

The logo for Nevada Copper is a horizontal, rounded rectangular button with a metallic, copper-colored gradient and a dark border. The words "NEVADA COPPER" are embossed in a bold, sans-serif font across the center of the button.

**NEVADA COPPER**

**Annual Information Form**  
**(“AIF”)**

**Nevada Copper Corp.**  
Suite 1238 - 200 Granville Street  
Vancouver, British Columbia, Canada V6C 1S4

Telephone: 604-683-8992  
Facsimile: 604-681-0122  
Website: [www.nevadacopper.com](http://www.nevadacopper.com)  
E-mail: [info@nevadacopper.com](mailto:info@nevadacopper.com)

**For the Year Ended June 30, 2011**  
**Effective Date: September 26, 2011**

NEVADA COPPER CORP.

ANNUAL INFORMATION FORM  
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## **INTRODUCTION**

In this Annual Information Form (“AIF”), the “Company”, “Corporation”, “Nevada Copper”, “we”, “our” and “us” refer to Nevada Copper Corp. and its subsidiaries (unless the context otherwise requires). We refer you to the actual corporate documents for more complete information than may be contained in this AIF. In this AIF, unless otherwise specified, all dollar amounts are expressed in Canadian Dollars (“CDN\$” or “\$”).

## **DATE OF INFORMATION**

Unless otherwise indicated, all information contained in this AIF of the Company is stated as at September 26, 2011.

## **FINANCIAL INFORMATION**

All financial information in this AIF of the Company is prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”).

## **FORWARD-LOOKING STATEMENTS**

Certain of the statements made and information contained herein may contain forward-looking information within the meaning of applicable Canadian and United States securities laws. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning: the Company’s plans at the Pumpkin Hollow Project; the assumptions in the financial analysis prepared in connection with the Preliminary Economic Assessment (the “PEA”) report on the Pumpkin Hollow Project; the timing of granting of key permits, timing of delivery of key technical reports such as the Definitive Feasibility Study, estimated metal production and the timing thereof; any capital and operating and cash flow estimates; and the access to financing and appropriate equipment and sufficient labour. Forward-looking statements or 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”, “is expected”, “anticipated”, “is targeted”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements or information include, but are not limited to, statements or information with respect to known or unknown risks, uncertainties and other factors which may cause the actual industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Forward-looking statements or information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks and uncertainties relating to: history of losses; requirements for additional capital; dilution; loss of its material properties; interest rates increase; global economy; no history of production; future metals price fluctuations, speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labour disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; legal and regulatory proceedings and community actions; title matters; regulatory restrictions; permitting and licensing; volatility of the market price of common shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; as well as those factors discussed in the section entitled “Risk Factors” in this Annual Information Form dated effective as of September 26, 2011. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information. The Company disclaims any intent or obligation to update forward-looking statements or information except as required by law, and you are referred to the full discussion of the Company’s business contained in the Company’s reports filed with the securities regulatory authorities in Canada.

**CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MEASURED AND INDICATED RESOURCES**

This AIF uses the terms "measured resources" and "indicated resources". We advise U.S. investors that while these terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. The estimation of measured resources and indicated resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. US investors are cautioned not to assume that mineral resources in these categories will be converted into reserves.

**CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF INFERRED RESOURCES**

This AIF uses the term "inferred resources". We advise U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. US investors are cautioned not to assume that estimates of inferred mineral resources exist, are economically mineable, or will be upgraded into measured or indicated mineral resources.

## DEFINITIONS

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

## **ITEM 1. CORPORATE STRUCTURE**

### **1.1 Name, Address and Incorporation**

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

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

The Company's financial year end is June 30 and its common shares trade on the Toronto Stock Exchange in Canada, under the symbol "NCU" and on the Frankfurt stock exchange in Europe under the symbol "ZYT".

### **1.2 Intercorporate Relationships**

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

607792 BC was acquired by the Company pursuant to a reverse take-over transaction with the shareholders of 607792 BC which was completed on August 15, 2006. 607792 BC held all the rights under an option agreement (the "PHC Option") dated December 1, 2005 with RGGGS Land & Minerals, Ltd., LP ("RGGGS") in respect of an option to enter into a lease with RGGGS in and to certain fee land and patented lode mining claims (the "Fee Land and Patented Claims") which comprise a portion of the Pumpkin Hollow Property (the "Property") situated in Lyon County, Nevada. On May 4, 2006, 607792 BC exercised its rights under the PHC Option and entered into a lease agreement (the "Lease Agreement") with RGGGS in respect of the exploration and development of the Fee Land and Patented Claims comprising part of the Property, details of which are further described in Item 2 below.

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

## **ITEM 2. GENERAL DEVELOPMENT OF THE BUSINESS**

### **2.1 Three Year History**

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

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

- acquiring additional contiguous unpatented claims consolidating the Property,
- in-fill and step-out drilling that expanded and upgraded mineral resources;
- completing two National Instrument 43-101 ("NI 43-101") compliant Preliminary Economic Assessments in 2008 and 2010;
- publishing two NI 43-101 compliant mineral resource estimates;
- commissioning a feasibility study in December 2010;
- incurring \$32,183,937 for acquisition, exploration and engineering expenditures;

- advancing a land transfer from the Bureau of Land Management (“BLM”) to the City of Yerington that would streamline the permitting process for the Property;
- completing equity offerings to finance these activities, including a \$65 million bought deal offering in August 2011; and
- acquiring water rights totalling 4,224 acre feet.

Pursuant to the PHC Option between RGGGS, a limited partnership headquartered in Houston, Texas, and 607792 BC dated December 1, 2005, 607792 BC was granted an option to enter into the Lease Agreement with RGGGS in respect of the exploration and development of the Fee Land and Patented Claims comprising part of the Property. The Property is located on a contiguous 22-square mile land package consisting of patented, fee title, and unpatented mining claims. A copper, gold, silver and iron resource is primarily located within 1,390 acres of patented mining claims.

On May 4, 2006, 607792 BC exercised its option under the PHC Option and entered into the Lease Agreement in respect of exploration and development of the Property for a period of ten years which is renewable for up to three more additional ten-year terms for a total of 40 years. 607792 BC assigned all of its interest in and to the Lease Agreement to the Company on February 4, 2008.

See "Item 3.3 - Mineral Projects" below for further details concerning the Lease Agreement.

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

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

The Company has embarked on various work programs during the last few years. A work program in 2006 was undertaken to validate and synthesise the electronic assay and geologic database pertaining to the Property and geologic modelling and generation of a resource estimate for the Property. In 2007, the Company engaged in an in-fill and step-out drilling program to assay and re-assay historical core and drill rejects for copper, gold, silver and molybdenum which formed the bases of an updated resource estimate of the Property. A new resource estimate was announced on November 2, 2007 indicating an increase in the measured and indicated copper average grade by 31% to 0.58% copper (0.20% copper cut-off) with the resource increasing by 44% to four billion pounds of copper. The inferred copper average copper grade increased 19% to 0.45% copper (0.20% copper cut-off) with the resource increasing by 15% to 3.9 billion pounds of copper. There was an addition of 1.3 million ounces of gold and 57 million ounces of silver to the overall resource. The North Deposit and South Deposit contained a measured and indicated resource of 53 million tons of iron and inferred resource of 91 million tons of iron for a total of 144 million tons of iron, an increase of 92%.

In 2008, the Company focused on work programs designed to further enhance the Property’s economics in advance of moving the project to the feasibility stage. A preliminary economic assessment (“PEA”) was completed in March of 2008 demonstrating a US\$784 million NPV at an 8% discount and a 24.1% internal rate of return based on an \$1.75 long term copper price and US\$1.9 billion NPV based on a \$3.00 copper price. The PEA also highlighted an operating cost estimate of \$0.57 per pound of copper, a capital cost estimate of \$665 million before contingencies and working capital and a project payback period from the start of construction from 3.1 to 4.8 years. Further details are summarized below in Item 3.3 – Mineral Projects. Additionally over 27,000 meters of resource, metallurgical, hydrological and geotechnical drilling was completed to enhance the quality of the project’s resource. The Company also amended its Lease Agreement with RGGGS to include water rights to consume a maximum of 724 acre feet of water.

In 2009, the Company updated its resource estimate which was compliant with NI 43-101 Standards of Disclosure for Mineral Projects to incorporate the results of the 2008 drilling program. At a 0.2% copper cutoff grade, the measured and indicated copper resource is 5.6 billion pounds of copper, contained in 488 million tons grading

0.58% copper and 983 thousand ounces of gold and 34 million ounces of silver. An inferred copper resource of 3.7 billion pounds of copper is contained in 441 million tons grading 0.42% copper and 468 thousand ounces of gold and 21 million ounces of silver. Additionally, there is also an open-pit measured and indicated resource of 78 million tons of iron and inferred resource of 51 million tons of iron at a 20% cutoff. The Company also entered into a Water Service Agreement with the City of Yerington to reserve 2,000 acre feet of water for a term of 30 years.

In January 2010, the Company completed and SEDAR-filed an updated NI 43-101 compliant preliminary economic assessment to incorporate a high grade case. This PEA was revised on July 20, 2011 and refiled on SEDAR. The updated and revised PEA assuming a high grade case demonstrated that at a US\$2.50 copper price, the Property has a US\$498 million NPV at an 8% discount with an internal rate of return of 44% and Capex of \$192 million. At a US\$3.00 copper price the project's discounted NPV at an 8% discount increases to US\$784 million. The NI 43-101 compliant technical report highlighted several additional areas that have the potential to further improve the already solid economic base.

During December, 2009 the Company announced the commencement of a Pre-Feasibility Study, however, in November 2010, the Company announced that it was proceeding directly to a definitive feasibility study (“DFS”) with all pre-feasibility engineering work to be incorporated into the DFS. This decision was based on the success of the delineation drilling program and the substantial progress made in feasibility-related engineering studies.

The DFS is being prepared by Tetra Tech Inc., and based upon an updated resource, trade off studies Preliminary Economic Assessments and prefeasibility-related engineering work. Nevada Copper elected to proceed directly to definitive feasibility in November 2010.

The updated mineral resource estimate incorporated a further 50,000 meters of resource delineation drilling program completed in 2010. Management of the Company determined that, while the updated mineral resource was a milestone towards the commencing of its DFS, that in the context of an update to the mineral resource was not considered to be material to the Company. As the overall global in-situ copper mineral resource and grades (in all categories) had not significantly changed from the previous resource estimate there was not requirement to complete a new National Instrument 43-101 compliant technical report.

The DFS was initially focussed on a phased development approach (“**Phased Development Plan**”) with an underground mine developed first and feeding a 7,500 tons per day (“tpd”) mill, followed by construction of an open pit operation and a separate 60,000 tpd mill.

On September 19, 2011, the Company announced a proposed land transfer (described in detail in the Fiscal 2011 Development and Feasibility Program Section), and as a result, Nevada Copper elected to expand the scope of its DFS to include an integrated operation that includes both an open pit and underground mine feeding a single large nominal 60,000 tpd mill (“**Integrated Operation**”). The Integrated Operation is expected to result in lower capital requirements by elimination of the smaller 7,500 tpd mill and the related duplicate infrastructure, and lower operating costs due to a simpler more efficient operation.

On July 25, 2011, the Company amended its Water Service Agreement with the City of Yerington to expand its reservation of water from 2000 acre feet to 3,500 acre feet. These water rights combined with the RGGGS water rights considerably exceed the expected net water requirements of the Project.

### **Financial Year Ended June 30, 2011**

In November 2010, the Company announced it was proceeding directly to a DFS which was being led by Tetra Tech. In addition, the Company started a 20,000 meter step out and expansion drilling program.

For the year ended June 30, 2011, the Company had a net loss of \$7,238,803 or \$0.13 per share compared to a net loss of \$4,364,555 or \$0.10 per share for the corresponding financial year ended June 30, 2010. Stock-based compensation was the major contributor to the 2011 net loss. Stock-based compensation of \$5,554,860 (2010 – 2,917,600) was recognized for options granted to directors, employees and consultants. The number of options granted 1,655,000 (2010 - 1,455,000) did not differ significantly but the valuation of the options was affected by inputs into the Black Scholes Model used to estimate the values. General administrative expenses totalled \$1,604,452 (2010 - \$1,203,213) and business development totalled \$272,808 (2010 – \$110,612) reflecting an increase in activity in Company. The Company investigated a number of business/financing opportunities as well as incurred additional expenses such as legal costs for reviewing governance policies and general corporate matters, public company costs due to the increased activity of the Company, and personnel costs for additions to the

corporate executive. A total of \$16,995,824 (2010 - \$9,823,980) was spent on property, exploration and development expenditures. The increase in spending reflects the costs for the DFS which is scheduled for completion at the end of the fourth quarter 2011. Short-term investments generated interest income which totalled \$329,465 (2010 - \$44,548) reflecting the higher cash balances held throughout the 2011 fiscal year.

The Company's working capital as at June 30, 2011 was \$16,909,514 which was lower than the previous year's comparable period of \$22,069,402. As discussed above, the Company spent funds on the exploration and development on the Property which were offset by the \$11,046,235 that was received from the exercise of stock options and warrants during fiscal 2011. Subsequent to June 30, 2011, the Company closed a common share bought deal equity financing of 12,050,000 common shares at a purchase price of \$5.40 per share for gross proceeds of \$65,070,000 significantly increasing its working capital position. The Company paid a cash commission of \$3,578,850 and 301,250 broker warrants exercisable to purchase one common share of the Company at an exercise price of \$6.00 per common share until August 2, 2013.

### **Financial Year Ended June 30, 2010**

During December, 2009 the Company announced the commencement of a pre-feasibility study on the Property. The pre-feasibility study includes a 45,000 meter resource drilling program which was expanded from approximately 25,000 meters and is scheduled for completion in the fourth quarter of 2010. Snowden Mining Industry Consultants, Inc., an engineering firm, has been engaged by the Company to prepare a NI 43-101 compliant report.

For the year ended June 30, 2010, the Company had a net loss of \$4,364,555 or \$0.10 per share compared to a net loss of \$2,589,017 or \$0.06 per share for the corresponding financial year ended June 30, 2009. General administrative expenses totalled \$1,203,213 (2009 - \$701,355) and business development totalled \$110,612 (2009 - \$222,948) reflecting changes in business activities during the financial year ended June 30, 2010. Stock-based compensation of \$2,917,600 (2009 - \$1,081,502) was recognized for options granted to directors, employees and consultants representing a significant portion of the loss in the year. The increase in stock-based compensation expense was the result of a higher number of options being granted during the financial year ended June 30, 2010. A total of \$9,823,980 (2009 - \$5,271,049) was spent in property acquisition and exploration related activities and \$49,482 was spent on property and equipment (2009 - \$70,780). Short-term investments generated interest income which totalled \$44,548 for the financial year ended June 30, 2010 compared to \$52,473 during the same period of 2009.

