



**Annual Information Form
("AIF")**

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**For the Year Ended December 31, 2013
Effective Date: March 25, 2014**

NEVADA COPPER CORP.
ANNUAL INFORMATION FORM
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INTRODUCTION

In this Annual Information Form (“AIF”), the “Company”, “Corporation”, “Nevada Copper”, “we”, “our” and “us” refer to Nevada Copper Corp. and its subsidiaries (unless the context otherwise requires). We refer you to the public disclosure documents of the Company, which may be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com, for more complete information than may be contained in this AIF. In this AIF, unless otherwise specified, all dollar amounts are expressed in United States Dollars (“US\$” or “\$”).

DATE OF INFORMATION

Unless otherwise indicated, all information contained in this AIF of the Company is stated as at March 25, 2014.

FINANCIAL INFORMATION

All financial information in this AIF of the Company is prepared in accordance with International Financial Reporting Standards.

FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained herein may contain forward-looking information within the meaning of applicable Canadian and United States securities laws. Such forward-looking statements and forward-looking information include, but are not limited to statements concerning: Nevada Copper’s plans at the Pumpkin Hollow Project; the timing of granting of key permits; likelihood of commercial mining; securing a strategic partner; expanding the mineral resources and reserves; possible future financings; and from any feasibility study referenced herein: the estimated metal production and the timing thereof; capital and operating costs, future metal prices and cash flow estimates derived from the foregoing.

Forward-looking statements or information relate to future events and future performance and include statements regarding the expectations and beliefs of management and include, but are not limited to, statements with respect to the estimation of mineral resources and reserves, the realization of mineral resources and reserve estimates, the timing and amount of estimated future production, capital costs, costs of production, capital expenditures, success of mining operations, environmental risks and other mining related matters. 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 future results, performance or achievements expressed or implied by such forward-looking statements or information.

Forward-looking statements or information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks and uncertainties relating to: history of losses; requirements for additional capital; dilution; loss of its material properties; interest rate increases; global economy; no history of production; future metals price fluctuations, speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; 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; delays in obtaining governmental approvals; legal and regulatory proceedings and community actions; accidents, title matters; regulatory restrictions; permitting and licensing; activities by governmental authorities (including changes in taxation); volatility of the market price of Common Shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry as well as those factors discussed in the section entitled “Risk Factors” in this AIF. 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. Any forward looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

**NOTE TO UNITED STATES READERS
REGARDING DIFFERENCES IN UNITED STATES AND
CANADIAN REPORTING PRACTICES**

Resource and Reserve Estimates

Certain terms contained in this AIF have been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. The terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in SEC Industry Guide 7 under the United States Securities Act of 1933, as amended (the “Securities Act”). Under SEC Industry Guide 7 standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in certain restricted cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this AIF and the documents incorporated by reference herein contain descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States Federal securities laws and the rules and regulations thereunder

DEFINITIONS

Reserves:	<p>Mineral Reserve: The economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.</p>
	<p>Probable Mineral Reserve: The economically mineable part of an Indicated, and in some circumstances a Measured Mineral Resource, demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.</p>
	<p>Proven Mineral Reserve: The economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.</p>
Resources:	<p>Resource: A concentration or occurrence of natural material of intrinsic economic interest in or on the Earth's crust in such form and quantity and such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.</p>
	<p>Inferred Mineral Resource: That part of a mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.</p>
	<p>Indicated Mineral Resource: That part of a mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.</p>
	<p>Measured Mineral Resource: That part of a mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.</p>

CORPORATE STRUCTURE

Name, Address and Incorporation

Nevada Copper was incorporated under the *Business Corporations Act* (Yukon) on June 16, 1999 under the name “African Venture Corporation”. The articles of the Company were amended on July 26, 1999 to change the name of the Company to “Astron Resources Corporation” and were further amended on November 16, 2006 to change the name to Nevada Copper Corp. The Company continued its incorporation to British Columbia under the *Business Corporations Act* (British Columbia) on November 16, 2006 and adopted new articles. The Company has an authorized share capital of an unlimited number of common shares without par value.

The Company’s principal corporate offices are located at 200 Granville Street, Suite 1238, Vancouver, British Columbia, V6C 1S4, telephone number 604-683-8992. The Company’s registered office is located at 1055 Dunsmuir Street, Suite 3350, Vancouver, British Columbia, Canada, V7X 1L2, telephone 604-685-6100, facsimile 604-692-4900.

In October, 2013, the Company changed its financial year end from June 30 to December 31. The Company’s common shares trade on the Toronto Stock Exchange in Canada under the symbol “NCU”.

Intercorporate Relationships

The Company currently has three wholly-owned subsidiaries: Nevada Copper, Inc. (formerly “Pumpkin Copper Inc.”), incorporated February 2, 2006 in Nevada, USA; 0607792 B.C. Ltd. (“607792 BC”) (formerly 607792 British Columbia Ltd.), which was incorporated on May 26, 2000 in British Columbia, dissolved on February 4, 2008 and restored in British Columbia on June 22, 2010; and Lion Iron Corp., incorporated in Nevada, USA, on June 4, 2012.

607792 BC was acquired by the Company pursuant to a reverse take-over transaction with the shareholders of 607792 BC which was completed on August 15, 2006. 607792 BC held all the rights under an option agreement (the “PHC Option”) dated December 1, 2005 with RGGGS Land & Minerals, Ltd., LP (“RGGGS”) in respect of an option to enter into a lease with RGGGS in and to certain fee land and patented lode mining claims (the “Fee Land and Patented Claims”) which comprise a portion of the Pumpkin Hollow Property (the “Property”, the “Project” or “Pumpkin Hollow”) situated in Lyon County, Nevada. On May 4, 2006, 607792 BC exercised its rights under the PHC Option and entered into a lease agreement (the “Lease Agreement”) with RGGGS in respect of the exploration and development of the Fee Land and Patented Claims comprising part of the Property, details of which are further described below.

Nevada Copper, Inc. (“NCI”) was a wholly-owned subsidiary of 607792 BC and staked certain additional unpatented Federal lode mining claims (the “Unpatented Claims”) which comprise a portion of the Property. 607792 BC assigned all of its interest in and to the Lease Agreement to the Company prior to its dissolution on February 4, 2008 and upon its dissolution NCI became a direct wholly-owned subsidiary of the Company. In July 2009 the Company assigned the Lease Agreement to NCI.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Nevada Copper owns 100% of the Pumpkin Hollow Copper Development Property located in Nevada, United States. Pumpkin Hollow is a large advanced stage development copper property with Mineral Reserves and Resources including copper, gold, silver, as well as an iron Resource (*see – Mineral Projects*).

The Company’s activities during the last three years have included:

- Closing of a US\$200 million senior secured loan facility (the “Loan Facility”) and copper concentrate off-take agreement (the “Concentrate Off-take”) with a special purpose vehicle that is jointly owned by Orion Mine Finance (“Orion”) and RK Mine Finance (“Red Kite”), of which US\$51 million has been advanced to the Company to date;
- Completing a Cdn\$65 million bought deal common share equity offering which closed in August 2011;
- Executing a \$24 million equipment financing facility with CAT Financial in October 2013;
- Incurring approximately \$94 million of acquisition, exploration and engineering expenditures on the Property. The total expenditure incurred at December 31, 2013 was \$126 million;

- Receiving a water pollution control permit, reclamation permit, special use permit and air quality operating permit for the Project in 2013. The permits allow for full construction and operation of the Stage 1 underground project;
- Acquiring water rights for the Project totaling 4,224 acre feet;
- Advancing a land acquisition (the “Land Transfer” or “land acquisition”) by the City of Yerington from the Bureau of Land Management (“BLM”) by way of a congressional bill (the “Land Bill”) that would streamline the permitting process for the Project;
- Completion of a production sized head-frame and hoist in April 2013;
- Commencing construction of the underground production sized shaft to access the East deposit of the Property;
- Acquiring additional contiguous unpatented claims, consolidating the Property;
- Drilling approximately 160,000 meters of in-fill and step-out drilling since acquiring the Property in 2006. Together with drilling by previous owners, this brings total drilling on the Property to over 341,000 meters. Drilling during the 2011-2012 period provided for the expansion and upgrading of the mineral resource inventory that formed the basis for the 2012 and 2013 feasibility studies;
- Completing a NI 43-101 compliant technical report feasibility study titled “NI 43-101 Technical Report, Feasibility Study for the Pumpkin Hollow Copper Project, Nevada, USA” dated February 3, 2012 (the “Integrated Feasibility Study”) in respect of the Property. This positive feasibility report supports the technical and economic results of an integrated open pit and underground operation feeding a single large process facility. This study contemplates open pit mining from the North and South Deposits (collectively the “Western Deposits”) and the East and E2 Deposits (collectively the “Eastern Deposits”).
- Completing a further NI 43-101-compliant technical report feasibility study titled “Pumpkin Hollow Copper Property – NI 43-101 Technical Report – Feasibility Study – Underground Only Alternative” dated December 2012 (the “Stage 1 Underground Study”) in respect of the Property. This study contemplates a standalone underground mining operation, mining only from the East deposit (the “Stage 1 Underground Operation”).
- Completing a further NI 43-101-compliant technical report feasibility study titled “NI 43-101 Technical Report, Open Pit Operations Feasibility Study Pumpkin Hollow Copper Project, Nevada, USA” dated November 14, 2013 (“Stage 2 Open Pit Study”) in respect of the Property in November, 2013. This study additionally contemplates an open pit mining only alternative scenario from the Western open pit deposits (the “Stage 2 Open Pit Operation”).

In March, 2011 the Company provided an updated mineral resource estimate which incorporated a further 50,000 meters of resource delineation drilling program which was completed in October 2010.

On July 25, 2011, the Company amended its Water Service Agreement with the City of Yerington to expand its reservation of water from 2,000 acre feet to 3,500 acre feet. These water rights combined with the RGGGS water rights considerably exceed the expected net water requirements of the Property.

In August 2011, the Company closed a common share bought deal equity financing involving the issuance of 12,050,000 common shares at a purchase price of Cdn\$5.40 per share for gross proceeds of Cdn\$65,070,000, significantly increasing its working capital position. The Company paid a cash commission of Cdn\$3,578,850 and 301,250 broker warrants each exercisable to purchase one common share of the Company at an exercise price of Cdn\$6.00 per common share, which warrants expired on August 2, 2013. The funds raised in 2011 have been used for the stated purpose of property exploration, engineering, development, including shaft sinking, and related corporate administration.

On September 19, 2011, the Company announced a proposed Federal land acquisition by the City of Yerington from the BLM by way of a congressional bill that would, if passed, streamline the permitting process for the Stage 2 development of the Property (described in detail below);

On January 23, 2012, the Company completed and SEDAR-filed the Integrated Feasibility Study. The Integrated Feasibility Study was prepared under the direction of Tetra Tech, Inc. (“Tetra Tech”), an international engineering firm, with substantial input from Merit Consultants International Inc. (“Merit”), which compiled and reviewed the initial capital cost estimate. The Integrated Feasibility Study, with capital costs defined to within plus/minus 15%, builds upon two previous Preliminary Economic Assessments prepared by Tetra Tech, and significant metallurgical and geotechnical work completed in 2010 and 2011. The Integrated Feasibility Study confirmed the technical and

financial viability of constructing and operating a 67,500 ton-per-day copper mining and processing operation at Pumpkin Hollow supplied with ore from both an underground and open pit mine. As discussed further below, the integrated mine development plan set out in the Integrated Feasibility Study has since been superseded by a two-stage mine development plan.

Nevada Copper announced on September 7, 2012 an updated Mineral Resource estimate and has incorporated the results into further feasibility study updates, as described below. The updated resource estimate includes the results from approximately 44,000 meters of successful drilling conducted from October 2010 to 2012, primarily in the Western open-pit deposits (further details can be found in the updated mineral resource estimate).

On October 9, 2012, the Company acquired from Pala Investments Limited (“Pala”) 46,000,000 common shares of Mercator Minerals Ltd. (“Mercator”), representing approximately 17.8% of the issued and outstanding common shares of Mercator, in consideration for the issuance to Pala of 7,315,000 common shares of the Company, representing approximately 9.09% of the issued and outstanding common shares of the Company, issued at a deemed price of \$3.37 per common share.

In late 2012, it became apparent that Nevada Copper was capable of financing the Stage 1 Underground Operation without the resulting dilution of bringing in a strategic partner and reducing its current interest in the 100%-owned Project. The Stage 1 Underground Study was published on December 12, 2012 and which provided for the Stage 1 Underground Operation consisting of a mill with a throughput of 6,500 tons per day (“tpd”) fed from the underground mine on the East Deposit of the Property, at an initial capital cost of US\$329 million plus working capital. The Underground Operation is considered as the first stage of a larger, two-stage Project development plan (see summary below for further information on the second stage). In early 2013, Nevada Copper announced that it would proceed with a two-stage approach to developing Pumpkin Hollow.

On March 28, 2013 Nevada Copper closed the US\$200 million Loan Facility and Concentrate Off-Take Agreement, with proceeds to be allocated to the construction of the standalone Stage 1 Underground Operation on the Project. The initial tranche of funding from the Loan Facility, additional funding on receipt of key State permits allowing for commencement of full construction of an underground mining operation (achieved in September 2013), combined with current treasury, is anticipated to be sufficient to support project development work through Q2-2014. This work includes sinking of the 2,140 foot production-sized shaft, construction of the head frame and associated surface works, and commencement of detailed engineering work. The engineering work will allow for placement of key equipment orders starting in 2014, with first ore available to the mill anticipated to be in late 2015. Ore from the East Deposit will feed a concentrator located in close proximity to this deposit. It is expected that the E2 Deposit will also be incorporated into the future mine production plans, subject to a separate production decision.

The below summary of results for the Stage 1 Underground Operation on the East Deposit were released in the Stage 1 Underground Study:

- The base case economics assume a three year trailing average price of \$3.59/lb. copper, \$1,419/oz. gold and \$27.14/oz. silver;
- Production commencing in 2015, with an initial mine life of 12 years;
- Average Annual copper production in concentrate:
Year 1 to 5: 75 million pounds;
Year 1 to 10: 67 million pounds;
- Net Present Value at a 5% discount rate is \$419 million, pre-tax;
- Net Present Value at a 8% discount rate is \$309 million, pre-tax;
- Internal Rate of Return is 28.6% pre-tax and payback of 2.5 years; and,
- Annual operating cash flow of US\$149 Million,
- The after tax NPV at 8% is estimated to be \$256 million.

As a result of factors discussed in further detail under *Mineral Projects – Project Development*, the Company decided that the in-progress update to the Integrated Feasibility Study would be modified to reflect the standalone Stage 2 Open Pit Operation. In view of the recently increased mineral resources, Tetra Tech also evaluated higher throughput production rates in the range of 70,000 to 75,000 tons per day and settled on a rate of 70,000 tons per day. The Stage 2 Open Pit Study was completed on this basis and filed on SEDAR in November 2013.

Construction of the shaft and hoist, and pre-collaring of the 24 foot diameter underground production sized shaft in the East Deposit commenced in February 2012. Construction and commissioning of the hoist and head frame were completed in May 2013 and shaft sinking resumed below the pre-collar depth of 99 feet. Currently, the bare shaft is approximately one-third completed towards the 1,906 foot production level.

Detailed mine design work is underway for the high-grade East deposit to provide the framework for mine planning. Once the production-sized shaft is completed to a total depth of 2,140 feet, drilling will resume from underground drill stations. This drilling program will target areas of higher grades with an initial objective of allowing for early production from the highest-grade stopes. For example, in the northern pod of the East deposit, drill holes NC 09-05 and NC 08-49 returned intervals grading 114.5 feet of 3.20% copper and 125 feet of 3.24% copper, respectively. In the south pod of the East deposit, adjacent drill holes NC08-14 and KM-21 returned intervals grading 52 feet of 6.79% copper and 84 feet grading 4.93% copper respectively. With mineralization in the East deposit currently open in several directions, management expects that further drilling from underground drill stations will also extend the current mine life of 12 years. It is anticipated that ore from the E2 Deposit will be mined after the East Deposit which will further add to the current mine life.

\$200 Million Loan Facility and Concentrate Off-Take Agreement

On March 28, 2013, Nevada Copper entered into the Loan Facility and Concentrate Off-Take the terms of which are as follows:

- The Loan Facility counter party is MF Investment Holding Company 2 (Cayman) SPC (“MF Investment”), which is an affiliate of Orion and Red Kite;
- US\$51 million has been advanced to Nevada Copper under the Loan Facility thus far;
- A further US\$10 million will be advanced on passage of the Land Bill, as described further below;
- A further US\$139 million (or US\$149 million, should passage of the Land Bill be delayed) will be advanced on the completion of certain other project milestones, including completion of the 24 foot diameter, 2,140 foot production sized shaft;
- The Loan Facility has a six year term ending on January 3, 2019, with interest payable at an annual rate of LIBOR (subject to a minimum of 1%) plus 6%. The principal amount of the loan and interest are repayable in equal quarterly installments commencing April 2015, and mandatory prepayments equal to 20% of excess cash, as defined in the Loan Facility, are required. The Company has the ability in certain circumstances to repay the loan in full without penalty prior to maturity. The Loan Facility is secured against all current and future assets of the Company and its subsidiaries. As part of the Loan Facility, the Company paid an origination fee equal to 3% of the principal amount of the Loan Facility; and,
- Under the terms of the Concentrate Off-Take agreement, the Company will sell to MF Investment, for the life of the mine on the Eastern deposits (East & E2 Deposits and JK34 zone), such percentage of copper concentrates produced from the Eastern Deposits as is equal to the amount advanced by Orion to the Company under the loan agreement as a percentage of the US\$200 million maximum principal amount of the loan. Currently therefore, 25.5% (51/200) of the future copper concentrates from the Eastern underground deposits is committed to Orion. The Concentrate Off-Take agreement provides for benchmark-referenced treatment and refining charges, and standard payment factors for contained copper, gold and silver.

The Concentrate Off-Take agreement does not include any rights to any future copper concentrate production from the Stage 2 Open Pit Operation proposed for the open-pittable Western deposits.

Proposed City of Yerington Land Transfer

Over the past four years, the Company’s management had been advancing discussions with the City of Yerington for a plan that involves a bill in the U.S. Congress, the Lyon County Economic Development and Conservation Act (“Land Bill”) that would approve a Land Transfer, being the acquisition, at fair market value, of 10,300 acres of BLM-administered land by the City of Yerington. Nevada Copper continues to support the Land Transfer, as outlined in the Land Bill.

The City of Yerington and Lyon County have both passed unanimous resolutions of support, along with full support from Nevada Governor Brian Sandoval, a unanimous resolution of support from the Nevada State Legislature and unanimous support from the two Senators and four Congressmen in the Nevada Congressional delegation.

These 10,300 acres proposed for the Land Transfer are adjacent to, and contiguous with, the City of Yerington boundaries and encompass the Property area. Of this land, 3,900 acres, over which Nevada Copper already has valid unpatented mineral claims, surrounds the Company's 1,560 acres of existing private patented land. The City of Yerington would make this additional land available to Nevada Copper to consolidate its mineral land package. This consolidated package of 5,360 acres would only require State and local permitting of both the Stage 1 Underground and the Stage 2 Open Pit Operations. In September 2013, the Stage 1 Underground Operation received all the required permits under the State permitting process. The Stage 2 Open Pit Operation will be permitted under the State process should the Land Bill be passed, or under the Federal process should the Land Bill be delayed or unable to be passed into law.

