



NEVADA COPPER CORP.

QUARTERLY REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2010

NEVADA COPPER CORP.
Management's Discussion & Analysis
For the nine months ended March 31, 2010, as of May 11, 2010

General

This Management's Discussion and Analysis of Nevada Copper Corp. (the "Corporation", or "Nevada Copper") has been prepared by management as of May 11, 2010 and should be read in conjunction with the Corporation's audited annual financial statements and related notes for the year ended June 30, 2009 and the unaudited consolidated financial statements of the Corporation for the nine months ended March 2010 and 2009. All amounts are expressed in Canadian Dollars unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in the following Management's Discussion and Analysis may be deemed forward-looking statements. All statements other than statements of historical facts, including the likelihood of commercial mining and possible future financings are forward-looking statements. Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include unsuccessful exploration results, changes in commodity prices, changes in the availability of funding for mineral exploration, unanticipated changes in key management personnel and general economic conditions. Mining is an inherently risky business. Accordingly the actual events may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements while considering the risks set forth below.

Description of Business

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

The Corporation was incorporated on June 16, 1999, under the Business Corporations Act of the Yukon as African Venture Corporation and changed its name to Astron Resources Corporation on July 23, 1999. On August 15, 2006, the Corporation acquired its subsidiary of 607792 British Columbia Ltd. ("607792 BC"), a British Columbia incorporated company, through an exchange of shares and completed its Qualifying Transaction and commenced trading on the TSX Venture Exchange ("TSX-V") on August 17, 2006. On November 16, 2006 Astron Resources Corporation changed its name to Nevada Copper Corp. and commenced trading under the new symbol of "NCU". The Corporation also continued to carry on its business in British Columbia under the Business Corporations Act (British Columbia) on November 16, 2006. On August 16, 2007 the Corporation's common shares were approved for listing and commenced trading on the Toronto Stock Exchange ("TSX") under its current stock symbol "NCU" and delisted from TSX-V.

The principal asset of the Corporation is a 100% interest in the 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 Corporation comprised of patented and unpatented claims.

Overview of Performance

Since the acquisition of 607792 BC on August 15, 2006, the Corporation has embarked on a systematic fast-track program to develop its advanced stage Pumpkin Hollow property located in Nevada. During 2007, a 19,000 meters drill program was completed and in November 2007 the Corporation completed an updated independent National Instrument ("NI") 43-101 compliant resource estimate with copper and iron resources increasing while adding gold and silver to the overall resource. On March 17, 2008 the Corporation completed a 43-101 compliant Preliminary Economic Assessment (the "PEA") of its Pumpkin Hollow property. The PEA was filed on SEDAR on April 3, 2008.

The Corporation completed the 2008 drilling program which totaled over 26,000 meters of resource, geotechnical and hydrological drilling and 16,000 meters of re-assaying the historic drill core.

An updated NI 43-101 compliant resource estimate was completed in July 2009 adding significant copper, gold and iron resources and showing substantial increase in the Measured and Indicated categories. As a result of the significant increases in the updated resource estimate, the Corporation updated its PEA in December, 2009 with largely reduced capital costs and a project which would be resilient to lower copper prices while still allowing for the transition to the large integrated open pit-underground operation. The updated PEA was filed on SEDAR on January 13, 2010. Capital costs have been reduced to approximately 25% of that required for a larger 60,000 tons per day integrated open pit-underground operation. More importantly, the High Grade Case does not compromise the integrity of the large open pit project envisioned in the 2008 PEA, and will allow for transition to the large integrated open pit underground operation on a staged basis.

During December, 2009 the Corporation announced the commencement of a Pre-Feasibility Study. The Pre-Feasibility Study includes a 36,000 meter resource drilling program which was recently expanded from approximately 25,000 meters and is scheduled for completion in the third quarter of 2010. Snowden Mining Industry Consultants, Inc. (“Snowden”) an international, industry leading engineering firm has been engaged by the Corporation to prepare the National Instrument 43-101 compliant report.

Selected Information

The following table sets forth selected consolidated financial information of the Corporation for and as of the end of the last three fiscal years and the year-to-date of the latest two years. The selected consolidated financial information should be read in conjunction with the Consolidated Financial Statements of the Corporation.