The Company's working capital as at June 30, 2010 was \$22,069,402 compared with a working capital position of \$2,263,278 as at June 30, 2009. During the 2010 financial year financing through private placements generated funding of \$33,317,894 (2009 - \$282,416), offset by exploration and capital expenditures of \$9,823,980 (2009 - \$5,271,049) at the Property. Use of funding to support operating activities totalled \$758,258 (2009 - \$1,136,309). During the financial year ended June 30, 2010, there was no proceeds from the disposal of investment (2009 - \$253,800).

On November 3, 2009 the Company entered into an investment agreement with Capstone Mining Corp. whereby the Company issued 4,500,000 units at a price of \$2.50 per unit for gross proceeds of \$11,250,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$3.00 per common share until November 3, 2011.

On April 27, 2010, the Company closed a bought-deal private placement whereby 7,762,500 common shares of the Company were issued at a price of \$3.05 per share for gross proceeds of \$23,675,625. All securities issued in connection with the offering were subject to a four month hold period expiring August 28, 2010. Professional and regulatory fees totalling \$343,505 were incurred in connection with the financing. The Company paid \$1,420,538 cash and issued 465,750 common share purchase warrants to an agent as commission. Each agent's warrant is exercisable into one common share of the Company at an exercise price of \$3.30 per common share until April 27, 2012.

### **Financial Year Ended June 30, 2009**

Resulting from a period of unprecedented market turbulence in the capital markets, Nevada Copper reviewed its operations in detail with a view of preserving treasury while still allowing for the systematic advancement of the Property on a basis that would reflect and capture the significant project developments achieved during the 2008 program.

In June, 2009 the Company successfully closed a US\$2,000,000 convertible debenture agreement with Zhongtiaoshan Non-ferrous Metals Group Co. (“ZTS”). The convertible debenture will mature on December 25, 2010 and bears interest at a rate of 7% per annum calculated monthly and payable in full on maturity. The debenture is convertible to common shares at a deemed price of \$1.00 per share. As part of the agreement, ZTS also received from the Company 100,000 share purchase warrants exercisable at a purchase price of \$1.00 per share until January 6, 2011.

For the year ended June 30, 2009, the Company had a net loss of \$2,589,017 or \$0.06 per share compared to a net loss of \$2,575,910 or \$0.07 per share for the corresponding financial year ended June 30, 2008. General administrative expenses totalled \$701,355 (2008 - \$1,556,686) and business development totalled \$222,948 (2008 - \$473,258) reflecting the decreased business activities during that period. Stock-based compensation of \$1,081,502 (2008 - \$707,000) was recognized for options granted to directors, employees and consultants representing a significant portion of the loss in the year. The increase in stock-based compensation expense was the result of a higher number of options being granted during the 2009 financial year. A total of \$5,271,049 (2008 - \$6,782,091) was spent in property acquisition and exploration related activities and \$70,780 was spent on property and equipment (2008 - \$200,931). Short-term investments generated interest income which totalled \$52,473 for the 2009 financial year compared to \$154,651 during the same period of 2008.

The Company’s working capital as at June 30, 2009 was \$2,263,278 compared with a working capital position of \$5,704,453 as at June 30, 2008. During the 2009 financial year, financing and exercise of warrants generated funding of \$282,416 (2008 - \$9,435,492), offset by exploration and capital expenditures of \$5,341,829 (2008 - \$6,983,022) at the Property. Use of funding to support operating activities totalled \$1,136,309 (2008 - \$1,641,768). During the financial year ended June 30, 2009, \$253,800 of proceeds were generated from the disposal of an investment.

During the year ended June 30, 2009, 188,349 share purchase warrants were exercised for gross proceeds of \$282,416.

#### Share Issuances

The Company financed its operations primarily from proceeds raised from private placements of securities of the Company and the exercise of incentive stock options and share purchase warrants of the Company issued as part of its private placement.

Details of common share issuances of the Company are as follows:

Financial Year	Nature of Share Issuance	Number of Shares	Amount
2009	Exercise of Warrants <sup>(1)</sup>	188,349	282,416
2010	Private Placement of Units – Capstone <sup>(3)</sup>	4,500,000	11,250,000
	Bought Deal Private Placement of Units <sup>(4)</sup>	7,762,500	23,675,625
	Exercise of Options <sup>(2)</sup>	265,000	265,000
2011 <sup>(6)</sup>	Conversion of Debenture <sup>(5)</sup>	2,012,800	2,012,800
	Exercise of Warrants <sup>(1)</sup>	902,738	8,374,035
	Exercise of Options <sup>(2)</sup>	2,605,000	2,672,199

Notes:

- (1) *These warrants were associated with an earlier private placement.*
- (2) *These option exercises were associated with the options granted based on the Company’s stock option plan.*
- (3) *This private placement consisted of the sale of 4,500,000 units at a price of \$2.50 per unit for gross proceeds of \$11,250,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$3.00 per common share until November 3, 2011.*
- (4) *This bought deal private placement consisted of the sale of 7,762,500 common shares at a price of \$3.05 per common share for gross proceeds of \$23,675,625. All securities issued in connection with the offering were subject to a four month hold period expiring August 28, 2010. The Company issued 465,750 share purchase warrants to an agent as commission. Each agent’s warrant is exercisable into one common share of the Company at an exercise price of \$3.30 per common share until April 27, 2012.*

- (5) *In the year ended June 30, 2011, a convertible debenture for US\$2,000,000 matured. The holder elected to convert the debenture into common shares at a deemed price of \$1.00 per common share.*
- (6) *Subsequent to the year ended June 30, 2011, on August 2, 2011 a syndicate of underwriters, led by Canaccord Genuity Corp. and Scotia Capital Inc., purchased an aggregate of 12,050,000 common shares of the Company at a purchase price of \$5.40 per common share for gross proceeds of \$65,070,000.*

### **ITEM 3. DESCRIPTION OF BUSINESS**

#### **3.1 General Description**

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

The Company's primary focus is the exploration and development of its Pumpkin Hollow Property located in north-western Nevada, approximately one hundred miles southeast of Reno. The Property is located within a contiguous 22 square mile land package held by the Company comprised of Fee Land and Patented Claims under lease with RGGG pursuant to the Lease Agreement and additional Unpatented Claims acquired by the Company.

As at June 30, 2011 the Company had 6 employees based in Vancouver, British Columbia and from time to time employs up to 30 additional personnel and consultants, including drilling crews based in Yerrington, Nevada.

#### **3.2 Risk Factors**

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

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

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

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

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

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

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any mineral occurrences discovered. The price of minerals has experienced volatile and significant price movements over short periods of time, and is affected by numerous

factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the United States dollar relative to the Canadian dollar and other currencies), interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

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

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

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

**Title Matters**

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

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

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

**Currency risk**

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

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

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

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

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

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

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

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

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

**Legal Proceedings Against Foreign Directors.**

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

**Shareholder Dilution**

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

**3.3 Mineral Projects**

***Pumpkin Hollow Property (the “Property”), Lyon County, Nevada***

The Company owns 100% of the Property in the Walker Lane mineralized belt of Western Nevada.

Nevada Copper is an emerging copper company, advancing the Pumpkin Hollow copper-gold-silver-iron property into Nevada’s next copper mine. Concurrent with a resource delineation drilling program, metallurgical, geotechnical, hydrological, and environmental baseline data are being collected and processed for inclusion in a Feasibility Study which is currently in progress and scheduled for completion at the end of the fourth quarter 2011.

As of September 26, 2011, over 664 exploration, geotechnical, and hydrologic drill holes have been drilled on the Property for a total in excess of 988,000 feet. In January 2011, Nevada Copper updated its NI 43-101 compliant resource estimate. At a 0.2% copper cutoff grade, the measured and indicated copper resource is 5.9 billion pounds of copper, contained in 531 million tons grading 0.55% copper and 1.6 million ounces of gold and 42 million ounces of silver. An inferred copper resource of 3.7 billion pounds of copper is contained in 495 million tons grading 0.37% copper and 716 thousand ounces of gold and 22 million ounces of silver. Additionally, there is also an open-pit measured and indicated resource of 340 million tons grading 32% iron for a total of 111 million tons of iron at a 20% cutoff and an inferred resource of 29 million tons grading 25.6% iron.

Within these large resources is a higher grade copper resource in the East deposits. Using a 0.75% copper cutoff grade, the measured and indicated resources contain 1.4 billion pounds of copper in 50 million tons of material grading 1.45% copper and, in addition, the inferred resource contains 267 million pounds of copper within 12 million tons grading 1.11% copper.

Additionally, there are open pit resources on the property in the West deposits. At a 0.20% cutoff the West deposits contain a measured and indicated resource of 411 million tons at 0.46% copper for a total of 3.8 billion pounds of contained copper. An inferred resource of 242 million tons at 0.38% copper, for a total of 1.8 billion pounds of contained copper.

Preliminary Economic Assessment (“PEA”) results were announced on March, 17, 2008, demonstrating that at a \$1.75 long term copper price, the Property has a US\$784 million net present value (“NPV”) at an 8% discount, with an internal rate of return (“IRR”) of 24%. At a \$3.00 copper price the project’s discounted NPV increases to US\$1.9 billion. The NI 43-101 compliant technical report dated December 17, 2007 highlighted several additional areas that have the potential to further improve the economic base. An updated PEA was completed in January, 2010 and was subsequently revised on July 20, 2011 and re-filed on SEDAR (“the Updated PEA”). The Updated PEA focused on two options: an underground only and underground with a starter pit development. Using a \$2.50 long term copper price in the underground only case, the Property has a US\$498 million net present value (“NPV”) at an 8% discount, with an internal rate of return (“IRR”) of 42%. At a \$3.00 copper price the project’s discounted NPV increases to US\$654 million. The summary and details of the PEA’s and resource estimate are described below and are available on SEDAR.

### **Summary of NI 43-101 Preliminary Economic Assessment – March 2008**

Nevada Copper completed a NI 43-101 compliant PEA in March, 2008. The PEA was based on a rigorous detailed analysis which included: an updated NI 43-101 compliant resource dated December 17, 2007 (described below); bench scale metallurgical test work; detailed open pit and underground mine plans; comprehensive geotechnical, hydrological, and environmental studies; current price estimates for major equipment and infrastructure; and cost contingencies and forecasts of long-term prices for copper, gold, silver and iron. The PEA titled “NI 43-101 Preliminary Economic Assessment – Pumpkin Hollow Copper Project – Lyon County, Nevada, United States” dated March 31, 2008 was prepared by Tetra Tech MM, Inc. The 2008 PEA is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

The PEA evaluates an integrated underground and open pit mining operation with a standard milling and floatation plant that will produce high-grade copper concentrates. Annual production will average 95,000 tons of copper per year over a mine life exceeding 20 years.

The 2008 PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized.

Highlights from the PEA at copper prices from \$1.75 to \$3.00 per pound (“lb.”) copper are as follows:

- Net Present Value: **\$784 million to \$1.9 billion with an 8% discount rate;**
- Internal Rate of Return: **20.6% to 29.4%;**
- Operating cost: **\$0.57/lb of copper, direct and \$1.02/lb total, net of by-product credits;**
- Capital cost estimate: **\$665 million before contingencies and working capital, \$780 million inclusive**
- Project payback from start of construction: **3.1 to 4.8 years.**

The designed mining operation would have a 60,000 ton per day concentrator throughput. Metallurgical recoveries are estimated at 89% for copper, 70% for gold and 68% for silver.

Financial highlights of the PEA are as follows: (In Millions of US Dollars and Imperial Units)						
Copper Price (\$/lb)	Base Case			Alternative Case		
	Variable to \$1.75 <sup>(2)</sup>	\$2.50 <sup>(3)</sup>	\$3.00	Variable to \$1.75 <sup>(2)</sup>	\$2.50 <sup>(3)</sup>	\$3.00
NPV <sup>(1)</sup> @ 4%	\$ 1,408	\$ 2,145	\$ 3,398	\$ 894	\$ 1,628	\$ 2,880
NPV @ 8 %	\$ 784	\$ 1,090	\$ 1,922	\$ 552	\$ 856	\$ 1,689
IRR <sup>(1)(4)</sup>	24.1 %	20.6 %	29.4 %	23.3 %	19.8 %	29.1 %
Capital (includes contingency & working capital)	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780
Payback (years)	3.1	4.8	3.6	3.1	4.8	3.6

NOTES:

- (1) "NPV" means for Net Present Value and is quoted after royalties; "IRR" means for Internal Rate of Return.
- (2) The variable copper price was established using the 24-month forward prices for the first two years trending down to a long-term fixed price of \$1.75/lb.
- (3) The Securities and Exchange Commission 36-month trailing average price is \$2.67/lb. as compared to the \$2.50/lb. used in the Base Case and Alternative Case.
- (4) Gold and silver prices used for all price sensitivities are fixed at \$600 and \$10 per ounce respectively.

**Aspects Common to Both Cases:** The proposed mine plans estimate the delivery to the concentrator of 460 million tons of mineralized material at 0.55 % copper, 0.002 ounces per ton("opt") gold and 0.08 opt silver; consisting of 432 million tons of mineralized material at 0.47% copper mineable by open pit methods using conventional truck and shovel mining and 28 million tons of mineralized material at 1.75% copper mineable by underground using cut and fill mining methods; 60,000 tons per day concentrator throughput, 90% open pit and 10% underground; 24 year mine life; strip ratio in the open pits are 3.1 to 1; metallurgical recoveries projected at 89% copper, 70% gold and 68% silver; 27% copper concentrate product; 10% capital contingency

Detailed mine production schedules: include for the open pit, Whittle shells and ultimate pit designs; and, for the underground, life of mine development plans, including shaft access and individual stope layouts.

**Base Case:** Copper, gold and silver operation including an iron credit commencing in year 9; undiscounted direct cash operating cost of \$0.57/lb. copper, net of by-product credits; recoverable copper equivalent of 5.4 billion pounds; copper equivalent head grade 0.66%; iron tons processed: 162 million tons at 30% iron including 120 million tons from copper concentrate tailings and 42 million from copper pit waste; iron operation commences in year 9 requiring an additional \$130 million of capital split between years 8 and 19 generating 53 million tons of 67% iron pellet feed over project years 9 to 24; iron concentrate price of \$60/ton; total operating cost of \$1.02/lb. copper, net of by-product credits.

