will be subject to the Company obtaining shareholder approval, which it expects to obtain at its next annual meeting of shareholders.

Additionally, subsequent to the quarter ended September 30, 2023, Pala committed to provide additional funding of $15 million under the Unsecured Credit Facility. The draws under the additional commitment will be subject to certain conditions, including a condition that no material adverse effects have occurred to the mill restart and/or underground mine operations. The additional funding amounts to carry interest at Term SOFR plus 10% and a 5% disbursement fee would be payable on amounts drawn, which will be added to the principal amount as drawdowns are made. The Company is also in discussions with another financing partner to provide additional unsecured debt funding on similar terms to Pala's commitment. There can be no assurance that the discussions with this financing partner for additional funding will be completed on terms satisfactory to the Company, or at all.

BOARD CHANGES

Effective September 1, 2023, the Company appointed Dr. Elaine Dorward-King to the board of directors of the Company. Dr. Dorward-King brings over 30 years of experience, primarily developed in international mining companies including Newmont Mining Corp., Rio Tinto and Kennecott Utah Copper Corporation. Prior to retiring in 2019, she served as Newmont's Executive Vice President of Sustainability and External Relations, driving Social and Governance strategies across the global organization. Elaine joins Nevada Copper at a crucial time in the development cycle as we focus on and implement ESG initiatives through the restart and ramp-up to sustained underground operations and further through the development of the Open Pit Project. Her guidance and input will be beneficial as we develop and implement effective sustainability programs at the Property.

Effective November 20, 2023, the Company appointed Anna Ladd-Kruger to the board of directors of the Company. Ms. Ladd-Kruger has over 25 years of industry experience, progressing her career through financial and operational leadership roles at several Canadian publicly listed mining companies. She has experience in various stages of the mining process, from exploration to multi-jurisdictional operations. Prior to retiring in 2022, Ms. Ladd-Kruger was the Chief Financial Officer ("CFO") of McEwen Mining Inc. where she was brought in to lead financial and operational turnaround strategies and was key to the McEwen Copper Asset spin-out, including serving as its CFO and director. Ms. Ladd-Kruger previously served as the CFO and VP Corporate Development for a number of mining companies and began her career working at Vale S.A.'s Thompson and Sudbury Canadian operations before joining Kinross Gold Corporation as their North American Group Controller. Ms. Ladd-Kruger holds both a CPA and CMA designation, a Master's of Economics from Queen's University and a Bachelor of Commerce from the University of British Columbia. She also holds the Canadian Institute of Corporate Directors designation.

OUTLOOK

Nevada Copper's principal objective for the remainder of 2023 is to have the Underground Mine operating at nameplate milling capacity of 5,000 tons per day by year end.

To achieve that goal, several important milestones were achieved in October 2023. The mill was restarted on October 3, 2023, and milled over 48,000 tons of low-grade ore in October as part of the planned commissioning. Daily operating rates exceeded 3,000 tons per day over certain periods. Operations were impacted by periodic stoppages to address operating and maintenance conditions that are typically experienced in a commissioning phase. The plant achieved commissioning targets with copper recoveries averaging over 87% and demonstrated that copper concentrate can be produced within required specifications. Approximately 446 dry metric tonnes of concentrate were trucked to the rail transfer station prior to October 24, 2023. As expected, a portion of concentrate production in the month was below specification grade and is expected to be blended with higher grade concentrate through November 2023 to upgrade it to specification prior to transport.

Critical underground capital projects have progressed with the Geho life of mine de-watering project partially online as one of the pumps commissioned on November 12 and the second pump expected to begin commissioning later in November. Completion of this project doubles underground water pumping capacity. This project is expected to be fully on-line in November 2023. The underground crush and convey system completion has been delayed to January 2024, allowing RAM to focus their efforts on completion of the more critical LOM de-watering project as well as addressing delays in concrete pours due to limited underground access on certain levels. Three ore passes are in operation to mitigate ore and waste handling until the crushing system is commissioned.

Commencement of stope mining was deferred to November 2023 to allow underground mining crews to address water management and hoisting priorities. Stockpile of ore on surface is expected to be sufficient to provide current mill feed. The mine encountered a water bearing structure while driving an access ramp which necessitated a focus on grouting and water management in advance of the Geho pumps being available. Water levels impeded access to certain areas of the mine and impacted hoisting activities through certain periods of October. As a result, clearing the mine of ore and waste that was mined and stockpiled underground has been a priority. Twelve ore stopes are fully developed with top and bottom lateral development complete and available for extraction as stope mining continues.

Through the remainder of Q4 2023, Nevada Copper anticipates continued improvement in mill stability and mill throughput rates and achieving sequential increases in volumes of concentrates sold with underground lateral development and mining operations continuing their ramp up to support the 5,000 tons per day objective as we move into 2024.