	Nine months ended March 31,		Year ended June 30,		(Restated)
	2010	2009	2009	2008	2007
	\$	\$	\$	\$	\$
Net (loss)	(2,175,379)	(1,285,551)	(2,589,017)	(2,575,910)	(3,212,073)
Net loss per share	(0.05)	(0.03)	(0.06)	(0.07)	(0.11)
Total cash and cash equivalents	7,653,831	1,220,107	2,567,280	6,307,602	5,496,900
Working capital	3,973,439	753,951	2,263,278	5,704,453	5,064,648
Total liabilities	3,731,552	510,890	2,526,143	660,689	488,637
Total assets	32,578,066	19,334,281	21,172,451	20,497,696	12,702,817
Shareholders' equity	28,846,514	18,823,391	18,646,308	19,837,007	12,214,180

Results of Operations

For the nine months ended March 31, 2010, the Corporation had a net loss of \$2,175,379 or \$0.05 per share compared to a net loss of \$1,285,551 or \$0.03 per share with the corresponding nine months of 2009. General administrative expenses totaled \$952,952 (2009 - \$506,101) and business development totalled \$73,332 (2009 - \$184,104) reflecting the decreased business activities during the current period. A total of \$6,298,692 (2009 - \$4,836,886) was spent in property acquisition and exploration related activities. Interest income for the nine months totalled \$17,068 (2009 - \$53,446).

Summary of Quarterly Results

Selected consolidated financial information for the most recent eight financial quarters is as follows:

(In thousand of dollars except amounts per share)	2010		2009		2008			
	Mar. 31	Dec.31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	7,654	11,190	1,541	2,567	1,220	1,984	4,131	6,308
Working capital	3,973	10,756	1,421	2,263	753	2,543	4,123	6,604
Total assets	32,578	31,722	20,605	21,172	19,334	20,044	20,762	20,498
Shareholder's equity	28,847	29,220	18,412	18,646	18,823	19,670	19,808	19,837
Net loss	2,175	(320)	(234)	(1,303)	(842)	(134)	(310)	(202)
Net loss per share	(0.05)	(0.01)	(0.01)	(0.03)	(0.02)	(0.00)	(0.01)	(0.01)

Liquidity and Capital Resources

The Corporation's working capital as at March 31, 2010 was \$3,973,439 compared with a working capital position of \$2,263,278 as at June 30, 2009. During the nine months ended March 31, 2010, the Corporation closed a private placement of \$11,127,985, net of share issue costs. There was no warrant exercised during this period (2009 – \$282,416). Exploration and capital expenditures at the Pumpkin Hollow project for the current period was \$6,298,692 (2009 - \$4,836,886).

On April 30, 2008 the Corporation closed a bought deal private placement of 2,400,000 units at a purchase price of \$2.70 per Unit for gross proceeds of \$6,480,000 with a syndicate of underwriters, led by Acumen Capital Finance Partners Limited and including Fraser Mackenzie Limited. Each unit consisted of one common share and one-half of a transferable common share purchase warrant. Each whole warrant was exercisable into one common share at a price of \$3.20 per share until October 30, 2009.

During the year ended June 30, 2008 1,940,020 share purchase warrants were exercised at \$1.50 per share and 95,324 share purchase warrants were exercised at \$1.05 per share for a gross proceed of \$3,010,120. The Corporation also issued 21,589 common shares as compensation to a consultant with market value equivalent to \$56,245.

During the year ended June 30, 2009, 188,349 share purchase warrants were exercised for gross proceed of \$282,416. There were no warrants exercised during the nine months ending March 31, 2010.

In June, 2009 the Corporation successfully closed an 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 bear interest at a rate of 7% per annum calculated monthly and payable in full on maturity. The debenture is convertible into common shares at a deemed price of CDN\$1.00. As part of the agreement, ZTS also received from the Corporation 100,000 share purchase warrants exercisable at a purchase price of CDN\$1.00 per share until January 6, 2011.