**Alternative Case:** Copper, gold, and silver concentrate operation with no iron credit; undiscounted direct cash operating costs \$0.85/lb. copper, net of by-product credits; recoverable copper equivalent 4.4 billion pounds; total operating costs of \$1.29/lb. copper, net of by-product credits.

The PEA is described in further detail below in this AIF.

## **Summary of NI 43-101 Resource Estimate Update – August, 2009**

On July 15, 2009, the Company announced it had completed an updated NI 43-101 compliant resource estimate for its 100% owned Pumpkin Hollow Property in Nevada. Copper, gold and iron resources increased significantly while showing substantial increases in the measured and indicated (“M & I”) resource categories.

The increase in the total resources is largely due to the very successful expansion of open mineralization and focused resource classification drilling during 2008. The new resource estimate increased to measured and indicated resources totaling 5.6 billion pounds of copper plus additional inferred resources of 3.7 billion pounds of copper (all using a 0.2% copper cutoff grade), an increase of 1.4 billion pounds of copper or 18% from the November 2007 measured and indicated resource of 4 billion pounds of copper plus additional inferred resources of 3.9 billion pounds of copper (all using a 0.2% copper cutoff grade). The following are highlights of the new resource estimate:

- 42% increase of the M & I copper resource to 5.6 billion pounds (0.20% cutoff);
- 55% increase of the M & I gold resource to 983,000 ounces;
- increase of the M & I iron resource in the Western deposits to 209 million tons averaging 37.30% iron (20% iron cutoff); and increase of the inferred iron resource in the Western deposits to 152 million tons averaging 33.83% iron (20% iron cutoff);
- 74% increase of M & I open pit Western deposits copper resource to 198 million tons averaging 0.66% copper (0.30% cutoff); and
- Eastern underground deposits now contain a M & I resource of 31 million tons averaging 1.83% copper and an inferred resource of 9 million tons of 1.67% copper (1.0% cutoff).

The NI 43-101 compliant resource update titled “Pumpkin Hollow Copper Project – Resource Update – NI 43-101 Technical Report – Lyon County, Nevada, United States” dated August 20, 2009 was prepared by Tetra Tech MM, Inc. The resource update is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com). Further details of the resource update are included below.

## **Summary of NI 43-101 Preliminary Economic Assessment Update – January, 2010**

Nevada Copper completed an updated NI 43-101 compliant PEA in January, 2010. This was subsequently revised on July 20, 2011 and refiled on SEDAR. The Updated PEA focused on underground potential that can be mined and processed on NCU’s patented claim block. The Updated PEA used the geology and resources from the NI 43-101 compliant resource dated August 20, 2009 PEA and utilized all appropriate sections from the NI 43-101 compliant March, 2008 PEA updating the preliminary economics. The Updated PEA was prepared by Tetra Tech.

The primary difference between the 2008 PEA and the Updated PEA with regard to the planned underground mine is that the new analysis offers two underground cases that develop the East and E2 resource areas by ramp instead of shaft. The first case is purely underground mining and the second case adds a small starter pit in the South deposit and small scale underground mining in the North deposit. Both operational cases use a standard milling and flotation plant that will produce high-grade copper concentrates. Annual production will average 44,000 tons of copper per year over a mine life exceeding 12-14 years.

The Updated PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized.

Highlights from the Updated PEA (underground only) at copper prices from \$1.85 to \$3.00 per lb. copper are as follows:

- Net Present Value: **\$111 million to \$654 million with an 8% discount rate;**
- Internal Rate of Return: **19.3% to 56.6%;**
- Operating cost: **\$0.63/lb of copper, direct and \$1.03/lb total, net of by-product credits;**
- Capital cost estimate: **\$127 million before contingencies and working capital, \$167 million inclusive**
- Project payback from start of construction: **2.2 to 4.4 years.**

The designed mining operation would have a 7,500 ton per day concentrator throughput. Metallurgical recoveries are estimated at 89% for copper, 70% for gold and 68% for silver.

<b>Financial highlights of the Updated PEA are as follows: (In Millions of US Dollars and Imperial Units)</b>						
<b>Copper Price (\$/lb)</b>	<b>Underground Only</b>			<b>Underground w/ Starter Pit</b>		
	<b>\$1.85</b>	<b>\$2.50 <sup>(2)</sup></b>	<b>\$3.00</b>	<b>\$1.85</b>	<b>\$2.50 <sup>(2)</sup></b>	<b>\$3.00</b>
NPV <sup>(1)</sup> @ 4%	\$ 184	\$ 572	\$ 879	\$ 227	\$ 700	\$ 1,073
NPV @ 8 %	\$ 111	\$ 414	\$ 654	\$ 135	\$ 498	\$ 784
IRR <sup>(1)</sup>	19.3 %	40.2%	56.6 %	19.6 %	44.0 %	60.4 %
Capital (includes contingency & working capital)	\$ 167	\$ 167	\$ 167	\$ 192	\$ 192	\$ 192
Payback (years)	4.4	2.6	2.2	4.3	2.4	1.9

**NOTES:**

(1) NPV stands for Net Present Value and is quoted after royalties; IRR stands for Internal Rate of Return.

(2) The Securities and Exchange Commission 36-month trailing average price is \$2.91/lb. as compared to the \$2.50/lb. used in both cases.

**Aspects Common to Both Cases:** The designed mining operation would have a 7,500 ton per day concentrator throughput. Metallurgical recoveries are estimated at 89% for copper, 70% for gold and 68% for silver; 27% copper concentrate product; 10% capital contingency.

Detailed mine production schedules include for the underground, life of mine development plans, including decline access and individual stope layouts.

**Base Case:** Copper, gold and silver operation including an iron credit commencing in year 9; undiscounted direct cash operating cost of \$0.57/lb. copper, net of by-product credits; recoverable copper equivalent of 5.4 billion pounds; copper equivalent head grade 0.66%; iron tons processed; the iron operation commences in year 9 requiring an additional \$130 million of capital split between years 8 and 19 and generates 53 million tons of 67% iron pellet feed over project years 9 to 24; iron concentrate price of \$60/ton; total operating cost of \$1.02/lb. copper, net of by-product credits.

**Alternative Case:** Copper, gold, and silver concentrate operation with no iron credit; undiscounted direct cash operating costs \$0.85/lb. copper, net of by-product credits; recoverable copper equivalent 4.4 billion pounds; total operating costs of \$1.29/lb. copper, net of by-product credits.

The PEA titled “Pumpkin Hollow Copper Project – Preliminary Economic Assessment Update – NI 43-101 Report – Lyon County, Nevada, United States” was prepared by Tetra Tech MM, Inc., originally dated January 12, 2010, as revised on January 13, 2010 and July 20, 2011. The 2010 PEA is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

**Summary of Updated Mineral Resource Estimate – January, 2011**

The completed updated mineral resource estimate was prepared by the mineral resource and mining division of Tetra Tech MM, Inc. (“Tetra Tech”) and received by the Company on January 17, 2011. The updated mineral resource estimate work was performed by or under the direction of John W. Rozelle, P.G., an independent qualified person (as defined in NI 43-101) and a principal of Tetra Tech at the time of the completion of the updated mineral resource estimate. Management of the Company determined at that time that, while the updated mineral resource was a milestone towards the completion of its DFS, in the context of an update to the mineral resource it was not considered material to the Company because the overall global in-situ copper mineral resource and grades (in all categories) had not significantly changed from the previous resource estimate, although tonnage in the estimate had

moved towards the M&I mineral resource categories - as had been anticipated and was disclosed previously. The 2010 drilling was focused primarily on mineralized areas within the previous Preliminary Economic Assessment (dated January 13, 2010) mine designs and not on resource expansion. While the mineral resource categories within the mine design areas were upgraded, the mineralized shapes and tonnage did not materially change.

**Details of NI 43-101 Preliminary Economic Assessment – March 2008**

Open pit and underground mining plans have been developed for four operating cases that produce copper, gold and silver, both with and without iron production. Capital and operating costs were estimated in fourth quarter 2007 US dollars. Positive cash flow analyses suggest that the Property has excellent development potential as individual surface and underground mines, or as a combined surface and underground operation. Economics for both surface and underground could be further improved in several areas including higher metal grades, higher production rates, lower strip ratios, longer mine life, all which are possible because the size and tenor of the deposits are still being defined.

At this stage, there are no mineral reserves at the Property as defined by the Canadian Institute of Mining (“CIM”); however, for the PEA, measured, indicated, and inferred resources were used to develop an estimate of the Property’s potentially mineable resources.

Open pit extraction methods were applied to the North and South deposits, while underground extraction methods were applied to the East and E-2 deposits. The PEA examined the viability of a variety of operating scenarios involving different combinations of open pit and underground mines producing combinations of copper, gold, silver, and iron.

The Whittle algorithm was employed to determine economic pit shells targeting the North and South deposits. The pit shells around each deposit do not merge, but create a saddle between them. A series of pit shells was created based on various copper prices. Upon analysis of these shells the \$1.50, \$1.75, and the \$2.50 per pound copper prices were selected for use in phasing and production scheduling. TABLE 1-1 details the input parameters used to generate the pit shells. Iron resources were not used as part of the pit shell generation. Copper cutoff grade was calculated at 0.16% copper. Some of the input parameters have changed since the initial pit shell generation. The PEA recommended that during the next phase of work on the project, the pit shells should be re-generated and re-evaluated with new production rates and costs to determine if project economics can be improved.

**Table 1-1: Whittle and Floating Cone Parameters  
Nevada Copper Corp. – March 2008**

<b>Parameter</b>	<b>Units</b>	<b>Value</b>
Average Pit Slopes	Degrees	45 to 55 depending on rock type
Copper Price	\$US/lb Cu	2.50
Copper Recovery (Mill)	%	89
Gold Price	\$US/oz Au	550
Gold Recovery (Mill)	%	65
Silver Price	\$US/oz Ag	10
Silver Recovery (Mill)	%	67
Mining Cost	\$US/ton mined	1.2
Processing Cost	\$US/ton milled	5.56
Freight, Smelting & Refining	\$US/lb Cu	0.53
General & Administrative Costs	\$US/ton milled	0.25

Parameter	Units	Value
Environmental & Regulatory Costs	\$US/ton milled	0.10

The \$2.50 per pound copper pit shell served as the basis for the ultimate pit designs. Pit slope inter-ramp angles vary between 45 degrees and 55 degrees depending on the rock unit in the wall rock. TABLE 1-2 summarizes the rock unit/inter-ramp angle relationship developed by Golder Associates Ltd. The ultimate pit was designed on 40-foot benches double-benched with 40-foot wide catch benches in the 45-degree section of the pit and 15-foot wide catch benches in the 55-degree section of the pit. Haul roads were designed at 120 feet wide and 10% gradient.

**Table 1-2: Inter-ramp Slope Angles per Golder Associates Ltd.  
Nevada Copper Corp. – March 2008**

Geotechnical Rock Unit	Design Inter-Ramp Slope (degrees)
Quaternary Alluvium	45
Tertiary Volcanics - Upper 100 feet	45
Tertiary Volcanics, North Pit Deeper than 100 feet	50
Tertiary Volcanics, South Pit Deeper than 100 feet	55
Basement Mesozoic Rocks	55

TABLE 1-3 and 1-4 show the classification of mineral resources based on the potential open pit mining plans in the North and South Pits. It is important to note that the resources in the North Pit are classified based on copper mineralization while the resources in the South Pit are classified based on iron mineralization.

**Table 1-3: Classification of Mineral Resources within the Potential Mine Plans - North Pit  
Nevada Copper Corp. - March 2008**

	Copper Only		Copper with Iron			Iron Only		Waste (ktons)	Stripping Ratio W:O (inc. Iron)
	(ktons)	(% Cu)	(ktons)	(% Cu)	(% Fe)	(ktons)	(% Fe)		
Measured and Indicated	116,000	0.56	7,000	0.54	22.0	2,000	21.7		
Inferred	159,000	0.42	6,000	0.48	22.0	8,000	22.7		
<b>TOTAL</b>	<b>276,000</b>	<b>0.48</b>	<b>14,000</b>	<b>0.51</b>	<b>22.0</b>	<b>10,000</b>	<b>22.5</b>	<b>876,000</b>	<b>2.9</b>
Contained Metal (lb Cu x 1000)	2,649,600,000		142,800,000						

**Note:** Based on designed ultimate pit. The 2008 PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized.

**Table 1-4: Classification of Mineral Resources within the Potential Mine Plans - South Pit  
Nevada Copper Corp. March 2008**

	Copper Only		Copper with Iron			Iron Only		Waste (ktons)	Stripping Ratio W:O (inc. Iron)
	(ktons)	(% Cu)	(ktons)	(% Cu)	(% Fe)	(ktons)	(% Fe)		
Measured and Indicated	14,000	0.35	73,000	0.44	31.9	26,000	33.0		
Inferred	22,000	0.35	34,000	0.54	28.1	11,000	23.2		
<b>TOTAL</b>	<b>36,000</b>	<b>0.35</b>	<b>107,000</b>	<b>0.47</b>	<b>30.7</b>	<b>37,000</b>	<b>30.0</b>	<b>485,000</b>	<b>2.7</b>
Contained Metal (lb Cu x 1000)	252,000,000		1,005,800,000						

**Note:** Based on designed ultimate pit. The 2008 PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized.

The East and E-2 deposits were developed as underground operations. The extraction plan for these deposits is a bulk, non-selective long-hole mining method. The E-2 deposit was delineated with mineralization being strictly controlled by hanging wall and footwall boundaries so a five percent dilution factor was applied. The East deposit was not delineated with such strict controls, so no dilution factor was applied to the material.

Production Schedule. Production schedules for the open pit and underground operations were developed to meet a mill throughput of 60,000 tons per day (tpd) with 52,500 tpd coming from the open pit and 7,500 tpd from underground. Capital and operating costs were developed to meet these production targets.

Although there are four production scenarios presented in this PEA, all the open-pit production schedules are essentially the same, with variations incorporating the underground production and the iron production. The mine production scenarios for use in the cash flow evaluations presented in this PEA are based on four cases:

- **Case 1** – Base Case. Combined open pit mining (52,500 mill rate tpd) and underground mining (7,500 mill rate tpd) with copper recovery and byproduct recovery of gold, silver and iron.
- **Case 2** – Combined open pit mining (52,500 mill rate tpd) and underground mining (7,500 mill rate tpd) with copper recovery and byproduct gold and silver recovery – no iron recovery.
- **Case 3** – Open pit mining only (52,500 mill rate tpd) with copper recovery and byproduct gold and silver recovery – no iron recovery.
- **Case 4** - Underground mining only (7,500 mill rate tpd) with copper recovery and byproduct gold and silver recovery – no iron recovery.

