NEVADA COPPER

TEAMWORK. INNOVATION. EXECUTION.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED JUNE 30, 2021

AUGUST 13, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Quarter Ended June 30, 2021

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the Quarter Ended June 30, 2021

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Nevada Copper Corp. (the "Company" or "Nevada Copper") has been prepared by management as of August 13, 2021. Information herein is provided as of August 13, 2021, unless otherwise noted. The following discussion of performance, financial condition and outlook should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2020 and 2019 ("consolidated financial statements") and the notes thereto, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and the unaudited condensed interim consolidated financial statements ("interim financial statements") of the Company and the notes thereto for the three and six months ended June 30, 2021 and 2020 (prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting).

Additional information relevant to the Company's activities, including the Company's Annual Information Form dated March 18, 2021 (the "Annual Information Form"), can be found on SEDAR at www.sedar.com. All amounts expressed herein are in US Dollars unless otherwise indicated.

Greg French, CPG and Norman Bisson P. Eng. are non-independent Qualified Persons under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, and approved the scientific and technical information in this MD&A.

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

HIGHLIGHTS, RECENT DEVELOPMENTS, AND OUTLOOK

Q2 2021 Highlights

Set out below are highlights from Q2 2021 relating to the Company's operations including the production ramp-up for the Company's Pumpkin Hollow Underground Mine ("the Underground Mine"), and activities related to its Pumpkin Hollow Open Pit Project (the "Open Pit Project") and broader exploration properties.

Underground Mine Operations

- **Mining of First Stope:** During Q2 2021, the Company successfully mined approximately 9,500 tons at an average grade of 1.5% Cu out of the first stope mined since the restart of the mine in the East South area. Tons mined and ore breakage were consistent with the Company's expectations indicating that the mining method was appropriate for the ground conditions where the stope is located, although mining of the stope was later than originally planned. Subsequently, the stope was successfully back-filled and the Company is now preparing to mine the next stope in the East South area.

- **Lateral Development:** Lateral development continued on multiple headings, providing access to ore mining zones in the East South orebody and advancing development towards the East North orebody. During Q2 2021 the Company continued development of the East North area through a water bearing dike structure located between the East South and East North orebodies. A second heading crossing the dike is 90 feet below the first heading. Additional ground support was required to complete the dike crossing and the Company is almost through the dike structure.

- **Mine Infrastructure:** Mine infrastructure works were further advanced during the quarter albeit slower than expected, including the final two sets of underground fans were installed and commissioned as planned in Q2 2021, allowing for an increase in development rates. Commissioning of the surface ventilation fans is planned in Q4 2021.

- **Mine Planning:** Subsequent to the end of Q2 2021, the Company advanced its mine planning process and made revisions to the mine plan. The revised mine plan incorporates the recent experiences during mine development, including the geotechnical conditions of the East South area, the impact of the water-bearing dike structure, expected equipment utilization rates and the remaining infrastructure projects to be completed. The result is that the Company now expects that the Underground Mine will reach hoisting rates of 3,000 tons per day("tpd") in Q4 2021 and 5,000 tpd in the first half of 2022. The construction and commissioning (the "ramp-up") to 5,000 tpd is taking longer than previously expected due to slower than expected development rates through the water bearing dike structure and delays incurred in underground infrastructure development, including due to COVID-19 related supply chain challenges. In addition, the focus of mining in the short term has shifted from the East South area to the East North area requiring additional development.

- **Material Hoisting:** Following completion of the Main Shaft material handling system in Q4 2020, the Underground Mine achieved a peak daily hoisting rate of over 3,000 tons by February 2021 and has since achieved a hoisting rate equivalent to 5,000 tpd on a shift basis, demonstrating capacity of the shaft and associated materials handling system. Due to slower development rates in Q2 2021 through the water-bearing dike structure, the Company now expects to reach sustainable hoisting rates of 3,000 tpd in Q4 2021 and for hoisting rates to continue to ramp-up beyond that.

- **Processing:** The process plant maintained average concentrate grade over 21% along with 81% recoveries in Q2 2021. While batch processing ore through the processing plant, the Company achieved a weekly average of 3,271 tpd. 87,211 tons of ore was processed through the concentrator in Q2 2021 with an average feed grade of 0.51% copper. Approximately 1,514 tons of concentrate was produced at a 21% average copper grade for Q2 2021.

- **Successful Completion of Process Plant C5 Testing:** During June, Sedgman USA Inc. ("Sedgman") successfully completed C5 testing of the processing plant for grind size and moisture of concentrate and tailings.

Property Development Plans

- **Underground:** The Company has progressed its life-of-mine planning aimed at operating its underground mine at an ultimate production rate in excess of the originally contemplated 5,000 tpd rate. Mine planning work further supports the potential for the mine, once ramped-up to steady-state, to operate at higher long-term rates of 6,500 tpd milled, increasing long-term annual copper production potential.

- **Open Pit:** The Company reviewed its longer-term development targets for the Pumpkin Hollow property, including a solar power study, electrification and emissions reduction analysis, follow-up work on scaling opportunities to improve economics and plans for future infill and extension drilling.

- **Exploration:** The Company plans to follow-up on new exploration targets added through recent expansion of the Company's properties to the east and analysis of geophysical surveys.

Corporate

- **KfW Credit Facility Amendment Discussions** – On June 30, 2021, the Company received a waiver from KfW IPEX-Bank ("KfW"), the lender under its amended and restated senior credit agreement (the "Amended KfW Facility"), which provided for a 60-day extension to the project completion longstop date (the final date to meet the requirements of the project completion test under the Amended KfW Facility) (the "Project Completion Longstop Date") from June 30, 2021 to August 31, 2021. The Company has requested and expects to receive a further short-term extension of the Project Completion Longstop Date from KfW. The Company is also in discussions with KfW to achieve a longer-term extension of the Project Completion Longstop Date to a date in 2023, the deferral of debt servicing by twelve months and the temporary deferral of compliance with certain financial covenants under the Amended KfW Facility as the Underground Mine continues to ramp-up. The Company expects to have the short-term extension finalized in the next few weeks and the other proposed amendments finalized in the next few months. However, there can be no assurance that such extension and amendments will be finalized by such times or at all. Failure to finalize the extension or these amendments would result in the Company being in default under the Amended KfW Facility.