DISCUSSION OF OPERATIONS

(Expressed in thousands of USD, except per share amounts)	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2023	**2022**	**2023**	**2022**
Revenue	$—	($1,033)	$—	$9,086
Cost of Sales				
Production costs	16,349	—	20,387	31,117
Transportation	—	—	—	2,025
Royalty and stream	—	(36)	—	476
Total cost of sales	16,349	(36)	20,387	33,618
Gross loss	(16,349)	(997)	(20,387)	(24,532)
Operating Expenses				
Care and maintenance and restart expenses	3,075	16,218	24,850	16,218
General and administrative expenses	1,354	1,272	4,567	3,693
Stock-based compensation	(243)	(310)	1,901	(414)
Impairment of mineral properties development costs	—	298,865	—	298,865
Plant and equipment written off	—	110	—	742
Loss from operations	(20,535)	(317,152)	(51,705)	(343,636)
Interest income	151	4	400	4
Interest and finance expenses	(361)	(9,155)	(25,347)	(9,166)
Derivative fair value gain	4,055	874	25,826	20,543
Debt extinguishment loss	—	—	(3,089)	—
Debt modification gain	—	—	487	—
Other income	416	—	416	—
Foreign exchange gain	2	1	26	323
Loss and comprehensive loss	($16,272)	($325,428)	($52,986)	($331,932)
Loss per share				
Basic and diluted	($0.01)	($0.73)	($0.05)	($0.74)

In Q3 2023, the Company reported a net loss of $16.3 million (or $0.01 basic and diluted loss per common share), compared to a net loss of $325.4 million in Q3 2022 (or $0.73 basic and diluted loss per common share). The change is primarily due to the following:

- **Revenue -** As milling operations at the Underground Mine remained suspended during Q3 2023, there were no concentrate sales during Q3 2023. During Q3 2022, milling operations were suspended as well, however, the Company recognized a negative adjustment of $1.0 million on final invoicing for concentrate sold in prior periods.
- **Cost of sales** - During Q3 2023, the Company recognized a net realizable value ("NRV") adjustment of $16.3 million for development ore mined during the quarter. No ore was mined during Q3 2022.
- **Care and maintenance and restart expenses** - During Q3 2023, milling activities remained suspended and the Company incurred $3.1 million of care and maintenance and restart expenditures, which were not eligible to be capitalized in accordance with IAS-16. During Q3

2022, both mining and milling operations were suspended, and the Company incurred $16.2 million of care and maintenance expenditures.

- **General and administrative expenses** - General and administrative expenses totaled $1.4 million during Q3 2023, a small increase from $1.3 million during Q3 2022, which was primarily due to an increase in legal fees.
- **Share-based compensation** - During Q3 2023, the Company recognized a share-based compensation gain of $0.2 million, compared to a share-based compensation gain of $0.3 million during Q3 2022. In 2023 as well as 2022, the share price of the Company's common shares decreased during the third quarter, which resulted in a stock-based compensation gain for both periods.
- **Impairment of mineral properties development costs** - During Q3 2022, the Company recognized a non-cash impairment of approximately $298.9 million in the consolidated statements of operations and comprehensive loss.
- **Derivative fair value gain** - A non-cash mark to market fair value gain of $4.1 million was recorded during Q3 2023 as compared to $0.9 million in Q3 2022, related to the derivative liability of the Company's warrants. The derivative fair value gain was driven by a decrease in the share price of the Company's common shares in both periods. The number of outstanding warrants during 2023 was significantly higher than in 2022 and therefore the derivative fair value gain was higher in Q3 2023 as compared to Q2 2023.
- **Interest and finance expenses** - During Q3 2023, interest and finance expense of $0.4 million was recognized in the statement of operations and comprehensive loss was net of capitalized borrowing costs of $10.6 million. During Q2 2022, as development of the Underground Mine was temporarily suspended, interest and finance expenses of $9.2 million during Q3 2022 were recognized as an expense in the statement of operations and comprehensive loss.

For the nine months ended September 30, 2023, the Company reported a net loss of $53.0 million (or $0.05 basic and diluted loss per common share), compared to a net loss of $331.9 million for the nine months ended September 30, 2022 (or $0.74 basic and diluted loss per common share). The change in the net loss was primarily due to the following:

- **Revenue -** With milling operations at the Underground Mine suspended, there were no concentrate sales during the nine months ended September 30, 2023. During the nine months ended September 30, 2022, the Company sold 4,501 tons of copper concentrate for net revenue of $9.1 million.
- **Cost of sales** - During the nine months ended September 30, 2023, the Company recognized an NRV adjustment of $20.4 million for development ore mined during the period. During the nine months ended September 30, 2022, the Company recognized cost of sales of $31.3 million for concentrate sold and $2.3 million for an NRV adjustment.
- **Care and maintenance and restart expenses** - During the nine months ended September 30, 2023, the Company incurred care and maintenance and restart expenditures of $24.9 million, which were not eligible to be capitalized in accordance with IAS-16. Effective July 2022, mining and milling activities were suspended and therefore the period for nine months ended September 30, 2022 included three months of care and maintenance, and expenditures incurred during this period amounted to $16.2 million.
- **General and administrative expenses** - General and administrative expenses totaled $4.6 million for the nine months ended September 30, 2023, an increase from $3.7 million for

the nine months ended September 30, 2022 primarily due to increases in legal and general corporate expenses.