Processing. The processing facilities at the Property will be a flotation mill to recover copper, gold, and silver in a concentrate in all four operating cases. Copper recovery is 89%, gold recovery is 70%, and silver recovery is 68%. Depending on the operational case evaluated, the mill throughput varies between 7,500 tpd and 60,000 tpd. This plant will utilize a primary gyratory crusher (for high throughput cases) or a jaw crusher (for 7,500-tpd case) to feed a crushed mineralized material stockpile that acts as a surge pile. The crushed mineralized material stockpile material will feed through reclaim feeders into a semi autogenous grinding (“SAG”) mill followed by a ball mill. Hydrocyclones are used to classify material in the SAG and ball mill sump. Cyclone overflow reports to the rougher flotation. Final tailings report to a thickener, where the underflow is filtered and hauled to a filtered tails storage facility.

In Case 1 two expansions are made to the mill, the first when mineralized material from the South Pit is initially mined, the second when there is a substantial increase in mineralized material from the South Pit in Year 19. These expansions will allow an iron concentrate to be produced with the first concentrate shipping in Year 10. There are two sources that will generate feed for this iron circuit: iron (in the form of a magnetite pre-concentrate) separated from copper mineralized material in the copper circuit, and mineralized iron material that does not contain potentially ore-grade copper and will be processed through the iron circuit exclusively. The timing of the construction of the iron circuit coincides with South Pit mining because the majority of iron circuit feed material

comes from the South Pit. The North Pit contains small amounts of iron in the copper mineralized material that will be recovered and stockpiled as a magnetite pre-concentrate until the iron circuit is constructed.

The iron circuit will likely employ a combination of flotation and magnetic separation processes to produce a magnetite concentrate. Iron recovery for material in the flotation stage is assumed to be 90% with an additional 90% recovery factor applied to the magnetic separation stage. This gives an overall 81% recovery factor to the mineralized iron material going through both the copper and iron circuits. The same 81% overall recovery factor is applied to mineralized iron material that is fed directly to the iron circuit and does not contain potentially ore-grade copper mineralization. Preliminary test work indicates that a final concentrate at 65% iron could be produced. For the purposes of this study the final concentrate grade used is 60% iron.

Environmental. Permitting the Property entails the following primary permit actions:

- Lyon County Special Use Permit
- BLM Plan of Operations (including reclamation and closure);
- BLM Environmental Impact Statement (“EIS”);
- Nevada Water Pollution Control Permit;
- Nevada Reclamation Permit;
- Nevada Air Quality Permit; and
- Nevada Water Discharge Permit.

The Property is located on private (fee simple) lands controlled by the Company and unpatented mining claims located on BLM-administered lands (public lands). When all or any portion of a project is located on BLM lands, it requires that the environmental analysis consider impacts of the entire project, both on public and private lands; therefore, an EIS will be required that supports the mining project as an acceptable land use for the site.

The critical path for permitting is the BLM Plan of Operations and EIS. The principal permitting driver will be the BLM EIS process under the National Environmental Policy Act (“NEPA”), due to the complexity and comprehensive nature of the NEPA process. NEPA is very procedural and therefore requires prescriptive and set timeframes for notification and public involvement. There appear to be no environmental fatal flaw issues that would materially impede the advancement of the project.

Capital and Operating Costs. Mining costs were built based on equipment fleet size, productivity, and production requirements. The operating costs vary year by year due to changes in production requirements and operating conditions. Mine capital costs were created by calculating fleet acquisition schedules and anticipated construction costs. Process capital was based on typical designs built for similar operations. Dewatering costs were developed by water management consultants and vary by case because of interaction between open pit and underground dewatering. There is a cost benefit to Case 1 and Case 2 because these scenarios include both open pit and underground production. Case 4 assesses underground mining only so the costs in this case account for additional dewatering requirements. Reclamation and closure costs and general and administrative costs between cases are also handled in a similar manner. The costs for the Case 3 open pit only scenario were factored to 90% of the Case 1 and Case 2 costs which also include underground operations. The costs for Case 4 underground mining were factored to 25% of Case 1 and Case 2 costs.

Case 1 has an additional rehandle cost associated with the iron circuit production. The flow of magnetite pre-concentrate from the copper circuit into the iron circuit is controlled through a stockpile. Material reclaimed from this stockpile is assessed at \$0.50 per ton. Iron bearing rock mined in Case 1 is assessed an incremental cost of \$0.30 per ton.

Cash Flow Analyses. Before tax cash flows were generated for each case using base commodity prices of \$2.50 per lb copper, \$600 per ounce gold, \$10 per ounce silver, and \$60 per ton iron concentrate. These prices approximate the three-year trailing average metal prices. Sensitivities were generated for copper prices including \$3.00 per lb and a variable copper price using the 24-month forward price for the first two years(\$3.50) trending down to a long term price by year six of \$1.75/lb for the life-of-mine.

Other sensitivities were conducted for changes (+20 and -20%) in operating cost and capital cost. All cases were most sensitive to changes in copper price followed by operating cost.

TABLE 1-5 shows that the most profitable case in terms of NPV is Case 1 with an undiscounted NPV of \$4.3 billion. This is expected as it is the only case that includes revenue generated from a salable iron concentrate.

However, Case 1 is not the only economic option. All four cases have double-digit IRR's while NPVs remain positive for nearly all of the sensitivity scenarios. Project payback occurs in under five years for all four cases. TABLE 1-6 summarizes these metrics for each case.

The number of mineable deposits present, along with the presence of multiple commodities means the Property needs to be viewed not as a single project, but as a collection of equally viable projects each with different possibilities. The selected cases presented and described in this report attempt to demonstrate this fact. These four cases show the individual contributions and performance of each facet of the project - open pit mining, underground mining, iron processing. They also show how the aggregate project (Case 1) benefits from shared facilities and operations (equipment, dewatering, etc.). The 2008 PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized.

**Table 1-5: Summary of NPV for all Cases  
Nevada Copper Corp. - March 2008**

<i>NPV (\$000s) at Copper \$2.50 per lb</i>				
<b>Discount Factor</b>	<b>Case 1</b>	<b>Case 2</b>	<b>Case 3</b>	<b>Case 4</b>
0.00	4,295,039	3,087,617	2,544,084	664,323
0.04	2,145,408	1,628,076	1,358,318	391,798
0.08	1,090,160	856,443	734,454	220,046

**Table 1-6: Key Economic Metrics for all Cases  
Nevada Copper Corp. - March 2008**

<b>Variables</b>	<b>Case 1 (\$000s)</b>			<b>Case 2 (\$000s)</b>		
	<b>\$2.50</b>	<b>Variable to \$1.75</b>	<b>\$3.00</b>	<b>\$2.50</b>	<b>Variable to \$1.75</b>	<b>\$3.00</b>
NPV @ 4%	\$2,145,408	\$1,407,606	\$3,398,326	\$1,628,076	\$894,004	\$2,880,710
NPV @ 8%	\$1,090,160	\$783,878	\$1,922,751	\$856,443	\$551,815	\$1,688,927
IRR	20.6%	24.1%	29.4%	19.8%	23.3%	29.1%
Capital (through Yr 1)	\$780,000			\$780,000		
Payback (years)	4.8	3.1	3.6	4.8	3.1	3.6

<b>Variables</b>	<b>Case 3 (\$000s)</b>			<b>Case 4(\$000s)</b>		
	<b>\$2.50</b>	<b>Variable to \$1.75</b>	<b>\$3.00</b>	<b>\$2.50</b>	<b>Variable to \$1.75</b>	<b>\$3.00</b>
NPV @ 4%	\$1,358,318	\$706,431	\$2,376,845	\$391,798	\$284,541	\$665,079
NPV @ 8%	\$734,454	\$455,015	\$1,421,641	\$220,046	\$174,157	\$416,246
IRR	21.1%	26.2%	31.5%	18.7%	20.5%	25.9%
Capital (through Yr 1)	\$527,000			\$267,000		
Payback (years)	3.7	2	2.5	4.6	3.1	3.5

Note: Capital costs include working capital and a 10% contingency

## Details of NI 43-101 Resource Update – August, 2009

The detailed resource summary is as follows:

### MEASURED and INDICATED RESOURCES

Copper % Cutoff	Tons (thousands)	Copper % Grade	lbs Copper (thousands)	Gold (ounces)	Silver (ounces)
0.20	488,228	0.58	5,619,266	983,000	33,763,000
0.30	334,952	0.73	4,869,128	819,000	26,734,000
0.75	96,018	1.36	2,610,236	402,000	11,907,000
1.00	56,361	1.71	1,925,784	278,000	8,054,000

Consisting of:

### MEASURED RESOURCES

Copper % Cutoff	Tons (thousands)	Copper % Grade	lbs Copper (thousands)	Gold (ounces)	Silver (ounces)
0.20	125,053	0.67	1,671,891	331,000	9,780,000
0.30	92,179	0.82	1,509,738	294,000	8,269,000
0.75	32,093	1.45	931,988	168,000	4,332,000
1.00	20,366	1.79	730,147	124,000	3,182,000

And:

### INDICATED RESOURCES

Copper % Cutoff	Tons (thousands)	Copper % Grade	lbs Copper (thousands)	Gold (ounces)	Silver (ounces)
0.20	363,175	0.54	3,947,375	652,000	23,983,000
0.30	242,773	0.69	3,359,390	525,000	18,466,000
0.75	63,925	1.31	1,678,248	234,000	7,575,000
1.00	35,995	1.66	1,195,637	154,000	4,872,000

### INFERRED RESOURCES

Copper % Cutoff	Tons (thousands)	Copper % Grade	lbs Copper (thousands)	Gold (ounces)	Silver (ounces)
0.20	440,826	0.42	3,695,093	468,000	21,214,000
0.30	229,632	0.58	2,678,451	313,000	14,469,000
0.75	39,645	1.28	1,016,031	112,000	4,673,000
1.00	21,160	1.65	696,843	70,000	3,104,000

Further details of the updated resource estimate by deposit and applicable mining method are as follows:

**MEASURED & INDICATED RESOURCE by DEPOSIT**

Deposit	Type	Copper % Cutoff	Tons (thousands)	Copper Grade %	lbs Copper (thousands)	Gold (ounces)	Silver (ounces)
Western	Open Pit	0.20	305,965	0.51	3,125,463	532,000	20,872,000
Western	Open Pit	0.30	197,652	0.66	2,596,183	426,000	15,795,000
Eastern	U/G	0.75	48,496	1.47	1,429,043	233,000	5,994,000
Eastern	U/G	1.00	30,508	1.83	1,117,157	180,000	4,370,000

**INFERRED RESOURCE by DEPOSIT**

Deposit	Type	Copper % Cutoff	Tons (thousands)	Copper Grade %	lbs Copper (thousands)	Gold (ounces)	Silver (ounces)
Western	Open Pit	0.20	229,989	0.42	1,917,518	229,000	12,883,000
Western	Open Pit	0.30	118,854	0.58	1,387,536	141,000	8,412,000
Eastern	U/G	0.75	20,305	1.22	496,222	71,000	2,116,000
Eastern	U/G	1.00	9,026	1.67	302,262	42,000	1,203,000

Significant potential continues to exist to further expand the resource with open mineralization fronts remaining in the Eastern and Western deposits. As currently designed the Eastern deposits will share a common underground access and the Western deposits will have a common open pit high wall. All deposits are within one mile of each other and contained on private patented claims.

The updated resource is based on a database that now consists of 530 drill holes containing in excess of 222,500 meters (730,000 feet) of drilling and over 42,000 assays. The 2008 program consisted of 73 resource, hydrological, and geotechnical holes that totaled over 26,600 meters (87,300 feet) and were incorporated into the updated resource estimate.

As a result of the significant increases in the updated resource estimate, Nevada Copper updated its PEA to incorporate these results and positive results of its internal optimization studies undertaken in 2009. The internal optimization studies focused on developing a production profile that results in largely reduced capital costs, higher grade resources while also being resilient to lower copper prices.

The details of the Updated PEA are included below.

**Iron Resource**

Nevada Copper has also updated its stand alone resource estimate of the iron resource at Pumpkin Hollow. As previously disclosed this will allow Nevada Copper to better access the commercial viability of the large iron by-product found within and contiguous to the copper-gold-silver deposits at Pumpkin Hollow.

The following tables express only those iron resources amenable to open-pit mining methods in the Western deposits:

## IRON RESOURCE

### **MEASURED & INDICATED RESOURCES**

<b>Iron % Cutoff</b>	<b>Tons (thousands)</b>	<b>Iron % Grade</b>	<b>Tons Iron (thousands)</b>
10	306,420	30.04	92,057
20	209,399	37.30	78,100
30	142,913	43.01	61,472

### **INFERRED RESOURCES**

<b>Iron % Cutoff</b>	<b>Tons (thousands)</b>	<b>Iron % Grade</b>	<b>Tons Iron (thousands)</b>
10	440,138	20.67	90,986
20	152,109	33.83	51,454
30	85,690	40.87	35,022

Iron occurs predominately as magnetite and historic metallurgical test-work has demonstrated the ready amenability of generating a marketable pellet feed concentrate. The iron deposits at the Property remain open in several directions.

Nevada Copper is not aware of any environmental, permitting, legal, title, taxation, socio-political, marketing or other issues which may materially affect its estimate of mineral resources.

#### **Qualified Person**

The mineral estimation work was performed by or under the direction of John Rozelle, P.G., Tetra Tech MM Inc.'s Mineral Resource Division Principal Geologist, an independent Qualified Person in accordance with NI 43-101. The Pumpkin Hollow Property is under the supervision of Gregory French, CPG #10708, a Qualified Person in accordance with NI 43-101, who is responsible for the preparation of the technical information in the Company's news releases. All assaying and whole rock geochemistry is processed at the American Assay Laboratories ("AAL") in Reno, Nevada. Samples are delivered from the project core logging facility to AAL by Nevada Copper or AAL personnel. A Quality Assurance and Quality Control Assay Protocol have been implemented whereby blanks and standards are inserted into the assay stream and check samples are sent to Chemex-Reno and Inspectorate-Reno laboratories.