- **Payroll Protection Program Loan ("PPP Loan") Forgiveness**– On August 6, 2021, the Company received confirmation for the approval of the forgiveness of the PPP Loan in the amount of $2.4 million. The loan was received in 2020 as part of the United States Government COVID-19 pandemic program to assist companies to retain their employees.

- **2021 Promissory Notes** - The Company received a loan of $15 million under a promissory note with Pala Investments Limited ("Pala"), the Company's largest shareholder, in June 2021 (the "2021 Promissory Note") providing additional liquidity for the ramp-up of the Underground Mine and addressing the reduced development rates associated with crossing the water-bearing dike structure. The 2021 Promissory Note has a maturity date of June 30, 2022 and bears interest at 8% per annum on amounts drawn. Subsequent to the end of Q2 2021, Pala agreed to provide the Company with additional loans of up to $27 million (of which $19 million has been received) pursuant to a series of amendments and restatements of the 2021 Promissory Note (the "Amended and Restated Promissory Note") on the same terms and conditions as the original 2021 Promissory Note. Further draws by the Company are subject to agreed use of proceeds and regulatory approval of the Amended and Restated Promissory Note

- **2021 Credit Facility** – On February 3, 2021, the Company entered a credit facility with Pala for $15 million to be drawn by the Company (the "2021 Credit Facility"). The 2021 Credit Facility also provided $15 million under an accordion feature. The full $30 million has been drawn by the Company.

- **Completion of Public Offering & Concurrent Private Placement** – On January 29, 2021, the Company completed a public offering of units, (the "January 2021 Offering"). for aggregate gross proceeds of approximately CAD$38 million. Concurrently with the closing of the January 2021 Offering, the Company completed a private placement to Pala for aggregate gross proceeds of approximately CAD$13.1 million (the "Concurrent Private Placement"). See "*January 2021 Offering & Concurrent Private Placement*" in the Liquidity, Cash flow and Financial Resources section for additional details.

Recent Developments and Outlook

Underground Mine

Mine Development

During Q2 2021, the impact of COVID-19 on the business was reduced relative to prior quarters however global supply chain and travel restrictions continue to have an impact on production. The Company has seen fewer COVID-19 cases with its employees and contractors as the COVID-19 vaccine rollout continues. During Q2 2021, the Company eased restrictions as the number of positive tests decreased and the state of Nevada began reopening. The Company, however, notes that COVID-19 continues to impact the supply chain of parts and supplies across all industries. COVID-19 cases started to increase at the beginning of Q3 2021 in the state of Nevada. A similar uptick in cases has been affecting the employees of the Company and its contractors. Certain COVID-19 protocols have been reinstated by the Company for safety purposes.

Mine development continued to advance during the quarter, providing access to ore stoping zones in the East South orebody and advancing development towards the East North orebody. The installation of electrical distribution equipment and ventilation improvement during the quarter is expected to allow for increased development rates.

Lateral development continued on multiple headings, providing access to ore mining zones in the East South orebody and advancing development towards the East North orebody. During Q2 2021, the Company continued development to the East North area through a water-bearing dike structure located between the East South and East North orebodies. A second heading crossing the dike is located 90 feet below the first heading. Additional ground support was required to complete the dike crossing and the Company is almost through the water-bearing dike structure.

Construction of the fan bulkhead and the installation and commissioning of the final two sets underground fans were completed as planned in Q2 2021, allowing for an increase in development rates.

The resolution of the Main Shaft commissioning items, the ongoing installation of incremental underground power and ventilation upgrades and the deployment underground of additional mobile fleet equipment is expected to result in increased mining rates, with hoisting rates of up to 3,000 tpd expected to be achieved Q4 2021.

Commissioning of the surface ventilation fans continues to be planned for Q4 2021.

Processing Plant

While batch processing ore through the processing plant, production at the Underground Mine's processing plant for Q2 2021 totaled 87,211 tons of ore processed through the concentrator with an average head grade of 0.51% copper. The processing plant operated a total of 27 days in Q2 2021. The processing plant achieved an overall recovery of 81% resulting in the production of approximately 1,514 tons of concentrate at a 21% average copper grade for Q2 2021.

Production

While the Company continues to make progress on the development of the Underground Mine, the cumulative impact of a series of unplanned mechanical and hydrogeological issues, COVID-19 related supplier delivery issues, cautious progression through the water bearing dike structure and lower than planned Bolter availability has led to lower-than-expected ore production to-date in 2021. As a result of these factors, production of copper concentrates during 2021 is expected to be significantly lower than previously planned.

Mine Planning

Subsequent to the end of Q2 2021, the Company advanced its mine planning process and made revisions to the mine plan.in the revised mine plan incorporates the recent experiences during mine development, including the geotechnical conditions of the East South area, the impact of the water-bearing structure , expected equipment utilization rates and the remaining infrastructure projects to be completed. The result is that the Company now expects that the Underground Mine will reach hoisting rates of 3,000 tpd in Q4 2021 The ramp-up of production is expected to continue to steadily improve and reach hoisting rates of 5,000 tpd in the first half of 2022. The ramp up to 5,000 tpd is taking longer than previously expected due to slower than expected development rates through the water bearing dike structure and delays incurred in underground infrastructure development, including due to COVID-19 related labour and supply chain challenges. In addition, the focus of mining in the short term has shifted from the East South area to the East North area requiring additional development.

Open Pit Project

The Company expects to continue advancing optimizations for its Open Pit Project following the current focus on ramp-up of the Underground Mine. The optimizations are expected to include further extension and in-fill drilling as a follow-up to the last Open Pit Project drilling program, which identified significant additional mineralization and indicated the orebody extends beyond the original pit boundary and remains open in multiple directions.

The Open Pit pre-feasibility study ("PFS"), with an effective date of January 21, 2019 demonstrates enhanced economics for the Open Pit Project. The Open Pit PFS continues to apply the Company's philosophy of phased development, and low-capital intensity growth. The Open Pit Project has all the material permits required for mine construction and operations. The Open Pit Project reserves currently stand at 3,590 million pounds proven and probable from 385.7 million tons grading 0.47% copper.

The Company has also progressed the planned feasibility studies for a potential solar project, with renewables consulting group Sprout Associates. Further updates on the feasibility studies will be provided upon completion of the next phase of study work and further updates on Open Pit Project advancement plans will be communicated in due course.

Exploration

The Company continues to evaluate its extensive mineral landholdings at and around Pumpkin Hollow. Review of the detailed aeromagnetic surveys and continued surface reconnaissance will provide a broader understanding of the geologic model and targeting across Nevada Copper's land package.