The remainder of the lands to be transferred (6,500 acres) would be set aside for general industrial, mining, commercial and renewable energy development, and multi-purpose recreational and open space buffer.

The current version of the Land Bill was reintroduced in the 113th Congress in both the U.S. House of Representatives and U.S. Senate in February 2013. It has successfully been moved through the relevant Subcommittees of both the House and Senate. The Land Bill was reported out of the House Natural Resources Committee on January 28, 2014 in favor of passage and awaits passage by the full House of Representatives. The Land Bill was reported out of the Senate Energy and Natural Resources Committee on June 12, 2013 in favor of passage and awaits passage by the full Senate.

It is Nevada Copper's understanding that the bill is being readied for a vote on the floor of both the Senate and the House, but there is no certainty as to the timing of this vote. Once a bill has been passed by both the House and Senate, it can be signed into law by the President of the United States of America. The Land Bill, when passed, directs the Secretary of Interior to convey to the City of Yerington, within 180 days, all right, title, and interest in the proposed lands, subject to valid existing rights and applicable existing laws.

The City of Yerington and Nevada Copper are in regular communication with the Nevada Congressional delegation to meet all technical and procedural aspects of the legislative process necessary for its passage.

DESCRIPTION OF BUSINESS

GENERAL DESCRIPTION

The Company is a development stage mining company engaged in the identification, acquisition, exploration and development of copper and other mineral properties located in the United States and elsewhere.

The Company's primary focus is the development of its Pumpkin Hollow Property located in north-western Nevada, approximately one hundred miles southeast of Reno. The Property is located within a contiguous 26 square mile land package held by the Company comprised of the Fee Land and Patented Claims under lease with RGGGS pursuant to the Lease Agreement and additional Unpatented Claims acquired by the Company. A copper, gold, silver and iron resource is primarily located within 1,390 acres of patented mining claims

As at December 31, 2013 the Company had 8 employees based in Vancouver, British Columbia, and from time-to-time, through its U.S. subsidiary, employs up to 60 additional personnel, consultants and contractors, including drilling crews, based at the project site in Yerington, Nevada.

Pursuant to the PHC Option between RGGGS, a limited partnership headquartered in Houston, Texas, and 607792 BC dated December 1, 2005, 607792 BC was granted an option to enter into the Lease Agreement with RGGGS in respect of the exploration and development of the Fee Land and Patented Claims comprising part of the Property.

On May 4, 2006, 607792 BC exercised its option under the PHC Option and entered into the Lease Agreement in respect of exploration and development of the Property for a period of ten years which is renewable for up to three more additional ten-year terms for a total of 40 years. 607792 BC assigned all of its interest in and to the Lease Agreement to the Company on August 16, 2006. See "**Mineral Projects**" below for further details concerning the Lease Agreement.

On August 15, 2006, the Company completed a reverse take-over transaction (the "RTO") to acquire 607792 BC, through the issuance of 17,180,000 common shares and 4,800,000 special warrants of the Company to the shareholders of 607792 BC. As the RTO constituted a reverse take-over, the Company's current consolidated financial statements are a continuation of the historical financial statements of 607792 BC as it is identified as the continuing entity.

After completion of the RTO, the Company through its subsidiary Nevada Copper Inc, acquired the Unpatented Claims on or contiguous to the lands comprising the Fee Land and Patented Claims which collectively comprise the Property.

RISK FACTORS

In addition to the other information presented in this AIF, the following should be considered carefully in evaluating the Company and its business. This AIF contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include those discussed below and elsewhere in this AIF.

Development projects are uncertain and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for a project prior to production.

Mine development projects, including the Project, require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors such as: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future copper prices, and anticipated capital and operating costs of these projects. The Project has no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of Proven and Probable Mineral Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project: unanticipated changes in grade and tons of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labor, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in metals prices, and accidents, labor actions, the availability and delivery of critical equipment, successful commissioning and start-up of operations, including the achievement of designed mill recover rates and force-majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. It is likely that actual results for the Project will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favorable than currently estimated, our business, results of operations, financial condition and liquidity could be materially adversely affected.

If the Company's programs are successful, additional funds will be required for the development of an economic ore body and to place it into commercial production.

The business of mineral exploration and extraction involves a high degree of risk with very few properties that are explored ultimately achieving commercial production. As a mining company in the exploration stage, the future ability of the Company to conduct exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means. In turn, the Company's ability to raise such funding depends in part upon the market's perception of its management and properties, but to a great degree upon the mineral prices and the marketability of securities of speculative mineral exploration and development companies.

The development of any ore deposits found on the Company's exploration properties depends upon the Company's ability to obtain financing through any or all of equity financing, debt financing, the joint venturing of projects, or other means. There is no assurance that the Company will be successful in obtaining the required financing and there is no assurance that the requirements for further drawdowns under the credit Facility will be met.

The Company has a lack of operating history and has no history of earnings.

The Company and its predecessor companies have no history of earnings. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares or by way of debt facilities. While the Company may generate additional working capital through the operation, development, sale or possible syndication of its properties, there is no assurance that any such funds will be generated.

The Company is dependent on key personnel and the absence of any of these individuals could result in a significantly negative effect on the Company.

The success of the Company and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key personnel. The loss of their services to the Company may have a material adverse effect on the Company. The Company does not presently have "key person" life insurance for any of its officers.

There are significant risks associated with exploration and development activities including industrial accidents, flooding, environmental hazards, technical problems and labor disputes which could materially adversely affect future mining operations and the Company's financial position.

There is no certainty that the expenditures made or to be made by the Company in the exploration of its properties will result in discoveries of mineralized material in commercially viable quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits. Mining operations generally involve a high degree of risk which even with a combination of experience, knowledge and careful evaluation may not be able to overcome. The business of mining is subject to a variety of risks such as industrial accidents, flooding, environmental hazards such as fires, technical failures, labor disputes and other accidents at the mine facilities. Such occurrences, against which the Company cannot or may elect not to insure, may delay production, increase production costs or result in liability. The payment of such liabilities may have a material adverse effect on the Company's financial position.

Estimates of Mineral Reserves and Resources may not be realized.

The Mineral Reserves and Resources estimates contained in this AIF are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified Resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Company relies on laboratory-based recovery models to project estimated ultimate recoveries by mineral type. Actual recoveries may exceed or fall short of projected laboratory test results. In addition, the grade of mineralization ultimately mined may differ from the one indicated by the drilling results and the difference may be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short term factors, such as the need for an orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of those operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in proven and probable reserves or Resources, grades, waste-to-ore ratios or recovery rates may affect the economic viability of projects. The estimated proven and probable reserves and Resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

The Company's activities on its properties are subject to environmental regulations, approvals and permits.

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, or its ability to develop its properties economically. Before production may commence on any property, the Company must obtain regulatory and environmental approvals and permits. There is no assurance such approvals and permits will be obtained on a timely basis, if at all. Compliance with environmental and other regulations may reduce profitability, or preclude economic development of a property entirely.

The Company is in competition with other mining companies that have greater resources and experience.

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for exploration in the future.

The business of exploration for minerals and mining involves a high degree of risk, as few properties that are explored are ultimately developed into producing mines.

Mineral exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, any of which could result in the Company not receiving an adequate return on invested capital.

Marketability of natural resources which may be discovered by the Company will be affected by numerous factors beyond its control.

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of Mineral Resources are discovered, a profitable market will exist for the sale of such minerals. Factors beyond the control of the Company may affect the marketability of any mineral occurrences discovered. The price of metals and minerals, including copper, has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the United States dollar relative to the Canadian dollar and other currencies), interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Some of the directors of the Company are involved with other mineral resource companies and may have a conflict of interest in negotiations on a project that is also of interest to the Company.

Certain of the directors of the Company are directors or officers of other mineral resource companies and, to the extent that such other companies may be interested in a project also of interest to the Company, or may in the future participate in one or more ventures in which the Company participates, such directors may have a conflict of interest in negotiating and concluding terms respecting such other projects or the extent of such participation. In the event that such a conflict of interest arises, at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such acquisition or participation. In the appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program.

Title Matters

In those jurisdictions where the Company has property interests, the Company makes a search of mining records in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, or concessions. The ownership and validity of mining claims and concessions are often uncertain and may be contested. There is, however, no guarantee that title to the Company's properties and concessions will not be challenged or impugned in the future. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

Shareholder Dilution

It is likely that additional capital required by the Company will be raised through the issuance of additional equity securities, resulting in dilution to the Company's shareholders.

Share price risk

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company, including the market for all resource sector shares, the breadth of the public market for the stock, the need

for certain Funds to sell shares for external reasons other than those relevant to the Company and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares of the Company on the exchanges on which the common shares are listed suggests that the share price will be volatile. In the previous eight quarters, between January 1, 2012 and December 31, 2013, the Company's shares traded in a range between CAD\$1.24 and CAD\$4.01 per share.

Insurance risks

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. Nevada Copper may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Currency risk

The Company is exposed to currency fluctuations in the acquisition of foreign currencies. The Company holds balances in cash and cash equivalents, accounts payable and accrued liabilities and convertible debenture in foreign currencies (US dollars) and is therefore exposed to gain or losses on foreign exchange.

Legal Proceedings Against Foreign Directors.

The Company is incorporated under the laws of British Columbia, Canada, and some of the Company's directors and officers are residents of Canada. Consequently, it may be difficult for United States investors to effect service of process within the United States upon the Company or upon its directors or officers, or to realize in the United States upon judgments of United States courts predicated upon civil liabilities under the United States Securities Exchange Act of 1934, as amended. Furthermore, it may be difficult for investors to enforce judgments of U.S. courts based on civil liability provisions of the U.S. Federal securities laws in a foreign court against the Company or any of the Company's non-U.S. resident officers or directors.

COMPANIES WITH ASSET-BACKED SECURITIES OUTSTANDING

Not applicable.

MINERAL PROPERTIES

Pumpkin Hollow Copper Development Property, Lyon County, Nevada

Nevada Copper owns 100% of the Project, which is known as the Pumpkin Hollow copper development project, and is located in the Walker Lane mineralized belt of western Nevada. Pumpkin Hollow is the only project currently owned by Nevada Copper.

The technical information below relating to the Pumpkin Hollow project is derived from disclosure previously filed on SEDAR and, more specifically, in the case of the mineral resources, mineral reserves, production schedule, capital and & operating costs and economic analyses, the disclosure taken from the following independent NI 43-101-compliant feasibility studies by Tetra Tech Inc., all of which are filed on SEDAR:

1. The Integrated Feasibility Study, titled "NI 43-101 Technical Report, Feasibility Study for the Pumpkin Hollow Copper Project, Nevada, USA dated February 3, 2012". This study relates to a single process facility fed by ore sources from both an open pit mine and an underground mine;
2. The Stage 1 Underground Study, titled "Pumpkin Hollow Copper property - NI 43-101 Technical Report - Feasibility Study - Underground Only Alternative" dated December 2012. This study relates to a standalone underground mining operation, mining only from the East Deposit; and
3. The Stage 2 Open Pit Study, titled "NI 43-101 Technical Report, Open Pit Operations Feasibility Study Pumpkin Hollow Copper Project, Nevada, USA" dated November 14, 2013. This study additionally contemplates open pit mining from the Western Deposits.

There is a prior Preliminary Assessment Technical Report filed on SEDAR that relates to the Pumpkin Hollow project. This has been superseded by the Feasibility Studies referred to above.

The Company has embarked on various work programs on the Property during the last few years. A work program in 2006 was undertaken to validate and synthesize the electronic assay and geologic database pertaining to the Property and geologic modeling and generation of a resource estimate for the Property. In 2007, the Company

engaged in an in-fill and step-out drilling program along with the re-assay of historical core and drill rejects for copper, gold, silver and molybdenum which formed the bases of an updated resource estimate of the Property. In 2008, the Company focused on work programs designed to further enhance the Property's economics in advance of moving the project to the feasibility study stage. Over 27,000 meters of resource, metallurgical, hydrological and geotechnical drilling was completed to enhance the quality of the Project's Mineral Resource. The Company also amended its Lease Agreement with RGGG to include water rights to consume a maximum of 724 acre feet of water. In 2009, the Company updated a previous resource estimate to incorporate the results of the 2008 drilling program. The Company also entered into a Water Service Agreement with the City of Yerington to reserve 2,000 acre feet of water for a term of 30 years.

Property Details

The Property is located in Lyon County, Nevada, approximately eight miles southeast of the City of Yerington, Nevada. The Property consists of an approximately 26 square mile land package containing patented and unpatented claims. The Company has a 100% interest in the Property subject to the Lease Agreement which expires in 2016. This agreement may be extended for up to three additional ten year terms.

The patented claim block and fee lands contain some 69 claims totaling 1,388 acres and the fee land contains some 160 acres. In addition, there are approximately 15,218 acres of unpatented US mineral claims. Total acreage controlled by Nevada Copper is approximately 16,766 acres.

Property Ownership

100% of the Property is located on a contiguous 26 square mile land package consisting of patented, fee title, and unpatented mining claims. Specifically, the copper, gold, silver and iron resource is primarily located within 1,390 acres of patented mining claims. RGGG, a limited partnership headquartered in Houston, Texas, is the title holder on the patented and fee title land. The Company, through its predecessor, entered into a lease option from RGGG in December, 2005. The Company carries out business at the Property through its 100% wholly-owned subsidiary, Nevada Copper Inc., a Nevada corporation.

On May 4, 2006, the Company exercised its option to lease the Property from RGGG and entered into the Lease Agreement for the exploration and development of the Property ("RGGG Lease"). The term of the lease is for ten years, renewable for up to three more additional ten-year terms for a total of 40 years. Upon execution of the Lease Agreement, the Company paid a non-recoverable bonus payment to RGGG of US\$50,000.

Under the terms of the RGGG Lease and during the period May 4, 2007 to May 4, 2011 the Company has made lease payments totaling US\$600,000.

Also, under the terms of the RGGG Lease, the Company was required to incur exploration and development expenditures of at least US\$4,000,000 during the first three years and minimum expenditures of at least US\$500,000 per year. In addition, the Company was required to incur a further US\$4,000,000 of additional exploration and development expenditures during the fourth through the sixth year. These obligations have been fully met.

Starting on the sixth anniversary date, RGGG was entitled to receive advance royalty payments of US\$600,000 per year. These advance royalty payments, which are made quarterly and started in April 2012, are recoverable from future royalties payable to RGGG (see description of royalty below). The first advance royalty payment of \$150,000 was paid in April 2012 and these advance royalty payments have been made quarterly thereafter. Cumulative advance royalty payments made total US\$1,050,000 to December 31, 2013.

After the initial ten-year term, the Company must have paid US\$3,000,000 in production royalties and minimum royalty payments to RGGG, or must pay the difference between US\$3,000,000 and what has been paid, in order to be able to extend the Lease Agreement for an additional ten-year term.

After the second ten-year term, the Company can extend the Lease Agreement for two additional ten-year terms if it has made US\$10,000,000 in production royalties and minimum royalty payments to RGGG in the previous term or if it pays to RGGG the difference between US\$10,000,000 and what was actually paid during the previous term.

The Company must pay RGGG 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 Company's Unpatented Claims that are within one mile of the Fee Lands and Patented Claims subject to the RGGG Lease will be subject to a one percent net smelter return overriding royalty on non-ferrous materials and \$0.10 per long ton of crude overriding royalty on the ferrous materials to RGGG's account.

The Company shall also pay RGGG US\$0.10 per ton of waste and overburden materials, if any, disposed of from other properties and brought to this property to be placed in a waste deposit, though the Company may trade waste or overburden from other lands for an equal amount of waste or overburden from the Property which is wasted on other lands and no royalty payment will accrue. The Company currently has no plans to bring such materials onto the Property.

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

Accessibility, Infrastructure, Climate, Local Resources, and Physiography

Accessibility - Year-round access to the Project area is via US Interstate 80 East from Reno then south along Nevada State Highway 95 to Yerington. The Project is approximately 90 minutes by road from Reno. Paved and gravel road access from Yerington leads directly to the Property. The area is serviced by a spur on the Southern Pacific Railroad that leads to Hawthorne Nevada. A natural gas line leads to the Fort Churchill electrical generating plant, approximately twelve miles north of the project site. A major power line from the Fort Churchill Power Plant crosses the eastern portion of the Property. Topography is gentle and sufficient flat or gentle-sloping land exists for placement of the facilities, tailings disposal area, and waste rock.

Climate - The climate is very arid with hot summers and relatively mild winters. Nearby mining operations have no problem working year-round. Vegetation in the immediate area of the Property, which is located in a dry alluviated valley with low barren hills, is sparse low brush with local grasses suitable for limited cattle grazing. The agricultural Mason Valley to the west contains numerous alfalfa and onion fields and grazing lands. These fields are watered by irrigation canals from the nearby east fork of the Walker River and wells.

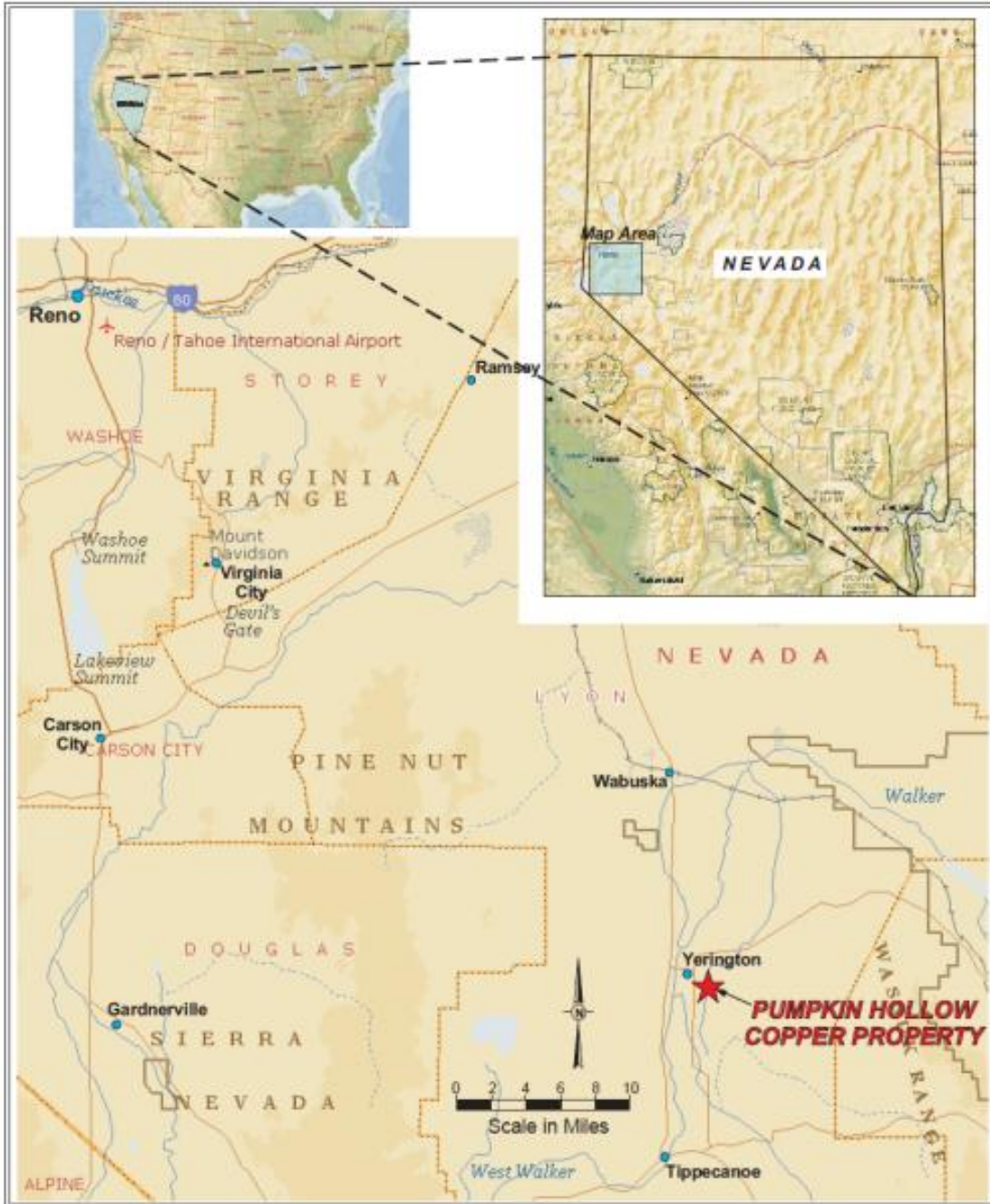
Local Resources - Yerington (population 6,000), is the county seat of Lyon County and was the site of major open pit porphyry copper production by the Anaconda Company from 1953 until 1978, and subsequent heap-leach operations on copper oxide ore, tailings and waste rock by Arimetco International Incorporated. Mining infrastructure in the area remains intact and is available including electrical power, railroad lines and plentiful skilled manpower.

