



NEWS RELEASE

TSX: NCU

NEVADA COPPER AMENDS RED KITE LOAN FACILITY AND ANNOUNCES STRATEGIC REVIEW PROCESS

January 3, 2016 - Nevada Copper Corp. (TSX: NCU) ("Nevada Copper" or the "Company") has entered into an agreement (the "Agreement") to amend its senior secured loan agreement (the "Loan Agreement") with EXP T1 Ltd. ("Red Kite"), an affiliate of Red Kite Mine Finance and postpone the exercise of certain rights and remedies that Red Kite has under the Loan Agreement. The Agreement also sets out the terms on which the Company will purchase Red Kite's right, title and interest in Red Kite's Offtake Agreement (as defined below).

The Loan Agreement was previously amended on September 30, 2015 to, among other things, extend the maturity date of the loan to December 31, 2021 and the outside date for fulfillment of project construction draw conditions by 12 months to December 31, 2016. The Loan Agreement amendment also required that, prior to December 31, 2015 the Company would complete an equity and/or subordinated debt financing transaction for proceeds of US\$20 million (the "Interim Financing Transaction"). These funds were to provide adequate working capital while also providing funding for further project optimization.

During the fourth quarter of 2015, the Company engaged with several groups interested in Nevada Copper's Pumpkin Hollow copper project ("the Project"), however in view of the challenging capital and commodity markets, the Company also entered into discussions with Red Kite regarding the Loan Agreement. On January 2, 2016, the Company reached the Agreement, pursuant to which Red Kite will not exercise its rights and remedies under the Loan Agreement as a result of the non-completion of the Interim Financing Transaction by December 31, 2015, the Company will have until April 15, 2016 to complete an alternative financing, and the Loan Agreement will be further amended, all as set out below.

The key provisions of the Agreement are as follows:

1. Loan Agreement Extension. Red Kite has agreed to:
 - a) not exercise its rights and remedies under the Loan Agreement as a result of the non-completion of the Interim Financing Transaction by December 31, 2015 and allow until April 15, 2016 for the completion of an alternative interim financing transaction in the minimum amount of US\$15 million (the "2016 Financing"), following which the Loan Agreement will be in good standing;
 - b) reduce the minimum working capital requirement from US\$10 million to US\$5 million; and
 - c) subject to certain conditions, including depositing all loan interest cash payments due in 2017 into an escrow account by December 31, 2016, extend the project construction drawdown conditions by a further 12 months to December 31, 2017.

Red Kite has advised that, subject to certain conditions, it will subscribe for up to US\$2 million of the 2016 Financing.

If the Company does not complete the 2016 Financing by April 15, 2016, all amounts outstanding under the Loan Agreement will be immediately due and payable by the Company and Red Kite will

be in a position to exercise all remedies available to it under the Loan Agreement and related security agreements.

2. Offtake Buyback. In connection with the initial execution of the Loan Agreement, the Company entered into an offtake agreement (the "Offtake Agreement") pursuant to which Red Kite, assuming the full \$200 million drawdown, would have the right to purchase up to 74.5% of the copper concentrates produced from the underground deposits at the Pumpkin Hollow Project. Red Kite's percentage offtake right is pro-rated based on the principal amount drawn under the Loan Agreement, and based on current drawdowns, Red Kite has the right to purchase 33.5% of copper concentrate production from the underground deposits. The Company has agreed to buy and Red Kite has agreed to sell its rights under the Offtake Agreement for US\$10 million, which will be funded by an additional draw under the Loan Agreement. The offtake buy-back reduces the percentage of the offtake from the Pumpkin Hollow underground deposits allocated to third parties from 59% to 25.5%. Copper concentrates to be derived from ores of the larger open pit deposits remain 100% uncommitted.

The \$10 million offtake buyback price will allow for lowered smelter charges and better copper price certainty on this portion of the concentrates while also providing improved financial returns upon commencement of commercial production.