The review will help direct exploration activities in 2021 and 2022 on newly acquired lands and targets around the existing deposits. The work on the new ground will include surface mapping, sampling, trenching and follow up drilling. The areas of work include the Porphyry, Tedeboy, Mountain View and Black Mountain targets. Geophysical and structural targets around the existing deposits will be followed up with drilling.

The Company staked a highly prospective land package in 2020 covering approximately 680 acres immediately contiguous to its existing Pumpkin Hollow property and along the eastern boundary of the Tedeboy area. The ground was acquired after a review of historical aero-magnetic survey data, along with anomalous copper mineralization in surface grab samples, confirming the prospectivity of the acquired property.

The Company expects to continue to advance its high-priority targets in accordance with cash availability.

DESCRIPTION OF BUSINESS

Nevada Copper is a mining company whose principal asset is the 100%-owned Pumpkin Hollow Copper Property (the "Property"). The Property is in northwestern Nevada and consists of approximately 23,300 acres of contiguous mineral rights including approximately 10,800 acres of leased and owned private land and leased patented claims. See "Description of Business" in the Annual Information Form.

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

The Company has obtained all material permits and approvals for the development and operation of both the Underground Mine and the Open Pit Project that are required at this time. Certain of those permits and approvals may need to be renewed as a result of the passage of time and certain of those permits and approvals may need to be modified in order to accommodate design changes and other optimizations. See "Risk Factors" in the Annual Information Form.

The Company has completed construction of the processing plant for the Underground Mine and is now in the commissioning stage of the Underground Mine. Completion of commissioning and ramp-up of Underground Mine is continuing during 2021 with the mining rate of 5,000 tpd expected in the first half of 2022.

MANAGEMENT CHANGES

Effective August 14, 2021, Mike Ciricillo will be stepping down from the role of President and Chief Executive Officer of the Company. Mike Brown will assume the role of Interim President and Chief Executive Officer. Mr Brown has been a non-executive director of Nevada Copper since 2013 and has over 35 years of underground and open pit mining experience, including as Chief Operating Officer of De Beers Consolidated Ltd, where he was responsible for five operating mines. Mr Brown has also managed a number of major projects, including the $750 million Finsch block 4 project, the $1.3 billion Venetia underground feasibility study, the $35 million Venetia resource extension project, and a $200 million construction and commissioning of the Voorspoed mine. Mr Ciricillo will continue to provide support at the Pumpkin Hollow site for a transition period.

On July 31, 2021, the retirement of Dale Ekmark, Chief Operating Officer became effective.

FINANCIAL RESULTS

(expressed in $'000)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Expenses				
Consulting and remuneration	$105	$972	$320	$1,169
Public company expenses	319	559	688	1,248
Office expenses	59	125	132	198
Professional fees	821	1,947	1,357	3,142
Depreciation expense	-	30	-	20
Stock-based compensation	278	1,267	1,683	1,135
Loss on hedged positions	3,075	-	3,075	-
	(4,657)	(4,900)	**(7,255)**	(6,912)
Interest income	4	-	15	3
Interest and finance expenses	(5)	(30)	14	(36)
Derivative fair value (loss) gain	(9,515)	2,507	(10,660)	(3,423)
Other income	-	11	-	11
Gain on debt modification	-	-	-	794
Loss on debt extinguishment, net	-	-	-	(4,906)
Foreign exchange gain (loss)	119	(45)	(64)	42
	(9,397)	2,443	(10,695)	(7,515)
Net loss and comprehensive income (loss)	**$(14,054)**	$(2,457)	**$(17,950)**	$(14,447)
Loss per common share				
Basic and diluted	**$(0.01)**	$(0.00)	**$(0.01)**	$(0.02)
Weighted average number of common shares outstanding	**1,756,997,245**	816,560,073	**1,791,241,036**	789,247,985

For the six months ended June 30, 2021, the Company reported a net loss of $17.95 million (or $0.01 basic and diluted loss per common share), compared to a net loss of $14.4 million for the six months ended June 30, 2020 (or $0.00 basic and diluted loss per common share). The $3.6 million increase in net loss is as a result of:

- A total $3.3 million decrease in remuneration, public company, administrative and professional fees expenses as a result of the Company's cost cutting initiatives;
- $7.2 million increase in the derivative fair value loss as a result of an increase in the fair value of the warrants due to the increase in the Company's share price in the latter half of Q2 2021;
- $4.9 million loss on debt extinguishment in 2020; and

- $3.1 million loss on fixed price copper concentrate sale contracts in Q2 2021 due to the delivery shortfall under those arrangements

For the three months ended June 30, 2021, the Company reported a net loss of $14.1 million (or $0.01 basic and diluted loss per common share), compared to a net loss of $2.5 million for the three months ended June 30, 2020 (or $0.00 basic and diluted loss per common share). The $11.6 million increase in net loss is as a result of:

- A total $2.3 million decrease in remuneration, public company, administrative and professional fees expenses as a result of the Company's cost cutting initiatives;
- $9.5 million was recorded as a derivative fair value loss in Q2 2021, as a result of an increase in the fair value of warrants due to an increase in the Company's share price in the latter half of Q2 2021. During Q2 2020, the Company recognized a new embedded derivative liability in the convertible derivative option in the convertible loan with Pala that was entered into in March 2020. The convertible loan has since been repaid; and
- $3.1 million loss on fixed price copper concentrate sales arrangements under the Working Capital Facility in Q2 2021 due to the delivery shortfall under those arrangements.