- **Share-based compensation** - During the nine months ended September 30, 2023, the Company recognized share-based compensation expenses totaling $1.9 million compared to a gain of $0.4 million for the nine months ended September 30, 2022. During the nine months ended September 30, 2023, share-based compensation increased on account of restricted share units and deferred share units granted during 2023. Also during the nine months ended September 30, 2022, the share price of the Company's common shares decreased significantly from December 31, 2021 to September 30, 2022 resulting in a significant mark to market gain adjustment to stock-based compensation expense.
- **Impairment of mineral properties development costs** - During Q3 2022, the Company recognized a non-cash impairment of approximately $298.9 million in the consolidated statements of operations and comprehensive loss.
- **Derivative fair value gain** - A non-cash mark-to-market fair value gain of $25.8 million was recorded for the nine months ended September 30, 2023 (September 30, 2022 - gain of $20.5 million). Derivative fair value gain recognized during the nine months ended September 30, 2023 was related to the derivative liability of the Company's warrants and embedded derivatives in the Company's credit facility with Pala and was primarily driven by a decrease in the share price of the Company's common shares and the expiration of the warrants issued in January 2021. The derivative fair value gain recognized during the nine months ended September 30, 2022, was related to the derivative liability of the Company's warrants and was driven by a decrease in the share price of the Company's common shares and the expiration of the warrants issued in July 2020.
- **Interest and finance expenses** - Interest and finance expenses of $25.3 million were recognized during the nine months ended September 30, 2023 as compared to $9.2 million recognized during the nine months ended September 30, 2022. During the period from July 1, 2022 to June 30, 2023, borrowing costs were not capitalized as mining and milling activities at the Underground Mine were temporarily suspended. The interest and finance expenses incurred for the first six months during the nine months ended September 30, 2022 and last three months during the nine months ended September 30, 2023 were capitalized to the Project.
- **Debt extinguishment loss -** Debt extinguishment loss, during the nine months ended September 30, 2023, was related to the settlement of the amounts payable under the credit facility with Pala in Q2 2023.
- **Debt modification gain** - Debt modification gain during the nine months ended September 30, 2023, related to the amendment to capitalize interest due on January 31, 2024 into the principal amount under the KfW IPEX-Bank Facility and the deferral of an interest payment under the credit facility with Pala from March 31, 2023 to June 30, 2023 .

Pumpkin Hollow Project Expenditures

For the nine months ended September 30, 2023, the Company incurred $45.5 million of project expenditures compared to $35.4 million during the nine months ended September 30, 2022. During the nine months ended September 30, 2023, the Company focused on restart related capital projects, maintaining the operational readiness of the mill and the Underground Mine, completing dike crossings and underground lateral development.

Asset impairments

When an impairment indicator of mineral properties, plant and equipment exists, an impairment assessment is conducted at the level of the CGU (a group of assets that generate independent cash inflows). An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount.

At September 30, 2023, based on management's impairment indicator assessment, it was determined that there were no new indicators of impairment or reversal of impairment that would require the Company to perform an impairment test. The assessment included an evaluation of any changes to significant assumptions used in the last impairment test at September 30, 2022. Accordingly, no impairment test was required as at September 30, 2023.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited quarterly financial information for Q3 2023 and the prior seven most recently completed quarters:

Expressed in thousands of United States dollars, except per share amounts

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Revenue	$—	$—	$—	$—	($1,033)	$5,027	$5,092	$2,701
Net (Loss) Income	($16,272)	($1,314)	($35,400)	($26,014)	($325,428)	$2,321	($8,825)	($16,216)
Net (Loss) Income per share (Basic and Diluted)	$(0.01)	$0.00	$(0.05)	$(0.04)	$(0.73)	$0.01	$(0.02)	$(0.06)
Mineral properties, plant and equipment	$657,713	$632,865	$621,296	$615,411	$614,332	$915,614	$891,592	$853,383
Total Assets	$676,239	$681,673	$645,135	$647,769	$629,717	$927,246	$906,019	$914,623
Working Capital Deficit	($61,881)	($36,170)	($59,954)	($42,382)	($380,143)	($359,352)	($95,492)	($48,972)
Total non-current liabilities	$344,665	$336,401	$404,963	$383,505	$56,580	$52,507	$290,839	$294,649
Shareholders' Equity	$251,547	$260,674	$157,786	$193,134	$182,838	$508,198	$505,640	$514,555

- Financial results of the last eight quarters include the impact of the timing of previous financing transactions, variability of copper concentrate sales and capital expenditures incurred.
- During Q3 2023:
    - the Company recognized a derivative fair value gain of $4.1 million driven by a decrease in the share price of the Company's common shares; and
    - the Company incurred care and maintenance and restart expenses of $3.1 million and recognized an NRV adjustment of $16.3 million in relation to development ore mined. Also, the Company capitalized borrowing costs of $10.6 million.
- During Q2 2023:
    - the Company recognized a derivative fair value gain of $31.2 million driven by a decrease in the share price of the Company's common shares; and
    - the Company incurred care and maintenance and restart expenses of $12.0 million and interest and finance costs of $12.7 million, which were not eligible to be capitalized in accordance with IAS-16.