Infrastructure - Infrastructure on the Project area currently consists of a paved road to the property boundary, a network of gravel site roads, core storage buildings, an office trailer complex, a small ranch house, shaft hoist and head frame structures, associated warehouse, mine dry and offices, a 25kV electrical line to the property, potable water supply, sanitary sewer system, and a water re-infiltration system including infiltration ponds and associated piping.

Environmental Conditions and Permits - The Stage 1 Underground Operation is fully permitted for construction and operations and is materially compliant with all permits. There are no significant unresolved environmental issues and/or damage. In addition, the Property is contained in a "mining friendly" state, and the Company sees no reasons why the Stage 1 Underground Operation cannot continue to progress towards full mine operations under its current permits. In addition, the Company believes the proposed Stage 2 Open Pit Operation can also be permitted and developed, assuming suitable financing can be arranged. In the event of the passage of the Land Bill, the Company anticipates that the Stage 2 Open Pit Operation would only require State and local permitting. If the Land Bill does not pass, the Stage 2 Open Pit Operation will also require Federal permitting. For any further planned exploration, the Company will need to obtain routine drilling permits for the exploration drill holes and post a reclamation bond for the repair of any associated disturbance. The Company sees no reason that these permits would not continue to be issued in a timely manner.

Patented and Fee Claims - The Fee Land and Patented Claim block contain some 69 claims totaling 1,388 acres and the fee land contains some 160 acres. In addition, there are approximately 15,218 acres of Unpatented Claims. The total acreage comprising the Property which is controlled by the Company is approximately 16,766 acres.

Property Location Map



Property Location and Property Boundary

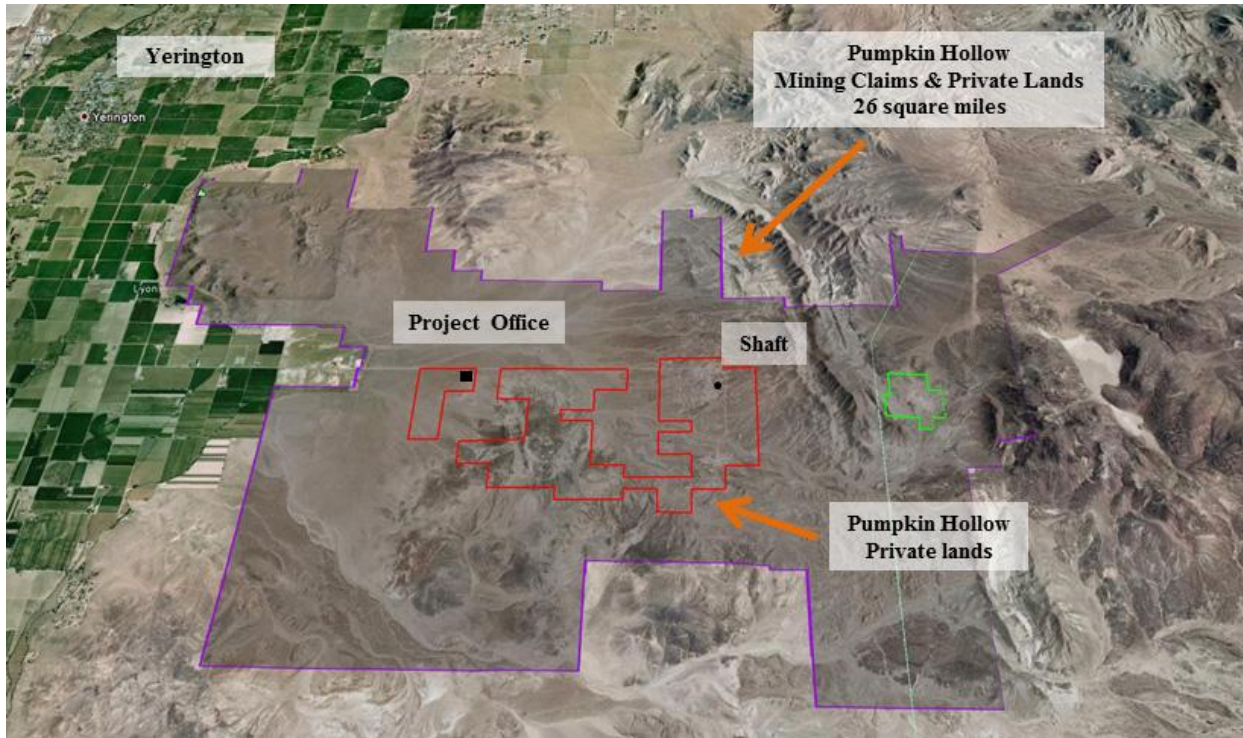
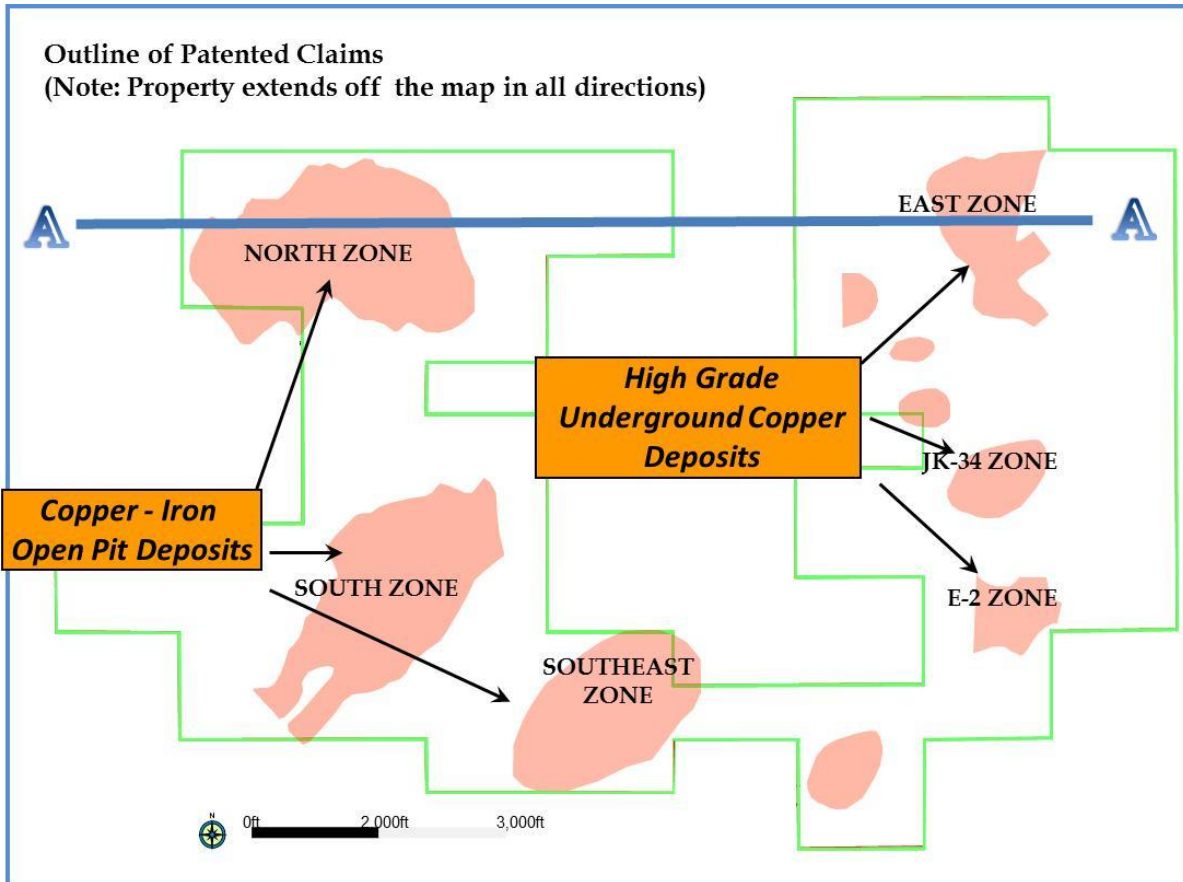


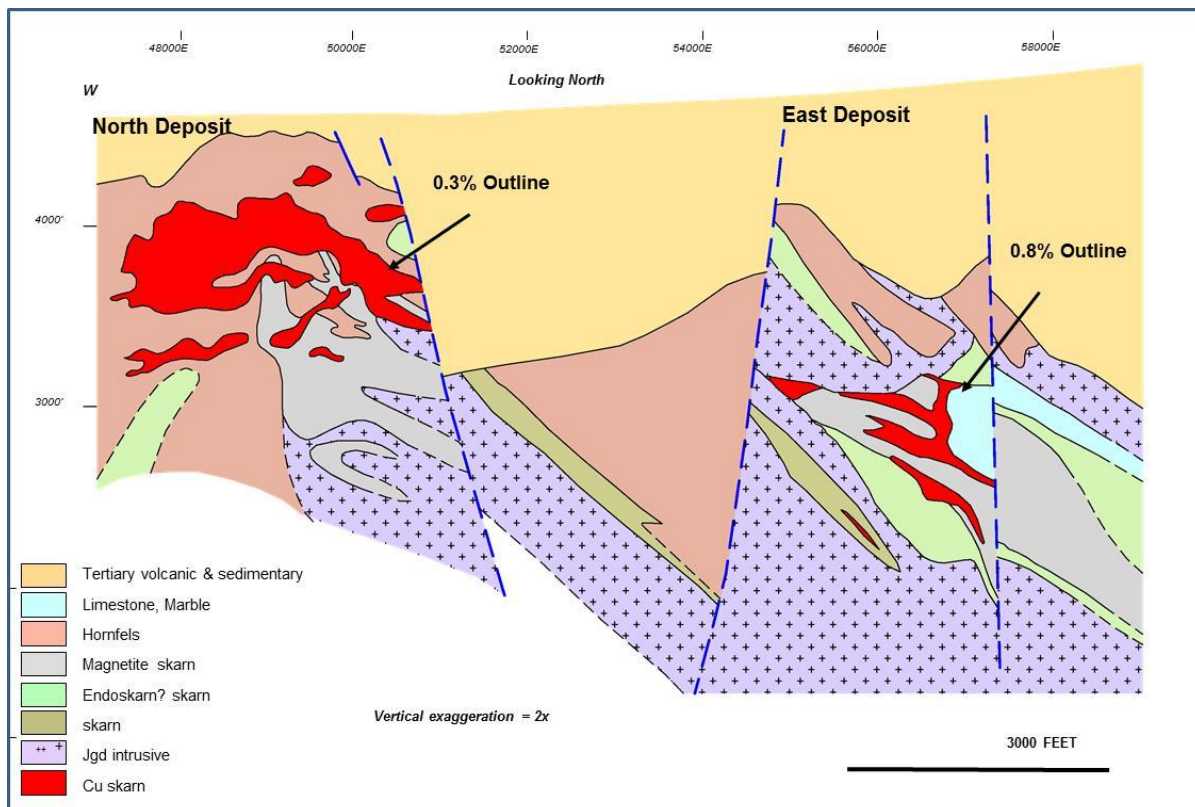
Photo of Pumpkin Hollow Shaft Area



Location Map Showing Copper Mineralization & Cross-section



Typical Cross-section A-A (see above)



Regional and Property Geology

The Property is located within the western Great Basin on the east side of the Sierra Nevada mountain range within the Walker Lane mineralized belt. The Property lies in a basin between the Singatse Range and the Wassuk Range. The Yerington district is underlain by a sequence of Mesozoic meta-volcanic and sedimentary rocks which have been intruded and mineralized by the Jurassic-age Yerington batholith. The Mesozoic rocks are overlain by a thick sequence of Tertiary volcanic and sedimentary lithologies. All units tilt steeply to the west and are displaced into numerous blocks by easterly dipping listric normal faults.

Copper and iron mineralization occurs on the Property in large areas of skarn formations, with or without accompanying gold and silver mineralization. The large copper skarns are generally associated with altered and mineralized porphyry copper stocks. Five deposits of copper-magnetite skarn mineralization have been discovered on the Property. The deposits, or zones, are known as the North Deposit, South Deposit, Southeast Deposit, East Deposit, and E2 Deposit.

The North Deposit is 1,500 feet north of the South Deposit and has a 3,300-foot strike length, with true widths of 200 to 900 feet, and down dip extent of 1,500 feet. The South Deposit was the first discovery on the Property, and is roughly tabular, measuring 2,800 feet along strike and 2,000 feet down-dip. The top of the South Deposit lies some 250 to 450 feet below the present surface. The Southeast Deposit is located 2,000 feet southeast of the South Deposit. It strikes northeast and dips steeply northwest with a strike length of 1,500 feet. Geologic similarities between the South and Southeast Deposits suggest that the Southeast Deposit may be the upper portion of the South Deposit that has been displaced along the lower listric fault. The East Deposit lies 7,000 feet east of the North Deposit and measures approximately 1,800 feet by 900 feet, and consists of flat-lying to gently dipping stacked mineralized zones at depths of 1,500 to 2,200 feet. The top of the East Deposit appears to have been displaced to the east. The E-2 Deposit is a steeply northwest-dipping lens which has been explored along 1,200 of strike length, is 40 to 120 feet thick, and is locally continuous for at least 1,600 feet down-dip. The main portion of the East Deposit mineralization starts approximately 800 feet below the present surface and extends below 2,400 below surface.

Geology and Mineralization

The Property area is located within the western Great Basin of the Basin and Range Province on the east side of the Sierra Nevada in Lyon County, Nevada. The east slope of the range is cut by a number of major north-trending normal faults delineating north-trending ranges which are connected to the main mass of the Sierra Nevada on their south ends but diverge from the range northward. The Singatse Range, which forms the western boundary of the Mason Valley, and the Wassuk Range, which forms its eastern boundary, reflect two block ranges of this type. The Property is located in the basin between these two ranges.

The Yerington district, which includes the Property, is located in the approximate west-central portion of Mason Valley and underlain by a sequence of Mesozoic meta-volcanic and sedimentary rocks which have been intruded and mineralized by the Jurassic-age Yerington batholith. The Mesozoic rocks were deeply eroded during late Cretaceous and early Tertiary time and overlain by a thick sequence of Tertiary volcanic and sedimentary lithologies. All units have been tilted steeply to the west and displaced into numerous blocks by easterly dipping listric normal faults.

Deposit Types

The northern area of mineralization is located 1,500 feet north of the South Deposit and is centered on a sub-horizontal, pipe-like, copper-rich, magnetite-poor skarn breccia body hosted by hornfels of the Gardnerville Formation (Northwest Deposit).

The South Deposit, the first discovery on the Property, is a magnetite-chalcopyrite body closely associated with an intrusive contact of granodiorite into limestones of the Mason Valley Formation.

The Southeast Deposit, located 2,000 feet southeast of the South Deposit, is a 300-foot wide lens of chalcopyrite-magnetite-garnet-actinolite skarn developed within limestones of the Mason Valley Formation. The zone is unique for the Property due to its higher than average magnetite grades (locally up to 75%).

The East Deposit, 7,000 feet east of the North Deposit, measures approximately 2,000 by 1,200 feet and consists of flat-lying to gently dipping, bedding-controlled, stacked, mineralized zones within the limestone of the Mason Valley Formation at depths of 1,400 to 2,200 feet.

The E-2 Deposit is a steeply northwest-dipping lens of high-grade copper-magnetite skarn breccia within the Mason Valley limestone, which lies on the hanging wall of an endoskarn sill. The chalcopyrite-magnetite mineralization follows the marble front, similar to the East Deposit. A major east-trending rotational fault appears to exist between the two deposits and results in a significant variation in the deposit orientation.

Drilling

The updated Mineral Resource in the tables below is based on a database that now consists of over 740 drill holes containing in excess of 335,200 meters (1,100,000 feet) of drilling and over 89,000 assays. The 2011 and 2012 program consisted of 94 resource holes totaling 47,700 meters (156,500 feet) and 10 hydrological, and geotechnical holes that totaled 3,900 meters (12,800 feet). Drilling by other companies that explored the Property in the past is summarized separately in the Exploration History section.

Core Sampling Method

NQ/HQ core was drilled from the surface or from the bottom of pre-collared reverse circulation holes by Boart Longyear of Salt Lake City or Kirkness Diamond Drilling of Dayton, Nevada. The core was placed in ten-foot core boxes and core runs were marked by the drill rig personnel. Core boxes were transported to the secure sample facility on the property by Nevada Copper personnel.

Sample Preparation

Core samples were marked by Nevada Copper geologists prior to delivery to the analytical laboratory. The sawed core splits were placed into sample bags for drying and processing. The intervals varied from one to six-foot runs and, based on geology. The following is a summary of the American Assay Laboratories (“AAL”) sample preparation procedure:

- Samples weighing 10-15 lbs are dried in high-air volume, temperature- controlled (± 5 " Celsius), gas-fired drying ovens. Bagged samples are normally dried at 90" Celsius. Tray samples are dried at 105" Celsius. The dried samples are then jaw crushed to >85% six-mesh to >95% ten-mesh). Samples are Jones riffle split and a one-lb sample split is pulverized in vertical spindle pulverizers (120- to 150-mesh). The sample is then placed in a three-inch by five-inch labeled pulp packet.