Pumpkin Hollow Project Expenditures

Project costs capitalised for the period ended June 30, 2021 on the Project consisted of the following (expressed in $'000):

	June 30, 2021	2021 Additions	December 31, 2020	2020 Additions	December 31, 2019
Property payments	$1,961	$-	$1,961	-	$1,961
Advance royalty payments	6,126	300	5,826	600	5,226
Water rights	2,861	94	2,767	188	2,579
Drilling	42,302	-	42,302	-	42,302
Geological consulting, exploration & related	8,459	-	8,459	-	8,459
Feasibility, engineering & related studies	27,605	-	27,605	368	27,237
Permits/environmental	14,235	506	13,729	620	13,109
Underground access, hoist, head frame, power & related	323,699	46,766	276,933	77,683	199,250
Processing plant - engineering procurement	145,322	8,053	137,269	10,172	127,098
Surface infrastructure	30,639	922	29,717	9,160	20,557
Site costs	55,813	11,657	44,156	13,772	30,384
	$659,022	**68,298**	**590,724**	**112,563**	**478,162**
Depreciation	14,258	3,857	10,401	6,751	3,650
Asset retirement obligation	5,453	148	5,305	321	4,984
Capitalised interest	91,011	7,773	83,238	16,072	67,166
Stock-based compensation	7,048	977	6,071	(2,305)	8,376
Stream accretion	25,536	5,347	20,189	9,211	10,978
Pre-production sales	(12,483)	(5,450)	(7,033)	(7,033)	-
Total	**$789,844**	**$80,949**	**$708,895**	**135,580**	**$573,316**

For the six-month period ended June 30, 2021, the Company incurred $80.9 million of Project-related expenditures compared to $73.8 million during the same period in 2020. The focus during the current period was further advancement of the underground development and underground infrastructure at the Underground Mine. Site costs for the six months ended June 30, 2021 were higher compared to the same period in 2020 due to the partial suspension of activities at the site in 2020 due to COVID-19 measures.

During the first six months of 2021, the Company continued with the installation of ventilation fans, construction of underground infrastructure and advanced lateral development. During that period, pre-production concentrate sales totalled $5.45 million, which was credited back to the construction cost of the Property as pre-production sales.

LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES

Financial Resources

PPP Loan Forgiveness

On August 6, 2021, the Company received confirmation for the approval of the forgiveness of the PPP Loan in the amount of $2.4 million. The loan was received in 2020 as part of the United States government COVID-19 pandemic program to assist companies to retain their employees.

KfW Credit Facility Amendment Discussions

On June 30, 2021, the Company received a waiver from KfW under the Amended KfW Facility, which provided for an extension to the Project Completion Longstop Date from June 30, 2021 to August 31, 2021. The Company has requested and expects to receive a further short-term extension of the Project Completion Longstop Date from KfW. The Company is also in discussions with KfW to achieve a longer-term extension of the Project Completion Longstop Date to a date in 2023, the deferral of the amortization repayments in respect of the $115 million tranche A loan and the $15 million tranche B loan by twelve months and the temporary deferral of compliance with certain financial covenants under the Amended KfW Facility that needs to be met by twelve months to January 31, 2024. The above amendments are requested in light of the revised timing estimates in the updated mine plan and delays in construction and ramp-up of the Underground Mine, including in relation to the water dike, and due to the ongoing impact of COVID-19, including negative impacts on global procurement, labor shortages and supply chain disruption. The Company expects to have the short-term extension finalized in the next week and the other proposed amendments finalized in the next few months. However, there can be no assurance that such extension and amendments will be finalized by such times or at all. Failure to finalize the extension or these amendments would result in the Company being in default under the Amended KfW Facility. The Amended KfW Facility has been reclassified from long-term debt to a current liability given the need to obtain further waivers to a date that management believes is attainable to meet the Project Completion Longstop Date.

2021 Promissory Notes

The Company received a loan of $15 million under the 2021 Promissory Note in June 2021. The 2021 Promissory Note has a maturity date of June 30, 2022 and bears interest at 8% per annum on amounts drawn. Subsequent to the end of Q2 2021, Pala agreed to provide the Company with additional loans of up to $27 million (of which $19 million has been received) pursuant to the Amended and Restated Promissory Note. Further draws by the Company are subject to an agreed use of proceeds and regulatory approval of the Amended and Restated Promissory Note.

January 2021 Offering & Concurrent Private Placement

On January 29, 2021, the Company completed the January 2021 Offering, whereby 200,000,000 units were issued at a price of CAD$0.165 per unit (the "Offering Price"). Each unit consisted of one common share and one-half of one common share purchase warrant of the Company. Each full warrant entitles the holder thereof to purchase one common share at a price of CAD$0.22 per common share, for a period of 18 months following the closing of the January 2021 Offering (until July 29, 2022). The underwriters of the January 2021 Offering exercised their over-allotment option in full, which resulted in 30,000,000 additional units being issued at the Offering Price. Including the over-allotment option, an aggregate of 230,000,000 units were issued in the January 2021 Offering for total aggregate net proceeds of approximately $27.3 million. The table below shows the breakdown of the use of proceeds received from the January 2021 Offering, which is consistent with how the Company expected to use such proceeds:

Description	$’000
Net cash proceeds received from the January 2021 Offering	$ 27,348
Extinguishment of November 2020 Pala Promissory Note	(15,747)
Transfer to Cost Overrun Facility	(5,000)
Net Proceeds available to the Company	$ 6,601

Concurrently with the closing of the January 2021 Offering, the Company completed the Concurrent Private Placement. The units issued to Pala under the Concurrent Private Placement had the same terms as the units issued in the January 2021 Offering. The table below shows the amounts settled as a result of the Concurrent Private Placement:

Description	$’000
Extinguishment of October 2020 Pala Promissory Note	$ 8,194
Repayments relating to the Collateral Agreement re: Working Capital Facility	1,801
Settlement expenses	278
Repayment of indemnity fees	910
Concurrent Private Placement	$ 11,183

2021 Credit Facility

On February 3, 2021, the Company entered into the 2021 Credit Facility. The 2021 Credit Facility is a direct obligation of the Company and is not guaranteed or secured by any of the Company’s subsidiaries. The 2021 Credit Facility bears interest at LIBOR plus 9% per annum on outstanding amounts and is subject to a 3% arrangement fee on the total amount of the facility and a 4% disbursement fee on amounts drawn. There are no common shares, warrants or other convertible securities of the Company issuable in connection with the 2021 Credit Facility, other than the potential for interest and the Commitment Fee (as defined below) to be paid in common shares rather than paid in cash or capitalized. Any common shares issued as described above will be issued at the market price of the Company’s common shares at the time of the issuance. Pala is entitled to syndicate all or a portion of the 2021 Credit Facility, which may result in higher interest and fees with respect to the syndicated portion of the 2021 Credit Facility. The Company is subject to certain restrictions on the issuance of additional debt during the syndication period.

The funds were available for draw prior to June 30, 2021 (the “Availability Period”). During the Availability Period, Pala was entitled to a 4% per annum commitment fee on amounts available to be drawn but not yet advanced (the “Commitment Fee”). The 2021 Credit Facility also included an accordion feature whereby, subject to the agreement of the parties and the satisfaction of other applicable conditions, additional drawings of up to $15 million were permitted at any time prior to the maturity date. The Company drew $15 million under the 2021 Credit Facility in Q1 2021 and the full $15 million under the accordion feature in Q2 2021. As a result, the full $30 million has been drawn by the Company.