On November 3, 2009, the Corporation closed a private placement in the amount of \$11,250,000 with Capstone Mining Corp. ("Capstone"). Capstone subscribed for 4,500,000 units (the "Units") of Nevada Copper with each Unit consisting of one common share and one-half of a transferable common share purchase warrant at a price of \$2.50 per Unit for total consideration of \$11,250,000. Each whole warrant is exercisable into one common share at an exercise price of \$3.00 per common share until November 4, 2011. All securities issued in connection with the private placement were subject to a four month hold period, expiring March 4, 2010.

On April 27, 2010, the Corporation closed a bought-deal private placement of (the "Offering") 7,762,500 common shares, including the exercise in full of an over-allotment option, at a purchase price of \$3.05 per common share for gross proceeds of \$23,675,625. The Offering was underwritten by a syndicate of underwriters led by Macquarie Capital Markets Canada Ltd. and including Scotia Capital Inc. All securities issued in connection with the Offering are subject to a four month hold period expiring August 28, 2010.

Transactions with Related Parties

The Corporation shares certain premises and facilities with a company which has certain directors in common, under a cost sharing agreement. During the nine months ended March 31, 2010, the Corporation incurred expenses of \$106,500 (2009 - \$103,500).

The Corporation entered into management agreements with certain members of senior management. In the event that there is a change of control, the Corporation is committed to pay severance payments equivalent of up to three years of salary.

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

Commitments

The Corporation entered into an Option Agreement to acquire a ten-year lease for mining rights (the "Lease"), effective May 4, 2006 and expiring May 4, 2016, to the Pumpkin Hollow Copper Development Property.

Under the terms of the Lease, the Corporation is required to make the following lease payments:

<u>Due Date</u>	<u>US\$</u>	
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	
	<u>600,000</u>	

Following May 4, 2011, the Corporation is required to pay advance royalty payments of US\$600,000 annually until the expiry of the Lease on May 4, 2016. Total advance royalty payments under this obligation are US\$3,000,000.

The Corporation is obligated to make exploration and development expenditures on the Property of at least US\$4,000,000 during the first three years of the Lease, with expenditures of at least US\$500,000 each year, and an additional US\$4,000,000 during the 4th through 6th years of the Lease, with expenditures of at least US\$500,000 each year. As at March 31, 2010, the Corporation has satisfied this obligation and incurred cumulative expenditures of \$18,240,028 on exploration and development since acquiring the property.

Pursuant to the First Amendment to the Lease dated April 10, 2008, the Corporation agreed to acquire from the optionor of the Lease, certain water rights to consume a maximum of 500 acre feet of water for its mining operations on the Property in exchange for making 80 quarterly payments payable over a period of 20 years with US\$47,262 each from July 1, 2008 to April 1, 2028. As at report date, payments totaling US\$378,099 had been paid. The First Amendment to the Lease also contains provisions allowing the Corporation to accelerate and reduce the payments required.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangement.

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer have instituted a system of controls for the Corporation to provide reasonable assurance as to the reliability of the financial information and that the financial statements are prepared, for external purpose, in accordance with GAAP. The limited number of employees within the Corporation facilitates access to real time information about developments in the business for the person responsible for drafting disclosure documents. All documents are circulated to responsible members of management and the board of directors according to the disclosure time-lines contained within the disclosure policy. The disclosure controls conform with the Corporation's Corporate Governance policies.

The Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Corporation's disclosure controls and procedures have concluded that, as of such date, the Corporation's disclosure controls and procedures were effective to ensure that material information relating to the Corporation was made known to them by others within the Corporation during the period.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by our Corporation is recorded, processed, summarized and reported within the time periods specified. The Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures for the Corporation.

The Chief Executive Officer and the Chief Financial Officer have concluded, based on an evaluation as of March 31, 2010, that the disclosure controls and procedures for the Corporation was effective to provide reasonable assurance that material information related to the Corporation is made known. It should be noted that while the Corporation's Chief Executive Officer and the Chief Financial Officer believe that the Corporation's disclosure controls and procedures provide a reasonable level of assurance that the system of internal control are effective, they do not guarantee that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the recoverability of mineral property deferred costs, valuation of investments, future income tax assets and liabilities, assumptions used in valuing options and warrants in stock-based compensation calculations and assumptions used in valuing the liability and variable conversion feature of convertible debenture.

