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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

NOVEMBER 10, 2021

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

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

For the Quarter Ended September 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 November 10, 2021. Information herein is provided as of November 10, 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 nine months ended September 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, VP Head of Exploration of the Company, and Neil Schunke P.Eng., a consultant to the Company, 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

Q3 2021 Highlights

Set out below are highlights from Q3 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

- **Stope Mining:** During Q3 2021, stoping has accelerated since mid-August, with the second, and third stope panels fully mined, and a fourth stope panel has commenced drilling. Mining of the fourth stope was completed in October 2021. Further stopes are planned in November and December, and the high-grade Sugar Cube zone is also expected to begin to be mined during Q4 2021. During Q3 2021, the Company mined approximately 15,776 tons of ore at an average grade of 1.2% Cu out of the two stopes mined. Tons mined and ore breakage were consistent with the Company's expectations, indicating that the mining method is appropriate for the ground conditions where the stopes are located, although mining of the stopes was later than originally

planned. The stopes were successfully back-filled and the Company is now preparing to mine the next stope in the East South area.

- **Lateral Development:** September 2021 saw the highest monthly development footage achieved since April 2021, with a 12% increase over August. Development activities included completion of the crossing of the water-bearing dike, accessing additional stoping zones and the installation of development infrastructure. A total of approximately 2,000 lateral equivalent feet was advanced in Q3 2021. An additional 700 lateral equivalent feet was advanced in October 2021. 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.

Corporate

- **Extension of KfW Credit Facility:** Subsequent to the end of Q3, on October 11, 2021, the Company, the Company's wholly-owned subsidiary, Nevada Copper, Inc. ("NCI") and KfW IPEX-Bank ("KfW"), the lender under the Company's amended and restated senior credit agreement (the "Existing KfW Facility"), entered into an amendment agreement (the "KfW Amendment Agreement") in respect of the Existing KfW Facility providing for a long term extension of the project longstop date (the final date to meet the requirements of the project completion test under the Existing KfW Facility) (the "Project Completion Longstop Date") until June 2023 and significant payment deferrals. A condition precedent to the effectiveness of the KfW Amendment Agreement is the receipt by NCI of at least \$40 million in net proceeds from debt or equity financings prior to March 31, 2022 (the "KfW Condition"). The highlights of the restructuring under the KfW Amendment Agreement include:
 - **Two-year deferral of first loan repayments:** With respect to tranche A and tranche B of the Existing KfW Facility, first debt repayments to be deferred by two years, with tranche A and tranche B repayments scheduled to begin in July 2025 and July 2024, respectively; and
 - **Additional project completion flexibility:** The Project Completion Longstop date to be deferred until June 2023.
 - See "*KfW Credit Facility Amendment Discussions*" in the Liquidity, Cash Flow and Financial Resources section for additional details on the KfW Amendment Agreement.
- **Promissory Notes:** The Company received \$15 million under a promissory note with Pala Investments Limited ("Pala"), the Company's largest shareholder, in June 2021 (the "June 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 June Promissory Note has a maturity date of June 30, 2022 and bears interest at 8% per annum on amounts drawn. From July through September, 2021, Pala provided the Company with additional loans of \$40 million in the aggregate pursuant to a series of amendments and restatements of the June Promissory Note (the "Amended June Promissory Note"). As at September 30, 2021, \$57.8 million outstanding principal amount was owing under the Amended June Promissory Note.
 - Subsequent to the end of Q3, on October 1, 2021, Pala provided the Company with an additional loan of up to \$12 million pursuant to a new promissory note entered into between Pala and the Company (the "October Promissory Note"). On November 1, 2021, Pala provided the Company with an additional loan of up to \$15 million pursuant to an

amendment and restatement of the October Promissory Note (the “Amended October Promissory Note”, and together with the Amended June Promissory Note, the “Promissory Notes”) on the same terms and conditions as the October Promissory Note. As of the date hereof, \$19 million has been drawn by the Company under the Amended October Promissory Note.