Funds advanced under the 2021 Credit Facility were used for the construction and ramp-up of the Underground Mine, as well as for the general working capital needs of the Company.

2020 Cost Overrun Facility

In connection with the Amended KfW Facility, the Company was required to fund a cost overrun facility ("COF") to Nevada Copper, Inc. ("NCI"), a wholly-owned subsidiary of the Company, of $5 million on substantially the same terms as the cost overrun facility that was provided by the Company to NCI in May 2019 when the original credit agreement with KfW was entered into. The COF was funded from the proceeds of the January 2021 Offering. In April 2021, NCI utilized the full $5 million available under the COF.

Liquidity

Working capital deficit

(Expressed in thousands of US dollars, except per share amounts)	**June 30, 2021**	December 31, 2020
Current assets		
Cash and cash equivalents	**$9,273**	$21,839
Accounts receivable	**82**	88
Prepaid expenses	**311**	88
Total Current Assets	**9,666**	22,015
Current liabilities		
Accounts payable and accrued liabilities	**$54,799**	$43,969
Related party payable	**700**	2,837
Stock-based compensation liabilities – current portion	**1,508**	581
Current portion of stream deferral	**5,200**	15,487
Pala Promissory Note	**15,040**	23,790
Warrant derivative	**28,059**	12,477
Working Capital facility	**31,701**	32,880
Current portion of lease liability	**8,522**	7,245
Amended KfW Facility	**119,843**	-
Total Current Liabilities	**265,372**	139,266
Working capital deficit	**$(255,706)**	$(117,251)

At June 30, 2021, the Company had a cash balance of $9.3 million, excluding restricted cash. The Company's working capital (current assets less current liabilities) as at June 30, 2021 was negative $255.7 million compared to negative $117.3 million as at December 31, 2020. The negative working capital increased by approximately $138.4 million. The most significant driver is the reclassification of the Amended KfW Facility to a current liability. As described above, the Company is renegotiating, among other things, the timing of the Project Completion Longstop Date. Until these negotiations are successfully concluded, the Company is required under IFRS to disclose the KfW Facility as a current liability. The Company expects that the Project Completion Longstop Date will be extended to 2023 at which time the Amended KfW Facility is expected to be classified as long term debt again. There can be no assurances that the extension or other amendments will be obtained.

In addition, the negative working capital at June 30, 2021 includes $54.8 million of accounts payable and accruals, $1.5 million of stock-based compensation, $28.1 million of non-cash warrant derivative liability, $0.7 million in related party payables, and $5.2 million of deferred consideration related to estimated stream deliveries in the next twelve months (which are conditional on concentrate deliveries).

If adjusted for the reclassification of the Amended KfW Facility of $119.8 million, the non-cash warrant derivative liability of $28.1 million, $5.2 million of the future stream deliveries, $31.7 million under the

Company's revolving working capital facility (the "Working Capital Facility") with Concord Resources Limited ("Concord"), $2 million in settlement accrual for common shares to be issued, and stock-based compensation of $1.5 million, current liabilities reduce by $188.3 million to $77.1 million with a corresponding increase in working capital.

At June 30, 2021, capital commitments due in the next twelve months were $3.9 million.

The Company's liquidity during Q2 2021 was negatively impacted by a number of inter-related factors including:

- The reclassification of the Amended KfW Facility as a current liability;
- Delays in the mine development of the Underground Mine;
- Significantly reduced concentrate production and sales as a result of the delays described in the Mine Development section above; and
- Requirement to repay draws under the Working Capital Facility primarily in cash rather than in concentrate deliveries as planned.

In Q2 2021, the Company delivered 1,374 tons of concentrate under the Working Capital Facility and made cash repayments of $46.5 million in lieu of concentrate deliveries. The Company made drawdowns of $45.3 million under the Working Capital Facility based on expected future deliveries during the six month period ended June 30, 2021. On April 1, 2021, the availability of funds under the Working Capital Facility was increased from $35 million to $40 million pursuant to an amendment to the Working Capital Facility that was entered into on December 8, 2020 in connection with the implementation of the Amended KfW Facility (the "Working Capital Amendment"). Drawdowns under the Working Capital Amendment in excess of $35 million prior to commencement of commercial production at the Underground Mine will bear interest at LIBOR plus 8.5%. The other terms of the Working Capital Facility will remain substantially the same.

Due to constrained development and hoisting rates, including the penetration and grouting of the dike structure in recent months, and based on the updated timing estimates in the revised mine plan regarding delays to achieving steady-state production, management has determined that additional funds will be required in order to complete the ramp-up of the Underground Mine. The Company has received an additional funding commitment from Pala in the amount of up to $17 million available to be drawn under the Amended and Restated Promissory Note as described above, and expects that it will need to raise additional funding from the public markets or other sources in the fall of 2021.

Despite certain operational issues at the Underground Mine having been rectified, the Company continues to be subject to operational risks associated with the commissioning and ramp-up of the Underground Mine. In addition, while the effects of COVID-19 on the Company and its business have lessened recently, the future impact of the COVID-19 pandemic on the Company, the economy and commodity prices are not known at this time. The Company expects to advance completely through the water-bearing dike structure at the Underground Mine discussed above in the near-term, however there is no assurance that this will be completed.

The ability of the Company to continue as a going concern, to realise the carrying value of its assets, and to discharge its liabilities when due, are dependent on results from operations, the ability to complete the ramp-up process in accordance with the current schedule and within the current cost expectations, favourable copper market conditions, the ability to obtain additional required financing, and the ability to obtain the necessary waivers or amendments to its existing loan agreements. There can be no assurance that these requirements will be achieved. In addition, there can be no assurance that the actual costs to complete the ramp-up will not be greater than expected by the Company or that further significant ramp-up delays will not occur. The Company and KfW may not ultimately agree to amendments of the Amended

KfW Facility discussed above on terms favourable to the Company or at all. The Company may not be able to obtain the additional financing it requires or further funding that may be required in the future to address cost overruns and/or ramp-up delays. In the absence of obtaining the requested extensions and amendments under the Amended KfW Facility and obtaining additional required financing, the Company may not be able to continue operations.