Risk Factors

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 Corporation may be affected by numerous factors which are beyond the control of the Corporation 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 Corporation not receiving an adequate return on invested capital.

- ***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 Corporation may be affected by numerous factors which are beyond the control of the Corporation 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 Corporation 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 affect future mining operations and the Corporation's financial position.***

There is no certainty that the expenditures made or to be made by the Corporation 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 Corporation 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 Corporation's financial position.

- ***Marketability of natural resources which may be discovered by the Corporation 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 Corporation 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 Corporation, 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 Corporation'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 Corporation 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 Corporation'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 exploration and development mining companies.

The development of any ore deposits found on the Corporation's exploration properties depends upon the Corporation'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 Corporation will be successful in obtaining the required financing.

- ***Title Matters***

In those jurisdictions where the Corporation has property interests, the Corporation 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 Corporation'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 Corporation has a lack of operating history and has no history of earnings.***

The Corporation and its predecessor companies have no history of earnings. The Corporation 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 Corporation is through the sale of its equity shares or by way of debt facilities. While the Corporation 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 Corporation is exposed to currency fluctuations in the acquisition of foreign currencies. The Corporation holds balances in cash and cash equivalents, accounts payable, accrued liabilities and convertible debenture in foreign currencies (US dollars) and is therefore exposed to gain or losses on foreign exchange.
- ***The Corporation's activities on the Pumpkin Hollow Property are subject to environmental regulations.***
All phases of the Corporation'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 Corporation's operations, or its ability to develop its properties economically. Before production may commence on any property, the Corporation 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 Corporation 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 Corporation competes with many companies possessing greater financial resources and technical facilities. Competition could adversely affect the Corporation's ability to acquire suitable producing properties or prospects for exploration in the future.
- ***The Corporation is dependent on key personnel and the absence of any of these individuals could result in a significantly negative effect on the Corporation.***
The success of the Corporation 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 Corporation may have a material adverse effect on the Corporation. The Corporation does not presently have "key person" life insurance for any of its officers.
- ***Some of the directors of the Corporation 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 Corporation.***
Certain of the directors of the Corporation 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 Corporation, or may in the future participate in one or more ventures in which the Corporation participates, such directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises, at a meeting of the directors of the Corporation, 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 Corporation 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 participating 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 Corporation is incorporated under the laws of British Columbia, Canada, and some of the Corporation'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 Corporation 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 Corporation or any of the Corporation's non-U.S. resident officers or directors.
- ***Shareholder Dilution***
It is likely that additional capital required by the Corporation will be raised through the issuance of additional equity securities, resulting in dilution to the Corporation's shareholders.

Changes in Accounting Policy

Effective July 1, 2009, the Corporation has adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA). The new standards and accounting policy changes are as follows:

i) CICA Handbook Section 3064, “Goodwill and Intangible Assets”

In February 2008, the CICA issued new CICA Handbook Section 3064, “Goodwill and Intangible Assets”, replacing CICA 3062, Goodwill and Other Intangible Assets, and CICA 3450, Research and Development Costs. Collectively, these changes bring Canadian practice closer to International Financial Reporting Standards (“IFRS”) and U.S. GAAP. The effective date of adopting this standard for the Corporation is July 1, 2009. Adoption of this standard did not have any effect on the financial statements.

ii) CICA Handbook Section 1582, “Business Combinations”

In January 2009, the CICA issued Section 1582, “Business Combinations”, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier adoption permitted. This standard is not expected to impact the Corporation's financial statements.

iii) CICA Handbook Section 1601, “Consolidated Financial Statements”, and 1602, “Non-controlling Interest”

In January 2009, the CICA issued Section 1601, “Consolidated Financial Statements”, and 1602, “Non-controlling Interests”, which replaces existing guidance. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period on or after January 2011 with earlier adoption permitted. This standard is not expected to impact the Corporation's financial statements.

iv) Adoption of International Financial Reporting Standards

The CICA's Accounting Standards Board has announced that Canadian publicly accountable enterprise will adopt IFRS as issued by the International Accounting Standards Board effective January 1, 2011. The Corporation is in the process of developing a plan for the implementation of IFRS and will assess the impact of the differences in accounting standards on the Corporation's consolidated financial statements. The Corporation expects to make changes to processes and systems before the 2011 fiscal year, in time to enable the Corporation to record transactions under IFRS, including previous years financial statements presented for comparative purposes in the 2011 financial year.