- See “*Promissory Notes*” in the Liquidity, Cash Flow and Financial Resources section for additional details on the Promissory Notes.
- **Restructuring of the Pala 2021 Credit Facility:** Pala provided the Company with \$30 million (inclusive of funding of the full accordion feature thereunder) under a credit facility with Pala entered into in Q1 2021 (the “2021 Credit Facility”). Subsequent to the end of Q3, on October 11, 2021, the Company entered into a non-binding term sheet (the “Non-Binding Term Sheet”) with Pala providing for all outstanding loans owing under the 2021 Credit Facility and the Promissory Notes to be consolidated under an amended 2021 Credit Facility. The Non-Binding Term Sheet provides for the following amendments to the 2021 Credit Facility:
 - **Consolidation of shareholder loans:** The then remaining outstanding amounts under the Promissory Notes to be consolidated under the 2021 Credit Facility, as amended (the “Amended Credit Facility”); and
 - **Two-year extension to maturity date:** Maturity of the Amended Credit Facility to be deferred until 2026, with no scheduled payments before final maturity.
- **Completion of Share Consolidation:** On September 17, 2021, the Company completed a share consolidation of its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares (the “Share Consolidation”). The Company’s common shares began trading on the Toronto Stock Exchange on a post-consolidation basis on September 21, 2021. The shares and per share amounts in the comparative periods have been restated to reflect the share consolidation for comparative purposes.
- **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.

Recent Developments and Outlook

Underground Mine

Mine Development

During September 2021, there were increases in the number of COVID-19 cases at site. As a result, the Company reinstated COVID-19 mitigation protocols for employees and contractors. These protocols include requirements for maintaining physical distancing, limiting the number of in-person meetings and having non-production employees work from home. Several maintenance personnel were affected. While this impacted the Company’s equipment maintenance plans, it only had a limited impact on underground development. The number of COVID-19 cases have since reduced as more employees and contractors receive the COVID-19 vaccine. Global supply chain and travel restrictions continue to have an impact on production.

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 Q4 2021 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 Q3 2021, development activities included the completion of the crossing of the water-bearing dike, accessing additional stoping zones and the installation of development infrastructure.

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 combination of stope ore and development material of up to 3,000 tpd expected to be achieved towards the end of Q2 2022 and then further to 4,500 tpd to 5,000 tpd expected in early Q3 2022.

Due to global logistical challenges, the surface ventilation fans for the Underground Mine are now expected to arrive in late Q4 2021. As a result, the commissioning of the surface ventilation fans is not expected to be completed until Q1 2022. This delay is not expected to impact the demands of the mine plan.

Management has undertaken a detailed review of the constraints encountered during Q3 2021 at the Underground Mine and reviewed its mine planning for the remaining ramp-up and steady-state operations of the Underground Mine. As a result, a number of measures have been implemented to address operational constraints encountered, including:

- Stronger contractor management procedures combined with revised contractor key performance indicators and aligned incentive systems to drive improved mining productivity.
- Planning focused on accelerated stope delivery and prioritization of certain underground infrastructure items key to delivering higher production volumes.
- Implementation of enhanced inventory management systems and supply chain optimization to ensure critical consumables and spares are available to service mining activities.
- Optimization of equipment utilization, including revisions to the mobile equipment maintenance program

Processing Plant

The mill ran for 21 days in the quarter due to planned mill downtime. The grinding, flotation, thickening, and concentrate filtration circuits performed well mechanically. During Q3 2021, 60,208 tons of ore was processed with an average feed grade of 0.53% copper. The processing plant achieved a recovery rate of 85% resulting in an average concentrate grade of 21.2%. While batch processing ore through the processing plant, the Company achieved an average of 4,014 tons per operating day in Q3. Approximately 1,158 tons of concentrate was sold at a 20% average copper grade for Q3 2021. In October 2021, approximately 19,570 tons at an average grade of 0.8% were processed yielding 586 tons of concentrate at an average grade of 21%, resulting in approximately 124 tons of copper production.