Sample Analysis

All assaying and whole rock geochemistry are processed at the AAL in Sparks, Nevada. AAL is ISO/IEC 17025 certified and has successfully completed Canadian proficiency testing (CCRMP). Samples are delivered from the project core logging facility to AAL by Nevada Copper or AAL personnel. A quality assurance and quality control assay protocol has been implemented by Nevada Copper whereby blanks and standards are inserted into the assay stream. The AAL sample procedures are as follows:

- Fire Assay: A 30-g sample is weighed and mixed with 100 to 880 g of flux. The sample is fused/cupelled and parted. The solution is then read on an AAS/ICP
- Geochemical: A 20-g sample is weighed into tubes. A three-acid mix is added to the sample and digested. The sample is made to volume and read on a ICP/AAS
- Check assay rejects are submitted to BSI-Inspectorate, Sparks, Nevada, and/or Chemex
- Labs, Sparks, Nevada, for analysis. Both labs are ISO 9002 certified
- Ore Grade Iron (Magnetite): A two-g sample is weighed into tubes. Hydrochloric acid is added to the sample and digested. The sample is made to volume and read on an ICP/AAS

Sample Security

Drill core and reverse circulation samples are under the control of either Nevada Copper or AAL personnel once the samples are picked up from the drill rigs. Nevada Copper personnel collect the samples from the drill rig and deliver them to the secure core logging facility located at the project site. There is 24-hour supervision at the site.

Following geological logging, samples are picked up by AAL personnel and delivered to the secure AAL facility in Sparks, Nevada. Upon completion of the analytical work, samples are returned to the project site by AAL personnel and are placed in the core storage building located at the project site.

Mineral Resources

The Mineral Resource estimates for the Property were prepared by the mineral resource and mining division of Tetra Tech based on the results of all drilling up to July 2012 and are all as disclosed in the Stage 2 Open Pit Study.

Tables 1.2 to 1.5 tabulate project Mineral Resources segregated by the Western “open pitable” deposits consisting of the North and South copper deposits; and the Eastern “underground” deposits, consisting of the East and E2 copper deposits. Table 1.6 tabulates the open pitable iron Resources contained within, and associated with, the Western deposits.

Table 1.2: Measured and Indicated Resources – Western Open-Pittable Deposits

Category	Cutoff Grade (%Cu)	Tons (000)	Grade (%Cu)	Contained Copper (000 lbs)	Gold Grade opt	Gold (000 ozs)	Silver Grade opt	Silver (000 ozs)	Cu Equiv. %
Measured	0.20	186,037	0.48	1,793,250	0.002	331	0.056	10,465	0.53
Measured	0.15	237,915	0.41	1,954,874	0.002	369	0.051	12,015	0.46
Indicated	0.20	348,389	0.43	3,023,109	0.001	467	0.052	18,200	0.46
Indicated	0.15	494,141	0.35	3,493,351	0.001	568	0.046	22,651	0.38
M&I Total	0.20	534,426	0.45	4,816,359	0.001	798	0.054	28,665	0.48
M&I Total	0.15	732,056	0.37	5,448,225	0.001	937	0.047	34,666	0.40

Copper equivalency for the above Mineral Resource is based on \$3.33 per pound for copper, \$1,376 per ounce gold and \$23.07 per ounce silver and metallurgical recoveries of 89.3%, 67.3% and 56.3% for copper, gold and silver respectively.

Table 1.3: Inferred Resources – Western Open-Pittable Deposits

Category	Cutoff Grade (%Cu)	Tons (000)	Grade (%Cu)	Contained Copper (000 lbs)	Gold Grade opt	Gold (000 ozs)	Silver Grade opt	Silver (000 ozs)	Cu Equiv. %
Inferred	0.20	138,149	0.40	1,103,536	0.001	134	0.044	6,134	0.43
Inferred	0.15	225,073	0.31	1,392,266	0.001	198	0.39	8,755	0.42

Copper equivalency for the above Mineral Resource is based on \$3.33 per pound for copper, \$1,376 per ounce gold and \$23.07 per ounce silver and metallurgical recoveries of 89.3%, 67.3% and 56.3% for copper, gold and silver respectively.

Table 1.4: Measured and Indicated Resources – Eastern Underground Deposits

Category	Cutoff Grade (%Cu)	Tons (000)	Grade (%Cu)	Contained Copper (000 lbs)	Gold Grade opt	Gold (000 ozs)	Silver Grade opt	Silver (000 ozs)	Cu Equiv. %
Measured	1.00	9,206	1.81	333,324	0.011	104	0.24	2,205	2.08
Measured	0.75	12,497	1.56	390,372	0.01	128	0.216	2,699	1.81
Indicated	1.00	24,338	1.72	835,589	0.01	247	0.245	5,971	1.97
Indicated	0.75	38,092	1.40	1,069,452	0.008	321	0.213	8,118	1.61
M&I Total	1.00	33,544	1.74	1,168,913	0.01	351	0.244	8,176	1.99
M&I Total	0.75	50,589	1.45	1,459,824	0.009	449	0.213	10,817	1.68

Copper equivalency for the above Mineral Resource is based on \$3.00 per pound for copper, \$1,400 per ounce gold and \$20.00 per ounce silver and metallurgical recoveries of 92.0%, 78.0% and 57.5% for copper, gold and silver respectively.

Table 1.5: Inferred Resources – Eastern Underground Deposits

Category	Cutoff Grade (%Cu)	Tons (000)	Grade (%Cu)	Contained Copper (000 lbs)	Gold Grade opt	Gold (000 ozs)	Silver Grade opt	Silver (000 ozs)	Cu Equiv. %
Inferred	1.00	4,926	1.45	143,313	0.002	10	0.101	498	1.511
Inferred	0.75	12,098	1.11	267,533	0.002	24	0.065	792	1.164

Copper equivalency for the above mineral Resources is based on \$3.00 per pound for copper, \$1400 per ounce gold and \$20 per ounce silver and metallurgical recoveries of 92.0%, 78.0% and 57.5% for copper, gold and silver respectively.

Table 1.6: Categorized Iron Resources – Western Open Pittable Deposits

	Iron % Cutoff	Tons (000)	Iron % Grade	Tons Iron (000)
Measured	20	242,957	32.8	79,738
Measured	30	133,890	39.4	52,737
Indicated	20	152,265	31.0	47,216
Indicated	30	98,065	39.0	26,566
M&I Total	20	395,222	32.1	126,954
M&I Total	30	231,955	39.1	79,303
Inferred	20	118,334	29.0	34,270
Inferred	30	39,392	39.5	15,556

Tetra Tech created three-dimensional computerized geologic and grade models of all five deposits in the Project area. The five deposits are contained in three model areas and individually addressed by means of “limiting” polygons. The North, South, and Southeast Deposits are contained in the “West” model area and the East and E-2 deposits are contained in two separate model areas, the “East” model and the “E2” model area. Resources from the East, E2 and West model areas were used in this section of the Feasibility Study.

The geologic models were constructed by digitizing cross sections through each of the respective deposits, creating three-dimensional solids of the digitized geologic units and intersecting them with the block model. In addition, mineralized domains were super-imposed on the three dimensional block model by intersecting the wireframes with

the block model in order to create a detailed representation of both the geology and mineralization of each deposit. The blocks that fell inside each of the models were coded with the appropriate geologic and mineralized codes, which were then utilized in the grade estimation.

The rock model was then assigned a tonnage factor based on individual lithologic units. The exceptions to this were the blocks that contained significant amounts of iron. For these blocks, the bulk density was determined according to a formula devised by US Steel.

The estimated copper, gold, silver and iron Resources were classified into Measured, Indicated and Inferred categories. The gold and silver Resources reported are those Resources that report with the copper according to the copper cutoff and classification criteria. Iron Resources have their own classification criteria. The classification was accomplished by a combination of kriging variance, number of points used in the estimate, and number of sectors used.

Mineral Reserves

Note that Proven and Probable Mineral Reserves are the economically-mineable portions of the Measured and Indicated Mineral Resources listed above, as disclosed in a NI 43-101 compliant Technical Report.

East Underground Deposit

The Mineral Reserves for the East and E2 underground deposits are supported by a Technical Report made public in January 2012 and SEDAR-filed February 6, 2012. The Mineral Reserves stated below for the underground deposits are based on the Measured And Indicated Mineral Resources disclosed in the January 2011 news release, and do not yet reflect the increased mineral resources for the Western Deposits as disclosed on September 7, 2012.

Mineral Reserves East Underground Deposit - January 2012								
Classification	Ore	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver	Copper Equiv.
	000's tons	%	Oz./ton	Oz./ton	Billion lbs.	Ozs.	Ozs.	%
Proven	10,979	1.55	0.011	0.215	0.34	120,769	2,360,485	1.81
Probable	16,666	1.45	0.006	0.141	0.48	99,996	2,349,906	1.60
Proven & Probable	27,645	1.49	0.008	0.170	0.82	220,765	4,710,391	1.68

The mineral reserves and mine plans for the underground East and E2 Deposits were determined using cutoff grades developed by Tetra Tech as appropriate for the mining method and costs associated with the deposits. For the underground deposits the cutoff grade used was 0.8% copper. A copper price of \$3.00 per pound was assumed. Tetra Tech is the independent Qualified Person who is responsible for the mineral reserve estimate. The copper equivalency was determined using Base Case metals prices and metallurgical recoveries of 89.3%, 67.3% and 56.3% for copper, gold and silver respectively.

E2 Underground Deposit

Mineral Reserves E2 Underground Deposit - January 2012								
Classification	Ore	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver	Copper Equiv.
	000's tons	%	Oz./ton	Oz./ton	Billion lbs.	Ozs.	Ozs.	%
Proven	1,387	1.83	0.009	0.236	0.05	12,236	327,404	2.06
Probable	6,745	1.62	0.006	0.176	0.218	38,685	1,185,457	1.77
Proven & Probable	8,132	1.65	0.006	0.186	0.269	50,920	1,512,862	1.82

The mineral reserves and mine plans for the underground East and E2 Deposits were determined using cutoff grades developed by Tetra Tech as appropriate for the mining method and costs associated with the deposits. For the underground deposits the cutoff grade used was 0.8% copper. A copper price of \$3.00 per pound was assumed. Tetra Tech is the independent Qualified Person who is responsible for the mineral reserve estimate. The copper

equivalency was determined using Base Case metals prices and metallurgical recoveries of 89.3%, 67.3% and 56.3% for copper, gold and silver respectively.

Mineable Open Pit Reserves

The open pit Mineral Reserves at Pumpkin Hollow relate to the Western open pit deposits and are supported by the Stage 2 Open Pit Study.

The Stage 2 Open Pit Study provides for two open pit areas designated as North Pit and South Pit. The open pit mine design for the two open pits are developed using GEMS® Whittle pit optimization software to establish guides to mineable shapes within the mineral resource block model. The pits were developed separately in order to control the different Whittle inputs based on process recovery to the respective areas. The North Cone utilized a Breakeven Cutoff Grade of 0.182% copper, and an Internal Cutoff Grade of 0.152% copper. The South Cone utilized a Breakeven Cutoff Grade of 0.186% copper, and an Internal Cutoff Grade of 0.155% copper.

The open pit Proven and Probable reserves of the Western Deposits are provided in Table 1.9. The reserves are based on the pit designs discussed in the Stage 2 Open Pit Study. The reserves have been shown to be economic and Tetra Tech believes that they are reasonable for the statement of Proven and Probable Mineral Reserves.

Table 1.9: Pumpkin Hollow Surface Mine - Mineable Reserve

Classification	Ore 000s tons	Copper %	Gold oz/ton	Silver oz/ton	Copper Billion lbs	Gold ozs	Silver ozs	Copper Equiv. %
Proven	204,182	0.409	0.0015	0.052	1.67	306,610	10,685	0.44
Probable	344,004	0.358	0.0012	0.047	2.46	410,920	16,009	0.39
Proven + Probable	548,186	0.377	0.0013	0.048	4.13	717,530	26,694	0.40

The mineral reserves and mine plan for each of the open pit deposits was determined using cutoff grades developed by Tetra Tech as appropriate for the mining method and costs associated with the deposits. For the open pit North and South deposits the cutoff grade used was 0.175% and 0.179% copper respectively. The breakeven cutoff was calculated using \$2.80 mining cost while the internal cutoff was calculated using \$3.00 copper. Ed Lipps, Principal Mining Engineer for Tetra Tech is the Independent Qualified Person who is responsible for the mineral reserve estimate. The copper equivalency was determined using Base Case metal prices and metallurgical recoveries of 86.3%, 67.3% and 56.3% for copper, gold and silver respectively.

Project Development

As announced in April 2013, the Company elected to proceed with a two-staged approach to development of the Project. In December 2012, the Company published the Stage 1 Underground Study which contemplated the Stage 1 Underground Operation.

The Stage 1 Underground Operation provides for mining at a rate of 6,500 tons/day with ore transported to an adjacent 6,500 tons/day mill. A feasibility study examining this option was incorporated into the Stage 1 Underground Study and indicated an initial capital cost of US\$329 million. The Stage 1 Underground Operation is considered as the first stage of a larger, two-stage Pumpkin Hollow project development plan.

The Stage 2 Open Pit Operation of this two stage development plan is a large open pit mine accessing the Western Deposits. The Stage 2 Open Pit Study supporting the Stage 2 Open Pit Operation was announced in October 2013 and filed on SEDAR on November 14, 2013.

In deciding to proceed immediately with the Stage 1 Underground Operation of a two-stage approach, the Company considered the following factors:

- a large portion of Stage 1 Underground Operation is financed (see reference to the Loan Facility with Orion in the section **General Development of The Business**);
- all required construction and operational permits for the Stage 1 Underground Operation were received on September 9, 2013.

- engineering and procurement activities have commenced and construction of a 24 foot diameter production-sized shaft is already well underway under existing permits;
- the process facility can be optimized to maximize metal recovery for the underground ores only;
- future cash flows from the Stage 1 Underground Operation could support and facilitate financing of the larger Stage 2 Open Pit Operation;
- the expansion of the mineral resource base for the open pit Western Deposits has been incorporated into the Stage 2 Open Pit Study filed on SEDAR in November 2013; and,
- the Stage 1 Underground Operation can proceed under State permitting only; and
- the Company's expectation is that the Stage 2 Open Pit Operation could be permitted in 2014 (assuming the congressional Land Bill approving the land transfer from the Bureau of Land Management to the city of Yerington is approved by Congress), with targeted production to commence in 2016, contingent upon project funding.

As a result, the Company has decided that the Stage 2 Open Pit Study would provide for a standalone open pit mine with a separate process facility. In view of the recently increased mineral resources, Tetra Tech also evaluated higher throughput production rates in the range of 70,000 to 75,000 tons per day and settled on a rate of 70,000 tons per day for the Stage 2 Open Pit Operation. The Stage 2 Open Pit Study was completed on this basis and filed on SEDAR in November 2013.

Therefore, the technical and economic details of two separate development stages of the Project are described within this disclosure document and below. The two development stages are:

1. **Stage 1 Underground Operation with a 6,500 tons/day Underground Mine.**
This is described in detail in the Stage 1 Underground Study.
2. **Stage 2 Open Pit Operation with a 70,000 tons/day Open Pit Mine.**
This is described in detail in the Stage 2 Open Pit Study.

STAGE 1 STANDALONE 6,500 TONS/DAY UNDERGROUND MINE

Information regarding the Stage 1 Underground Operation is sourced from the Stage 1 Underground Study.

Mining Methods

Underground Mining Methods

The Stage 1 Underground Study was based on mining a daily rate of 6,500 tpd from the East deposit. Mine access for the East deposit will be by 24 feet diameter shaft which is the same as proposed in the Base Case. The mining method was determined after considering the deposits' geometry, grade distribution, mining production rate, and rock mechanics. The selected method will be long hole stoping with paste backfill. Mining will be carried out using long hole drilling and blasting, with muck mined by LHDs. The LHDs will then transfer the material to haul trucks at re-muck bays situated for optimum haulage distance. Haul trucks will be used to transport mined material to ore passes feeding a jaw crusher. All development drifting will be 16 by 16 feet and done by drill and blast. Drop raises, raise bores and vent shafts will be required for ore passes and ventilation development.

There will be one jaw crusher at the East Mine. The rock will be conveyed to skips and hoisted to the open-pit and transported by haul truck to the processing plant or a waste rock dump. Once a stope is mined out, a bulkhead will be constructed at the access point and the stope will be filled with paste delivered by a piping network. The paste plant will be located on the surface and booster pumps throughout the mine workings. The stoping sequence will include primary and secondary stopes. The mining schedule will allow sufficient time for the paste to set up prior to mining adjacent to a paste filled stope.

The ventilation systems for the East mine have an air flow total of approximately 750 million cubic feet per minute during full production. Two main exhaust fans are located at the East Mine. The fresh air will intake through the production shaft at the East Mine. There are multiple connections from the spiral ramps to the ventilation shafts. These connections will provide enough air flow through the mine without excessive ventilation restrictions.

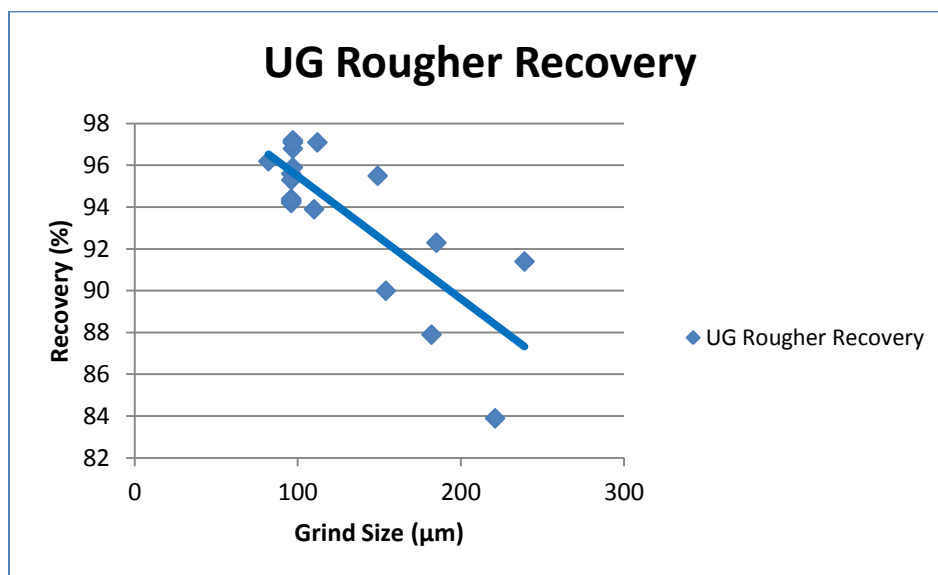
Approximately 4,500 feet south of the East underground mine plan is the E-2 deposit. The company is currently examining whether to bring the deposit into the mine plan. A separate production decision will be made in the

future. The E2 Deposit would be accessed by a 18- by 18-foot connecting drift from the East mine. The material would be transported to the East mine via conveyor or truck.

Mineral Processing and Metallurgical Testing

Several metallurgical test work programs commencing in 2007 and continued into 2012 yielded substantial information regarding the physical properties of ore grade mineralization in the East deposit area and its response to comminution, rougher and cleaner flotation, thickening and filtration. Results from these programs were used to develop process design criteria for a copper concentrator, to beneficiate ore from the East deposit at a rate of 6,500 tpd. The ore responds favorably to conventional flotation methods with an estimated 92.1% recovery of copper.

Test work results indicate that underground ore responds favorably to rougher flotation. The grind-recovery curve for the underground ore depicted in Figure 1.1 shows that the ore would benefit from grinding to a P80 of 100 micrometers (μm). Additional economic recovery from finer grinding appears unlikely. The additional cost of grinding finer than in the Base Case is offset by the higher head grade of 1.49 % copper.