#### **Details of NI 43-101 Preliminary Economic Assessment Update – January, 2010**

Updated underground mining plans have been developed for two operating cases that produce copper, gold and silver. Capital and operating costs were estimated in fourth quarter 2009 US dollars. Positive cash flow analyses suggest that the property has excellent development potential as an underground mine, or as a combined starter surface pit and underground operation. Economics for both cases could be further improved in several areas including higher metal grades, higher production rates, longer mine life, all which are possible because the size and tenor of the deposits are still being defined.

At this stage, there are no mineral reserves at the Property as defined by the Canadian Institute of Mining ("CIM"); however, for the PEA, Measured, Indicated, and Inferred resources were used to develop an estimate of the project's potentially mineable resources.

The East and E-2 deposits were developed as underground operations. The extraction plan for these deposits is a bulk, non-selective long-hole mining method. The E-2 deposit was delineated with mineralization being strictly controlled by hanging wall and footwall boundaries so a five percent dilution factor was applied. The East deposit was not delineated with such strict controls, so no dilution factor was applied to the material.

Production Schedule. Production schedule for the underground operations was developed to meet a mill throughput of 7,500 tons per day (tpd). Capital and operating costs were developed to meet these production targets.

There are two production scenarios presented in this PEA, in both cases the underground production schedules are essentially the same, the variation incorporates a small scale open pit in the South deposit in the initial years and underground production from the North deposit in the latter years. The mine production scenarios for use in the cash flow evaluations presented in this PEA are based on the two cases:

- **Case 1** – Underground Only. Underground mining. Mill processing ramp up over 2.5 years to 7,500 tpd mill rate, with copper recovery and byproduct recovery of gold, silver and iron.
- **Case 2** – Combined underground and starter open pit mining for the first 2 years, underground mining the North deposit. Mill processing 7,500 tpd mill rate in year one with copper recovery and byproduct gold and silver recovery.

Processing. The processing facilities at the project will be a flotation mill to recover copper, gold, and silver in a concentrate in all four operating cases. Copper recovery is 89%, gold recovery is 70%, and silver recovery is 68%. Depending on the operational case evaluated, the mill throughput will start in year one at 7,500 tpd or ramp up over a two year period to 7,500 tpd. This plant will utilize a primary jaw crusher (for 7,500-tpd case) to feed crushed mineralized material stockpile that acts as a surge pile. The crushed rock stockpile material will feed through reclaim feeders into a SAG mill followed by a ball mill. Hydrocyclones are used to classify material in the SAG and ball mill sump. Cyclone overflow reports to the rougher flotation. Final tailings report to a thickener, where the underflow is filtered and hauled to a filtered tails storage facility.

Environmental. Permitting the Property entails the following primary permit actions:

- Lyon County Special Use Permit
- Nevada Water Pollution Control Permit;
- Nevada Reclamation Permit;
- Nevada Air Quality Permit; and
- Nevada Water Discharge Permit.

The development schedules detailed in the Updated PEA are located on private (fee simple) lands controlled by the Company. When the project is located on private lands the lead regulatory agency is the State of Nevada, environmental analysis and supporting studies are included in the permit process.

The critical path for permitting will be obtaining the air, water, and reclamation permits from the state and the Special Use Permit from Lyon County. There appear to be no environmental fatal flaw issues that would materially impede the advancement of the project.

Capital and Operating Costs. Mining costs were built based on equipment fleet size, productivity, and production requirements. The operating costs vary year by year due to changes in production requirements and operating conditions. Mine capital costs were created by calculated fleet acquisition schedules and anticipated construction costs. The capital and operational costs were taken from Case 4 of the March 2008 PEA. Current operations and vendor pricing was used to cost the development change to ramp access. Process capital was based on typical designs built for similar operations. Dewatering costs were developed by Water Management Consultants.

Cash Flow Analyses. Before tax cash flows were generated for each case using base commodity prices of \$2.50 per lb copper, \$800 per ounce gold, \$12 per ounce silver. These prices approximate the three-year trailing average metal prices. Sensitivities were generated for copper prices including \$3.00 per lb. and \$3.00 per lb.

Other sensitivities were conducted for changes (+20 and -20%) in operating cost and capital cost. All cases were most sensitive to changes in copper price followed by operating cost.

TABLE 1-7 shows that both cases are profitable with the NPV (8%) ranging from \$414 to \$498 million. Both cases have double-digit internal-rates-of-return (IRR) while NPVs remain positive for nearly all of the sensitivity scenarios. Project payback occurs in under four years with a copper price of \$2.50 and under 3 years with a copper price of \$3.00. TABLE 1-8 summarizes these metrics for each case. The 2008 PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized.

**Table 1-7: Summary of NPV for all Cases  
Nevada Copper Corp. - The Property  
March 2008**

Discount Factor	Case 1 (\$000)	Case 2(\$000)
0.00	796,811	999,426
0.04	572,257	699,803
0.08	414,660	498,062

**Table 1-8: Key Economic Metrics for all Cases  
Nevada Copper Corp. - The Property  
March 2008**

Variables	Case 1 (\$000s)			Case 2 (\$000s)		
	\$1.85	\$2.50	\$3.00	\$1.85	\$2.50	\$3.00
NPV @ 4%	\$184,053	\$572,257	\$878,861	\$227,179	\$699,803	\$1,072,865
NPV @ 8%	\$111,257	\$414,660	\$654,297	\$135,247	\$498,062	\$784,437
IRR	19.3%	42.0%	56.6%	19.6%	44.0%	60.4%
Capital (through Yr 1)	\$167,000			\$192,000		
Payback (years)	4.4	3.7	2.2	4.3	3.6	1.9

The PEA titled “Pumpkin Hollow Copper Project – Preliminary Economic Assessment Update – NI 43-101 Report – Lyon County, Nevada, United States”, originally dated January 12, 2010, as revised on January 13, 2010 and July 20, 2011, was prepared by Tetra Tech MM, Inc. The updated and revised 2010 PEA is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Surface Mineable Resources**

No new work has been completed with regard to surface mineable resources since the issuance of the NI 43-101 compliant Preliminary Economic Assessment Report on March 31, 2008, with the exception of the development of a small starter pit on the South Deposit to be used to ensure the mill operates at full capacity from startup. The reader is referred to the March 31, 2008 PEA report for specific information.

Nevada Copper is not aware of any environmental, permitting, legal, title, taxation, socio-political, marketing or other issues which may materially affect its estimate of mineral resources.

#### **Qualified Person**

The mineral estimation work was performed by or under the direction of John Rozelle, PG, Tetra Tech’s Mineral Resource Division Principal Geologist, an independent Qualified Person as set forth by NI 43-101. The Pumpkin Hollow project is under the supervision of Gregory French, CPG #10708, a Qualified Person as defined in NI 43-101, who is responsible for the preparation of the technical information in the Company’s news releases. All assaying and whole rock geochemistry is processed at the American Assay Laboratories (AAL) in Reno, Nevada. Samples are delivered from the project core logging facility to AAL by Nevada Copper or AAL personnel. A Quality Assurance and Quality Control Assay Protocol have been implemented whereby blanks and standards are inserted into the assay stream and check samples are sent to Chemex-Reno and Inspectorate-Reno laboratories.

#### **Details of Updated Mineral Resource Estimate – January, 2011**

The completed updated mineral resource estimate was prepared by the mineral resource and mining division of Tetra Tech and received by the Company on January 17, 2011. The updated mineral resource estimate work was performed by or under the direction of John W. Rozelle, P.G., an independent qualified person (as defined in NI 43-101) and a principal of Tetra Tech at the time of the completion of the updated mineral resource estimate.

Management of the Company determined at that time that, while the updated mineral resource was a milestone towards the completion of its DFS, in the context of an update to the mineral resource it was not considered material to the Company because the overall global in-situ copper mineral resource and grades (in all categories) had not significantly changed from the previous resource estimate, although tonnage in the estimate had moved towards the M&I mineral resource categories - as had been anticipated and was disclosed previously. The 2010 drilling was focused primarily on mineralized areas within the previous Preliminary Economic Assessment (dated January 13, 2010) mine designs and not on resource expansion. While the mineral resource categories within the mine design areas were upgraded, the mineralized shapes and tonnage did not materially change.

In the tables below, the following terms have the meanings set forth below:

- Cu means copper;
- Avg. means average;
- Au means gold;
- Ag means silver;
- oz means troy ounces; and
- opt means ounces per short ton.

The detailed project-wide mineral resource summary is as follows:

#### Measured Resources

Category	Cutoff Grade (%Cu)	Tons (000)	Avg. Grade (%Cu)	Contained Lbs Cu (000)	Avg. Grade Au opt	Au_oz (000)	Avg. Grade Ag opt	Ag_oz (000)
Measured	0.20	155,898	0.59	1,853,025	0.003	520	0.076	11,823
Measured	0.30	107,657	0.74	1,601,521	0.004	398	0.090	9,684
Measured	0.75	34,279	1.35	928,652	0.007	230	0.147	5,046

#### Indicated Resources

Category	Cutoff Grade (%Cu)	Tons (000)	Avg. Grade (%Cu)	Contained Lbs Cu (000)	Avg. Grade Au opt	Au_oz (000)	Avg. Grade Ag opt	Ag_oz (000)
Indicated	0.20	375,144	0.54	4,041,006	0.003	1,119	0.080	30,167
Indicated	0.30	245,171	0.70	3,411,501	0.004	872	0.097	23,706
Indicated	0.75	68,809	1.30	1,782,967	0.006	390	0.160	11,009

#### Measured and Indicated Resources

Category	Cutoff Grade (%Cu)	Tons (000)	Avg. Grade (%Cu)	Contained Lbs Cu (000)	Avg. Grade Au opt	Au_oz (000)	Avg. Grade Ag opt	Ag_oz (000)
M&I Total	0.20	531,042	0.55	5,894,031	0.003	1,639	0.079	41,990
M&I Total	0.30	352,828	0.71	5,013,022	0.004	1,270	0.095	33,390
M&I Total	0.75	103,088	1.32	2,711,619	0.006	620	0.156	16,055

#### Inferred Resources

Category	Cutoff Grade (%Cu)	Tons (000)	Avg. Grade (%Cu)	Contained Lbs Cu (000)	Avg. Grade Au opt	Au_oz (000)	Avg. Grade Ag opt	Ag_oz (000)
Inferred	0.20	495,129	0.37	3,670,391	0.001	716	0.044	21,779
Inferred	0.30	228,707	0.52	2,374,870	0.002	368	0.048	10,932
Inferred	0.75	26,871	1.31	701,405	0.002	56	0.064	1,723

In considering the cutoff grades in the tables above, it should be noted that the cutoff grades for the Eastern deposits and the Western deposits will not be the same due to differing proposed mining methods and costs.

The cutoff grade ranges in the resource tables below are specific to the likely cut-off grades applicable to each of the individual deposits. Tetra Tech has prepared a preliminary economic analysis to determine appropriate cut-off grades to be used for the DFS mining plans. Based on this, Tetra Tech has suggested, on a preliminary basis, that the copper cut-off grade in the DFS for the Western deposits is likely to be between 0.15% and 0.20% and between 0.75% and 1.00% for the Eastern deposits.

The M&I mineral resource summary by deposit areas is as follows:

#### Measured and Indicated Resources – Western Deposits

Category	Cutoff Grade (%Cu)	Tons (000)	Avg Grade (%Cu)	Contained Lbs Cu (000)	Avg Grade Au opt	Au_oz (000)	Avg Grade Ag opt	Ag_oz (000)
Measured	0.30	88,997	0.64	1,144,204	0.003	230	0.071	6,356
Measured	0.20	136,540	0.51	1,391,417	0.003	344	0.062	8,458
Measured	0.15	173,417	0.43	1,507,947	0.002	410	0.058	10,012
Indicated	0.30	160,158	0.59	1,877,817	0.002	320	0.064	10,311
Indicated	0.20	275,303	0.44	2,432,205	0.002	551	0.056	15,305
Indicated	0.15	383,945	0.37	2,803,327	0.002	652	0.051	19,677
M & I Total	0.30	249,155	0.60	3,022,021	0.002	550	0.067	16,667
M & I Total	0.20	411,843	0.46	3,823,622	0.002	892	0.058	23,763
M & I Total	0.15	557,362	0.39	4,311,274	0.002	1,061	0.053	29,689

#### Inferred Resources - Western Deposits

Category	Cutoff Grade (%Cu)	Tons (000)	Avg Grade (%Cu)	Contained Lbs Cu (000)	Avg Grade Au opt	Au_oz (000)	Avg Grade Ag opt	Ag_oz (000)
Inferred	0.30	101,028	0.56	1,132,104	0.001	132	0.044	4,491
Inferred	0.20	242,048	0.38	1,815,712	0.001	242	0.038	9,255
Inferred	0.15	385,299	0.30	2,288,414	0.001	385	0.039	14,960

#### Measured and Indicated Resources - Eastern Deposits

Category	Cutoff Grade (%Cu)	Tons (000)	Avg Grade (%Cu)	Contained Lbs Cu (000)	Avg Grade Au opt	Au_oz (000)	Avg Grade Ag opt	Ag_oz (000)
Measured	1.00	9,206	1.81	333,324	0.011	104	0.240	2,205
Measured	0.75	12,497	1.56	390,372	0.010	128	0.216	2,699
Indicated	1.00	24,338	1.72	835,589	0.010	247	0.245	5,971
Indicated	0.75	38,092	1.40	1,069,452	0.008	321	0.213	8,118
M & I Total	1.00	33,544	1.74	1,168,913	0.010	351	0.244	8,176
M & I Total	0.75	50,589	1.45	1,459,824	0.009	449	0.213	10,817

### Inferred Resources - Eastern Deposits

Category	Cutoff Grade (%Cu)	Tons (000)	Avg Grade (%Cu)	Contained Lbs Cu (000)	Avg Grade Au opt	Au_oz (000)	Avg Grade Ag opt	Ag_oz (000)
Inferred	1.00	4,926	1.45	143,313	0.002	10	0.101	498
Inferred	0.75	12,098	1.11	267,533	0.002	24	0.065	792