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 labour and 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 will be significantly lower than previously planned.

Mine Planning

During Q3 2021, the Company advanced its mine planning process and revised the mine plan. The revised mine plan was prepared in conjunction with the negotiations with KfW regarding the KfW Amendment Agreement. 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 up to 3,000 tpd in Q2 2022 of a combination of stope ore and development material. The ramp-up of production is expected to continue to steadily improve and reach hoisting rates of 4,500 tpd to 5,000 tpd of a combination of stope ore and development material in early Q3 2022. The ramp up 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 2022 on newly acquired lands and targets around the existing deposits subject to cash availability. The work on the new ground will include surface mapping, sampling, trenching and follow up drilling. The areas of work include the Porphyry, Tedebay, 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 a combination of stope ore and development material is expected to increase to approximately 3,000 tpd by the end of Q2 2022 and then further to 4,500 tpd to 5,000 tpd expected in early Q3 2022.

MANAGEMENT AND BOARD CHANGES

On August 14, 2021, Mike Brown assumed the role of President and Chief Executive Officer of the Company on an interim basis following the resignation of Mike Circillo. Mr. Brown has been a non-executive director of the Company 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.

Subsequent to the end of Q3, effective October 6, 2021, Randy Buffington joined Nevada Copper as President and Chief Executive Officer and Mr. Brown's interim role was completed. With extensive experience in underground and open pit mining operations, both in Nevada and internationally, Mr. Buffington has successfully delivered multiple project ramp-ups and productivity improvements in an underground setting, in addition to overseeing the development and operation of multiple large open pit projects. Most recently at Hycroft Mining, he was responsible for the operational reforms, successfully executing a project turnaround and delivering significant shareholder value as President and Chief Executive Officer. Previously, he held various senior management positions with Barrick Gold Corporation from 2003 to 2012, overseeing North American and Zambian operations. He also held senior management positions with Placer Dome Inc. and Cominco American Inc. Mr. Buffington brings a deep industry network

in Nevada and a strong track record of value delivery in both operating underground mines and large open pit projects, ideally positioning him to lead Nevada Copper.

In addition to Mr. Buffington, a number of key additions were made to the Company's senior operating team during August and September of 2021. These additions address prior limitations in availability of mining and geotechnical technical skills within the management team. Key among these additions were: GM Underground Projects, Underground Production Manager, Process Manager, Senior Electrical Engineer and Director, Financial Reporting.

Effective September 30, 2021, Justin Cochrane resigned from the Company's board of directors in order to focus on the other businesses he is involved with and to reduce the number of boards on which he sits.

FINANCIAL RESULTS

(expressed in \$'000)	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2021	2020	2021	2020
Expenses				
Consulting and remuneration	\$52	\$192	\$372	\$1,361
Public company expenses	457	325	1,145	1,573
Administrative expenses	243	62	375	261
Professional fees	258	642	1,615	3,784
Depreciation expense	-	(9)	-	31
Stock-based compensation	(1,805)	(290)	(122)	845
Loss on hedged positions	-	-	3,075	-
	795	(922)	(6,460)	(7,855)
Interest income	26	2	41	5
Interest and finance expenses	(2)	(803)	12	(837)
Derivative fair value (loss) gain	27,258	(4,568)	16,598	(4,763)
Other income	-	51	-	62
Convertible Loan derivative fair value change	-	9,994	-	6,763
Convertible Loan extinguishment gain (loss)	-	(6,383)	-	(6,383)
Debt Extinguishment Loss				(4,112)
Foreign exchange gain (loss)	25	47	(39)	89
	27,307	(1,660)	16,612	(9,176)
Net income (loss) and comprehensive income (loss)	\$28,102	\$(2,582)	\$10,152	\$(17,031)
Net income (loss) per common share				
Basic and diluted	\$0.15	\$(0.02)	\$0.06	\$(0.18)
Weighted average number of common shares outstanding				
Basic	184,791,770	134,468,588	181,034,086	95,760,377
Diluted	185,390,529	134,468,588	182,197,884	95,760,377