Cash Flows

During the six months ended June 30, 2021, cash used in operations was $3.87 million, compared to an outflow of $7.0 million during the six months ended June 30, 2020.

Cash outflow from investing activities during the first half of 2021 was $59.6 million compared to an outflow of $20.3 million in the first half of 2020. The Company incurred $80.9 million in Underground Mine development costs during the first half of 2021, offset by $6.5 million of pre-production sales. This compares to the $60.2 million of project development costs incurred in the six-month period ended June 30, 2020.

Financing activities resulted in cash inflows of $50.9 million during the six-month period ended June 30, 2021 compared to an inflow of $27.9 million in the first half of 2020. The financing activities during the first half of 2021 included the following transactions:

- The Company received net proceeds of $27.3 million from the January 2021 Offering.
- On February 3, 2021, the Company entered into the 2021 Credit Facility. Funds advanced under the 2021 Credit Facility in the six-month period ended June 30, 2021 were $30 million.
- The Company drew $45.3 million under the Working Capital Facility and repaid $46.5 million of the balance outstanding during Q2 2021.
- The Company received $15 million in connection with the 2021 Promissory Note.

Positive cash flows from operations are not expected until the Company has significantly advanced the ramp-up in production rates. Upon completion of the ramp-up to a sufficient level at the Underground Mine and the generation of the associated revenues from concentrate sales, the Company anticipates that it will no longer have negative cash flow from operating activities.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited quarterly financial information for each of the eight most recently completed quarters (Expressed in thousands of United States dollars, except per share amounts):

	2021 Jun-30	2021 Mar-31	2020 Dec-31	2020 Sep-30	2020 Jun-30	2020 Mar-31	2019 Dec-31	2019 Sep-30
Working Capital (Deficiency)	**(255,706)**	(109,399)	(117,251)	(103,162)	(101,317)	(81,431)	(73,570)	(24,315)
Total Assets	**831,393**	796,175	767,849	721,326	686,557	661,244	608,720	563,576
Development Property (Project expenditure)	**792,221**	747,020	708,895	683,129	647,159	617,317	573,316	524,212
Total noncurrent liabilities	**174,909**	274,403	257,790	239,050	270,760	262,258	215,354	202,168
Shareholders' Equity	**391,112**	402,482	370,793	377,154	311,406	306,928	318,561	320,857
Net Loss	**(14,054)**	(3,896)	$(3,313)	$(2,582)	$(2,457)	(11,989)	(2,719)	(750)
Net Loss per share	**(0.01)**	(0.00)	(0.00)	(0.00)	(0.00)	(0.02)	(0.00)	(0.00)

Financial results during the last eight quarters reflect the increase in the Company's working capital deficiency as a result of the decrease in cash, increase in accounts payable and accrued liabilities as the construction of the Underground Mine progressed and the increase in the current portion of long-term debt, stream obligation and the warrant derivative liability. The Company's total assets increased throughout these quarters as development property expenditures were incurred. The Company's noncurrent liabilities and shareholder's equity increased as a result of debt and equity financings undertaken during the last eight quarters.

RELATED PARTY TRANSACTIONS

Pala is a related party to the Company because of its 37% (2020 – 40%) shareholding in Nevada Copper as at June 30, 2021. Additionally, three Pala executives are on the Company's Board of Directors.

During the first half of 2021, the Company entered into the following transactions with Pala:

- 2021 Promissory Note - $15 million
- 2021 Credit Facility - $30million
- $.07 million (2020 - $0.2 million) was incurred for technical and other services;
- Issuance of 79,696,970 units in the Concurrent Private Placement. The consideration for these units was the repayment of certain outstanding indebtedness owing to Pala by the Company;
- Repayment with the proceeds of the January 2021 Offering of all amounts owing under a promissory note issued by the Company to Pala in November 2020 in the principal amount of $15.7 million;
- Issuance of 10,891,536 common shares in satisfaction of approximately $1.8 million in fees owing to Pala in connection with the Indemnity Agreements (as defined below) and the guarantee provided by Pala in connection with the Amended KfW Facility (the "KfW Guarantee"); and
- Issuance of the Guarantee Shares (as defined below).

As at June 30, 2021, the Company owed Pala $0.7 million (2020 - $2.8 million) relating to fees accrued in connection with the Indemnity Agreements, the KfW Guarantee and accrued fees for technical and other services. Subsequent to the end of Q2 2021, the Company issued 6,764,607 common shares to Pala in satisfaction of approximately $1.3 million in fees owing to Pala in connection with the Indemnity Agreements and the KfW Guarantee and interest owing under the 2021 Credit Facility. These common shares were issued to Pala at a price of C$0.2303, the market price at the end of Q2 2021.

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

The related party transactions listed above were approved by the Independent Committee of the board of directors.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

At June 30, 2021, capital commitments due in the next twelve months are $3.9 million.

As at June 30, 2021, the Company had the following consolidated contractual obligations (Expressed in thousands of United States dollars):

		Payments due by period			
Contractual obligations	**Total**	**1 year**	**2-3 years**	**4-5 years**	**5 years+**
Accounts payable, accrued liabilities and related party payables	$55,499	$55,499	-	-	-
Settlement payable	$1,000	-	$1,000	-	-
Construction contractual obligations	$3,933	$3,933	-	-	-
Working Capital Facility	$31,701	$31,701	-	-	-
Amended KfW Facility	$142,231	$142,231	-	-	-
Equipment leases	$28,784	$8,701	$14,939	$5,090	$54
Asset Retirement obligation	$6,367	-	-	-	$6,367
Office lease	$23	$23	-	-	-
Total obligations	**$269,538**	**$242,088**	**$15,939**	**$5,090**	**$6,421**

Hedging Arrangements

Under the Working Capital Facility, the Company has the ability to fix the price of payable copper for monthly volumes to be delivered to Concord under its offtake arrangements with Concord on a rolling basis, allowing the Company to fix the price of copper to be delivered for an agreed period of time. Under these arrangements, the Company is required to provide cash collateral to Concord in the event that during the course of such arrangements, as tested on a weekly basis, the variation margin exposure to Concord is over an agreed threshold amount, currently fixed at $3.5 million. During the six months ending June 30, 2021, the Company fixed the pricing of 325 metric tonnes of payable copper delivered per month totalling 1,950 metric tonnes for the first six months of 2021 with prices ranging between $6,394 and $6,402 per metric tonne of payable copper. During the six months ending June 30, 2021, the Company delivered 945 metric tonnes of copper under this hedging arrangement and recognized a loss of $3.1 million due to the delivery shortfall. At June 30 2021 and to the date of this MD&A, the Company has no hedged positions outstanding.