Recovery Methods

The Pumpkin Hollow Copper underground ore concentrator has been designed to process 6,500 tpd of copper ore supplied from the East underground deposit. The concentrator and the unit operations therein are designed to produce a marketable concentrate targeted at 24.0% copper.

Development of the underground process and other processing alternatives and timelines were considered during the previous feasibility work, especially regarding mine permitting of the two deposit areas. It was determined that the East Deposit, which will be mined via underground methods, was technically and economically viable without including the Western Deposits that would be mined via open pit operations. The E2 Deposit was also excluded from this study due to the large capital cost requirements.

The copper recovery circuit will consist of a coarse ore storage facility with a 6,500 ton stockpile. It will also have a SAG/ball mill, comminution circuit, rougher flotation, and regrind/cleaner flotation circuit to liberate, recover and upgrade the copper ores. Flotation concentrate will be thickened, filtered and sent to a concentrate loadout stockpile for subsequent shipping.

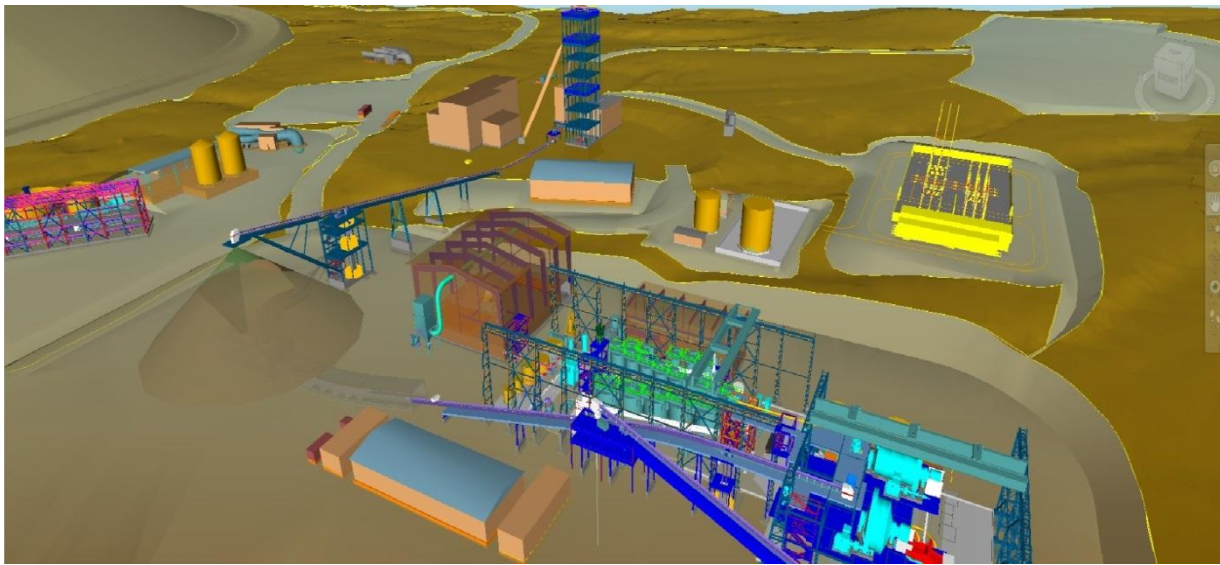
Dry Stack Tailings (DST) is the preferred means of final deposition, as they have substantially less contained water than tailings discharged directly from a concentrator. DST will be produced by thickening and filtering the final flotation tailings. A portion of the unfiltered tailings will be used on a regular but intermittent basis as paste backfill in the underground workings.

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

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

- Coarse ore receiving and storage area from the underground mine. Ore will have already passed through primary crushing underground,
- A coarse ore stockpile and reclaim system,
- A combined SAG/ball mill grinding circuit incorporating cyclones for classification,
- A SAG mill pebble crushing circuit,
- A rougher flotation circuit,
- A rougher concentrate regrinding circuit,
- A 1st cleaner, 2nd cleaner, and cleaner-scavenger flotation circuit,
- Concentrate thickening and filtration circuits, including a concentrate holding and dispatch area,
- Tailings thickening and filtration circuits,
- Tailings disposal at a dry-stack storage facility, and
- A paste-backfill tailings processing facility to be used on a regular but intermittent basis at the East Shaft.

Stage 1 Underground Operation – Site Layout



Infrastructure

The general site layout (see above) is dictated by the location, and size, of the underground mine, processing facility and Dry Stack Tailings Facility (DST). Before construction of the process and mining facilities commences, the entire site would be prepared appropriately. Substations and the entire mining property would be fenced. A gate and cattle guard are constructed at the property entrance. The entire site and roads are properly drained using appropriate culverts.

A sewage treatment plant, meeting the City of Yerington standards, would be supplied by a suitably qualified contractor. Fresh water supply would come from the City of Yerington and would be transported through the main pipeline.

60 kV and 120 kV transmission lines run from service points on the NV Energy System to the proposed mine site at the Property. There are two substations planned for the facility. The main substation will have an incoming 120 kV source serving two 15/20/25 MVA transformers. The voltage will be stepped down to a utilization voltage for distribution at 13.8 kV. This voltage will be fed into the underground mine substation to supply the underground electrical needs.

Nevada Copper retained Ausenco to study the transportation aspects of the Project, including the required infrastructure and associated capital and operating costs. The study covered two possible options for a West Coast terminal, transportation of the concentrate by truck and/or rail to the potential terminals, ocean transportation from the potential terminals to potential market ports in East Asia, and the estimated total transportation costs per ton from mine site to market ports.

In terms of ports on the West Coast to where the concentrate could be transported for export to East Asia, two options were considered. The first option is an existing terminal at the Port of Vancouver, Washington. Because of the distance, the concentrate must be delivered by rail. The second option is a potential terminal to be constructed at a site in Antioch, CA. It is possible to initially deliver the concentrate to this site by truck. Rail may be considered for higher throughputs.

Market Studies

Supplies of copper concentrate are currently not meeting demand, an imbalance which the Company's management expects to continue for the next few years. The result is that smelters are eager to enter into sales contracts, as they are concerned about short and long term copper concentrate supplies. Industry wide, there are many projects under consideration but for various reasons the lead times are being extended and projects may be delayed or even dropped. The timing of Nevada Copper's Pumpkin Hollow Project is advantageous as smelters look for alternative supplies. As for political stability, Nevada is known to be a mining friendly region. This is a very positive aspect from the perspective of concentrate buyers.

Most likely markets for the copper concentrates are in Asia, specifically Japan, Korea, and China. The Port of Vancouver, Washington, was selected as the shipping port for this study on the basis of a lower risk profile and transport costs. The option of shipping some copper concentrates to other markets in North America, or even Europe, by truck, rail and ship has not been ruled out.

Overall smelting and refining charges ("TC/RCs") from 2010 to 2012 have ranged from US\$46 to US\$60 per dry metric ton (dmt) copper concentrate and from \$0.046 to \$0.06 per payable lb copper refined for long term contracts with spot terms fluctuating more dramatically. It is expected for the TC/RCs to remain at the high end of this range. They could move somewhat higher, given the additional mines scheduled to commence operations and the fact that many smelters will need an increased revenue stream if they are to survive.

With this in mind, it is expected that the market will move to higher long term treatment charges, perhaps as high as US\$75/dmt (US\$68/dry short ton (dst)) for copper concentrate treatment charges and US\$.075 per payable lb copper for refining charges. These are conservative numbers, taking into account that the average TC/RCs over the last five years were US\$57/dmt and US\$0.057 per lb, respectively, and the average TC/RCs for mid-year settlements over the same period were US\$48.60 and US\$0.0486 per lb, respectively.

Environmental, Permitting, and Closure Studies

Nevada Copper has conducted all the necessary environmental surveys and technical studies to support its permitting activities and address its responsibilities for attending to mitigation or resolution of any associated social or community impacts arising from Nevada Copper's plan to proceed with the Stage 1 Underground Operation.

Given the private land status of the area of the underground mine, Federal permits are not necessary, and Nevada Copper has received all the key State permits and local approvals necessary for construction and operation.

Sufficient water resources have been obtained and approved by the State to support the underground mining alternative. Waste management systems have been incorporated into the water pollution control permit materials and depend environmental heavily on the geochemical characterization to assure that long-term operations and mine closure activities are free from concerns normally raised over the management of mine wastes (tailings and waste rock).

The process of reclaiming and closing a mining operation normally triggers an extensive review of plans, procedures and financial assurances demonstrating that Nevada Copper is capable of concluding its mining operations with minimal long-term impacts to the environment and surrounding community. The approach to this cost estimate meets recently adopted reclamation bonding calculation practices recognized by the State of Nevada.

Capital and Operating Costs

The tables below summarize the Capital and Operating costs of the Stage 1 Underground Only project.

Initial Capital Costs Stage 1 Underground Operation

Item	US\$ millions
Direct Costs	
Underground Mine Development	109.8
Process and Concentrates Handling	92.4
Tailings Dry Stack Facility	7.7
Infrastructure	15.4
Power and Electrical	15.4
Hydrology	1.0
Reclamation	1.0
Environmental	1.0
Total Direct Costs	243.7
Indirect Costs	
Engineering and Procurement	9.2
Construction Management	9.2
Construction Indirects	19.5
Freight and Logistics	5.5
Vendor and Consultant Assistance	0.9
Owner's Costs	8.6
Spares First Fills And Inventory	3.6
Commissioning and Start-up	3.1
Total Indirect Costs	59.6
Total Direct and Indirect Costs	303.3
Contingency	25.5
Total Initial Capital	328.8

Life of Mine Unit Operating Costs

Stage 1 Underground Operation

Area	LOM US\$/ton-ore milled
Mining	29.46
Processing	7.45
Dry-stack Tailings Facility	0.65
Reclamation, Infrastructure, Hydrology.	0.60
General & Administrative	3.30
Total	41.46

Life of Mine Sustaining Capital Costs

Stage 1 Underground Operation

Area	US\$ millions
Underground Mine Development	79.9
Underground Mine Equipment	84.6
Process	38.5
Tailings	11.0
Reclamation	5.2
Hydrology / Dewatering	2.4
Total Sustaining Capital	221.6

Project Economics

The Stage 1 Underground Operation will include a 6,500 ton per day mine/mill operation with ore feed from the high grade East underground deposit, with the E2 Deposit developed later under a separate development decision. The operation is highly attractive because of its small environmental footprint with the development contained entirely within private patented mining claims - requiring no Federal permits. As of September 9, 2013, all required development and operating permits have been obtained for Stage 1 Underground Operation.

Summary of Economic Results: Stage 1 Underground Operation:

1. Base Case: Three year trailing average price of \$3.59/lb. copper, \$1,419/oz. gold and \$27.14/oz. silver:
Net Present Value at 5% is \$419 million, pre-tax.
Net Present Value at 8% is \$309 million, pre-tax.
Internal Rate of Return is 28.6% and payback is 2.5 years.
2. Alternate Case: Quoted copper forward prices to 2022 then long term price of \$2.75/lb. copper; gold and silver same as Base Case:
Net Present Value at 5% is \$276 million, pre-tax.
Net Present Value at 8% is \$201 million, pre-tax.
Internal Rate of Return is 24.3% and payback is 2.7 years.
3. Average annual operating cash-flow (Years 1 to 5):
Base Case: \$149 million.
Alternate Case: \$139 million.

The after-tax NPV at 8% for the Base Metal Price and Alternate Metal Price cases are estimated to be \$256 million and \$164 million respectively. The after-tax IRR for the same cases are 24.7% and 20.9% respectively.

Copper Production: Anticipated annual copper production for Stage 1 Underground Operation, based on the December 2012 Technical Report is as follows:

Years 1 to 5: 74.6 million pounds per year

Years 1 to 10: 66.9 million pounds per year

By-product gold and silver production is also produced and contained in the copper concentrates.

Surface Water Hydrology

The surface water related hydrology and infrastructure required to manage those waters was developed for the Stage 1 Underground Operation of the Project in order to protect waters of the State. The surface water infrastructure was designed to include the management of surface water run-on, non-contact water, and potential contact water. The plan resulted in utilizing one existing diversion channel to manage surface water run-on from impacting the mine site; utilizing two proposed small diversion channels to protect the DST from being impacted by run-off; utilizing two stormwater basins to collect rainfall that lands on the disturbed portions of the mine; and the construction of a new crossing of Little Pumpkin Hollow and Pursel Lane to ensure safe passage during a minor storm event.

Groundwater Hydrology

A regional numerical groundwater flow model was constructed to estimate inflows to the underground mine at Pumpkin Hollow and potential impacts to regional and local water resources and to support design of dewatering and water management systems and permitting requirements. The model simulates steady-state pre-mining conditions, progressive mine development and dewatering of the East underground mine. Mining operations over approximately 12 years and transient post-mining conditions were modeled using the finite-difference code MODFLOW-SURFACT.

The groundwater model suggests that dewatering will be necessary for the underground mining operations. Total predicted inflows could reach about 2,000 gallons per minute (gpm) when ore extraction is initiated and will decrease to about 1,100 gpm over the life of the operations. Pumping for mine dewatering will lower the water table in the vicinity during mine operation; drawdown of 10 feet or more is not expected to extend more than approximately 1,600 feet beyond the project site. Following completion of mining, the water table will gradually recover, reaching conditions close to the pre-mining conditions within about 200 years. The localized drawdown is not predicted to affect the availability of water resources in the area.

Dewatering of the underground operation is anticipated to be through passive collection of water in strategically placed sumps with the assistance of pumping from dewatering wells located near the East shaft. Water pumped from the mine will be directed to the mill for use as raw water make-up. Excess water will be directed by pipeline to water management basins for re-infiltration.

Tailings Management

A scoping level study was performed by Tetra Tech in December 2010 to assess potential tailings management alternatives for the project. Based on the results of the study, the filtered tailings alternative was selected as the most viable tailings management technique for the Project. Feasibility study level layouts and designs were developed for the proposed DST facility to estimate capital and operating costs for tailings management. Terra Nova Technologies' patented super-portable conveyor system was used as the base case conveyor configuration for estimating capital and operating costs for tailings handling and conveyance.

Conclusions and Recommendations

Tetra Tech concludes that the Stage 1 Underground Operation is technically and economically viable under the conditions stipulated in the Stage 1 Underground Study and recommends that the Property proceed with detailed engineering and project construction of the Stage 1 Underground Operation.

Tetra Tech recommends that the Stage 1 Underground Operations should be advanced rapidly on all fronts to maintain its quality economics and prevent discounting of its current value.

Project Opportunities

Resource expansion

The East deposit remains open. Additional underground drilling will determine the extent of the mineralization. Updating the mineral resource inventory to reflect this drilling, along with updated mining plans, is expected to expand the Mineral Resources and Reserves at the project.

Mine expansion

The Stage 1 Underground Study is based on mining the East deposit. Tetra Tech recommends that additional design work should be done to determine if the E2 Deposit and the JK-34 target will be brought into the mine plan.

STAGE 2 STANDALONE 70,000 TONS/DAY OPEN PIT MINE.

Information regarding the Stage 2 Open Pit Operation is sourced from the Stage 2 Open Pit Study.

Surface Mine Mining Methods

In order to provide 25.55 million tons per year (70,000 tpd nominal) of ore from the open pit to the processing plant, a detailed pit design using both GEMS and Vulcan was created for both the North and South pits utilizing the Whittle cones as guidelines. The designed items included ultimate pits, phased pit designs and annual pit designs. The ultimate pit was designed to allow mining of economic resources identified by Whittle pit optimization while providing safe access for personnel and equipment. The phases within the ultimate pit were developed to enhance the project by defining higher-value material earlier in the mine life while also assisting with determining the preferred in-pit crusher locations.

Pit Slope Constraints

Pit slope configurations used in designing the Project pits were based on information contained in a technical memorandum from Golder Associates (December 6, 2012) to Nevada Copper. Recommended slopes are based on evaluation of core drilling data, analysis of structural data, and point load testing. In general, the overburden and top 120 feet of the tertiary volcanics have a design inter-ramp slope of 46 degrees, while other rocks and tertiary volcanic more than 120 feet below current topography have variable inter-ramp slopes and face angles, depending on which sector of the pit they reside in. A summary of the slope criteria used is shown below.

**Consolidated Pit Slope Information
(Based on Data from Golder Associates)**

Rock Description	Rock Codes	Catch Bench Width (feet)	Bench Face Angle	Inter-Ramp Angle	Benching Style
Overburden top 120 feet.	10	25	65	46	Single
Tertiary Volcanics (T.V.) top 120 feet.	20	25	65	46	Single
Overburden below 120 feet.	10	25	65	46	Single
T.V. below 120 feet. - South Pit - 335 degrees and ccw	20	35	63	49	Double
T.V. below 120 feet. - South Pit - 335 degrees and cw	20	35	70	55	Double
T.V. below 120 feet. - North Pit - All sectors	20	35	70	55	Double
Other rocks in 48 degree slope sector	40 - 99	35	63	49	Double
Other rocks in 52 degree slope sector	40 - 99	35	67	52	Double
Other rocks in 55 degree slope sector	40 - 99	35	70	55	Double

Notes: If there are no ramps present in the highwall, an 80 foot geotech catch bench will be created at least every 600 feet.

The recommended slope information was used in defining slope templates for both the pit shell optimization and the pit design. Pits incorporating roads were first completed and then modified to incorporate the required geotech catch benches. It should be noted that Golder is utilizing a bench height of 40 feet while Tetra Tech is using a bench height of 25 feet. Therefore, Golder's double benching at 40 feet is equivalent to Tetra Tech's triple benching at 25 feet.

Bench Design

Pit designs were created 25 foot single bench to create a 75 foot triple bench. This corresponds with the resource model block heights (25 feet). The benching system varies with pit location due to pit slope constraints for benching details including geology, single or double benching, catch bench width, and face angles).

Haul Road Design

Haul-roads, in general, are designed to be inside of the pits where only one safety berm is required. All haul roads inside or outside of pit designs have been designed to be an average of 150 feet wide to account for conveyor belts, additional safety berms, and drainage ditches. All haul roads are designed to have a general running surface of approximately 104 feet width for two-way traffic with 16 feet of berms and ditches. This provides approximately 3.5 times the width of the Komatsu 960 trucks planned for use in this design. It also provides 30 feet for conveyor belts in lower portions of the pits where haulage requirements call for use of one-way traffic, haul roads are designed to have a total width of 60 feet with a running width of 44 feet. This provides 1.5 times the width of the Komatsu 960 trucks as a running width. Ramps were designed to have a maximum centerline gradient of 10%. In areas where the ramps may curve along the outside of the pit, the inside gradient may be up to 11% or 12% for short distances. The pit designs utilize switchbacks to maintain the ramp system on the ‘outside’ of the pits (i.e., north side of the North Pit and south side of the South Pit). All switchbacks are designed with flat turnarounds. Once the switchback is complete, the ramp continues at 10%.

Ultimate Pit Design

The ultimate pit design utilizes switchbacks to maintain the road and ramp system on the north side of the North Pit while the South Pit maintains the haul road system on the south side of pit. This allows for better traffic flow between pit phases and allows the in-pit crushing and conveying system (“IPCC”) to be installed in the portions of the pits with no haul road/conveyor crossing areas and where the pit configurations change over a large period of time. This was done to minimize IPCC moves.