For the three months ended September 30, 2021, the Company reported net income of \$28.1 million (or \$0.15 basic and diluted earnings per common share), compared to a net loss of \$2.6 million for the corresponding period in 2020 (or \$0.02 basic and diluted loss per common share). The \$30.6 million increase in net income is primarily due to the following:

- A non-cash mark to market fair value gain of \$27.3 million was recorded in Q3 2021 (2020: loss of \$4.6 million), related to the derivative liability of the Company's warrants. The decrease in the fair market value of the warrants at September 30, 2021 driven by the decrease in the Company's share price as at September 30, 2021 resulted in the decrease in the warrant liability and the corresponding recognition of the mark to market fair value gain.
- A non-cash stock-based compensation gain of \$1.8 million was recorded in Q3 2021 (2020 – gain of \$0.3 million), related to the restricted share units of the Company. The decrease in the Company's share price resulted in the decrease in the stock-based compensation liability and the corresponding reversal of stock-based compensation expense.

For the nine months ended September 30, 2021, the Company reported a net income of \$10.1 million (or \$0.06 basic and diluted earnings per common share), as compared to a net loss of \$17 million for the corresponding period in 2020 (or \$0.18 basic and diluted loss per common share). The \$27.2 million increase in net income is primarily due to the following:

- A non-cash mark to market fair value gain of \$16.6 million was recorded in Q3 2021 (2020: loss of \$4.8 million), related to the derivative liability of the Company's warrants. The decrease in the fair market value of the warrants at September 30, 2021 resulted in the decrease in the warrant liability and the corresponding recognition of the mark to market fair value gain.
- A \$3.5 million decrease in remuneration, public company, administrative and professional fees expenses as a result of the Company's cost cutting initiatives.
- A \$4.1 million debt modification loss was incurred in 2020 as a result of the debt restructuring completed in 2020.
- The items above were partially offset by a \$3.1 million loss on fixed price copper concentrate sales arrangements under the Working Capital Facility (as defined below) in the first half of 2021 due to the delivery shortfall under those arrangements.

Pumpkin Hollow Project Expenditures

Project costs capitalised for the nine-month period ended September 30, 2021 on the Project consisted of the following (expressed in \$'000):

	September 30, 2021	2021 Additions	December 31, 2020	2020 Additions	December 31, 2019
Property payments	\$1,961	\$-	\$1,961	-	\$1,961
Advance royalty payments	6,276	450	5,826	600	5,226
Water rights	2,908	141	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	345,777	68,844	276,933	77,683	199,250
Processing plant - engineering procurement	148,153	10,884	137,269	10,172	127,098
Surface infrastructure	31,175	1,458	29,717	9,160	20,557
Site costs	60,608	16,454	44,156	13,772	30,384
	\$689,461	98,737	590,724	112,563	478,162
Depreciation	16,365	5,963	10,401	6,751	3,650
Asset retirement obligation	5,476	171	5,305	321	4,984
Capitalised interest	97,786	14,548	83,238	16,072	67,166
Stock-based compensation	5,371	(700)	6,071	(2,305)	8,376
Stream accretion	28,416	8,227	20,189	9,211	10,978
Pre-production sales	(14,313)	(7,280)	(7,033)	(7,033)	-
Total	\$828,562	\$119,666	\$708,895	135,580	\$573,316

For the nine months ended September 30, 2021, the Company incurred \$119.7 million of Project-related expenditures compared to \$135.6 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 nine months ended September 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 nine 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 \$7.2 million, which was credited back to the construction cost of the Property as pre-production sales.

LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES

Financial Resources

KfW Credit Facility Amendment

Subsequent to the end of Q3, on October 11, 2021, the Company entered into the KfW Amendment Agreement, which, provided that the KfW Condition is satisfied, provides for the following amendments to the Existing KfW Facility:

Tranche A Loan:

- The first debt repayment is to be deferred by two years to July 31, 2025, with the debt service reserve account to be funded six months prior;
- The final repayment will be deferred to July 31, 2029;
- The interest margin on the loan is to increase by 0.5% to 2.1%, reflective of the extended loan term; and
- Commencement of the project cash sweep under the Existing KfW Facility is to be deferred by two years to January 31, 2024. A one-time extraordinary cash sweep of excess cash to be also deferred by two years to July 31, 2025.

Tranche B Loan:

- The first debt repayment is to be deferred two years to July 31, 2024, with no debt service reserve account requirement;
- The final repayment is to be deferred to July 31, 2025;
- The interest margin on the loan is to increase by 0.5% to 5.4%, reflective of the extended loan tenor.

In addition, the KfW Amendment Agreement will extend the Project Completion Longstop Date until June 2023 and provide for certain minimum liquidity and liquidity reporting requirements.

The effectiveness of the amendments in the KfW Amendment Agreement are subject to the Company satisfying the KfW Condition, being the receipt by the Company's wholly-owned subsidiary, NCI, of at least \$40 million in net proceeds from debt or equity financings prior to March 31, 2022. To date, \$19 million has been funded to meet this requirement pursuant to the Amended October Promissory Note. Until the KfW Amendment Agreement becomes effective, the Company is required under IFRS to record the Existing KfW Facility as a current liability.

Promissory Notes

The Company received a loan of \$15 million under the June Promissory Note in Q2 2021. From July through September 2021, Pala provided the Company with additional loans of \$40 million pursuant to the Amended June Promissory Note, on the same terms and conditions as the original June Promissory Note, except that the Amended June Promissory Note provided for an arrangement fee of 6% on the full commitment amount of \$55 million, which was capitalized. As at September 30, 2021, a total balance of \$57.8 million and \$0.7 million of accrued interest was outstanding under the Amended June Promissory Note, and the Company had drawn \$54.5 million.

The Amended June Promissory Note has a maturity date of June 30, 2022 and bears interest at 8% per annum on amounts drawn. If the principal amount of the Amended June Promissory Note plus any accrued interest, is not paid by June 30, 2022, the maturity date, the interest rate applicable thereunder increases to 10% per annum.

Subsequent to the end of Q3 2021, Pala provided the Company with additional loans of up to \$27 million pursuant to the Amended October Promissory Note. The Company has drawn \$19 million as of the date hereof under the Amended October Promissory Note. Further, on October 11, 2021, the Company and Pala entered into the Non-Binding Term Sheet providing for all outstanding loans owing under the 2021 Credit Facility and the Promissory Notes to be consolidated under the Amended Credit Facility. Until the Amended Credit Facility is entered into, if at all, the Company is required to record the Promissory Notes as current liabilities.

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.

January 2021 Offering & Concurrent Private Placement

On January 29, 2021, the Company completed a public offering of units (the “January 2021 Offering”), whereby 23,000,000 units were issued at a price of CAD\$1.65 per unit (the “Offering Price”). Each unit consisted of one common share and five share purchase warrants of the Company. Ten warrants entitle the holder thereof to purchase one common share at a price of CAD\$2.20 (post Share Consolidation) 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 3,000,000 additional units being issued at the Offering Price. Including the over-allotment option, an aggregate of 23,000,000 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 a private placement to Pala for aggregate gross proceeds of approximately CAD\$13.1 million (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 of \$30 million (as described below) 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 2021 Credit Facility 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. The funds were available for draw prior to September 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").

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.