LEGAL

During Q1 2021, NCI entered into a settlement agreement with its former contractor, Cementation USA Inc. (“Cementation”), to resolve the litigation relating to the mining development contract for the Underground Mine. As part of the settlement, NCI paid Cementation $1 million upon release of the related bond and will pay Cementation $9 million in installments beginning September 2021, which $9 million is guaranteed by Pala. Under a fee agreement between Pala and the Company, a 5% fee of this guaranteed amount, being $450,000, was payable by the Company to Pala, which was satisfied by the Company through the issuance of 3,560,024 common shares to Pala in February 2021 (the “Guarantee Shares”), representing a price per Guarantee Share of CAD$0.1621, being the current market price of the common shares when the fee agreement was entered into.

The court has dismissed all claims and the $3.4 million bond issued in connection with the dispute has been released. Based on the settlement, a reduction to the accrued amounts of $3.5 million has been recorded as the settlement amount of $10 million is less than the $13.5 million amount that had been accrued by the Company. This was an adjustment event for accounting purposes as it is the settlement of a lawsuit and was recorded in Q4 2020.

On April 6, 2020, Sedgman, the primary contractor for construction and commissioning of the processing plant at the Underground Mine, filed a complaint against NCI in the Second Judicial Court for the State of Nevada. The dispute related to Sedgman’s delay in the ramp-up of commissioning of the plant and the parties’ contractual obligations. In Q1 2021, NCI entered into a settlement agreement with Sedgman in order to resolve the litigation. As part of the settlement, the Company issued 15,992,514 common shares to Sedgman at CAD$0.1603 per common share, the market price of the common shares at the time that the settlement agreement was entered into, totalling $2 million. In addition, the Company agreed to pay $5 million in installments beginning on December 31, 2021, with a potential additional $2 million in common shares issuable upon Sedgman meeting certain performance thresholds. The court has dismissed all claims in connection with the dispute.

Based on the settlement, a reduction to the accrued amounts of $1.2 million has been recorded as the settlement amount of $7.5 million is less than the $8.7 million amount that had been accrued by the Company. This was an adjustment event for accounting purposes as it is the settlement of a lawsuit and was recorded in Q4 2020.

Subsequent to the end of Q2 2021, the Company issued 4,374,812 common shares to Sedgman totalling $800,000 upon certain performance thresholds being met under the settlement agreement with Sedgman at a price of CAD$0.2271 per common share, the market price at the time the performance thresholds were met. Another $1.2 million in common shares may be issued to Sedgman upon it meeting additional performance thresholds in the second half of 2021.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal controls over financial reporting (“ICFR”). Any system of ICFR, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no significant changes in the Company's internal controls during the quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

OFF-BALANCE SHEET ARRANGEMENTS

On January 24, 2020, the Company entered, together with Pala, into indemnity agreements with a surety in connection with the issuance of a lien bond in an amount up to $21 million, to the extent required in order to remove any liens that may be recorded on the Property by the Company's previous contractor. These arrangements have now been terminated. On February 11, 2020 and June 8, 2020, the Company entered, together with Pala, into indemnity agreements with a surety in connection with the issuance of bonds of approximately $16.5 million to secure payment terms of the Company's new contractor, and of approximately $7 million for a reclamation bond. These arrangements have now been replaced by alternative surety arrangements. Except for the bond commitments incurred in connection with the foregoing indemnity agreements (the "Indemnity Agreements"), the Company had no off-balance sheet arrangements during Q2 2021.

NEW ACCOUNTING PRONOUNCEMENTS

Certain recent accounting pronouncements have been included under Note 2u in the Company's audited consolidated financial statements for the year ended December 31, 2020, which are discussed below.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16): The amendments prohibit an entity from deducting from the cost of an item of property, plant, and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. This amendment is effective for the Company's annual reporting period beginning January 1, 2022, with early adoption permitted. The Company is in the process of assessing the impact of the adoption of this amendment. None of the remaining standards and amendments to standards and interpretations which have been issued but are not yet effective are expected to have a significant effect on the consolidated financial statements of the Company.

Interest Rate Benchmark Reform: The Company adopted Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 4 and IFRS 16 (the "Phase 2 Amendments") effective on January 1, 2021. Interest rate benchmark reform (the "Reform") refers to a global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates with alternative benchmark rates.

The Phase 2 Amendments provide a practical expedient requiring the effective interest rate to be adjusted when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities that relate directly to the Reform rather than applying modification accounting which might have resulted in a gain or loss. In addition, the Phase 2 Amendments require disclosures to assist users in understanding the effect of the Reform on the Company's financial instruments and risk management strategy. The 2021 Credit Facility and the Amended KFW Facility as defined in Note 5 (a and b) in the Financial Statements are indexed to London interbank offered rates that have not yet transitioned to alternative benchmark rates at the end of the current reporting period.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Although these estimates are based on management's expectations for the likely outcome, timing and amounts of events or transactions, actual results could differ from those estimates. These areas of judgment and critical accounting estimates are consistent with those reported in the Company's audited consolidated financial statements for the year ended December 31, 2020 and the accompanying Management's Discussion and Analysis.

RISKS AND UNCERTAINTIES

The Company and its future business, operations and financial condition are subject to various risks and uncertainties, including due to the nature of its business and the present stage of development of its mineral properties. Risks and uncertainties are described in this MD&A and under the heading "Risk Factors" in the Company's Annual Information Form dated March 18, 2021, which is available on SEDAR at www.sedar.com.

Extension of Project Completion Longstop Date

As mentioned above, the Company is in discussions with KfW in respect of a longer-term extension to the Project Completion Longstop Date. Certain other modifications have been requested by the Company under the Amended KfW Facility in order to accommodate the delay in the ramp-up at the Underground Mine. There can be no certainty that KfW will agree to an extended Project Completion Longstop Date that will allow the Company to meet the requirements of the Project completion test or to the other requested amendments. If the Company does not meet the requirements of the Project completion test before the applicable deadline or if will constitute an event of default under the Amended KfW Facility. If the other modifications are not obtained, this could also lead to the occurrence of an event of default in the future. Upon an event of default, all amounts owing under the Amended KfW Facility may become immediately due. There is no certainty that the Company will be able to pay such amounts due at that time. A default under the Amended KfW Facility may result in defaults under the Company's other credit facilities and under its stream agreement with Triple Flag. Defaults under some or all of the foregoing agreements could have a material adverse impact on the Company and its stock price, and in the absence of alternative financing arrangements being obtained, the Company may not be able to continue operations.