The Agreement includes customary provisions for such agreements, including additional restrictive covenants applicable until the completion of the 2016 Financing.

Despite challenging capital and commodity market conditions, the Company's Pumpkin Hollow Copper Project represents an attractive, "shovel-ready" fully permitted copper project located in an ideal mine friendly location. Pumpkin Hollow is located entirely on private land close to infrastructure with all required power and water supplies secured.

Giulio Bonifacio, the CEO of Nevada Copper commented on the Agreement: "*Nevada Copper is pleased to have the continued support of Red Kite. Red Kite continues to work with the Company and has made favorable amended loan terms including a further 12 month extension that give recognition to the current commodity markets. This extension is subject to ensuring adequate working capital in 2016 and will allow the necessary additional time to facilitate a strategic review process leading to a transaction that maximizes value for all stakeholders. We also view the offtake buyback as an extremely positive development that improves the overall smelter terms and reduces copper pricing risk.*"

Strategic Alternatives

With the goal of maximizing value to our shareholders, the Company plans to engage an adviser to present and consider all strategic alternatives available to it. A Special Committee of the Board consisting of independent directors has been appointed to review and evaluate all value-add strategic alternatives. The study of strategic alternatives will be broad, and could include, but not be limited to, a strategic investment in the Pumpkin Hollow Project or the Company by a third party, a joint venture arrangement, the sale of all or a portion of the project, a sale of the Company, a business combination with another entity, or some combination of the foregoing.

Over the past several months, the Company has conducted discussions and executed confidentiality agreements with a number of interested parties regarding potential strategic alternatives and will continue to advance those discussions.

At present, there can be no assurance as to what, if any, strategic alternatives might be pursued by the Company. The Company does not intend to disclose further details with respect to its review of strategic alternatives unless and until the board of directors has approved a specific transaction or otherwise determines that further disclosure is warranted.

2016 Project Optimization

During 2016, management will focus on maintaining the Project's "construction ready" status. In addition, subject to financing, management will consider alternate project development plans that would evaluate a smaller initial development of the open pit deposit that targets higher grade areas of the deposits first, followed by possible expansion at a later date. Value engineering and further project optimization will be part of this project re-assessment process that is currently underway.

NEVADA COPPER CORP.

Giulio T. Bonifacio, President & CEO

Cautionary Language

This news release includes certain statements and information that may contain forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release other than statements of historical facts are forward-looking statements. Such forward-looking statements and forward-looking information specifically include, but are not limited to, statements concerning: the completion of the 2016 Financing, the cure of any default under the Loan Agreement, the continued forbearance of Red Kite, and any statements regarding revised development plans at the Pumpkin Hollow property or the future completion of any strategic transaction, as well as the Company's plans in general.

Forward-looking statements or information relate to future events and future performance and 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 include, but are not limited to, statements or information with respect to known or unknown risks, uncertainties and other factors which may cause actual results to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements or information.

Forward-looking statements or information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks and uncertainties relating to: conditions in debt and equity financing markets and the challenges of the Company completing the 2016 Financing on or before April 15, 2016 on acceptable terms or at all in the current commodity market, future metals price fluctuations, ongoing low commodity prices for copper, silver and gold, requirements for additional capital; loss of its material properties; interest rates increase; global economy risks; risks related to mineral production; 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; labor 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 may differ from what is indicated and the difference may be material; legal and regulatory proceedings and community actions; accidents, title matters; regulatory restrictions; permitting and licensing; volatility of the market price of Common Shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; unanticipated political events in the United States, other risks of the mining industry as well as those factors discussed in the section entitled "Risk Factors" in the Company's Annual Information Form dated March 17, 2015. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. The Company disclaims any intent or obligation to update forward-looking statements or information except as required by law, and you are referred to the full discussion of the Company's business contained in the Company's reports filed with the securities regulatory authorities in Canada. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on Nevada Copper and the risks and challenges of its business, investors should review Nevada Copper's annual filings that are available at www.sedar.com.

The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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