#### *Iron Resources*

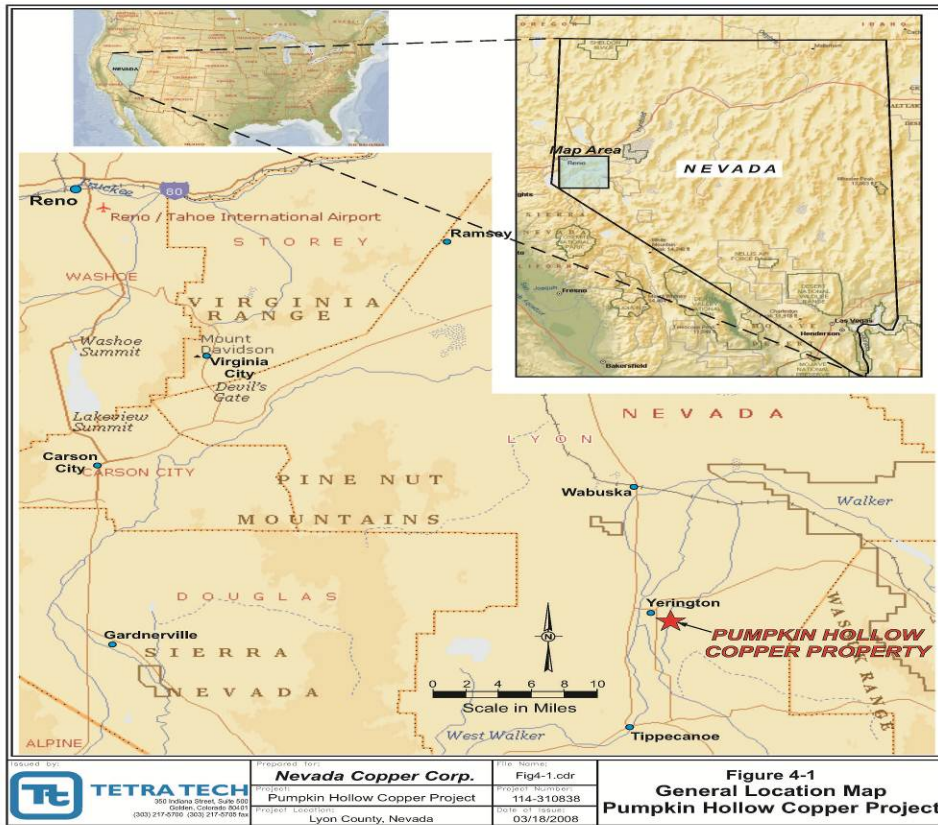
The Company has also updated its standalone estimate of the iron resource at the Property. The Company is continuing to assess the commercial viability of the large iron by-product found within and contiguous to the copper-gold-silver deposits at the Property. The following tables express only those iron resources amenable to open-pit mining methods in the Western deposits:

### Iron Resources – Western Deposits

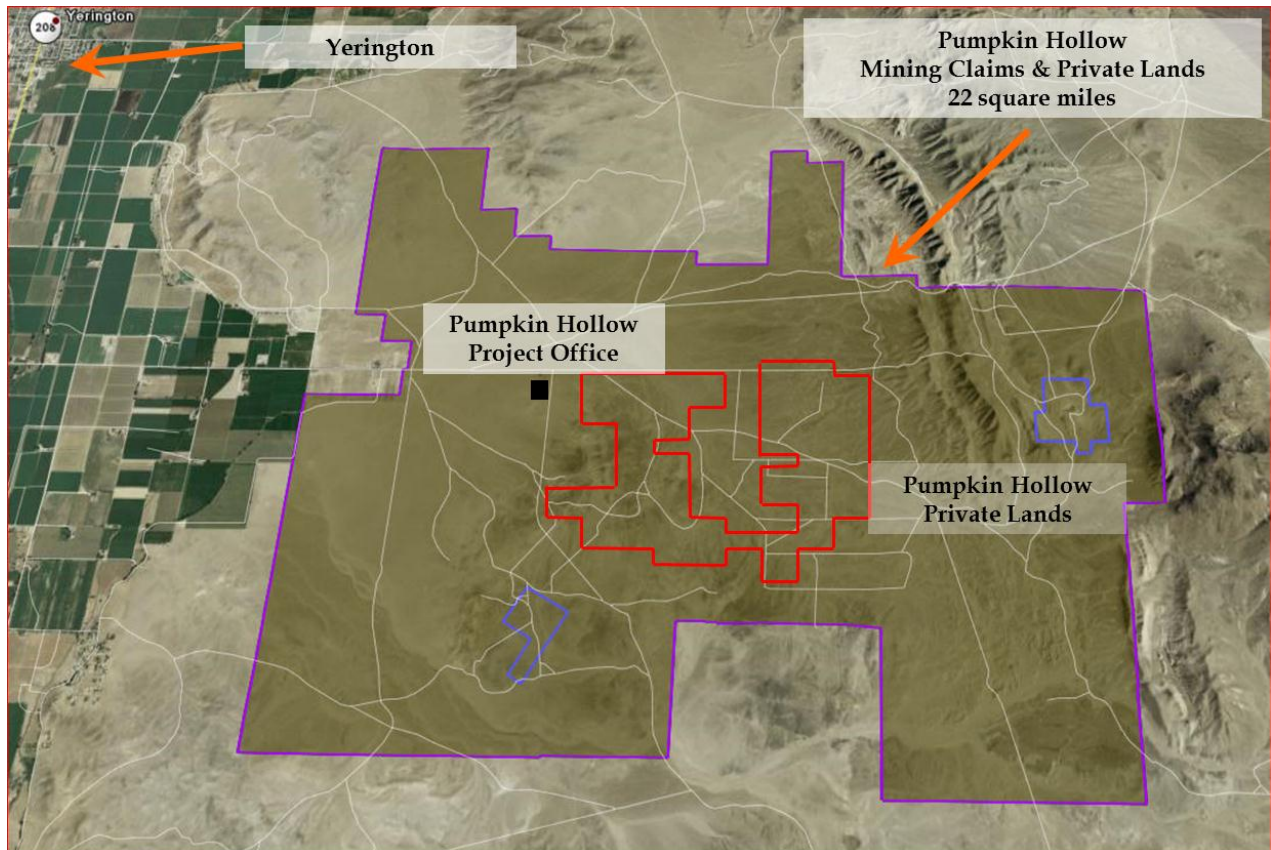
Category	Iron % Cutoff	Tons (000s)	Iron Grade %	Tons Iron (000s)
Measured	20	205,836	34.57	71,162
Measured	30	123,627	41.14	50,857
Indicated	20	135,062	29.56	39,926
Indicated	30	53,740	37.88	20,356
M&I Total	20	340,898	32.59	111,088
M&I Total	30	177,367	40.15	71,213
Inferred	20	29,769	25.6	7,613
Inferred	30	3,429	36.1	1,239

### **PROPERTY DETAILS**

The Property is located in Lyon County, Nevada, approximately eight miles southeast of the town of Yerington, Nevada. The Property consists of an approximately 22 square mile land package containing patented and unpatented claims. The Company has a 100% interest in the Property subject to the Lease Agreement which expires in 2016, but may be extended for up to three additional ten year terms.



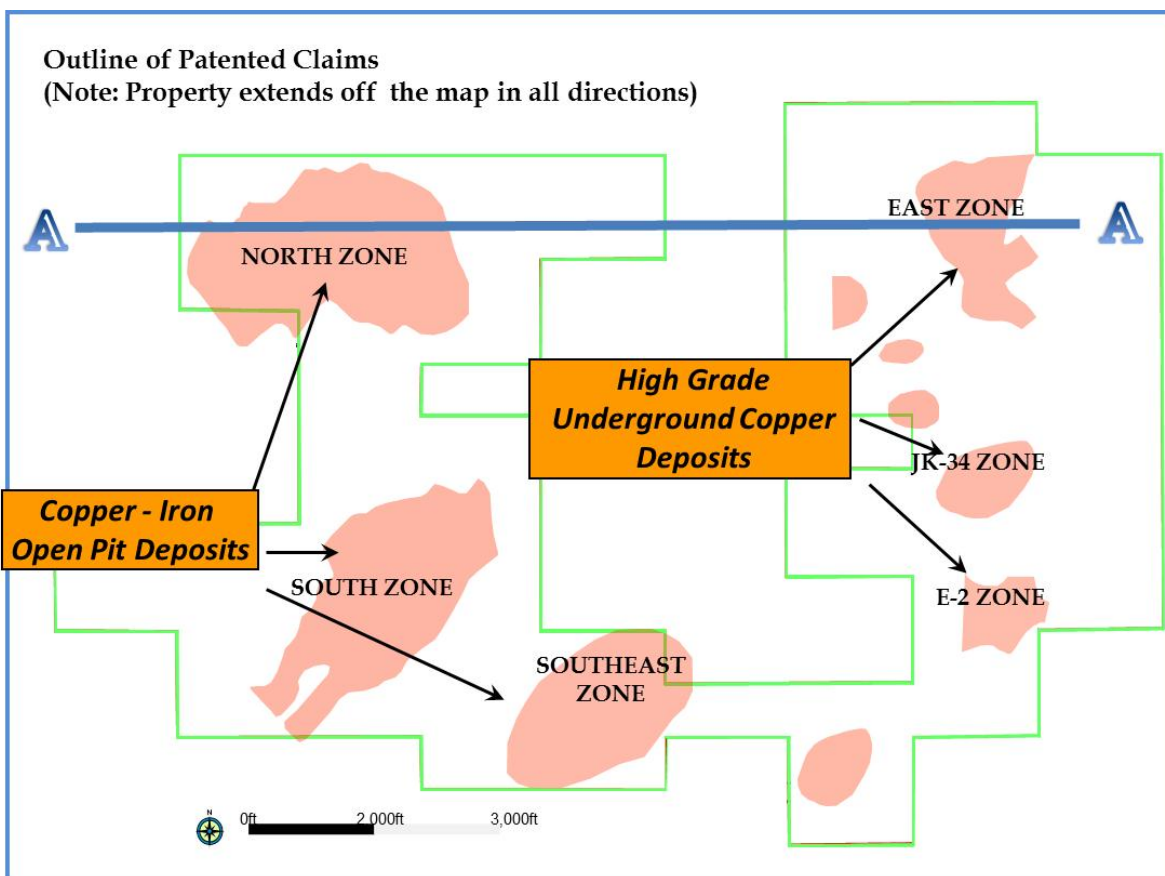
Property Location and Property Boundary



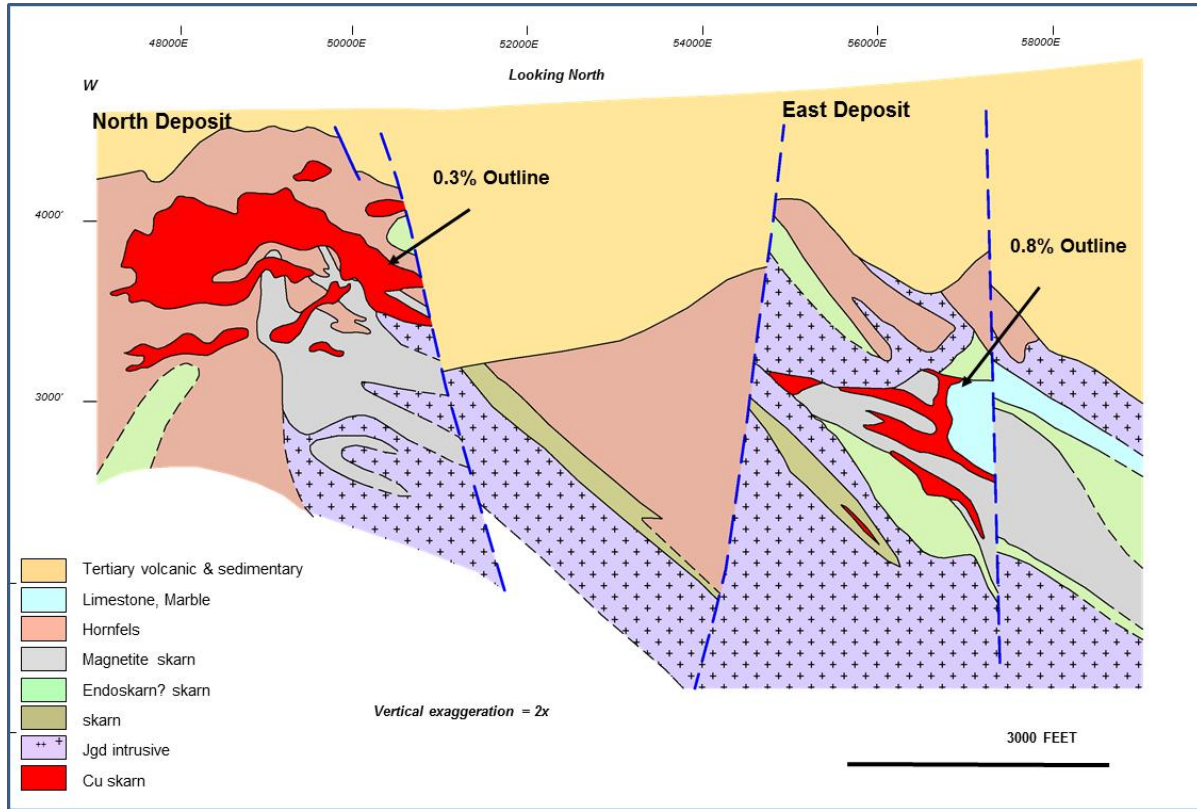
Typical Photo of Pumpkin Hollow Property



Location Map Showing Copper Mineralization



**Typical Cross-section A-A (see above)**



**Property Ownership Details**

100% of the Property is located on a contiguous 22 square mile land package consisting of patented, fee title, and unpatented mining claims. Specifically, the copper, gold, silver and iron resource is primarily located within 1390 acres of patented mining claims. RGGGS, a limited partnership headquartered in Houston, Texas, is the title holder on all the patented and fee title land. The Company, through its predecessor, entered into a lease option from RGGGS in December, 2005. The Company carries out business at the Property through its 100% wholly-owned subsidiary, Nevada Copper Inc., a Nevada corporation. On May 4, 2006, the Company exercised its option to lease the Property from RGGGS and entered into the Lease Agreement for the exploration and development of the Property. The term of the lease is for ten years, renewable for up to three more additional ten-year terms for a total of 40 years.

Upon execution of the Lease Agreement, the Company paid a non-recoverable bonus payment to RGGGS of US\$50,000. Under the terms of the lease, the Company is required to make the following lease payments:

<b>Due Date</b>	<b>US\$</b>	
May 4, 2007	75,000	(paid)
May 4, 2008	100,000	(paid)
May 4, 2009	125,000	(paid)
May 4, 2010	150,000	(paid)
May 4, 2011	150,000	(paid)
	<u>600,000</u>	

Starting on the sixth anniversary date, RGGGS is entitled to advance royalty payments of US\$600,000 per year.

Under the terms of the Lease Agreement, the Company is required to incur exploration and development expenditures of at least US\$4,000,000 during the first three years and minimum expenditures of at least US\$500,000 per year. In addition, the Company is required to incur similar additional exploration and development expenditures during the fourth through the sixth year.