COVID-19

COVID-19's current and expected impacts on the global economy are far-reaching. To date there has been significant stock market volatility, significant volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people and some goods has become restricted. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on demand and prices for the commodities the Company produces, on its suppliers and employees, and on global financial markets.

During Q2 2021, the Company made efforts to continue to safeguard the health of its employees, while operating safely and responsibly to maintain employment and economic activity. These measures combined with commodity market fluctuations resulting from COVID-19 have affected the Company's financial results. Despite the Company's precautionary measures, the Company had localized workplace

COVID-19 incidents at the Underground Mine in Q2 2021 affecting its employees and contractors. While those incidents have been addressed pursuant to the Company's policies, the continued spread of the virus and further infections of COVID-19 may lead to work-stoppages at the Underground Mine, which could potentially further delay the Company's ramp-up process and lead to short-term suspensions of copper production, depending on the nature of any future outbreaks.

The Company will continue to closely monitor the impacts of COVID-19 on its business. Should the duration, spread or intensity of the COVID-19 pandemic increase, there could be further potentially material and negative impacts on the Company's operations, its liquidity and cash flows, and the valuation of its long-lived assets due to sustained decreases in metal prices and potential inability to generate expected revenue from its ongoing operations. Impacts from COVID-19 could lead to a suspension of operations at the Underground Mine. The Company's access to future financing to support its ongoing operations may also be negatively impacted or delayed as a result of COVID-19.

Ramp-up of Production at the Underground Mine.

The ramp-up of hoisting rates to 3,000 tpd is expected in Q4 2021 and to 5,000 tpd in the first half of 2022, respectively. The ramp-up process by its nature is subject to a variety of operational and technical risks associated with mining projects of this type. Ramp-up activities will also be subject to compliance with operational restrictions relating to the COVID-19 pandemic mandated by government authorities which are subject to change. As a result, there can be no assurance that the ramp-up process will occur and progress on the currently expected timeline or within expected costs parameters. To date the Company has experienced negative cash flow from operating activities and has a significant working capital deficiency. Positive operating cash flows are not expected to be achieved until the Company has advanced its ramp-up to a sufficient level at the Underground Mine. The inability to successfully ramp-up production at the Underground Mine on the currently expected timeline and within revised budget expectations may have a material adverse effect on the Company and its stock price. Considering geotechnical changes relating to initially smaller stopes during the ramp-up period at the Underground Mine, the Company's costs have increased in the short-term. In addition, the Company's costs have increased as a result of the cumulative impact of various events, including a series of unplanned stoppages in 2021 due to mechanical and hydrogeological issues, COVID-19 related supplier delivery issues and cautious progression through the water-bearing dike structure. Due to delays in the ramp-up process, operational issues, and the updated timing estimates in the revised mine plan, the Company will need to seek additional funding to complete the ramp-up of the Underground Mine. In the event of further cost overruns, the Company will need to seek further additional funding. There can be no assurance that the Company will be able to obtain the further funding required to complete the ramp-up of the Underground Mine, and in the absence of such funding and any additional required financing, the Company may not be able to continue operations.

OUTSTANDING SHARE DATA

As of August 13, 2021, there were 1,850,635,602 common shares of the Company issued and outstanding, 37,703,445 stock options outstanding, 4,968,502 deferred share units outstanding, and 496,894,861 warrants outstanding.

FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained herein contain forward-looking information and forward-looking statements within the meaning of applicable Canadian and United States securities laws. Such forward-looking statements and forward-looking information specifically include, but are not limited to statements and information that relate to: Nevada Copper's plans for the Project; negotiations with KfW regarding amendments to the Amended KfW Facility and waivers thereunder; the Company's mine development, production and ramp-up plans and the expected timing, costs and results thereof; the need for additional funding; the resolution of hydrogeological issues; the impacts of the COVID-19 pandemic on the global economy and the Company; future ore and concentrate production rates; expected commencement of positive cash flow from operating activities; the ongoing exploration activities and the objectives and results thereof; and the other plans of Nevada Copper with respect to the exploration, development, construction and commercial production at the Underground Mine.

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

Such risks and uncertainties include, without limitation, those relating to: the ability of the Company to complete the ramp-up of the Underground Mine within the expected cost estimates and timeframe; requirements for additional capital and no assurance can be given regarding the availability thereof; the impact of the COVID-19 pandemic on the business and operations of the Company; the state of financial markets; history of losses; dilution; adverse events relating to milling operations, construction, development and ramp-up, including the ability of the Company to address underground development and process plant issues and penetrate the dike at the Underground Mine; failure to obtain extensions and amendments to the Amended KfW Facility; ground conditions; cost overruns relating to development, construction and ramp-up of the Underground Mine; loss of material properties; interest rates increase; global economy; limited history of production; future metals price fluctuations; speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labour disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade of mineralization or recovery rates from management's expectations and the difference may be material; legal and regulatory proceedings and community actions; accidents; title matters; regulatory approvals and restrictions; increased costs and physical risks relating to climate change, including extreme weather events, and new or revised regulations relating to climate change; permitting and licensing; volatility of the market price of the Company's securities; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry, as well as those risks discussed in this MD&A and in the section entitled "Risk Factors" in the Company's Annual Information Form dated March 18, 2021. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements and information. The forward-looking statements and information contained herein are based upon assumptions management believes to be reasonable, including, without limitation: no adverse development in respect of the property at the Project; no material changes to applicable laws; the ramp-up of operations at the

Underground Mine in accordance with management's plans and expectations; no worsening of the current COVID-19 related work restrictions; reduced impacts of the COVID-19 pandemic in the medium-term and long-term; no material adverse change to the price of copper from current levels; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. The forward-looking information and statements are stated as of the date hereof. Nevada Copper disclaims any intent or obligation to update forward-looking statements or information except as required by law. Readers are referred to the additional information regarding Nevada Copper's business contained in Nevada Copper's reports filed with the securities regulatory authorities in Canada. Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that could cause actions, events or 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 filings that are available at www.sedar.com.

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