Outlook

The Corporation will continue to focus the majority of its exploration and development efforts in the United States for purposes of the acquiring, exploring and developing high-grade copper projects.

As a development stage company the future liquidity of the Corporation will be affected principally by the level of its development expenditures and by its ability to raise an adequate level of capital through the capital markets. In management's opinion the Corporation's current working capital position will be sufficient for purposes of completing its current development program at the Pumpkin Hollow property.

NEVADA COPPER CORP.

Consolidated Financial Statements
For the nine months ended March 31, 2010
(Unaudited – Prepared by management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, “Continuous Disclosure Obligations”, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Corporation have been prepared by management and approved by the Audit Committee and Board of Directors of the Corporation.

The Corporation’s independent auditors have not performed a review of these consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditors.

NEVADA COPPER CORP.
CONSOLIDATED BALANCE SHEETS
(In Canadian Dollars)
(Unaudited - Prepared by Management)

	March 31, 2010	June 30, 2009
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7,653,831	2,567,280
Amounts receivable	17,946	8,038
Prepaid expenses	33,214	22,750
	7,704,991	2,598,068
PROPERTY AND EQUIPMENT (note 4)	184,715	195,815
MINERAL PROPERTIES (note 5)	24,688,360	18,378,568
	32,578,066	21,172,451
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	1,517,892	334,790
Convertible debenture (note 7)	1,924,738	-
Variable conversion feature (note 7)	288,922	-
	3,731,552	334,790
LONG-TERM LIABILITIES		
Convertible debenture (note 7)	-	1,860,626
Variable conversion feature (note 7)	-	330,727
	3,731,552	2,526,143
SHAREHOLDERS' EQUITY		
Share capital (note 8)	33,712,331	22,319,346
Contributed surplus (note 9)	5,761,043	4,778,443
Deficit	(10,626,860)	(8,451,481)
	28,846,514	18,646,308
	32,578,066	21,172,451

COMMITMENTS (notes 5 and 6)
SUBSEQUENT EVENTS (notes 5 and 13)

APPROVED ON BEHALF OF THE BOARD,

Signed: Giulio T. Bonifacio
Director

Signed: Brian P. Kirwin
Director

The accompanying notes are an integral part of these consolidated financial statements

NEVADA COPPER CORP.**CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT**

(In Canadian Dollars)

(Unaudited - Prepared by Management)

	Three Months		Nine months	
	Ended March 31,		Ended March 31,	
	2010	2009	2010	2009
	\$	\$	\$	\$
EXPENSES				
Stock-based compensation (note 8)	982,600	-	982,600	-
General and administrative (note 10)	447,643	139,214	952,952	506,101
Business development	36,875	55,053	73,332	184,104
Foreign exchange (gains)/loss	(95,720)	4,452	(148,726)	2,592
Loss on disposal of investment	-	646,200	-	646,200
	1,371,398	844,919	1,860,158	1,338,997
OTHER				
Interest on convertible debt	259,197	-	332,289	-
Interest income	(9,886)	(3,167)	(17,068)	(53,446)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(1,620,709)	(841,752)	(2,175,379)	(1,285,551)
DEFICIT, beginning of the period	(9,006,151)	(6,306,263)	(8,451,481)	(5,862,464)
DEFICIT, end of the period	(10,626,860)	(7,148,015)	(10,626,860)	(7,148,015)
LOSS PER COMMON SHARE				
Basic and diluted	(0.04)	(0.02)	(0.05)	(0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	43,563,932	40,578,420	42,511,617	40,559,593

The accompanying notes are an integral part of these consolidated financial statements