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

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

The base production royalty rate for making the minimum recoverable royalty payments is US\$0.70 per ton of crude Taconite Ore and shall be adjusted for each calendar quarter of each year in accordance with the variation in the Iron and Steel Sub-Group Index of the United States Department of Labor, Bureau of Labor Statistics, Producer Price Indexes, provided the minimum rate is never less than US\$0.40 per ton of crude Taconite Ore.

The Company must pay RGGGS a 5% net production royalty on product other than copper obtained from Fee Land and Patented Claims comprising the Property which are described in the Lease Agreement and a 4% net production royalty on copper when the copper price is less than US\$1.00 per pound, a 5% net production royalty on copper when the copper price is between US\$1.00 and US\$2.00 per pound and a 6% net production royalty on copper when the price of copper is greater than US\$2.00 per pound.

The Company's Unpatented Claims that are within one mile of the Property will be subject to a one percent net smelter return overriding royalty on Non-Ferrous materials and \$0.10 per long ton of crude overriding royalty on the Ferrous materials to RGGGS's account.

The Company shall pay RGGGS US\$0.10 per ton of waste and overburden materials from other lands which are wasted on the Property, though the Company may trade waste or overburden from other lands for an equal amount of waste or overburden from the Property which is wasted on other lands and no royalty payment will accrue.

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

### **Accessibility, Infrastructure, Climate, Local Resources, and Physiography**

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

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

Water well levels in the area have been dropping in recent years and the local ranchers have expressed interest in any impact to their groundwater which mining might cause. Little is known about the volume of groundwater that is present on the Property, the hydrology of the area, or the status of water rights.

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

**Infrastructure.** No infrastructure exists on the project area other than the core storage buildings, a small ranch house, and electricity to the aforementioned buildings.

**Environmental Conditions and Permits.** The project area is undeveloped, and other than drill roads, there are no significant environmental issues and/or damage. In addition, the Property is contained in a “mining friendly” state, and the Company sees no reasons why the project could not be permitted and developed assuming future work demonstrates economic viability. In order to complete planned exploration, the Company will need to obtain drilling permits for the exploration drill holes and post a reclamation bond for the repair of any associated disturbance. The Company sees no reason that these permits would not continue to be issued in a timely manner and believes that the work program proposed is both reasonable and doable.

**Claims.** The Fee Land and Patented Claim block contain some 69 claims totaling 1,390 acres and the fee land contains some 160 acres. In addition, there are approximately 12,480 acres of Unpatented Claims. The total acreage comprising the Property which is controlled by the Company is approximately 14,230 acres.

### **Regional and Property Geology**

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

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

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

### **Exploration Activities**

#### **Exploration History**

##### *General History*

Early exploration activity in the Yerington district dates back to 1865 when attempts were made to work the oxidized copper ore at the Ludwig mine. Prior to 1907 operations throughout the district were intermittent and never attained much importance, and the area did not yield much copper until after 1912. The most important of the early activities appears to have been the mining of "bluestone" from the Bluestone mine, approximately five miles west of Yerington, to supply the reduction works at Virginia City. The Yerington Mine, also known as the Anaconda Mine, operated from 1918 until 1978, where mineralization was primarily contained in a porphyry system of granodiorite and quartz-monzonite. The Minnesota Mine (northwest of Yerington) that originally mined copper in the early 1920s began sizeable production of skarn magnetite iron ore in 1952.

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

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

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

The following table briefly lists the exploration, geotechnical, and hydrologic drilling history of the Property as of end of August, 2011:

<b>COMPANY</b>	<b>PERIOD</b>	<b>No. of Drill Holes</b>	<b>Total Feet Drilled</b>
USX	1960-1975	282	392,135
Anaconda Copper	1975-1977	96	143,905
CONOCO	1981	13	27,107
Plexus Resources	1985-1987	2	3,006
Cyprus Exploration	1989-1993	23	20,986
International Taurus	1998-1999	8	7,513
<b>TOTAL</b>	<b>1960-1999</b>	<b>424</b>	<b>594,652</b>
<i>Nevada Copper</i>	<i>2006 – 2011</i>	<i>240</i>	<i>394,172</i>

**Exploration Conducted by the Company**

Fiscal 2006 Exploration

The Company embarked on a program, during Fiscal 2006, to validate and synthesize the electronic assay and geologic database pertaining to the Pumpkin Hollow Property. The database was then utilized for creating geologic models of the mineralized zones and generation of a NI43-101 compliant resource estimate for the entire property. The estimate was based on all drill hole and geological data collected up through the year 1999. At a 0.2% copper cutoff grade, the measured and indicated copper resource was 2.7 billion pounds of copper, contained in 312 million tons grading 0.44% copper and 12.3% iron. An additional inferred copper resource of 3.4 billion pounds of copper was contained in 454 million tons grading 0.37% copper and 8.2% iron.

The Company also increased the size of the land package at the Property through the staking and filing of Unpatented Claims, bringing the total contiguous area to 7,100 acres. Management believed several opportunities for resource expansion within the Company’s extensive land package had been identified and required systematic testing. These included:

- a. Significant potential between the high grade East Deposit and E-2 Deposit in areas of apparent continuity that had not been drill tested;
- b. Areas between the North Deposit and Northwest Deposit, and the North Deposit and South Deposit had not been thoroughly drill tested. The potential to expand the North Deposit exists in both directions, potentially connecting the North Deposit and South Deposit into one. Also, the northwest flank of the South Deposit contained an untested magnetic high; and
- c. The northwest flank of the Southeast Deposit possessed the possibility of hosting a copper-rich zone of mineralization similar to the hanging wall zone of the South Deposit; and,
- d. Several significantly anomalous surface gold occurrences to the south and west were to be drill tested.

### Fiscal 2007 Exploration Program

The Company, commencing in October 2006, developed and implemented a 62,000-foot in-fill and step-out drilling program with the objective of moving a significant amount of the inferred resource into the measured and indicated category, along with adding to the base resource at the Property. In addition the Company initiated a program to assay and re-assay select historic core and drill rejects for copper, gold, silver and molybdenum. Traditionally previous operators had not always assayed for gold, silver and molybdenum, and for whatever bias, some core with visible chalcopyrite had not been assayed, even though it was within the limits of projected mining boundaries. The Company program completed in October 2007 and formed the data basis for the NI 43-101 updated resource estimate.

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

### Fiscal 2008 Exploration and Development Program

The focus of the Company's exploration and development efforts in 2008 was designed to upgrade the resource classifications, increase the hydrologic and geotechnical data and determine preliminary project economics in advance of a feasibility study. The work completed on the Property during the 2008 financial year cost approximately \$7 million and included:

#### Data Reconstitution:

The program consisted of re-assaying previously drilled samples for gold, silver and molybdenum, which for the most part were not assayed in previous drilling programs. The addition of a gold/silver and/or a molybdenum values would better define the resource and enhance project economics.

#### Deposit Drilling:

The drilling commenced in February 2008. A total of 27,288 meters of drilling was completed. The program was designed to upgrade the resource classifications and test the down dip and along strike extensions where the deposit remained open in several directions. Several metallurgical, hydrological and geotechnical drill holes were included in the drill program in order to collect data necessary for mine permitting and the feasibility study purposes. The following table summarizes the drilling:

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

#### Metallurgical Testing:

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

#### Deposit Engineering:

A positive PEA for the Property. The PEA evaluated an integrated underground and open pit mining operation with a standard milling and floatation plant that will produce high-grade copper concentrates. Annual production will average 95,000 tons of copper per year over a mine life exceeding 20 years. The designed mining operation would have a 60,000 ton per day concentrator throughput. Metallurgical recoveries are estimated at 89% for copper, 70% for gold and 68% for silver. Detailed highlights from the PEA are found in Item 3.3 of this AIF.

### Fiscal 2009 Exploration Program

An updated NI 43-101 compliant resource estimate update was completed in August 2009. Copper, gold and iron resources increased significantly while showing substantial increases in the Measured& Indicated resource ("M & I") categories.

The increase in the total resources was largely due to the very successful expansion of open mineralization and focused resource classification drilling during 2008. The new resource estimate increased the M&I to 488 million tons at a grade of 0.58 for a total of 5.6 billion pounds of copper at a 0.20% cutoff. The inferred resource was 440 million tons grading 0.54 for a total of 3.9 billion pounds of copper at a 0.20% cutoff.

The resource estimate update was prepared by the mineral resource and mining division of Tetra Tech MM, Inc. A detailed summary of the resource estimate is found in Item 3.3 of this AIF.

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

<b>Purpose</b>	<b># Holes</b>	<b>Meters</b>
Initial Resource Definition	37	28,058
Additional Resource Definition	37	18,477

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

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

A NI 43-101 compliant pre-feasibility study was begun in the fourth quarter of 2009 and later expanded to a feasibility in the fourth quarter of 2010 following completion of the expanded 45,000 meter drilling program.

#### Fiscal 2010 Development and Feasibility Program

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

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

<b>Purpose</b>	<b># Holes</b>	<b>Meters</b>
Geotechnical	20	11,109
Hydrologic	3	1,080

The NI 43-101 compliant feasibility is expected to be finalized at the end of the fourth quarter 2011, allowing for a formal production decision at the Pumpkin Hollow Property. The feasibility team is led by Tetra Tech.

After completing trade-off studies covering such areas as staging of mine development from underground and the larger scale open-pits, tailings storage alternatives, reviewing potential production rates, methods of accessing the underground East and E2 deposits and ore transport from underground comparing decline versus shaft options, for the open pits, truck vs in-pit crushing and conveying; and power supply alternatives, the Company directed Tetra

Tech to proceed with detailed engineering and costing on the basis of the following project development parameters.

### Phased Project Development

For purposes of the DFS, the Company has elected to evaluate a phased project development build-out to allow for earlier production from an underground operation located entirely on private, patented claims. The earlier Phase 1 underground mine and mill operation can be developed economically on its own and would not be dependent upon subsequent phases of the project. A subsequent Phase 2 would involve two open pits, which would require additional environmental design, amendments to local and State permits and Federal approvals. This phased plan means that the stand-alone underground project could be in operation as early as late 2014 while additional environmental studies are performed to secure Federal approvals for Phase 2.

#### Phase 1 - Underground Operation on Private Land

Phase 1 development includes a 7,500 ton per day mine/mill operation with ore feed from the high grade East and E2 underground deposits. The operation is highly attractive because of its small environmental footprint with the development contained entirely within private patented mining claims - requiring no Federal permits. This phase would require State and County permits only and result in faster permitting and earlier initial copper production. Final permits for the Phase 1 development are expected to be received by the fourth quarter of 2012.

#### Phase 2 - Open Pit Mine/Mill on Private and BLM Land

A Phase 2 expansion includes a 60,000 tons per day open pit mine feeding a separate mill facility with grind size optimized for maximum copper recovery from the open pit ores. Mining and milling rates will be optimized and determined as part of the DFS. Phase 2 would require a BLM Plan of Operations and an Environmental Impact Statement since the project would extend onto unpatented claims held by Nevada Copper on BLM lands. The approvals for this phase are expected to be received approximately 27 months after submission of a complete BLM Plan of Operations. The BLM Plan of Operations is targeted for submission in Q3 of 2012.

### Copper Production

Annual copper production for Phase 1, based on previous studies, is expected to be up to 120 million pounds with a life-of-mine average of approximately 90 million pounds. At full production, including Phases 1 and 2, annual copper production, based on previous studies, is expected to be up to 270 million pounds with a life-of-mine average of approximately 190 million pounds. The DFS will confirm the actual annual copper production schedule based on the sequencing of Phase 1 and 2 mine production, mining rates, mill recoveries and mill feed grades.

### Fiscal 2010 Exploration, Step-out and Expansion Program

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

The updated resource estimate at a 0.20% copper cutoff grade contained a measured and indicated copper resource of 5.9 billion pounds of copper, contained in 531 million tons grading 0.55% copper and 1.6 million ounces of gold and 42 million ounces of silver. An inferred copper resource of 3.7 billion pounds of copper is contained in 495 million tons grading 0.37% copper and 716 thousand ounces of gold and 22 million ounces of silver. Additionally, there is also an open-pit measured and indicated resource of 340 million tons grading 32% iron for a total of 111 million tons of iron at a 20% cutoff.

### Fiscal 2011 Development and Feasibility Program

The DFS was initially focused on a Phased Development Plan with an underground mine developed first and feeding a 7,500 tpd mill, followed by construction of an open pit operation and a separate 60,000 tpd mill which is discussed in detail in Fiscal 2010 Development and Feasibility Program section above. All the work in fiscal 2011 focused on this approach with a goal to be completed by the end of September 2011.

On September 19, 2011, the Company announced a proposed land transfer and as a result has elected to have the DFS work expanded to include an Integrated Operation (“**Integrated Operation**”). The City of Yerington and Lyon County, in cooperation with Nevada Copper will be moving forward with a transfer of Bureau of Land Management administered federal lands to the City of Yerington. This land transfer would both expand economic development opportunities for the City and accelerate the permitting timeline of the Pumpkin Hollow project under a local and State permitting process with production targeted to commence in 2015. Without the land transfer, the Integrated Operation could be permitted and developed under a federal and state permitting process with production targeted to commence in early 2017.

Over the past four years, management had been advancing discussions with the City of Yerington (“City”) for a plan that considers a proposal to transfer 11,630 acres of BLM administered land to City control. The City and Lyon County have both indicated formal support for this proposal, along with indications of support from the State of Nevada and its congressional delegation (see September 19, 2011 News Release).

These 11,630 acres proposed for transfer are adjacent to, and contiguous with, the City boundaries and encompasses the Property area. Of this land, 3,800 acres, over which the Nevada Copper already has valid unpatented mineral claims, surrounds the Company’s 1,560 acres of existing private patented land. The City would make this additional land available to Nevada Copper to consolidate its mineral land package. This consolidated package of 5,360 acres of mineral claims would allow for a single State and local permitting process for the combined underground and open pit operations, and for concurrent development of both projects, once permits are granted. The Integrated Operation would receive permits faster under the State process, leading to a production start in 2015, which would be two years earlier than under a complex dual State and Federal process for a Phased Development Plan.

The remainder of the lands to be transferred (7,830 acres) would be set aside for general industrial, mining, commercial and renewable energy development multi-purpose recreational and open space buffer.

The Integrated Operation contemplates an underground and an open pit mine feeding a single large nominal 60,000 tpd mill. With the expanded DFS, the expected release date is now the end of the fourth quarter of 2011. The Integrated Operation is expected to result in lower capital requirements by elimination of the smaller 7,500 tpd mill and the related duplicate infrastructure, and lower operating costs due to a simpler more efficient operation.