- During Q1 2023:
  - the Company recognized a derivative fair value loss of $9.4 million driven by an increase in the share price of the Company's common shares; and
  - the Company incurred care and maintenance expenses of $9.8 million and interest and finance costs of $12.3 million, which were not eligible to be capitalized in accordance with IAS-16.
- During Q4 2022:
  - the Company recognized a debt extinguishment loss of $3.1 million related to the amendment in the Company's credit facility with Pala;
  - the Company recognized a derivative fair value loss of $1.5 million on fair valuation of warrants; and
  - the Company incurred care and maintenance expenses of $6.8 million and interest and finance costs of $11.2 million, which were not eligible to be capitalized in accordance with IAS-16.
- During Q3 2022, the Company recognized an impairment of $298.8 million. The Company incurred care and maintenance expenses of $16.2 million and interest and finance costs of $9.1 million, which were not capitalized, as the operations at the Underground Mine had ceased.
- During Q2 2022 and the quarter ended September 30, 2021, the Company recognized a non-cash mark to market fair value gain of $15.1 million and $27.3 million, respectively. The mark to market fair value gain for both quarters resulted from a decrease in the fair market value of warrants.
- During Q2 2022 and Q3 2022, as a result of non-payment of amounts due under the Company's working capital facility with Concord Resources Limited ("Concord") (the "Working Capital Facility") and other matters, there was a default under the Working Capital Facility with Concord and cross-defaults under the KfW IPEX-Bank Facility, the credit facility with Pala and the stream agreement with Triple Flag Precious Metals Corp. (collectively the "Long-Term Financing Arrangements"). Therefore, all liabilities related to the Long-Term Financing Arrangements were classified as current at June 30, 2022 and at September 30, 2022.

LIQUIDITY AND GOING CONCERN RISK, CASH FLOW AND FINANCIAL RESOURCES

Liquidity and going concern risk

Working capital deficit

(Expressed in thousands of US dollars, except per share amounts)	As at September 30, 2023	As at December 31, 2022
Current assets		
Cash and cash equivalents	$1,584	$18,506
Accounts receivable	117	37
Prepaid expenses and advance royalty	9,239	5,297
Inventory	7,206	4,908
Total Current Assets	18,146	28,748
Current liabilities		
Accounts payable and accrued liabilities	$24,864	$26,699
Related party payable	1,236	—
Share-based compensation liabilities	2,109	2,289
Warrant derivative	3,815	9,309
Current portion of stream and royalty deferral	9,827	3,655
Working Capital Facility	16,117	20,687
Current portion of long-term debt	13,589	8,491
Total Current Liabilities	80,027	71,130
Working capital deficit	($61,881)	($42,382)
Adjusted working capital deficit (See Non IFRS Measures section)	($58,066)	($33,073)

As at September 30, 2023, the Company had cash and cash equivalents of $1.6 million. The Company’s working capital (current assets less current liabilities) as at September 30, 2023 was negative $61.9 million compared to negative $42.4 million as at December 31, 2022. The working capital deficit increase from December 31, 2022 was due to a decrease in cash as at September 30, 2023 and an increase in the portion of long-term liabilities, which are payable within twelve months from September 30, 2023, being reclassified as current.

The warrant derivative liability arises as warrants outstanding are priced in Canadian dollars, whereas the Company's functional currency is U.S. dollars, leading to the warrants being classified, for accounting purposes, as a derivative. However, the warrants can only be converted into equity and the Company has no obligation to settle the liability. As such, while classified as current due to the exercise rights of the warrant holder, the warrant derivative liability is a non-cash liability. If the working capital is adjusted for this non-cash warrant derivative liability, the working capital deficit (the "Adjusted Working Capital Deficit") as at September 30, 2023 and December 31, 2022 was $58.1 million and $33.1 million, respectively. See the "Non IFRS Measures" section.

Effective September 30, 2023, the Company agreed with Concord to reschedule the settlement of $16.2 million outstanding under the Working Capital Facility to dates between October 2023 and January 2024. These amounts were originally due from September 2023 through November 2023.

During Q3 2023, the Company drew down $2.7 million from the Deferred Financing Facility and subsequent to the period ended September 30, 2023, $22.3 million was drawn down from the Deferred Funding Facility.