The ultimate North Pit access begins at an elevation of approximately 4,150 feet above mean sea level (“amsl”), with a bottom elevation of 3,550 feet amsl. The ultimate South Pit access begins at an elevation of approximately 4,550 feet amsl, with a bottom elevation of 3,550 feet amsl.

Recovery Methods

The copper concentrator process facility for the Stage 2 Open Pit Operation (the “Open Pit Process Facility”) has been designed to process 70,000 tpd of copper ore; the sum of the combined output from the surface mining (approximately 70,000 tpd) operations. The Open Pit Process Facility and the unit operations therein are designed to produce a marketable concentrate targeted at 24.0 percent copper or greater.

The Open Pit Process Facility will consist of a coarse ore storage facility, a semi-autogenous grinding (SAG) mill / twin ball mill comminution circuit, rougher flotation, regrind circuit, and cleaner flotation; to liberate, recover, and upgrade copper ores. Flotation concentrate will be thickened, filtered, and sent to a concentrate load out stockpile for subsequent shipping.

Dry-stack tailings are the preferred means of final deposition having substantially less water contained than tailings discharged directly from a concentrator. Dry-stack tailings will be produced by thickening and filtering the final flotation tailings. Thickening and filtration of tailings allows for better process water management and control. Process water will be recycled from the tailings and concentrate thickener overflows. Fresh water will generally be used only for pump gland service, mill lube cooling, SAG mill ring motor cooling, reagent preparation, and safety showers / eyewash stations.

The Open Pit Process Facility will consist of the following unit operations and facilities:

- Coarse ore receiving and storage area from the open pit mine. Ore will have already been passed through primary crushing in separate surface crushing areas
- A coarse ore stockpile reclaim system accommodating the surface ore stockpile for feeding of ores to the process facility
- A combined SAG/ball mill grinding circuit incorporating cyclones for classification
- A SAG mill pebble crushing circuit
- A rougher flotation circuit
- A rougher concentrate regrinding circuit

- A 1st cleaner, 2nd cleaner, and cleaner scavenger flotation circuit
- A concentrate thickening and filtration circuit including a concentrate stockpile and dispatch area
- Tailings thickening and filtration circuits
- Tailings disposal at a dry-stack storage facility

Infrastructure

Infrastructure at the Project location is well developed. The City of Yerington, Nevada is a 20-minute drive away. Rail access is ten miles from the site. The local airport, Yerington Municipal Airport, is a 20-minute drive and the Reno-Tahoe International Airport is a 90-minute drive from the site. County Roads (CR) 827, and CR 208, provide existing paved access to the site. For Stage 2, a new access road will be constructed to the north to connect directly to U.S. Highway 95A, a major north-south route in central Nevada.

The following are the main surface facilities that support the mining and processing operations of the Stage 2 Open Pit Operations:

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

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

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

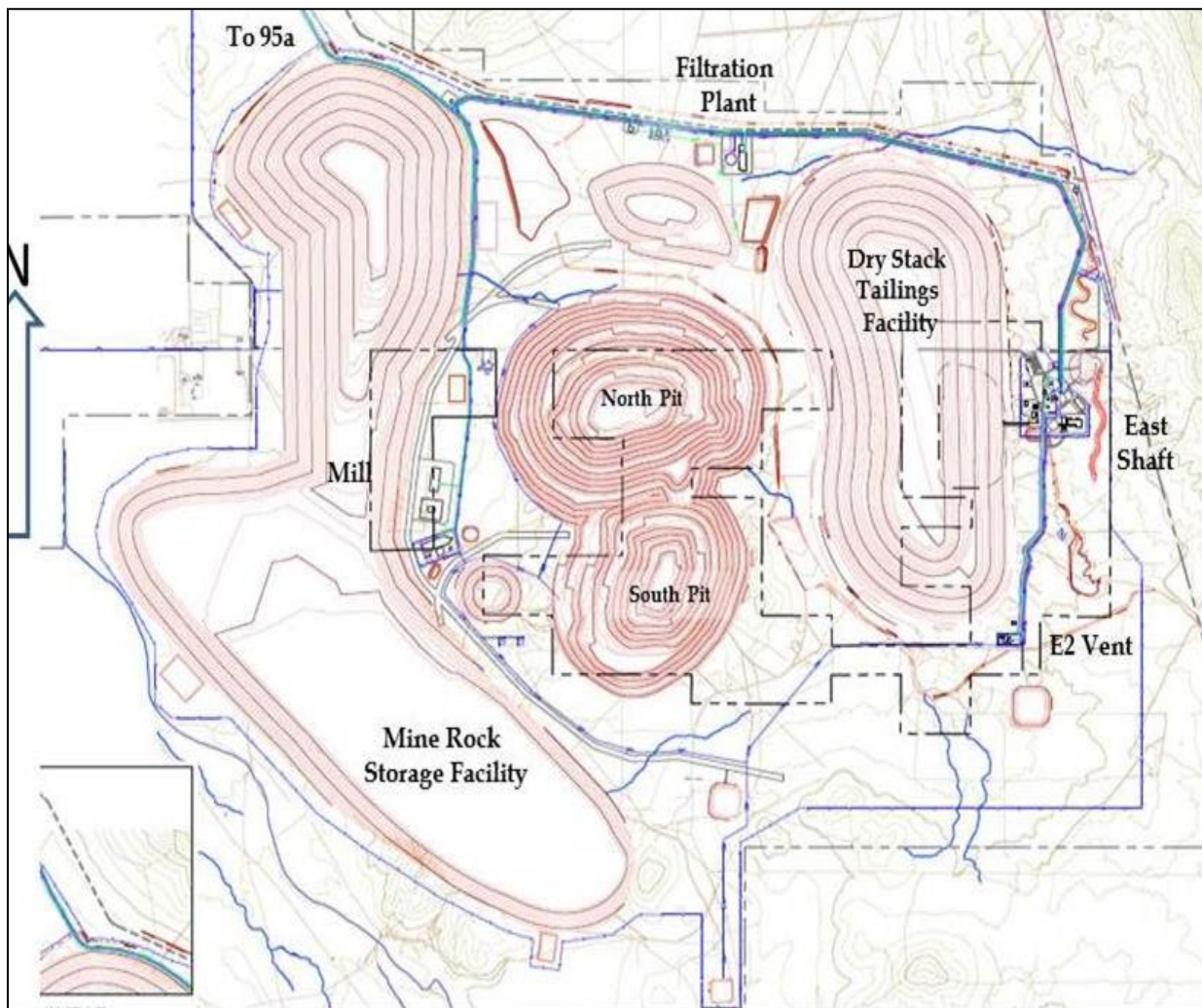
Fresh water supply will come from the City of Yerington municipal supply. The source for the City's water includes either new or existing groundwater wells approximately 8 miles west of the mining area. Water will be conveyed through a pipeline which will follow the new alignment of Pursel Lane and be distributed within the mine site through the potable water pipeline or the raw water pipeline. On site, the fresh water will be either, treated through the potable water treatment plant and distributed to the major facilities, or it will bypass the water treatment plant for raw water distribution.

Electrical service will be delivered via a 120 kV overhead (OH) line that will enter the Property near the Guard Station in the Northeast Corner of the Site. The 120 kV line will follow the mine road to the vicinity of the Administration Building where a gang-operated air-brake (GOAB) will be located. From the GOAB one 120 kV OH line will follow the mine road to the south to the Open Pit Process Facility substation. A second 120 OH kV line will follow the mine roads to the east to the Tailings Filtration Substation and then onto the Underground Facilities location.

Market Studies

Market conditions as of the effective date of the Stage 2 Open Pit Study were as follows.

Supplies of copper concentrates are currently not meeting demand, an imbalance which the Company's management expects to continue for the next few years. The result is that smelters are eager to enter into sales contracts, as they are concerned about supplies in the short- and long- terms. There are several new copper mine projects under consideration, however project development lead times are being extended and some projects may be indefinitely postponed Stage 2 Open Pit General Site Layout



The timing of Nevada Copper's Pumpkin Hollow Project is advantageous as smelters look for alternative supplies. Further, Nevada is a mining friendly region with few reasons to delay the project. This is an advantage for

concentrate buyers.

The most likely markets for the concentrates are in Asia, specifically Japan, Korea and China. The Port of Vancouver, Washington, is selected as the shipping port on the basis of low risk profile and transport costs. However, the option of shipping some Copper concentrates to other markets in North America by truck or rail has not been ruled out. However, concentrates do not reach these levels, and no penalties are anticipated.

For the cost analysis for the Stage 2 Underground Operation, treatment and refining charges (“TC/RCs”) are \$65.00/t-concentrate and \$0.065/lb-Cu, respectively. Refining costs for gold and silver are \$6.00/oz-Au and \$0.45/oz-Ag, respectively. Freight and insurance costs average \$1.51/st-milled over the life of mine, and include transportation costs of \$100.87/st-concentrate (dry) and assay, insurance and marketing costs of \$5.00/st-concentrate (dry). Also included in the smelter terms are mercury penalties of \$0.15/st-concentrate per 1 ppm above 15 ppm and a fluoride penalty of \$1.00/st-concentrate per 100 ppm above 400 ppm.

It is believed that the market will move to a higher base for long term charges - perhaps as high as Treatment Charges of US\$75/dmt (US\$69/dst) of concentrate and Refining Charges of 7.5 US cents per payable lb. These are conservative numbers taking into account that the average TC/RC over the last five years is US\$57/dmt and 5.7 US cents per lb and the average for mid-year settlements over the same period is US\$48.60 and 4.86 US cents per lb. Spot TC/RC’s are currently higher than the previously mentioned long term rates.

Environmental Studies, Permitting and Social or Community Impact

For the purposes of the Stage 2 Open Pit Study, it was assumed that the Land Bill will be passed, the Land Acquisition completed, and that the Stage 2 Open Pit Operation will be completed on 100-percent privately owned lands. On this basis, the Stage 2 Open Pit Operation could be developed without Federal environmental permits and National Environmental Policy Act (NEPA) requirements.

For more information on the Land Bill and Land Acquisition, see ***Three Year History – Proposed City of Yerington Land Transfer.***

Site Flora and Fauna

The Project area is dominated by salt desert shrub communities, primarily bud sage (*Artemisia spinescens*). Other species found in the area include: saltbush (*Atriplex* spp.), rabbitbrush (*Chrysothamnus viscidiflorus*), greasewood (*Sarcobatus baileyi*), spiny hopsage (*Grayia spinosa*), and spiny horsebrush (*Tetradymia spinosa*). Grass cover is sparse. Wildlife likely to inhabit the area includes deer, feral horse, raptors, bats, and rabbits. There are no Federally threatened or endangered species likely to occur in the Project area. The only Federally threatened or endangered species that occur in Lyon and Mineral Counties are fish species, and there are no perennial or fish-bearing streams in the Project area.

Heritage Resources

Archaeological surveys have been performed over the full project area. The proposed Pumpkin Hollow Project does not intersect any Native American Reservation Lands or sacred sites.

Social or Community Impacts

The Project occurs entirely within Lyon County, Nevada, which has the highest unemployment rate in the State. The Project is estimated to bring more than 800 direct and indirect jobs to the area. A major element of the Project included approval by the community and ratification of the Special Use Permit (“SUP”) by the Lyon County Board of Commissioners. On June 11, 2013 the Lyon County Planning Commission recommended approval via a unanimous vote. Subsequently, on June 20, 2013, the Lyon County Commission unanimously approved the County SUP for the Stage I Underground Operation. Approval of the SUP is considered a critical milestone and confirms that there is local support for the project. If the Land Bill is not successful, an additional SUP will be developed to accommodate the Stage 2 Open Pit Operation.

Approvals, Permits and Licenses

The Project will require approvals, permits and licenses for various components of the work. The table below, shows the status of the permitting efforts for the Stage 2 Open Pit Operation to date.

Status of Open Pit Mine Permitting Activities

Name of Permit/Agency	Status	Reference
Open Pit Mine:	Includes all additional underground and open pit(s) that would be developed on private and public (BLM) land and all pits, milling, processing and other support facilities located on private and public (BLM) lands; access via a new access route separate from existing public roads.	
Special Use Permit (SUP) / Lyon County	Open Pit mine SUP to be submitted Q2 2014 Permit target date Q4 2014	Ord. 298, 8-13-1987
Water Pollution Control Permit (WPCP) / NDEP-BMRR-Regulation Branch	Submitted July 2012 NDEP Completeness Review August 2012 NCC Response to Completeness August 2012 NDEP Deemed Application Complete September 7, 2012 NDEP Technical Review September-November 2012 Response to Technical Review Submitted February 25, 2013 Permit target date Q2 2013 Actual Public Notice July 10, 2013 Close of Public comment August 9, 2013 Permit Issued August 23, 2013	NRS 445A; Water Pollution Control NAC 445A.350-447; Mining Facilities
Reclamation Plan and Permit / NDEP-BMRR-Reclamation Branch	Submitted July 2012 to NDEP NDEP Completeness Review October 2012 NCC Response to Completeness - submitted separate plan October 2012 Stage II will not be reviewed until either the Yerington Land Conveyance is successful or a POO is determined complete by BLM.	NRS 519A; Reclamation of Land Subject to Mining Operations or Exploration Projects NAC 519A Reclamation of Land Subject to Mining Operations or Exploration Projects
Reclamation & Closure Financial Assurance or 'Bond' / NDEP-BMRR-Reclamation Branch	Upon Approval of Reclamation Plan & WPCP	NRS 519A.350 Provision of Surety; 43 CFR 3809.500-599 [Financial Guarantee]
Air Quality Operating Permit / NDEP-BAPC	Mine/Mill/Tailings - Class II Permit for less than 100 TPY of any regulated pollutant [particulates] or 25 TPY HAPS; PSD increment 30 micrograms/m ³ Application not yet submitted	NRS 445B Air Pollution NAC 445B Air Controls
Air Quality Operating Permit Surface Area Disturbance (SAD) / NDEP-BAPC	Permission to disturb 175 acres approved September 5, 2013 as part of the Class II Air Quality Operating Permit. Rolled into Class II on 5 Sept 2013. Class II will need to be amended to reflect increases in acreage for the Open Pit.	NRS 445B Air Pollution NAC 445B Air Controls
Dam permit / NDWR- State Engineer (if a tailings dam or pond >20 acre feet or >20 feet high)	Size of all impoundments will need to be evaluated to determine if the 20/20 rule applies, particularly for the seepage/MSW basins at the DST and some infiltration area dams. All impoundments will require notifications of construction to be sent to NDWR.	NRS NAC 535 Dams and other Obstructions

Name of Permit/Agency	Status	Reference
Permit for Onsite Sewage Disposal System (OSDS) / NDEP-Bureau of Water Pollution Control	To be submitted upon determination of location and configuration of surface support facilities, primarily the miner's dry, offices and shops with plumbing and water supply	NRS 445A; Water Pollution Control NAC 445A.228-63; Discharge Permits
Permit to Operate Privately Owned Systems / NDEP-Bureau of Safe Drinking Water	To be submitted in 2014 upon determination of location and configuration of surface support facilities. Per NRS 445A.829 a "Non-transient water system" means a non-community water system that regularly serves at least 25 of the same persons for more than 6 months per year.	NRS 445A;800 - 445A.955; Public Water Systems NAC 445A.595-6731; Permits to Operate Privately-Owned Systems
Spill Prevention, Control and Countermeasures Plan (SPCC) / NDEP-BWPC	Preliminary to be included in WPCP; Will be revised upon development of detailed design; Must be prepared, kept current and on file at site;	40 CFR 112
Stormwater General Permit Stormwater Pollution Prevention Plan (SWPPP) / NDEP-Bureau of Water Pollution Control (BWPC)	Preliminary included in WPCP; Will be revised upon development of detailed design; Submit updated plans to BWPC per as-built drawings; No approval, plan needs to be on file; subject to further review, if no Jurisdictional Waters, not required	40 CFR §122.26(b)(14).
Plan of Operations / BLM - Carson City Field Office	Submit Q1 2013; Project includes Federal surface lands if Lyon County Economic Development and Conservation Act is not passed; Plan of Operations to describe entire project on private and public lands; suspend application when land conveyance completed Submit Mine Plan of Operations (MPO) in March 2014 upon revision of State permit documents	43 CFR 3809 Surface Management Regulations [of public lands by operations authorized by the mining laws]
Environmental Impact Statement (EIS) / BLM - Carson City Field Office (Lead Agency)	Required for Open Pit and Process facility if land transfer is delayed or unsuccessful; BLM approval of a Plan of Operations may require other Federal permits, such as right-of-ways for the access road power lines and water lines that cross Federal lands. Cooperating and Consulting agencies include the U.S. Environmental Protection Agency (EPA), other Federal agencies with jurisdiction, and State and local agencies To be initiated once Plan of Operations deemed complete	42 USC 4321 National Environmental Policy Act (NEPA) 43 CFR 1500-1508 Council on Environmental Quality Regulations [for implementing NEPA]
Clean Water Act 404 permit / U.S. Army Corps of Engineers	Not required. There are no jurisdictional waters of the U.S. on the project area	33 CFR3 23

Mine Closure

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

Capital and Operating Costs

Capital Costs

The capital cost estimate (“CAPEX”) of the Stage 2 Open Pit Operation consists of four main parts: direct costs, indirect costs, contingency, and owner’s costs, as described below. Life of mine capital cost requirements are estimated at \$1.7 billion as summarized in Table 1-15. Initial capital of \$927 million is required to commence operations and a sustaining capital of \$758 million.

Table 0-1: Life of Mine Capital Costs (\$000s)

Cost Category	Initial (\$000s)	Sustaining (\$000s)	Total (\$000s)
Capitalized Costs			
100 Open Pit Mining	158,573	0	158,573
400 Process Facility	5,224	0	5,224
Total Capitalized	163,797	0	163,797
Direct Costs			
100 Open Pit Mining	127,214	405,153	532,366
300 Ore Handling	7,607	4,906	12,513
400 Process Facility	285,151	183,922	469,073
500 Dry Stack TSF	59,088	70,573	129,661
600 Infrastructure	75,574	0	75,574
700 Water Management	9,188	5,467	14,656
800 Environmental & Reclamation	8,638	41,629	50,267
Total Directs	572,460	711,650	1,284,110
Indirect Costs			
100 Open Pit Mining	3,034	8,976	12,010
300 Ore Handling	976	0	976
400 Process Facility	58,931	0	58,931
500 Dry Stack TSF	5,792	6,749	12,542
600 Infrastructure	11,109	0	11,109
700 Water Management	459	0	459
800 Environmental & Reclamation	432	0	432
900 Indirects	63,646	0	63,646
Total Indirects	144,379	15,726	160,105
Subtotal	880,636	727,376	1,608,012
Contingency	45,975	30,574	76,549
Total Capital	926,611	757,949	1,684,560

Working capital required for initial operations is estimated to be 75-days of cash costs or \$22.9 million.

The overall contingency for the project development total \$46 million or 5.2% of direct and indirect costs. The contingency is reflective of the minimal earthworks involved in an area not subjected to harsh weather and difficult terrain. The contingency amount is an allowance that has been added to the capital cost estimate to cover unforeseeable costs within the scope of the estimate.

Sustaining Capital

Estimated sustaining capital over mine life totals \$0.76 billion and includes South open-pit deposit development costs; replacement of, and additions to, surface mobile equipment; lease costs for the initial mining fleet; reclamation costs; and expenditures on the tailings storage facility.