Subsequent to Q3, on October 11, 2021, concurrent with entering into the KfW Amendment Agreement, the Company and Pala entered into the Non-Binding Term Sheet providing for additional financing of up to \$41 million to be made available by Pala and the consolidation of the 2021 Credit Facility and the Promissory Notes under the Amended Credit Facility. In addition, pursuant to the Non-Binding Term Sheet, the original maturity date of the 2021 Credit Facility will be extended until 2026 under the Amended Credit Facility, with no scheduled payments before final maturity date. If the Amended Credit Facility and the additional funds under it are drawn, the KfW Condition will be satisfied. Until the Amended Credit Facility is entered into, the Company is required under IFRS to record the Promissory Notes as current liabilities. The additional financing of up to \$41 million referred to above will be reduced by the aggregate amounts advanced under the Amended October Promissory Note.

2020 Cost Overrun Facility

In connection with the Existing KfW Facility, the Company was required to fund a cost overrun facility ("COF") to NCI 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

	September 30, 2021	December 31, 2020
<i>(Expressed in thousands of US dollars, except per share amounts)</i>		
Current assets		
Cash and cash equivalents	\$3,329	\$21,839
Accounts receivable	123	88
Prepaid expenses	511	88
Total Current Assets	3,963	22,015
Current liabilities		
Accounts payable and accrued liabilities	\$43,730	\$43,969
Related party payable	311	2,837
Stock-based compensation liabilities – current portion	1,561	581
Current portion of stream deferral	6,635	15,487
Amended June Promissory Note	55,476	23,790
Warrant derivative	801	12,477
Working Capital facility	27,490	32,880
Current portion of lease liability	8,370	7,245
Existing KfW Facility	119,860	-
Total Current Liabilities	264,234	139,266
Working capital deficit	\$(260,271)	\$(117,251)

At September 30, 2021, the Company had a cash balance of \$3.3 million, excluding restricted cash. The Company's working capital (current assets less current liabilities) as at September 30, 2021 was negative \$260.3 million compared to negative \$117.3 million as at December 31, 2020. The negative working capital increased by approximately \$143 million. The most significant driver is the reclassification of the Existing KfW Facility to a current liability pending the effectiveness of the KfW Amendment Agreement, and the resulting extension of the Project Completion Longstop Date.

Further, until the Amended Credit Facility is entered into, if at all, the Company is required under IFRS to record the Amended June Promissory Note as a current liability.

In addition, the negative working capital at September 30, 2021 includes \$43.7 million of accounts payable and accruals, \$1.6 million of stock-based compensation, \$0.8 million of non-cash warrant derivative liability, \$0.3 million in related party payables, and \$6.6 million of deferred consideration related to estimated stream deliveries in the next twelve months (which are conditional on concentrate deliveries).

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

The Company's liquidity during Q3 2021 was negatively impacted by a number of interrelated factors including:

- The reclassification of the Existing 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.

During the nine months ended September 30, 2021, the Company delivered 5,940 tons of concentrate at an average grade of 23% copper under the Working Capital Facility and made cash repayments of \$62.2 million in lieu of concentrate deliveries. The Company made drawdowns of \$65.2 million under the

Working Capital Facility based on expected future deliveries during the nine month period ended September 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 amendment and restatement of the Existing 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 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 entered into the Non-Binding Term Sheet with Pala, which provides that additional funds in the amount of \$41 million (reduced by the amount advanced under the Amended October Promissory Note) will be available to be drawn under the Amended Credit Facility as described above. Management of the Company expects that it will require additional funding, via the Amended Credit Facility or another means of financing, in the near term to continue the ramp-up of the Underground Mine.

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 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 KfW Amendment Agreement becoming effective. 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 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. The Company may not be able to satisfy the KfW Condition, in which case, the amendments to the Existing KfW Facility provided for in the KfW Amendment Agreement will not become effective. If the KfW Amendment Agreement does not become effective, in the absence of alternative financing arrangements being arranged, the Company may not be able to continue operations and its secured lenders may be able to enforce on their security over the Company's and NCI's assets.