The Integrated Operation is now the preferred development option. This development plan includes an underground and an open pit mine permitted and constructed concurrently to allow for production to come on stream together. The timeline established for the State and Federal permitting process results in a projected 2017 production start. A successful land transfer means only State and local permitting is required, and an earlier production start of 2015 is projected. The Integrated Operation is expected to result in significantly reduced capital costs and lowered overall operating cost due to the elimination of the smaller mill, the elimination of duplicated infrastructure, and the lowering of operating costs due to the efficiencies of a single large mill facility. If the land transfer is successful, it will also potentially allow for production start two years earlier, in 2015.

Further metallurgical test work is required to confirm process throughputs and mill recoveries from the blended ore stream. The expanded DFS will incorporate this additional work and is expected to be completed in Q4 of calendar 2011.

#### 2011 Step out Drilling Program

The Company started a new 20,000 meter program in December 2010 of which thirty drill holes for a total of 16,700 meters has been completed. Currently three drill rigs are on the project with the program expected to finish the remaining 3,300 meters of drilling in the fall of 2011.

The 2011 resource drill program is focused on expansion and step-out drilling around the known deposits as well as other targets within the claim block and include:

- The North Deposit continues to have multiple areas of open mineralization. The areas include: the lower stacked mineralization area, the north and northwest areas, and the open mineralization along the eastern and southeastern edge of the deposit.
- The South deposit drilling will focus on expanding mineralization in two areas: along the northern and northeastern boundary of the South Deposit and the deeper center core. Open lower grade mineralization (0.20% -0.80% Cu) is found within hornfels and endoskarn along the northern edge of the deposit. This target area falls within the proposed pit boundary and could have a positive impact on the pit economics.
- The East Deposit remains open in several directions. Within the deposit there are several recognized higher grade trends the trend in the northern part of the deposit while thinning extends to the east and west. The southwest portion of the deposit is also open and contains wide spaced holes with high grade mineralization.
- Drilling in the E-2 deposit will focus on extending the mineralization down dip and mineral zoning target to the northeast.
- Section 11 mineralization is very similar in both character and depth to the E-2 Deposit and is thought to be a faulted off extension. Most of the previous holes were drilled below the mineralized horizon in the footwall.
- The BC and eastern targets are located on BLM ground a little over a mile east of the East and E-2 deposits. Detailed ground magnetic surveys have been completed and surface mapping and sampling is ongoing. Skarn altered limestone with visible oxide copper mineralization crop out and is coincident with weak magnetic and IP anomalies.

Funds have been budgeted for several other targets within the claim block. The targets require additional geologic data compilation and data review before drill holes can be proposed.

More detailed information can be found in News Releases of the Company on [www.sedar.com](http://www.sedar.com).

#### **ITEM 4. DIVIDENDS**

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

#### **ITEM 5. DESCRIPTION OF CAPITAL STRUCTURE**

All of the authorized common shares of the Company are of the same class and, once issued, rank equally as to dividends, voting powers, and participation in assets. Holders of common shares are entitled to one vote for each share held of record on all matters to be acted upon by the shareholders. Holders of common shares are entitled to receive such dividends as may be declared from time to time by the Board of Directors of the Company, in its discretion, out of funds legally available therefore.

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

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

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

#### **ITEM 6. MARKET FOR SECURITIES**

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

## **6.1 Trading Price and Volume**

The following table lists the monthly volume of trading and high and low prices for the Company's common shares for the 2011 financial year.

### **High and Low Prices and Volume for the Year Ended June 30, 2011**

<b>Monthly Period Ended</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
June 2011	5.78	5.35	1,169,820
May 2011	5.79	5.20	2,552,740
April 2011	6.38	5.70	4,519,988
March 2011	5.91	4.98	6,144,806
February 2011	5.44	4.91	4,395,641
January 2011	5.44	4.16	4,343,386
December 2010	4.65	3.91	3,960,588
November 2010	4.27	3.50	9,433,630
October 2010	4.19	3.31	8,888,726
September 2010	3.80	3.00	3,828,320
August 2010	2.99	2.45	2,969,466
July 2010	2.37	1.90	2,960,393

## **6.2 Prior Sales**

The following table provides each class of the Company's securities that was outstanding but not listed or quoted on a marketplace as at June 30, 2011:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Grant Date</b>	<b>Expiry Dates</b>
70,000 <sup>(1)</sup>	\$1.00	August 15, 2006	August 15, 2011
30,000 <sup>(1)</sup>	\$1.00	December 19, 2006	December 19, 2011
85,000 <sup>(1)</sup>	\$1.00	May 2, 2007	May 2, 2012
320,000 <sup>(1)</sup>	\$1.00	August 30, 2007	August 30, 2012
520,000 <sup>(1)</sup>	\$1.00	July 2, 2008	July 2, 2018
210,000	\$0.75	November 13, 2008	November 13, 2018
355,000	\$3.27	January 14, 2010	January 14, 2020
980,000	\$2.12	May 31, 2010	May 31, 2020
610,000	\$3.74	October 13, 2010	October 13, 2020
265,000	\$4.55	January 6, 2011	January 6, 2021
790,000	\$5.37	February 22, 2011	February 22, 2021
<b>4,235,000</b>			

Note:

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

The following table summarizes the share purchase warrants outstanding and exercisable as at June 30, 2011:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Grant Date</b>	<b>Expiry Dates</b>
163,012	\$3.30	April 22, 2010	April 27, 2012
<b>163,012</b>			

## ITEM 7. ESCROWED SECURITIES

No shares were held in escrow during the financial year ending June 30, 2011.

## ITEM 8. DIRECTORS AND EXECUTIVE OFFICERS

### 8.1 Directors and Executive Officers

Directors and Executive Officers  
As at September 26, 2011

<b>Name, Current Position with the Company, Province or State and Country of Residence</b>	<b>Principal Occupation during the Past Five Years<sup>(1)</sup></b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Giulio T. Bonifacio <sup>(3)(5)</sup> President, CEO, and Director British Columbia, Canada	Founder, President and CEO of Nevada Copper Corp. since August 2006.	Since August 15, 2006	5,000,000 (6.9%)
Brian P. Kirwin, <sup>(2)(3)(4)(5)</sup> Non Executive Chairman and Director Nevada, United States	President and CEO of American Bonanza Gold Corp., a pre-production stage mining company, since March 2005.	Since August 15, 2006	1,985,500 (2.7%)
Foster Wilson <sup>(2)</sup> Director Nevada, United States	President and CEO of Mesa Exploration Corp., an exploration stage mining company, since March 2005.	Since August 15, 2006	556,300 (0.8%)
Joseph Giuffre <sup>(3)(4)</sup> Director British Columbia, Canada	Partner, Axium Law Corporation January 1, 2004 to present.	Since November 3, 2006	422,500 (0.6%)
Paul Matysek <sup>(2)(4)(5)</sup> Director British Columbia, Canada	CEO and Founding Director of Lithium One, since April, 2011 and April 2009 respectively; President, CEO and Director of Potash One Inc. November 2007 to November 2010; President, CEO and Director, Energy Metals Corp. 2005 to August 2007; Self-employed Geological Consultant 1998 to date.	Since May 22, 2008	727,000 (1%)
Jan Castro <sup>(5)</sup> Director Walchwil, Switzerland	Chief Executive Officer of Pala Investments AG, the exclusive advisor to Pala Investments Holdings Ltd. since 2006.	Since November 17, 2010	0
Robert McKnight Executive Vice President British Columbia, Canada	Executive Vice President, Nevada Copper Corp. since October 2010; Vice President Corporate Development of Selwyn Resources from February 2004 to November 2010; Chief Financial Officer of Yukon Zinc Corp. from February 2004 to July 2008.	**Officer Only since October 2010**	0
Joe Chan Chief Financial Officer British Columbia, Canada	Chief Financial Officer, Nevada Copper Corp. since September 2006.	**Officer Only since September 2006**	75,000 (0.1%)

Notes:

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective

directors and officers. Each director and officer has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.

- (2) Member of Audit Committee
- (3) Member of Corporate Governance Committee
- (4) Member of Compensation Committee
- (5) Member of Nomination Committee

As at the date hereof, all the Directors and Executive Officers as a group beneficially own, control or direct, directly or indirectly, an aggregate of 8,766,300 common shares representing 12% of the company's outstanding shares.

The Directors have served in their respective capacities since their election and/or appointment and will serve until the next Annual General Meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles of Incorporation of the Company.

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

## **8.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

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

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

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

A cease trade order was issued against Mandalay Resources Corporation on June 30, 2004 by the Alberta Stock Exchange for failure to file certain required financial information. On February 1, 2005, the cease trade order was revoked as the Company had filed the required documentation.

Mr. Matysek resigned as a director of Mandalay Resources Corporation on November 17, 2005.

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

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

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

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

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

## **ITEM 9. LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

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

## **ITEM 10. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as set forth herein and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, shares carrying more than 10% of the voting rights attached to the shares of the Company, nor an associate or affiliate (as defined in the British Columbia *Securities Act*) of any of the foregoing persons has since July 1, 2007 any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Company or any of its subsidiaries.

## **ITEM 11. TRANSFER AGENT AND REGISTRARS**

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

## **ITEM 12. MATERIAL CONTRACTS**

The Company has entered into the following material contracts:

- a. Lease Agreement between 607792 BC and RGGGS for the Property, dated May 4, 2006 – see Item 3.3, Mineral Projects.
- b. Assignment and Assumption Agreement between 607792 BC and the Company dated January 4, 2008 – 607792 assigned all of its rights, title and interest in the Lease Agreement between 607792 and RGGGS to the Company.
- c. First Amendment to Lease Agreement between the Company and RGGGS, dated April 10, 2008 – RGGGS granted water rights to the Company.
- d. Assignment and Assumption Agreement between Nevada Copper Corp. and Nevada Copper, Inc. dated July 23, 2009 to assign all of its rights, title and interest in the Lease Agreement to Nevada Copper, Inc.
- e. Water Service Agreement between Nevada Copper Inc. and City of Yerington, dated August 10, 2009 – the City of Yerington reserved 2,000 acre feet for use by Nevada Copper Inc. for 30 years,
- f. First Amendment to Water Service Agreement between Nevada Copper Inc. and City of Yerington, dated July 25, 2011 – the City of Yerington reserved an additional 1,500 acre feet of water (totalling 3,500 acre feet) for use by Nevada Copper Inc.

## **ITEM 13. INTERESTS OF EXPERTS**

### **13.1 Name of Experts**

The following are names of persons or companies that have prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during,

or relating to, the Company's most recently completed financial year end and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

1. Manning Elliott LLP of 11th Floor, 1050 West Pender Street, Vancouver, BC, V6E 3S7 provided an auditor's report dated July 30, 2010, in respect of the Company's financial statements for the years ended June 30, 2010 and 2009. Manning Elliott LLP is independent within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

2. KPMG LLP of 777 Dunsmuir Street, Vancouver, BC, V6E 3S7 provided an auditor's report dated September 26, 2011, in respect of the Company's financial statements for the year ended June 30, 2011. KPMG LLP is independent within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

3. John W. Rozelle, P.G., of Tetra Tech MM, Inc. of Suite 500, 350 Indiana Street, Golden, Colorado, 80401 was responsible for the preparation of the following NI 43-101 technical reports: "NI 43-101 Preliminary Economic Assessment – Pumpkin Hollow Copper Project – Lyon County, Nevada, United States" dated March 31, 2008; "Pumpkin Hollow Copper Project – Resource Update – NI 43-101 Technical Report – Lyon County, Nevada, United States" dated August 20, 2009; "Pumpkin Hollow Copper Project – Preliminary Economic Assessment Update – NI 43-101 Report – Lyon County, Nevada, United States" originally dated January 12, 2010, as revised on January 13, 2010 and July 20, 2011.

### **13.2 Interests of Experts**

To the best of the Company's knowledge, the experts named under Item 13.1, and the designated professionals (as defined in Form 51-102F2 Annual Information Form) of Tetra Tech MM, Inc. did not have or receive any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates, when that expert prepared their respective reports, nor will such persons receive any registered or beneficial interest, direct or indirect, in any securities or other property of the Company in connection with the preparation of their respective reports.

### **ITEM 14. AUDIT COMMITTEE INFORMATION**

National Instrument 52-110 - Audit Committees ("NI 52-110") requires the Company to disclose annually certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following. The text of the Company's audit committee charter is attached as Exhibit "1" hereto.

#### **Composition of the Audit Committee**

The members of the audit committee are Brian Kirwin, Paul Matysek and Foster Wilson, all of whom are independent. All members are considered to be financially literate.

#### **Relevant Education and Experience**

Mr. Kirwin is an accomplished mining executive and explorationist at both senior and junior mining companies having held leadership positions. Mr. Kirwin has over 20+ years of experience evaluating deposits, mines and risk worldwide and is currently President and CEO of a mining company listed on the TSX. Mr. Kirwin has held numerous directorships and executive level positions within the resource sector over the past 20 years.

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

Mr. Wilson is an accomplished mining executive and professional geologist with over 25 years experience in exploration and development projects ranging from reconnaissance to development drilling, ore reserve estimation and feasibility studies. Mr. Wilson has worked for numerous public resource companies and held directorships within the resource sector. Mr. Wilson is currently the President and CEO of a publically traded uranium company.

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

### **Reliance on Certain Exemptions**

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

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

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

### **Reliance on Section 3.8**

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

### **Audit Committee Oversight**

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

### **Pre-Approval Policies and Procedures**

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

### **External Auditor Service Fees**

The audit committee has reviewed the nature and amount of the non-audited services provided by Manning Elliott LLP to the Company to ensure auditor independence. Fees paid to Manning Elliott LLP for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table. For the audit of the June 30, 2011 financial results, the Company changed auditors to KPMG LLP. The payment to KPMG LLP will be reflected in the 2012 Annual Information Form and is estimated to be \$39,000.

<b>Nature of Services</b>	<b>Fees Paid to Auditor in Year Ended June 30, 2011</b>	<b>Fees Paid to Auditor in Year Ended June 30, 2010</b>
Audit Fees <sup>(1)</sup>	34,000	31,837
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	6,450	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>40,450</b>	<b>31,837</b>

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

#### **ITEM 15. ADDITIONAL INFORMATION**

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

EXHIBIT 1  
AUDIT COMMITTEE CHARTER

**NEVADA COPPER CORP.  
(the "Corporation")**

**AUDIT COMMITTEE CHARTER**

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

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

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