NEVADA COPPER CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Canadian Dollars)
(Unaudited – Prepared by Management)

	Three Months		Nine months	
	Ended March 31,		Ended March 31,	
	2010	2009	2010	2009
	\$	\$	\$	\$
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Loss for the period	(1,620,709)	(841,752)	(2,175,379)	(1,285,551)
Items not affecting cash				
Stock-based compensation	982,600	-	982,600	-
Interest on convertible debt (note 7)	259,197	-	334,066	-
Foreign exchange on convertible debt	(72,215)	-	(296,215)	-
	(451,127)	(841,752)	(1,154,928)	(1,285,551)
Changes in non-cash working capital items				
Amounts receivable	1,011	(94)	(9,908)	21,497
Prepaid expenses	(10,615)	(10,951)	(10,464)	(8,691)
Accounts payable and accrued liabilities	1,041,906	136,403	1,183,102	(149,799)
Loss on disposal of investment	-	646,200	-	646,200
	581,175	(70,194)	7,802	(776,344)
INVESTING ACTIVITIES				
Property and equipment	(14,716)	(3,038)	(26,345)	(63,793)
Mineral properties (note 5)	(4,367,661)	(940,243)	(6,272,347)	(4,773,093)
Proceeds on disposal of investment		253,800		253,800
	(4,382,377)	(689,481)	(6,298,692)	(4,583,086)
FINANCING ACTIVITIES				
Issue cost on convertible debt (note 7)	-	-	(15,544)	-
Issuance of common shares, net of issue costs (note 8)	265,000	(4,457)	11,392,985	271,935
	265,000	(4,457)	11,377,441	271,935
INCREASE/(DECREASE) IN CASH	(3,536,202)	(764,132)	5,086,551	(5,087,495)
CASH AND CASH EQUIVALENTS, beginning of the period	11,190,033	1,984,239	2,567,280	6,307,602
CASH AND CASH EQUIVALENTS, end of the period	7,653,831	1,220,107	7,653,831	1,220,107
SUPPLEMENTARY INFORMATION:				
Interest Paid	-	-	-	-
Interest Received	9,886	3,167	17,068	53,446
Income Tax Paid	-	-	-	-

The accompanying notes are an integral part of these consolidated financial statements

NEVADA COPPER CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In Canadian Dollars)

For the nine months ended March 31, 2010 and 2009 (Unaudited – Prepared by Management)

1. NATURE OF OPERATIONS

Nevada Copper Corp. (the “Corporation” or “Nevada Copper”), is an exploration stage mining company engaged in the identification, acquisition and exploration of copper and other mineral properties located in the United States.

The Corporation was incorporated on June 16, 1999, under the Business Corporations Act of the Yukon as African Venture Corporation and changed its name to Astron Resources Corporation on July 23, 1999. On August 15, 2006, the Corporation acquired its subsidiary of 607792 British Columbia Ltd. (“607792 BC”), a British Columbia incorporated company, through an exchange of shares and completed its Qualifying Transaction and commenced trading on the TSX Venture Exchange (“TSX-V”) on August 17, 2006. On November 16, 2006 Astron Resources Corporation changed its name to Nevada Copper Corp. and commenced trading under the new symbol of “NCU”. The Corporation also continued to carry on its business in British Columbia under the Business Corporations Act (British Columbia) on November 16, 2006. On August 16, 2007 the Corporation’s common shares were approved for listing and commenced trading on the Toronto Stock Exchange (“TSX”) under its current stock symbol “NCU” and delisted from TSX-V.

These consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles. The Corporation will be required to raise additional funding to complete its long-term business objectives. Failure to raise additional funding may require the Corporation to reduce operations.