Cash Flows

During the nine months ended September 30, 2021, cash used in operations was \$6.5 million, compared to \$6.5 million during the nine months ended September 30, 2020.

Cash outflow from investing activities during the nine months ended September 30, 2021 was \$94.2 million compared to an outflow of \$48.2 million in the same period in 2020. The Company incurred \$108.8 million in Underground Mine development costs, offset by \$8.4 million of pre-production sales. This compares to the \$75.6 million of project development costs incurred and \$3 million of pre-production sales in the same period in 2020.

Financing activities resulted in cash inflows of \$82.2 million during the nine-month period ended September 30, 2021 compared to an inflow of \$54.4 million in the same period in 2020. The financing activities during the nine-month period included the following transactions:

- The Company received net proceeds of \$29.4 million from the January 2021 Offering.
- Funds advanced under the 2021 Credit Facility were \$30 million.
- The Company drew \$65.3 million under the Working Capital Facility and repaid \$70.7 million of the balance.
- The Company received \$54.5 million in connection with the Amended June Promissory Note.
- The above was offset by \$15.7 million in promissory note repayments, \$6.7 million on lease obligation payments and \$4 million in interest payments.

Positive cash flows from operations are not expected until the Company has significantly advanced the ramp-up in production rates. The Company anticipates that it will have negative cash flow from operating activities until completion of the ramp-up to a sufficient level at the Underground Mine and the generation of the associated revenues from concentrate sales.

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 Sep-30	2021 Jun-30	2021 Mar-31	2020 Dec-31	2020 Sep-30	2020 Jun-30	2020 Mar-31	2019 Dec-31
Working Capital (Deficiency)	(260,271)	(255,706)	(109,399)	(117,251)	(103,162)	(101,317)	(81,431)	(73,570)
Total Assets	858,458	831,393	796,175	767,849	721,326	686,557	661,244	608,720
Development Property (Project expenditure)	828,562	789,844	747,020	708,895	683,129	647,159	617,317	573,316
Total noncurrent liabilities	172,856	174,909	274,403	257,790	239,050	270,760	262,258	215,354
Shareholders' Equity	421,368	391,112	402,482	370,793	377,154	311,406	306,928	318,561
Net Income (Loss)	28,102	(14,054)	(3,896)	\$(3,313)	\$(2,582)	\$(2,457)	(11,989)	(2,719)
Net Income (Loss) per share	0.15	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.02)	(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. As noted above, until the Amended Credit Facility is entered into, if at all, the Company is required to record the Promissory Notes as current liabilities.

RELATED PARTY TRANSACTIONS

Pala is a related party to the Company because of its 38% (2020 – 40%) shareholding in Nevada Copper as at September 30, 2021. Additionally, three Pala executives are members of the Company's Board of Directors.

During the nine months ended September 30, 2021, the Company entered into the following transactions with Pala:

- Amended June Promissory Note - \$54.5 million
- 2021 Credit Facility - \$30 million
- \$0.1 million (2020 - \$0.2 million) was incurred for technical and other services;
- Issuance of 7,969,697 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; and
- Issuance of 2,121,617 common shares in satisfaction of approximately \$3.5 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 Existing KfW Facility (the “KfW Guarantee”).

As at September 30, 2021, the Company owed Pala \$0.3 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.