Additionally, subsequent to the quarter ended September 30, 2023, Pala committed to provide additional funding of $15 million under the Unsecured Credit Facility. The draws under the additional commitment will be subject to certain conditions, including no material adverse changes to the mill restart and/or underground mine operations. The Company is also in discussions with another financing partner to provide additional unsecured debt funding on similar terms to Pala's commitment. There can be no assurance that the discussions with this financing partner for additional funding will be completed on terms satisfactory to the Company, or at all

During Q2 2023, the Company completed the 2023 Unit Offering, whereby it issued 196,038,400 Units of the Company for aggregate gross proceeds of approximately $38.9 million. Refer to the "Business Development" section of this MD&A for details. Also, in connection with the 2023 Unit Offering, the Company, Pala, Mercuria and Triple Flag entered into the 2023 Financing Package Agreement. As of the date hereof, the Company received $42 million pursuant to the 2023 Financing Package Agreement. `Refer to the "Business Development" section of this MD&A for details.

During Q2 2023, the Company and Concord entered into an amendment agreement to the revolving Working Capital Facility to extend the term for three years from the mill restart date, upon satisfaction of certain conditions.

On October 28, 2022, the Company and its key financing partners closed a financing package (the "Restart Financing Package") to support the Restart Plan and settle certain outstanding liabilities. As at June 30, 2023, the Company had received all of the committed funds from the Restart Financing Package. Pala obligation under its backstop commitment, provided under the Restart Financing Package, was satisfied through its participation in the 2023 Unit Offering.

The Company currently has limited financial resources and the aggregate amount of capital and operating costs (net of cash inflows from sale of concentrate) for the next twelve months combined with residual vendor payments, debt service costs and corporate costs exceeds the amount of cash and funding currently available to the Company. Beyond the additional funding referred to above, the Company will require further funding to complete the ramp-up of the Underground Mine. Management believes that the Company will be able to secure further funding as required although there can be no assurance that these efforts will be successful.

The ability of the Company to continue as a going concern, to realize the carrying value of its assets, and to discharge its liabilities when due, are dependent on, amongst other things, results from operations, the ability to complete the restart of the Underground Mine in accordance with the Company's timing and cost expectations, achieving increased copper concentrate production and sales, favorable copper market conditions, receipt of committed funding and securing further funding. There can be no assurance that these requirements will be achieved. In addition, there can be no assurance that the actual costs to complete the restart will not be greater than expected by the Company or that significant delays will not occur. If the above requirements are not achieved, the Company may not be able to continue to carry on business in the ordinary course. These factors give rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Cash Flow

Quarterly cash flow

During Q3 2023, cash used in operating activities was $20.0 million compared to $16.4 million used during Q3 2022.

Cash used in investing activities during Q3 2023, was $11.3 million compared to $9.9 million used in Q3 2022.

Financing activities during Q3 2023 provided $2.2 million, compared to $20.8 million during Q3 2022.

During Q3 2023, financing activities included the draw of $10.0 million available under the KfW Tranche A-2 Loan, the draw of $2.7 million under the Deferred Funding Facility, the repayment of $5.3 million of the Working Capital Facility, and $2.1 million of lease liabilities.

Year to date cash flow

During the nine months ended September 30, 2023, cash used in operating activities was $50.4 million compared to $41.6 million used during the nine months ended September 30, 2022.

Cash used in investing activities during the nine months ended September 30, 2023, was $38.6 million compared to $47.2 million used in the nine months ended September 30, 2022.

Financing activities during the nine months ended September 30, 2023 provided $72.1 million, compared to $39.5 million for the nine months ended September 30, 2022.

During the nine months ended September 30, 2023, financing activities included $35.0 million drawn under the KfW Tranche A-2 Loan, approximately $38.9 million received through the 2023 Unit Offering, $5.0 million for the exercise of warrants and $2.7 million and $5.6 million received pursuant to the Deferred Funding Facility and the promissory notes, respectively. The Company also repaid $5.3 million of the Working Capital Facility and $5.6 million of lease liabilities.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

As at September 30, 2023, the Company had the following consolidated obligations (expressed in thousands of United States dollars):

	Payments due by period				
Contractual obligations	**Total**	**1 year**	**2-3 years**	**4-5 years**	**5 years+**
Accounts payable, accrued liabilities and related party payables	$26,100	$26,100	$—	$—	$—
Construction contractual obligations	$6,878	$6,878	$—	$—	$—
Working Capital Facility	$16,117	$16,117	$—	$—	$—
KfW IPEX-Bank Facility	$254,055	$12,229	$75,247	$67,892	$98,687
Equipment leases	$11,203	$8,144	$3,059	$—	$—
2022 A&R Pala Credit Facility	$—	$—	$—	$—	$—
2023 Pala Promissory Notes	$5,894	$5,894	$—	$—	$—
Asset retirement obligation	$5,421	$—	$—	$—	$5,421
Total obligations	**$328,369**	**$78,063**	**$78,306**	**$67,892**	**$104,108**

The Company currently has limited financial resources and the aggregate amount of capital and operating costs (net of cash inflows from sale of concentrate) for the next twelve months combined with residual vendor payments, debt service costs and corporate costs exceeds the amount of cash and funding currently available to the Company. Management believes that the Company will be able to secure further funding as required although there can be no assurance that these efforts will be successful.