2. BASIS OF PRESENTATION

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”) using standards for interim financial statements and do not contain all of the information required for annual financial statements. These statements follow the same accounting policies and methods of application of the most recent annual audited financial statements. Accordingly, they should be read in conjunction with the most recent annual audited financial statements of the Corporation. In the opinion of management, all of the adjustments necessary to fairly present the interim consolidated financial statement have been made.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

Effective July 1, 2009, the Corporation adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA). The new standards and accounting policy changes are as follows:

CICA Handbook Section 3064, “Goodwill and Intangible Assets”

In February 2008, the CICA issued new CICA Handbook Section 3064, “Goodwill and Intangible Assets”, replacing CICA 3062, Goodwill and Other Intangible Assets, and CICA 3450, Research and Development Costs. Collectively, these changes bring Canadian practice closer to International Financial Reporting Standards (“IFRS”) and U.S. GAAP. The effective date of adopting this standard for the Corporation was July 1, 2009. Adoption of this standard did not have any effect on the financial statements.

CICA Handbook Section 1582, “Business Combinations”

In January 2009, the CICA issued Section 1582, “Business Combinations”, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier adoption permitted. This standard is not expected to impact the Corporation's financial statements.

CICA Handbook Section 1601, “Consolidated Financial Statements”, and 1602, “Non-controlling Interest”

In January 2009, the CICA issued Section 1601, “Consolidated Financial Statements”, and 1602, “Non-controlling Interests”, which replaces existing guidance. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are

NEVADA COPPER CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In Canadian Dollars)

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3. ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

effective on or after the beginning of the first annual reporting period on or after January 2011 with earlier adoption permitted. This standard is not expected to impact the Corporation's financial statements.

Adoption of International Financial Reporting Standards (“IFRS”)

The CICA's Accounting Standards Board has announced that Canadian publicly accountable enterprise will adopt IFRS as issued by the International Accounting Standards Board effective January 1, 2011. The Corporation is in the process of developing a plan for the implementation of IFRS and will assess the impact of the differences in accounting standards on the Corporation's consolidated financial statements. The Corporation expects to make changes to processes and systems before the 2011 fiscal year, in time to enable the Corporation to record transactions under IFRS, including previous years financial statements presented for comparative purposes in the 2011 financial year.

4. PROPERTY AND EQUIPMENT

			March 31, 2010	June 30, 2009
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
	\$	\$	\$	\$
Building	115,792	27,300	88,492	97,159
Equipment	56,693	23,578	33,115	29,072
Mobile equipment	51,768	36,844	14,924	15,498
Computer equipment	73,803	25,619	48,184	54,086
Balance, end of period	298,056	113,341	184,715	195,815

5. MINERAL PROPERTIES

Pumpkin Hollow Copper Development Property

On December 1, 2005, the Corporation entered into an Option Agreement to acquire a ten-year lease for mining rights (the “Lease”), effective May 4, 2006 and expiring May 4, 2016, to the Pumpkin Hollow Copper Development Property (the “Property”) located in north-western Nevada, United States, approximately one hundred miles southeast of Reno. The Property is located within a contiguous 22 square mile land package comprised of patented and unpatented claims. During the 2006 fiscal year, the Corporation paid \$90,722 (US\$80,000) to the optioner in full payment for the option and obtained a 100% interest in the Property pursuant to the Lease terms. The Corporation has the option to extend this Lease for up to three additional ten-year terms. A small non-core portion of the unpatented claims is subject to an assertion of a prior claim by a third party. The Corporation has taken steps to remedy this matter.

Under the terms of the Lease, the Corporation is required to make the following Lease payments:

<u>Due Date</u>	<u>US\$</u>
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
	<u>600,000</u>

Following May 4, 2011, the Corporation is required to pay advance royalty payments of US\$600,000 annually until the expiry of the Lease on May 4, 2016. Total advance royalty payments under this obligation are US\$3,000,000.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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For the nine months ended March 31, 2010 and 2009 (Unaudited – Prepared by Management)

5. MINERAL PROPERTIES (continued)

The Property is subject to a 5% royalty on the net return value of products other than copper, and a sliding scale royalty of 4% to 6% on the net return value of copper based on the copper price per pound. The advance royalty payments are offset against this royalty obligation.

The Corporation is obligated to make exploration and development expenditures on the Property of at least US\$4,000,000 during the first three years of the Lease, with expenditures of at least US\$500,000 each year, and an additional US\$4,000,000 during the 4th through 6th years of the Lease, with expenditures of at least US\$500,000 each year. As at March 31, 2010 the Corporation has satisfied this obligation and incurred cumulative expenditures of \$23,798,702 on exploration and development since acquiring the property.