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 a committee of independent directors of the Company.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

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

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

Contractual obligations	Payments due by period				
	Total	1 year	2-3 years	4-5 years	5 years+
Accounts payable, accrued liabilities and related party payables	\$44,041	\$44,041	-	-	-
Construction contractual obligations	\$3,868	\$3,868	-	-	-
Working Capital Facility	\$27,490	\$27,490	-	-	-
Existing KfW Facility	\$140,352	\$140,352	-	-	-
Equipment leases	\$24,214	\$6,196	\$17,473	\$545	\$-
Asset Retirement obligation	\$6,390	-	-	-	\$6,390
Office lease	\$12	\$12	-	-	-
Total obligations	\$246,367	\$221,959	\$17,473	\$545	\$6,390

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. The Company fixed the pricing of 325 metric tonnes of payable copper delivered per month totalling 1,950 metric tonnes for the first nine months of 2021 with prices ranging between \$6,394 and \$6,402 per metric tonne of payable copper. During the first half of the year, 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 September 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, of 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 356,024 common shares to Pala in February 2021 (the "Guarantee Shares"), representing a price per Guarantee Share of CAD\$1.60, 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.

In Q1 2021, NCI entered into a settlement agreement with Sedgman USA Inc., the primary contractor for construction and commissioning of the processing plant at the Underground Mine, in order to resolve the litigation related to the parties' contractual obligations. As part of the settlement, the Company issued 1,599,251 common shares to Sedgman at CAD\$1.60 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.

In Q3 2021, the Company issued 437,481 common shares to Sedgman totalling \$0.8 million upon certain performance thresholds being met under the settlement agreement with Sedgman at a price of CAD\$2.27 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 by November 30, 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 September 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 \$26 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 arrangements (the "Indemnity Agreements"), the Company had no off-balance sheet arrangements during Q3 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 Existing 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.

Effectiveness of KfW Amendment Agreement

As discussed above, the Company must satisfy the KfW Condition by the receipt by NCI of at least \$40 million in net proceeds from debt or equity financings prior to March 31, 2022 for the amendments to the Existing Credit Facility provided for in the KfW Amendment Agreement to become effective. There can be no certainty that the Company will be able to satisfy the KfW Condition. If the Company is unable to satisfy the KfW Condition by March 31, 2022, and the amendments to the Existing Credit Facility provided for in the KfW Amendment Agreement do not become effective, KfW will be entitled to, among other things, demand certain repayments under the Existing KfW Facility. The Company's obligations under the Existing KfW Facility are secured against all of the assets of the Company and its subsidiaries. Any failure to meet any of the payment obligations under the Existing KfW Facility, or otherwise adhere to the covenants therein or fulfill the other obligations thereunder, may trigger an event of default and an enforcement of the rights of KfW thereunder. A default under the Existing KfW Facility may result in defaults under the 2021 Credit Facility, the Working Capital Facility and the Stream Agreement. 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 arranged, the Company may not be able to continue operations and its secured lenders may be able to enforce on their security over the Company's and NCI's assets.

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 Q3 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 Q3 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 of a combination of stope ore and development material to 3,000 tpd is expected in Q2 2022 and to 4,500 to 5,000 tpd in early Q3 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 ongoing COVID-19 impacts, including compliance with operational restrictions. 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 any such funding 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 November 10, 2021, there were 185,132,429 common shares of the Company issued and outstanding, 5,731,489 stock options outstanding, 3,568,518 deferred share units outstanding, and 496,894,861 warrants outstanding.

On September 17, 2021, the Company completed the Share Consolidation on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares. The common shares began trading on the Toronto Stock Exchange on a post-consolidation basis on September 21, 2021. The common shares units and per share amounts have been restated in this MD&A (other than as noted herein) to reflect the Share Consolidation for comparative purposes.

The number of warrants outstanding post Share Consolidation did not change. Post Share Consolidation, the exercise prices of the warrants increased by a factor of 10, and ten (10) warrants are now required to be exercised to purchase one (1) common share (rather than the 1 for 1 exchange before the Share Consolidation).

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; the effectiveness of the amendments contemplated by the KfW Amendment Agreement; the entering into of the Amended Credit Facility; 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; failure to obtain the effectiveness of the KfW Amendment Agreement; failure to enter into the Amended Credit 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.