RELATED PARTY TRANSACTIONS

Pala is a related party to the Company because of its significant shareholding (62.42% as at September 30, 2023) in the Company. Additionally, as at September 30, 2023, two of the nine directors of the Company were Pala executives.

During the nine months ended September 30, 2023, the Company entered into the following transactions with Pala:

- In relation to the 2022 A&R Pala Credit Facility, the Company accrued interest of $5.7 million (2022 $3.4 million) and added nil (2022 - $3.4 million) to the principal amount of the credit facility.
- The Company received $5.6 million pursuant to the 2023 Promissory Notes and accrued interest of $0.5 million. During the nine months ended September 30, 2022, the Company received $33.5 million pursuant to promissory notes (the "2022 Promissory Notes") and accrued interest of $0.6 million on the 2022 Promissory Notes.
- The Company recognized an expense of $1.0 million (2022 - $0.9 million) for guarantee fees and nil (2022 - $0.1 million) for technical and other services.
- The Company received $11.7 million from Pala, its share of the drawdown under the KfW Tranche A-2 Loan.
- Pala purchased 108,442,714 units in the 2023 Unit Offering for gross proceeds of approximately $21.5 million.
- Pala exercised 448,657,920 common share purchase warrants resulting in the settlement of principal debt and accrued interest amounting to $71.0 million payable to Pala.
- The Company received $2.7 million pursuant to drawdown under the Deferred Funding Facility.

As of September 30, 2023, the Company owed Pala $1.2 million (2022 - nil) for fees accrued in connection with the guarantee provided by Pala for the KfW IPEX- Bank Facility.

Effective October 28, 2022, Mercuria is a related party because of its significant shareholding (16.21% as at September 30, 2023) in the Company. Also, a Mercuria executive is a director of the Company.

During the nine months ended September 30, 2023, the following transactions were entered with Mercuria:

- The Company received $11.7 million from Mercuria, its share of the drawdown under the KfW Tranche A-2 Loan.
- Mercuria purchased 24,814,814 units in the 2023 Unit Offering for gross proceeds of $5.0 million.
- Mercuria exercised 25,848,765 common share purchase warrants of the Company for the exercise proceeds of $5.0 million.

Related party transactions are recorded at the amount paid or received as established by contract or as agreed upon by the Company and the related party. The Company has a committee of independent directors to review and approve related party transactions.

Key Management Personnel Compensation

The remuneration of the chief executive officer, chief financial officer and directors, being those persons having authority and responsibility for planning, directing, and controlling activities of the Company, are as follows (expressed in thousands of United States dollars):

	2023	2022
Short-term employee benefits	**$1,185**	$1,023
Stock-based compensation	**518**	(148)
Directors fees and director equity awards	**463**	(484)
Total	**$2,166**	$391

LEGAL

There are no material active litigation proceedings as to the Company through Q3 2023.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

The CEO and the CFO are also responsible for the design of internal controls over financial reporting ("ICFR"). The fundamental goal is ensuring all transactions are properly authorized and identified and entered into a well-designed, robust and clearly understood accounting system on a timely basis and to minimize risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with IFRS, and failure to detect unauthorized receipts, expenditures, and unauthorized acquisitions or dispositions of assets. The relatively small size of the Company makes the identification and authorization process relatively efficient and a process for reviewing ICFR has been developed. Given the Company's small size, the internal control procedures established provide for separation of duties for receiving, approving, coding and handling of invoices, entering transactions into the accounts, writing checks and wire requests and also require two signers on all payments.

The Company continually reviews and enhances its systems of controls and procedures. However, because of the inherent limitation in all control systems, management cautions that ICFR will not prevent or detect all misstatements due to error or fraud. There have been no significant changes in the Company's internal control over financial reporting during the three and nine months ended September 30, 2023, that materially affect or are reasonably likely to materially affect the Company's internal control over financial reporting.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not currently have any off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are presented in Note 2 of the Company's audited Consolidated Financial Statements for the year ended December 31, 2022. The preparation of Consolidated Interim Financial Statements in accordance with IFRS requires management to establish accounting policies and to make judgements, estimates and assumptions that affect both the amount and timing of assets, liabilities, income and expenses. Some of these estimates require judgments about matters that are inherently uncertain.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the significant judgments and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the Consolidated Interim Financial Statements:

◦ Mineral reserve and resource estimates

◦ Recoverable amount of mineral properties, plant and equipment

◦ Fair valuation of warrants

FINANCIAL INSTRUMENTS

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

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

a) Market risks:

i) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The KfW IPEX-Bank Facility, the Working Capital Facility with Concord and the credit facility with Pala currently provide for interest at a market rate plus a fixed margin. A 1% decrease or increase in market rates of interest would have an impact of +/- $0.9 million on the Company's interest expense.

ii) Foreign currency risk:

The Company is exposed to currency fluctuations on its foreign currency monetary assets and liabilities. A significant change in the currency exchange rate between the U.S. dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

At September 30, 2023, the Company held C$0.0 million (2022 - C$0.02 million) in cash and cash equivalents in its parent entity with a functional currency of U.S. dollars. At September 30, 2023, the Company had C$0.3 million (2022 - C$0.8 million) in accounts payable. A +/- 10% change in the Canadian exchange rate would have had an immaterial impact for the nine months ended September 30, 2023.

b) Commodity price risk:

Fluctuations in the market price of copper and other metals may significantly adversely affect the value of the Company's securities and the ability of the Company to develop the Project.

Market prices can be affected by numerous factors beyond the Company's control, including levels of supply and demand for a broad range of industrial products, economic growth rates of various international economies, expectations with respect to the rate of inflation, the relative strength of various currencies, interest rates, speculative activities, global or regional political or economic circumstances and sales or purchases of copper or other metals by holders in response to such factors.

c) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, restricted cash, reclamation bond, and amounts receivable. The Company has reduced its credit risk by investing its cash and cash equivalents in high quality Canadian chartered banks. The Company's maximum exposure to credit risk is $2.0 million as at September 30, 2023 (2022 - $18.9 million), being the carrying value of cash and cash equivalents, restricted cash and amounts receivable.

d) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. The Underground Mine is in the ramp-up stage and undergoing a re-start of operations and as a result has not yet generated sufficient revenue to support the Company's obligations. The Company is reliant on its current cash balance, cash flow from pre-operational production revenue and cash inflows from its financing transactions (including additional financings, if required) to fund the completion of the construction and commissioning of the Underground Mine and to take it into commercial production with positive steady state cash flow and other corporate costs.

RISKS AND UNCERTAINTIES

The Company and its future business, operations and financial condition are subject to various risks and uncertainties, including due to the nature of its business and the present stage of development of its mineral properties. Risks and uncertainties are described in this MD&A and under the heading "Risk Factors" in the AIF, which is available on SEDAR+ at www.sedarplus.ca.

Financing the ramp-up of the Underground Mine

The Company requires further funding to complete the ramp-up of the Underground Mine. There can be no assurance that the Company will be able to obtain such financing on terms favourable to the Company or at all.

The ability of the Company to complete the ramp-up of the Underground Mine is dependent on, among other things, capital projects completion and costs, results from operations, progress in accordance with the Company's timing and cost expectations, an increase in concentrate production and sales and favourable copper market conditions. There can be no assurance that these requirements will be achieved.

If the requirements described in the paragraphs above are not achieved or other material adverse events or delays occur, in the absence of sufficient financing being arranged, the Company may not be able to complete the ramp-up of the Underground Mine or continue to carry on business in the ordinary course. This may result in, among other things, the Company's secured lenders enforcing their security over the Company's assets.

Restart of operations at the Underground Mine

In addition to challenges associated with restarting mining activities at the Underground Mine, the restart process is by its nature subject to a variety of operational and technical risks associated with mining projects, including with respect to mine planning as described below. See "Risk and Uncertainties". As a result, there can be no assurance that the restart process will progress on the currently expected timeline or within expected cost parameters. It is common for projects in the restart phase to experience unanticipated problems and for there to be unexpected costs associated with delays. Delays in restart will likely impact the Company's revenue and cash flow. There are a number of risks and challenges associated with restart, including unforeseen geological formations, the implementation of new mining and recovery processes, unexpected geotechnical conditions, unexpected hydrological conditions and maintaining water pumping capabilities and the underlying characteristics and quality of mineralogy of deposits. In addition, any delay in performance by the Company's contractor will delay the completion of restart at the Underground Mine and may result in additional costs being incurred by the Company beyond those already incurred and budgeted.

The Company has to date experienced negative cash flow from operating activities and has a significant working capital deficiency. Positive operating cash flows are not expected to be achieved until the Company has advanced its restart to a sufficient level at the Underground Mine. The inability to successfully restart production at the Underground Mine on time and within budget expectations is likely to have a material adverse effect on the Company.

The Company has now completed the final dike crossing. However, the dike crossings have delayed the progress of development towards the EN Zone and resulted in increased costs.

Mine Planning

In 2022, the Company utilized John Wood Group Plc ("Wood") to review and revise the development and mine plan. The Wood plan is the basis for the Restart Plan.