Operating Costs

Life of mine unit operating cost requirements are estimated to be \$9.94/st milled as summarized below.

Life of Mine Operating Costs

Cost Category	Unit Cost (\$/st moved)	Unit Cost (\$/st milled)
Open Pit Mining including capitalized pre-strip	0.992	4.653
Process Facility	-	5.097
Tailings Management	-	0.158
Water Management	-	0.004
Environmental and Reclamation	-	0.009
G&A	-	0.312
Total incl. capitalized pre-strip	0.992	10.234
Total excl. capitalized pre-strip		9.94

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

Metals Production

		Years 1-5	Years 1-10	LOM	
Description	Units	Annual Average	Annual Average	Annual Average	LOM Total
Copper Concentrate	000's Tons/year	434	385	337	7,239
Copper in Concentrate	Million lbs./year	221	197	172	3,692
Copper in Concentrate	000s Tons/year	110.6	98.3	85.9	1,846
Gold in Cu Concentrate	Oz/year	24,089	23,322	22,487	483,476
Silver in Cu Concentrate	Oz/year	849,300	808,870	699,000	15,026,000

Economic Analysis

The project economics for the Stage 2 Open Pit Operation were evaluated using a cash flow analysis, whereby revenues and costs are projected into the future on an annual basis. Annual net cash flows are then discounted at a rate of interest to reflect the time value of money to yield a Net Present Value ("NPV"). The analysis includes all site operating costs, smelter charges and transport costs, royalties, estimated local property taxes, Nevada Net Proceeds of Mining tax, and an estimate of U.S. Federal corporate income taxes. There are no Nevada corporate income taxes.

The most significant input which affects project economics are projected future metals prices. The following three metal price scenarios were used:

1. **Base Case:** This assumed spot metals prices as of August 22, 2013
 - a. Copper: \$3.33 per pound
 - b. Gold: \$1,376 per ounce
 - c. Silver: \$23.07 per ounce

2. Alternate Case (1):

Copper: Long term forward prices as of August 22, 2013, supplied by LME, were used. These forward prices are available to 2023, and thereafter copper prices were reduced to a long term price of \$2.75 per pound - See table below.

Year	2016	2017	2018	2019	2020	2021	2022	2023+
Copper Price	\$3.41	\$3.43	\$3.43	\$3.44	\$3.44	\$3.44	\$3.24	\$2.75
Gold Price	\$1,433	\$1,467	\$1,521	\$1,569	\$1,457	\$1,338	\$1,100	\$1,100
Silver Price	\$24.44	\$24.71	\$24.99	\$23.80	\$22.53	\$21.27	\$20.00	20.00

3. Alternate Case (2):

Three year trailing average London Metal Exchange ("LME") prices were used determined as of mid-August, 2013 and are as follows:

- a. Copper: \$3.71 per pound
- b. Gold: \$1,550 per ounce.
- c. Silver: \$30.50 per ounce.

Summary of Economic Results

Key economic indicators extracted from the Feasibility Study are summarized below:

	Base Case	Alternate Case (1)	Alternate Case (2)
	US\$ Millions	US\$ Millions	US\$ Millions
Cumulative pre-tax cash-flow	\$3,233	\$2,243	\$4,594
NPV@ 5%, pre-tax	\$1,524	\$1,124	\$2,314
NPV@ 8%, pre-tax	\$961	\$733	\$1,557
Cumulative after-tax cash-flow	\$2,606	\$1,851	\$3,612
NPV@ 5%, after-tax	\$1,196	\$888	\$1,784
NPV@ 8%, after-tax	\$726	\$550	\$1,172
Average annual operating cash-flow (Years 1 to 5)	\$346	\$368	\$426
Internal rate of return, pre-tax after tax	20.2%	20.0%	26.4%
Internal rate of return, after-tax after tax	17.9%	17.4%	22.9%
Payback pre-tax (years from first production)	4.0	3.7	3.0
Payback after-tax (years from first production)	4.3	4.1	3.5

Royalties and Nevada Mining Taxes

The economic results include the costs of all third party royalties, and an estimate of local property taxes and Nevada Net Proceeds Tax payable on income from operations.

Income Taxes

Nevada has no corporate income taxes. Federal corporate income taxes are estimated for a fully taxable company with a single, standalone project.

Conclusions and Recommendations

Engineering, Procurement and Construction Management

The Stage 2 Open Pit Study recommended that Nevada Copper begin detailed engineering to advance the Stage 2 Open Pit Operation. Detailed designs will further support refinement of the capital and operating cost estimates to execute project development. The estimated budget for the full engineering, procurement and construction management for the Stage 2 Open Pit Operation is approximately \$53M.

Geology and Resources

Updating current reported resource models with new infill and extensional exploration drilling information may upgrade portions of the current Inferred Mineral Resources to Indicated Mineral Resources, as well as grow the overall resource base by adding potential new discoveries. However, changes in economic assumptions pertaining to cut-off grade calculations (e.g., metal price and processing and mining costs), could result in higher cut-off grades, which could reduce the current reported resource inventory accordingly. The effective date of the current mineral resource used in the Stage 2 Open Pit study is March 1, 2013.

Resources and Reserves

Conclusions

The Pumpkin Hollow Proven and Probable Reserves have been defined based on pit optimization using a copper price of \$2.80 per pound and mine planning using an internal cut-off with a copper price of \$3.00 per pound. The Proven and Probable Reserves were used to create a production schedule for mining, and a positive cash-flow analysis has been done based on the production schedule. This establishes the reserves as having reasonable economics with respect to the statement of reserves under NI 43-101 regulations.

Recommendations

Tetra Tech recommends that ongoing resource definition drilling continue with the goal of upgrading mineralization currently classified as indicated and inferred. When feasible, underground long-hole drilling should be used in the East Deposit to more precisely define the mineralization location and grades.

The resource models should be updated to include any drilling conducted after the completion of this report's mineral resource estimates. Prior to updating the resource model, adjustments should be made to the following areas to reflect new drilling, assay database, lithographic solids and grade shell solids.

As new information regarding the mineral resource and economic parameters aiding in the determination of the mineral reserves, the reserves should be updated.

In addition, condemnation drilling should be performed to confirm that the area underlying the process plant, the MSRF and the DST are not viable deposits. The estimated budget for the additional drilling program is \$1.5M and an additional \$500,000 for exploration drilling and condemnation drilling program.

Mining Planning

Recommendations

Redesign the Surface Mining Plan Using New Geologic Resource Model

The current resource model does not include all the geologic drilling. Recent drilling has expanded and redefined the geologic interpretation of the Western Deposit ore bodies. Using a revised geologic resource model will allow for a redesigned and optimized mine plan to be developed for the Stage 2 Underground Operation. The estimated cost of this is \$400,000.

Update Pit Slope Geotechnical Study

The current pit slope geotechnical study used pit designs from the Integrated Feasibility Study. An updated report should be developed utilizing the latest drilling information and the Stage 2 Open Pit Study pit designs. Additionally, the updated report should anticipate the slope design modifications needed for copper in the optimized pit design option noted above.

Optimization of Pit for Production and Sale of Iron and Copper

The Project was initially discovered due to its high iron content. It is possible that both a metallurgical study and a market study will indicate that the processing and sale of iron from the Project would be profitable. An optimized mining plan should be developed to explore the potential of producing both an iron and a copper concentrate from the surface mine. The estimated budget for the supplemental geotechnical investigation and laboratory testing programs discussed above is \$550,000.

Metallurgy and Recovery Methods

Conclusions

Western Deposit ores are medium hardness ores that are easily ground through a typical SABC comminution circuit. The ore requires a grind size of P₈₀ 150µm for rougher flotation and regrind size of 28µm to achieve copper recoveries of 89.3%. The copper mineralogy in the ore is readily floatable in a three stage flotation circuit producing a targeted concentrate grade of 24% copper. Process design and capital costs were developed with standard industry practice equipment. Capital costs were typical of industry standards for a flotation plant of this size. Operating costs are typical of industry standards for flotation plants of this size. Operating costs are highly dependent on steel and reagent costs and could fluctuate significantly with market conditions.

Recommendations

The Western Deposits of the Pumpkin Hollow Copper Mine have undergone substantial metallurgical test work in the development of the Stage 2 Open Pit Study. This test work has provided a reliable basis for the feasibility design of the metallurgy and process facilities used in this feasibility study. Recommendations to further the development of the deposit are as follows:

- Perform additional rougher flotation and locked cycle test on variability samples to verify and finalize flotation operating parameters.
- Perform additional filtration test work to optimize tailings filtration sizing prior to detailed design.
- Perform additional gold and silver deportment test work to confirm expected recoveries.
- Given the substantial amount of magnetite in the deposit, additional metallurgical test work should be performed to determine the metallurgical impacts of magnetite on the grinding and flotation processes. Specifically, it should be determined if a circulating load of magnetite will build up in the grinding circuit, due to differences in specific gravity. Such a buildup of material would require additional equipment to remove the material from the circuit.

The estimated budget for the metallurgical test work described above is \$150,000.

Exploration Activities

Exploration History

General History

Early exploration activity in the Yerington district dates back to 1865 when attempts were made to work the oxidized copper ore at the Ludwig mine. Prior to 1907 operations throughout the district were intermittent and never attained much importance, and the area did not yield much copper until after 1912. The most important of the early activities appears to have been the mining of "bluestone" from the Bluestone mine, approximately five miles west of Yerington, to supply the reduction works at Virginia City. The Yerington Mine, also known as the Anaconda Mine, operated from 1952 until 1978, where mineralization was primarily contained in a porphyry system of granodiorite

and quartz-monzonite. The Minnesota Mine (northwest of Yerington) that originally mined copper in the early 1920s began sizeable production of skarn magnetite iron ore in 1952.

The original discovery of the copper-magnetite deposits on the Property were a result of a regional airborne magnetic survey conducted by US Steel Corporation (“USX”) in 1959-1960. USX was searching for iron ore deposits to supply its iron pellet plant. Initial drilling in 1960 of discovery hole L-1 was collared on a classic magnetic high of what is now known as the South Deposit. Initially the Property deposits were evaluated for their iron content by USX and later for their large bulk mineable copper potential.

Substantial exploration activity has been carried out on the Property claims and surrounding areas since the initial USX discovery. Prior to the Company’s acquisition of the project, approximately 430 drill holes were completed totaling 594,652 feet by five other companies. Although numerous geophysical and geochemical techniques have been attempted over time, the close association of copper mineralization with magnetite has highlighted magnetic exploration programs as the favored method and, due to depth of mineralization, drilling remains the only test.

Only recently has any attempt been made to evaluate the deposits as lower tonnage but higher grade, underground copper operations with substantial precious metal and magnetite co-products.

The following table briefly lists the exploration, geotechnical, and hydrologic drilling history of the Property as of end of August, 2013:

COMPANY	PERIOD	No. of Drill Holes	Total Feet Drilled
USX	1960-1975	282	392,135
Anaconda Copper	1975-1977	96	143,905
CONOCO	1981	13	27,107
Plexus Resources	1985-1987	2	3,006
Cyprus Exploration	1989-1993	23	20,986
International Taurus	1998-1999	8	7,513
TOTAL	1960-1999	424	594,652
<i>Nevada Copper</i>	<i>2006 – 2013</i>	<i>323</i>	<i>524,699</i>

Exploration Conducted by the Company

2006 – 2009 Exploration

The Company embarked on a program, during Fiscal 2006, to validate and synthesize the electronic assay and geologic database pertaining to the Property. The database was then utilized for creating geologic models of the mineralized zones and generation of a NI 43-101 compliant Resource estimate for the entire property.

The Company also increased the size of the land package at the Property through the staking and filing of the Unpatented Claims, bringing the total contiguous area to 7,100 acres. The Company, commencing in October 2006, developed and implemented a 62,000-foot in-fill and step-out drilling program with the objective of moving a significant amount of the previously identified Inferred Resource into the Measured and Indicated category, along with adding to the base Resource at the Property. In addition the Company initiated a program to assay and re-assay select historic core and drill rejects for copper, gold, silver and molybdenum. Traditionally previous operators had not always assayed for gold, silver and molybdenum, and for whatever bias, some core with visible chalcopyrite had not been assayed, even though it was within the limits of projected mining boundaries. The Company program completed in October 2007 and formed the data basis for the NI 43-101 updated Resource estimate.

Concurrent with the Resource delineation drilling program, metallurgical, geotechnical, hydrological, and environmental baseline data was processed. The 2007 drilling program was considered successful in achieving its objectives and supported an updated Resource estimate contained in the NI 43-101 report prepared by independent consultant Tetra Tech MM, Inc. of Golden, Colorado, which was announced in December 2007. Copper and iron resources were increased materially in the December, 2007 updated Resource estimate while adding gold and silver to the overall Resource.

The focus of the Company's exploration and development efforts in 2008 was designed to upgrade the Resource classifications, increase the hydrologic and geotechnical data and determine preliminary project economics in

advance of a feasibility study. The work completed on the Property during the 2008 financial year cost approximately \$7 million.

The following table summarizes the 2008 drilling:

Purpose	# Holes	Meters
Resource Definition	63	24,239
Geotechnical	4	1,671
Hydrologic	6	1,378

Metallurgical Testing: Several bench scale metallurgical tests were completed on drill cuttings from the iron rich area of the South.

Engineering: A preliminary economic assessment (“PEA”) for the Property was completed. The PEA evaluated an integrated underground and open pit mining operation with a standard milling and floatation plant that will produce high-grade copper concentrates.

An updated NI 43-101 compliant Resource estimate update was completed in August 2009. Copper, gold and iron Resources increased significantly while showing substantial increases in the Measured & Indicated Resource categories. The increase in the total Resources was largely due to the very successful expansion of open mineralization and focused resource classification drilling during 2008. The Resource estimate update was prepared by the mineral resource and mining division of Tetra Tech MM, Inc.

The 2009 resource drill program commenced in the 4th quarter and focused on upgrading the resource classifications necessary for the feasibility reserves and mine planning. In addition to the Measured and Indicated Resource conversion, several areas where mineralization is open were targeted for mineral expansion. A total of 24,000 meters of reverse circulation and HQ core drilling was originally proposed and then expanded to over 45,000 meters. The expanded program focused areas were additional Measured and Indicated Resource conversion was necessary and mineralization was open including the newly discovered deep mineralization in the North deposit. The following table summarizes the program completed in the 4th quarter of 2010:

Purpose	# Holes	Meters
Initial Resource Definition	37	28,058
Additional Resource Definition	37	18,477

A re-assaying program was started in 2006 and continued into fiscal 2009. The few remaining holes not retrieved in 2008 were pulled and sent into the lab for assaying. The program continues to fill in data gaps in the older drilling. Several of the earlier operators did not assay for gold, silver, or molybdenum.

Geophysical work completed on the project during 2009 consisted of seismic and ground magnetic surveys. The seismic survey was used to augment lithologic contact data in the proposed underground access location. A detailed ground magnetic survey was completed over the eastern portion of the Property in order to better target drilling adjacent to the E2 Deposit and several exploration targets.

A pre-feasibility study was begun in the fourth quarter of 2009 and later expanded to the feasibility level in the fourth quarter of 2010 following completion of the expanded 45,000 meter drilling program.

Fiscal 2010 Development and Feasibility Program

Geotechnical work was completed in the 1st quarter of fiscal 2011 in order to increase the data necessary for mine planning. Several oriented drill holes were drilled in the vicinity of the ultimate pit limits in the North and South pits to refine and confirm pit slope designs. A series of holes were drilled in the East and E-2 areas to refine the underground access, stope methods, and lithologic characteristics necessary for underground access design.

Hydrologic test work was completed in the 4th quarter of fiscal 2010. The work focused on hydrogeologic characterization and dewatering design needed for permitting and the feasibility study. Test dewatering wells determined the dewatering design and long-term requirements. Additional monitor wells will be drilled depending on the requirements necessary for the feasibility. The wells would characterize the baseline water quality parameters and hydrological parameters.

The following table summarizes the geotechnical and hydrologic drilling completed in the 4th quarter of 2010:

Purpose	# Holes	Meters
Geotechnical	20	11,109
Hydrologic	3	1,080

Fiscal 2010 Exploration, Step-out and Expansion Program

The Tetra Tech team updated the project's mineral estimate based on the results of the 50,000 meters of resource delineation drilling program completed in 2010 and based on a number of trade-off studies prior to commencement of detailed engineering. Management of the Company determined that, while the updated mineral Resource was a milestone towards the completion of a feasibility study, in the context of an update to the mineral Resource was not considered to be material to the Company to prepare an new NI 43-101 compliant mineral Resource estimate because the overall global in-situ copper mineral Resource and grades (in all categories) had not significantly changed from the previous Resource estimate.

2011-2012 Step out Drilling Program

The Company started with a 20,000 meter step out drilling program in December 2010 which was later expanded to approximately 50,000 meters as additional mineralization was discovered in the North Deposit. The program was concluded in the summer of 2012 with 94 holes drilled for a total of 47,731 meters.

Much of the 2011- 2012 resource drill program was focused on expansion and step-out drilling around the North and South Deposits:

- The North Deposit continues to have multiple areas of open mineralization. The areas include: the lower stacked mineralization area, the north and northwest areas, and the open mineralization along the eastern and southeastern edge of the deposit.
- The South Deposit drilling focused on expanding mineralization in three areas: between the South and North pits, the northern boundary and the deeper center core. Much of the new mineralization intersected falls within or adjacent to the proposed feasibility pit boundary and could have a positive impact on the pit economics.

Other targets included in the program:

- Several holes were drilled in the East Deposit. Drilling focused on the open mineralization along the edges of the deposit, which remains open in several directions. Mineralization along the northern edge of the deposits thins. In the southwest portion of the deposit mineralization remains open and contains wide spaced holes with high grade mineralization.
- Drilling in the E2 Deposit focused on a mineral zoning target to the northeast.
- Section 11 mineralization is very similar in both character and depth to the E-2 Deposit and is thought to be a faulted off extension. Most of the previous holes were drilled below the mineralized horizon in the footwall.

2013 Follow-up Drill Program

Nevada Copper conducted a follow-up drill program in 2013. Nine (9) complete and two (2) pre-collar drill holes were completed for a total of 6,400 meters. The follow-up drill program targeted new mineralization discovered at the end of last year's drilling program along the southern and western edge of the North deposit and are located along or just outside the current open pit limits set out in the Feasibility Study. The drilling was not included in the Resource update released in September 2012.

The majority of mineralization in the North Deposit is disseminated within hornfels, silicate skarn and skarn breccia. The mineralization discovered along the southern edge of the deposit is different. Mineralization like that encountered in drill hole NC-12-34 (690 feet grading 1.17% copper) is mainly hosted by endoskarn. The new

endoskarn-hosted mineralization opens up a very large prospective area between the North and South deposits for further exploration.

Evaluation of the recent drill results is currently in progress. It is expected that additional drilling will be proposed to follow-up the open mineralization along the western and southern boundaries of the deposit.

DIVIDENDS

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain all available funds for use in its operations and the expansion of its business.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Company consists on an unlimited number of common shares without par value. All of the authorized common shares of the Company are of the same class and, once issued, rank equally as to dividends, voting powers, and participation in assets. Holders of common shares are entitled to one vote for each share held of record on all matters to be acted upon by the shareholders. Holders of common shares are entitled to receive such dividends as may be declared from time to time by the Board of Directors of the Company, in its discretion, out of funds legally available therefore.