The Company continues to advance its mine planning analysis, including related costs and timing implications. It is possible that the cost parameters may change over the course of the restart and mine planning process for various reasons, including results relating to geotechnical analysis and further changes to the mine planning. If the Company requires additional funding in the future in light of revised cost projections, such funding may not be available on terms favourable to the Company or at all. In the absence of any required financing, the Company may not be able to continue operations.

OUTSTANDING SHARE DATA

As of November 10, 2023, there were 1,399,525,241 common shares of the Company issued and outstanding, 10,157,603 share options outstanding, 12,505,160 deferred share units outstanding, 30,758,965 restricted share units outstanding, 3,845,402 performance share units outstanding and common share purchase warrants outstanding as per the table below:

Warrant Tranche	**Number outstanding**	**Exercise Price [C$]**
2023 Unit Offering	98,019,200	$0.3400
Credit Facility Warrants	15,000,000	$0.8553
Triple Flag Warrants	1,500,000	$2.2500
Mercuria 2022 Warrants	101,871,235	$0.2592
Total	**216,390,435**	

NON-IFRS MEASURES

The Adjusted Working Capital Deficit is a Non-IFRS financial measure included in this MD&A to supplement the Company's financial statements which are presented in accordance with IFRS. The Company believes that these measures provide investors with an alternate view to evaluate the liquidity of the Company. Non-IFRS financial measures do not have any standardized meaning prescribed under IFRS. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following table provides a reconciliation of working capital per the financial statements to the Adjusted Working Capital Deficit (expressed in thousands of United States dollars):

Adjusted Working Capital Deficit	**As at September 30, 2023**	**As at December 31, 2022**
Working capital deficit per financial statements (refer table in section "Liquidity and going concern risk" above)	$(61,881)	$(42,382)
Adjustments		
Non-cash Warrant derivative liability	$3,815	$9,309
Adjusted working capital deficit	**$(58,066)**	**$(33,073)**

FORWARD-LOOKING STATEMENTS

This MD&A contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities laws. All statements in this MD&A, other than statements of historical facts, are forward-looking statements. Such forward-looking information and forward-looking statements specifically include, but are not limited to, statements and information that relate to: financing requirements; the need for additional funding; Nevada Copper’s plans for the Project, including the Restart Plan; the Company’s mine development, production and restart plans and activities (including as may be affected by ongoing future technical work) and the expected timing, costs and results thereof; expected commencement of positive cash flow from operating activities; the ongoing and future exploration activities and the objectives and results thereof; future ore and concentrate production rates; and the other plans of Nevada Copper with respect to the exploration, development, construction and commercial production at the Project.

Forward-looking statements and 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”, “potential”, “is expected”, “anticipated”, “is targeted”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements or information should not be read as guarantees of future performance and results. They are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and events to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Such risks and uncertainties include, without limitation, those relating to: the need for additional capital and no assurance can be given regarding the availability thereof; the ability of the Company to complete the restart and ramp-up of the Underground Mine within the expected cost estimates and timeframe; results of exploration programs; the impact of the effects of COVID-19 on the business and operations of the Company; the state of financial markets; history of losses; dilution; adverse events relating to milling operations, construction, development and restart and ramp-up, including the ability of the Company to address underground development and process plant issues; ground conditions; water management; cost overruns relating to development, construction and restart and ramp-up of the Underground Mine; loss of material properties; interest rate increases; global economy; limited 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; changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade of mineralization or recovery rates from management’s expectations and the difference may be material; legal and regulatory proceedings and community actions; accidents; title matters; regulatory approvals and restrictions; increased costs and physical risks relating to climate change, including extreme weather events, and new or revised regulations relating to climate change; permitting and licensing; dependence on management information systems and cyber security risks; volatility of the market price of the Company’s securities; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry, as well as those risks discussed in the AIF and in the section “Risk and Uncertainties” of this MD&A. The forward-looking statements and information contained herein are based upon assumptions management believes to be reasonable, including, without limitation: no adverse developments in respect of the property or operations at the Project; no material changes to applicable laws; the restart and ramp-up of operations at the Underground Mine in accordance with management’s plans and expectations; no material adverse impacts from the effects of COVID-19 going forward; the Company will be able to obtain sufficient additional funding to complete the restart and ramp-up of the Underground Mine; no material adverse change to the price of copper from current levels; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. The forward-looking information and statements are stated as of the date hereof (or as otherwise indicated). The Company disclaims any intent or obligation to update forward-looking statements or information except as required by law. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information and statements, there may be other factors that could cause actions, events or results not to be as anticipated, estimated or intended. Specific reference is made to “Risk and Uncertainties” herein and “Risk Factors” in the AIF for a discussion of factors that may affect forward-looking statements and information. Should one or more of these risks or uncertainties materialize, should other risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results and events may vary materially from those described in forward-looking statements and information. For more information on the Company and the risks and challenges of its business, investors should review the Company's filings that are available at www.sedarplus.ca. The Company provides no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.