Upon liquidation, dissolution or winding up of the Company, holders of common shares are entitled to receive pro rata the assets of the Company, if any, remaining after payments of all debts and liabilities. No common shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds.

Provisions as to the modification, amendment or variation of such shareholder rights or provisions are contained in the British Columbia *Business Corporations Act*. Unless the British Columbia *Business Corporations Act* or the Company's Notice of Articles or Articles of Incorporation otherwise provide, any action to be taken by a resolution of the members may be taken by an ordinary resolution or by a vote of a majority or more of the common shares represented at the shareholders' meeting.

There are no restrictions on the repurchase or redemption of common shares of the Company while there is any arrearage in the payment of dividends or sinking fund installments.

MARKET FOR SECURITIES

The Company's common shares trade on the Toronto Stock Exchange, under the stock symbol "NCU".

Trading Price and Volume

The following table lists the monthly volume of trading and high and low prices for the Company's common shares for the most recently completed financial year ending December 31, 2013.

**Monthly High and Low Share Prices and Volume
for the Financial Year Ended December 31, 2013⁽¹⁾**

Month	High	Low \$	Volume
Dec-13	\$1.54	\$1.24	2,878,543
Nov-13	\$1.89	\$1.36	5,209,854
Oct-13	\$2.42	\$1.70	2,414,636
Sep-13	\$2.59	\$2.16	1,231,072
Aug-13	\$2.53	\$1.80	1,079,264
Jul-13	\$2.12	\$1.93	1,410,594

(1) The Company changed its financial year end from June 30th to December 31st effective December 31, 2013, resulting in a fiscal year of six months ending on December 31, 2013.

Prior Sales

The following table provides a list of outstanding common share purchase incentive stock options, which are the only class of the Company's securities that was outstanding but not listed or quoted on a marketplace as at December 31, 2013:

Number of Options	Exercise Price	Grant Date	Expiry Dates
515,000 ⁽¹⁾	\$1.00	July 2, 2008	July 2, 2018
210,000	\$0.75	November 13, 2008	November 13, 2018
320,000	\$3.27	January 14, 2010	January 14, 2020
765,000	\$2.12	May 31, 2010	May 31, 2020
475,000	\$3.74	October 13, 2010	October 13, 2020
265,000	\$4.55	January 6, 2011	January 6, 2021
670,000	\$5.37	February 22, 2011	February 22, 2021
1,940,000	\$4.24	August 18, 2011	August 18, 2021
200,000	\$4.82	February 23, 2012	February 23, 2022
90,000	\$4.50	April 17, 2012	April 17, 2022
670,000	\$3.25	September 26, 2012	September 26, 2022
125,000	\$2.00	August 13, 2013	August 13, 2023
200,000	\$2.00	December 16, 2013	December 16, 2018
775,000	\$2.35	December 16, 2013	December 16, 2018
7,220,000	\$3.35		

Note:

⁽¹⁾ At the Company's Annual and Special meeting of shareholders held on December 19, 2008, the Company received disinterested shareholder approval to re-price stock options with an exercise price over \$1.00 to \$1.00. The re-pricing of stock options received TSX approval.

ESCROWED SECURITIES

No securities of the Company were held in escrow during the financial year ended December 31, 2013.

DIRECTORS AND EXECUTIVE OFFICERS

Directors and Executive Officers
As at March 25, 2014

Name, Current Position with the Company, Province or State and Country of Residence	Principal Occupation during the Past Five Years ⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Giulio Bonifacio ⁽⁵⁾ President, CEO, and Director British Columbia, Canada	Founder, President and CEO of Nevada Copper Corp. since August 2006.	Since August 15, 2006	5,850,000 (7.3%)
Victor Bradley ⁽²⁾⁽³⁾⁽⁴⁾ Lead Director Monte Carlo, Monaco	Chairman of Osisko Mining Corp. since November, 2006.	Since February 27, 2012	0
Michael Brown ⁽⁵⁾ Director Arth, Switzerland	July 2011 to present, Senior Vice President of Pala Investments Ltd.; June 2008 to July 2011, Chief Operating Officer of De Beers Consolidated Mines Ltd.	August 8, 2013	0 ⁽⁶⁾

Name, Current Position with the Company, Province or State and Country of Residence	Principal Occupation during the Past Five Years⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled⁽¹⁾
Jan Castro ⁽²⁾ Non-Executive Chairman and Director Walchwil, Switzerland	July 2012 to present, CEO of Pala Investments Ltd.; July 2006 to July 2012, CEO of Pala Investments AG, the exclusive advisor to Pala Investments Holdings Ltd.	Since November 17, 2010	0 ⁽⁶⁾
Philip Clegg Director Zug, Switzerland	Senior Manager of Pala Investments since December 2009; Senior Manager, Energy & Resources group at Deloitte, London from September 2001 to December 2009.	Since March 17, 2014	0 ⁽⁶⁾
Daniel Dumas ⁽⁵⁾ Director Ontario, Canada	Chief Executive Officer of Dumas Contracting Ltd. and predecessors since 1993.	Since December 2, 2013	0
Joseph Giuffre ⁽³⁾ Director British Columbia, Canada	Chief Legal Officer of Nevsun Resources Ltd. from January 1, 2013 to present. Partner, Axium Law Corporation January 1, 2004 to December 31, 2012.	Since November 3, 2006	487,500 (0.6%)
Paul Matysek ⁽²⁾⁽³⁾⁽⁴⁾ Director British Columbia, Canada	Strategic Advisor to Exploration and Development Companies since 2000; President, CEO and Director of Goldrock Mines Corp. since October 31, 2012; CEO and Founding Director of Lithium One, from April 2011 and April 2009 respectively to July 2012; President, CEO and Director of Potash One Inc. November 2007 to November 2010; Self-employed Geological Consultant 1998 to date.	Since May 22, 2008	647,000 (0.8%)
Robert McKnight Executive Vice President and CFO British Columbia, Canada	Executive Vice President, Nevada Copper Corp. since October 2010; Chief Financial Officer of Nevada Copper Corp. since September 11, 2012; Vice President Corporate Development & Director of Selwyn Resources & predecessors from February 2004 to November 2010.	**Officer Only since October 2010**	6,710 (0%)

Notes:

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective directors and officers. Each director and officer has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) Member of Audit Committee
- (3) Member of Nomination and Governance Committee
- (4) Member of Compensation Committee
- (5) Member of Health, Safety, Environment and Technical Committee
- (6) Pala Investments Ltd. holds 40,289,141 (50.05%) shares in Nevada Copper.

As at the date hereof, all the Directors and Executive Officers as a group beneficially own, control or direct, directly or indirectly, an aggregate of 6,946,210 common shares representing 8.6% of the Company's outstanding shares. The Directors have served in their respective capacities since their election and/or appointment and will serve until the next Annual General Meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles of Incorporation of the Company.

The Senior Management serves at the pleasure of the Board of Directors.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Paul Matysek was a director of Mandalay Resources Corporation when a cease trade order was issued against it on February 9, 2004 for failure to file material change reports, a technical report and quarterly and year-end reports in the form required under the *Securities Act* and the *Securities Rules* (British Columbia). On January 4, 2005, the British Columbia Securities Commission revoked the cease trade order, as Mandalay Resources had filed the required documentation. A cease trade order was issued against Mandalay Resources Corporation on June 30, 2004 by the Alberta Stock Exchange for failure to file certain required financial information. On February 1, 2005, the cease trade order was revoked as the Company had filed the required documentation. Mr. Matysek resigned as a director of Mandalay Resources Corporation on November 17, 2005.

Mr. Jan Castro was a director of Coalcorp Mining Inc. (“Coalcorp”) when the Ontario Securities Commission issued a temporary management cease trade order against the chief executive officer and the then chief financial officer of Coalcorp on February 18, 2009 for failing to file interim financial statements and MD&A for the three and six - month periods ended December 31, 2008 beyond the filing deadline of February 16, 2009. Such temporary management cease trade order related to Coalcorp’s securities against the chief executive officer and the then chief financial officer of Coalcorp for so long as the interim financial statements, certifications and related MD&A were not filed. The Ontario Securities Commission issued a further management cease trade order (“MCTO”) related to

the securities of Coalcorp against the chief executive officer of Coalcorp at such time, with respect to the delayed filing of the Coalcorp's annual financial statements, the related managements' discussion and analysis ("MD&A") and the annual information form, each for the year ended June 30, 2009. The terms of the MCTO provided that trading in and all acquisitions of securities of the Corporation, whether direct or indirect, by the chief executive officer must cease until two full business days following the receipts by the OSC of all filings Coalcorp was required to make under Ontario Securities Laws. In addition, on September 29, 2010, the OSC issued a cease trade order (the "Temporary Order") for a period of 15 days against Coalcorp for failure to file its audited annual financial statements, the related MD&A, its annual information form, each for the year ended June 30, 2010, and the certification of the foregoing filings. The Temporary Order provided that, if the default continued, a hearing would be held to consider whether an order should be made that all trading in the securities of Coalcorp cease permanently or for such period as is specified in such order by reason of the continued default. In connection with the Temporary Order Coalcorp's securities were suspended from trading by NEX.

On September 29, 2010, the British Columbia Securities Commission issued a cease trade order (the "BC Order") against Coalcorp until such time as it filed the required documentation and the BC Order was revoked. On October 12, 2010, the OSC issued a cease trade order (the "ON Order") against Coalcorp which provided that all trading in the securities of Coalcorp, whether direct or indirect, must cease until the Ontario Order is revoked. On October 15, 2010, the Manitoba Securities Commission issued a cease trade order (the "MB Order", and together with the BC Order and the ON Order, the "Cease Trade Orders") against Coalcorp until such time as it filed the required documentation, paid the outstanding filing fees, if any, and the MB Order was revoked. Coalcorp applied to have the Cease Trade Orders revoked on October 29, 2010, immediately following the filing of its annual information form, its annual financial statements and the related MD&A, each for the year ended June 30, 2010. Each of the Cease Trade Orders and the MCTO were revoked on November 15, 2010.

Mr. Castro resigned as a director of Coalcorp on February 27, 2010.

PROMOTERS

Not applicable.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the most recently completed financial year, and as at the date of this AIF, the Company is not a party to any, nor is the Company aware of any pending or contemplated, material legal proceedings or regulatory actions.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth herein and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, shares carrying more than 10% of the voting rights attached to the shares of the Company, nor an associate or affiliate (as defined in the British Columbia *Securities Act*) of any of the foregoing persons has since July 1, 2011 any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRARS

The registrar and transfer agent for the Company is Computershare Investor Services Inc. of 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, Canada, V6C 3B9.

MATERIAL CONTRACTS

The Company has entered into the following material contracts:

- a. Lease Agreement between 607792 BC and RGGG for the Property, dated May 4, 2006 – see "**Mineral Projects**".
- b. Assignment and Assumption Agreement between 607792 BC and the Company dated January 4, 2008 – 607792 assigned all of its rights, title and interest in the Lease Agreement between 607792 and RGGG to the Company.

- c. First Amendment to Lease Agreement between the Company and RGGGS, dated April 10, 2008 – RGGGS granted water rights to the Company.
- d. Water Service Agreement between Nevada Copper Inc. and City of Yerington dated August 10, 2009 – the City of Yerington reserved 2,000 acre feet for use by Nevada Copper Inc. for 30 years.
- e. First Amendment to Water Service Agreement between Nevada Copper Inc. and City of Yerington, dated July 25, 2011 – the City of Yerington reserved an additional 1,500 acre feet of water (totaling 3,500 acre feet) for use by Nevada Copper Inc.
- f. An equipment financing lease was executed on October 1, 2013 between the Company and Caterpillar Financial Services Corporation for the amount of US\$24 million.

INTERESTS OF EXPERTS

Name of Experts

The following are names of persons or companies that have prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or relating to, the Company's most recently completed financial year end and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

1. KPMG LLP of 777 Dunsmuir Street, Vancouver, BC, V6E 3S7 provided an auditor's report dated March 25, 2014, in respect of the Company's financial statements for the six months ended December 31, 2013, together with comparative information from the 12 months ended June 30, 2013. KPMG LLP is independent within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.
2. John W. Rozelle, P.G., formerly of Tetra Tech Inc., of Suite 500, 350 Indiana Street, Golden, Colorado, 80401 was responsible for the preparation of the following NI 43-101 technical reports: "NI 43-101 Preliminary Economic Assessment – Pumpkin Hollow Copper Project – Lyon County, Nevada, United States" dated March 31, 2008; "Pumpkin Hollow Copper Project – Resource Update – NI 43-101 Technical Report – Lyon County, Nevada, United States" dated August 20, 2009; "Pumpkin Hollow Copper Project – Preliminary Economic Assessment Update – NI 43-101 Report – Lyon County, Nevada, United States" originally dated January 12, 2010, as revised on January 13, 2010 and July 20, 2011.
3. Tetra Tech Inc. of Suite 500, 350 Indiana Street, Golden, Colorado, 80401 was responsible for the preparation of the following NI 43-101 technical reports:
 - "Pumpkin Hollow Copper Project NI 43-101 Technical Report – Feasibility Study" dated February 2012;
 - "Technical Report Mineral Resource Update to the Pumpkin Hollow Copper Project" dated October, 2012; "Technical Report - Underground Only Alternative for the Pumpkin Hollow Copper Project" dated December, 2012, and,
 - "NI 43-101 Technical Report, Open Pit Operations Feasibility Study Pumpkin Hollow Copper Project, Nevada, USA" dated November 14, 2013.

To the best of the Company's knowledge, the experts named above and the designated professionals (as defined in Form 51-102F2 Annual Information Form) of Tetra Tech Inc. did not have or receive any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates, when that expert prepared their respective reports, nor will such persons receive any registered or beneficial interest, direct or indirect, in any securities or other property of the Company in connection with the preparation of their respective reports.

AUDIT COMMITTEE

National Instrument 52-110 - *Audit Committees* ("NI 52-110") requires the Company to disclose annually certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following. The text of the Company's audit committee charter is attached as Schedule "A" hereto.

Composition of the Audit Committee

The members of the audit committee are Victor Bradley, Paul Matysek and Jan Castro, all of whom are independent. All members are considered to be financially literate.

Relevant Education and Experience

Mr. Bradley is a Chartered Accountant with over 45 years of experience in the mining industry, including 15 years with Cominco Ltd. and McIntyre Mines Ltd. in a wide variety of senior financial positions from Corporate Controller to Chief Financial Officer. Over the past 30 years Mr. Bradley has founded, financed and operated several mining and advanced stage exploration and development companies, including Yamana Gold Inc. and Aura Minerals Inc. Mr. Bradley served as Yamana's President & CEO and then Chairman of the Board and Lead Director until 2008. Mr. Bradley is currently Chairman of Osisko Mining Corp. Mr. Bradley has significant experience in corporate acquisitions and has participated in numerous equity and project debt financings for projects of merit around the world.

Mr. Castro is the Chief Executive Officer of Pala Investments Ltd., a multi-strategy investment company dedicated to investing in, and creating value across, the mining sector in both developed and emerging markets. Pala seeks to assist companies in which it has long-term shareholdings by providing strategic advice and innovative financing solutions. Prior to founding Pala in July 2006, Mr. Castro was Senior Vice President of Investments and Corporate Affairs for Mechel OAO, a NYSE-listed company and one of Russia's largest mining and metals companies. Mr. Castro currently serves on the Boards of Alacer Gold Corp, Asian Mineral Resources and Sierra Rutile Ltd. Mr. Castro serves as Chairman of both Sierra Rutile and Asian Mineral Resources.

Mr. Matysek with over 25 years of experience in the mining industry and is an experienced geochemist and geologist with a Bachelor of Science degree and a Master of Science degree in Geology. Mr. Matysek has held senior management and director positions with several natural resource exploration and development companies and has been providing consulting services as an independent contractor to both private and publicly traded companies since 1998.

As a result of their respective business experience, each member of the audit committee (i) has an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves, (iii) has experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities, and (iv) has an understanding of internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions in section 2.4 (De Minimis Non-audit Services), section 3.2 (Initial Public Offerings), section 3.4 (Events Outside Control of Member), section 3.5 (Death, Disability or Resignation of Audit Committee Member) or Part 8 (Exemptions) of NI 52-110.

Reliance on the Exemption in Subsection 3.3(2) or Section 3.6

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in subsection 3.3(2) (Controlled Companies) or section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances) of NI 52-110.

Reliance on Section 3.8

At no time since the commencement of the Company's most recently completed financial year has the Company relied on section 3.8 (Acquisition of Financial Literacy) of NI 52-110.

Audit Committee Oversight

The audit committee has not made any recommendations to the board of directors to nominate or compensate any external auditor.

Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audited services provided by KPMG LLP to the Company to ensure auditor independence. Fees paid to KPMG LLP for audit and non-audit services in the last two fiscal periods for audit fees are outlined in the following table.

Nature of Services	Fees Paid to Auditor in the Period Ended December 31, 2013 ⁽¹⁾	Fees Paid to Auditor in the Year Ended June 30, 2013
Audit Fees ⁽²⁾	\$50,000	\$50,000
Audit-Related Fees ⁽³⁾	Nil	9,400
Tax Fees ⁽⁴⁾	Nil	Nil
All Other Fees ⁽⁵⁾	Nil	Nil
Total	\$50,000	\$59,400

Notes:

- (1) The Company changed its financial year end from June 30th to December 31st effective December 31, 2013, resulting in a fiscal year of six months ending on December 31, 2013.
- (2) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (3) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include transition to IFRS reviews, employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (4) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (5) "All Other Fees" include all other non-audit services.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Shareholders may contact the Company at Suite 1238, 200 Granville Street, Vancouver, British Columbia, V6C 1S4, telephone 604-683-8992, to request copies of the Company's financial statements and MD&A. Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year. Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's Information Circular filed on SEDAR at www.sedar.com.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

The Audit Committee's mandate and charter can be described as follows:

1. Each member of the Audit Committee (the "Committee") shall be a member of the Board of Directors, in good standing, and the members of the Committee shall be independent in order to serve on this Committee.
2. At least one of the members of the Committee shall be financially literate.
3. Any proposed changes to the Board of Directors. Consider changes that are necessary as a result of new laws or regulations.
4. The Committee shall meet at least four times per year, and each time the Corporation proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Committee may ask members of the Corporation's management (the "Management") or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the Committee.
6. The Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board of Directors any proposed discharge of the independent auditors.
8. Review with the Management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with the Management, the rationale for employing accounting firms rather than the principal independent auditors.
10. Inquire of the Management and the independent auditors about significant risks or exposures facing the Corporation; assess the steps the Management has taken or proposes to take to minimize such risks to the Corporation; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
12. Inquire regarding the "quality of earnings" of the Corporation from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Corporation's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.
14. Review with the Management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with the Management, the independent auditors annual financial report before it is filed with the regulatory authorities.

16. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Corporation; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Management, the ramifications of each alternative and the treatment preferred by the Corporation.
17. Review all material written communications between the independent auditors and the Management.
18. Review with the Management and the independent auditors: (a) the Corporation's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Corporation's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the Management encountered during the audit.
19. Periodically review the Corporation's code of conduct to ensure that it is adequate and up-to-date.
20. Review the procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
21. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
22. The Committee will perform such other functions as assigned by law, the British Columbia Business Corporations Act, the Corporation's by-laws, articles, or the Board of Directors.