The Corporation may extend the Lease for up to three additional terms of ten years each, subject to performing continuous mining activities, payment of advance royalty payments of at least US\$3,000,000 in the first ten-year term and payment of production royalties and minimum royalty payments of US\$10,000,000 in each subsequent ten-year term.

Project expenditures capitalized as of March 31, 2010 and June 30, 2009 consisted of the following:

	June 30,	Expenditures	March 31,
	2009		2010
	\$	\$	\$
Property payments	603,605	106,286	709,891
Water rights	212,680	151,802	364,482
Exploration	3,017,533	621,951	3,639,484
Engineering	1,951,827	857,521	2,809,348
Drilling	11,598,293	4,361,137	15,959,430
Permit/Environmental	337,374	46,698	384,072
Equipment	194,417	17,822	212,239
Property Caretaking	119,819	40,383	160,202
Amortization	75,896	37,445	113,341
Administration	267,124	68,747	335,871
Total	18,378,568	6,309,792	24,688,360

Pumpkin Hollow Copper Development Property – Water Rights

Pursuant to the First Amendment to the Lease dated April 10, 2008, the Corporation agreed to acquire from the optionor of the Lease, certain water rights to consume a maximum of 500 acre feet of water for its mining operations on the Property in exchange for making 80 quarterly payments of US\$47,262 each payable over a period of 20 years from July 1, 2008 to April 1, 2028. The First Amendment to the Lease also contains provisions allowing the Corporation to accelerate and reduce the payments required.

6. RELATED PARTY TRANSACTIONS

The Corporation shares certain premises and facilities with a company which has certain directors in common, under a cost sharing agreement. During the nine months ended March 31, 2010, the Corporation incurred expenses of \$106,500 (2009 - \$103,500).

The Corporation entered into management agreements with certain members of senior management. In the event that there is a change of control, the Corporation is committed to pay severance payments equivalent of up to three years of salary.

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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7. CONVERTIBLE DEBENTURE

On June 25, 2009, with the approval of the TSX, the Corporation entered into an agreement (the “Agreement”) with Zhongtiaoshan Non-ferrous Metals Group Co., Ltd. (“ZTS”) whereby gross proceeds of US\$2,000,000 (the “Principal”) were received for issuance of a convertible debenture (the “Convertible Debenture”).

The Convertible Debenture matures on December 25, 2010 (the “Maturity Date”) and bears interest at a rate of 7% per annum calculated monthly and payable in full on the Maturity Date. The Corporation has the option at any time after December 25, 2009 to re-pay the then outstanding amount of the Convertible Debenture plus accrued interest.

The Principal outstanding under the Convertible Debenture is convertible into common shares at a deemed price of CDN\$1.00 per share by ZTS at any time up to the day immediately preceding the Maturity Date. If the Corporation’s common shares trade at a price greater than \$1.35 per share for a period of 20 consecutive trading days, the Corporation may, at its option any time after October 26, 2009 force conversion of the Principal outstanding under the Convertible Debenture in whole or in part into common shares at a deemed price of \$1.00 per share.

The terms of the Convertible Debenture also limit the shares that can be issued under the conversion feature to the number of shares that can be issued on conversion of US\$2,000,000 using the specified June 25, 2009 US dollar foreign exchange rate, with any additional shares that would otherwise be issuable based on a higher actual foreign exchange rate at the conversion date, to be settled in cash.

The Corporation determined that the Convertible Debenture contains an embedded derivative in the form of a contractual obligation to deliver a variable number of its own equity instruments because the foreign exchange effect of the conversion feature is uncertain. Accordingly this conversion feature has been treated as a liability and not as an equity instrument. The Corporation estimated the fair value of the debt element using an effective interest rate of 17% which resulted in \$1,978,548 (US\$1,716,000) being initially recognized as debt, with the balance of \$327,452 (US\$284,000) being initially recorded as variable conversion feature.

The Corporation also determined that the Convertible Debenture contained an embedded derivative related to the cash settlement amount for any additional shares that would otherwise be required to be issued should the conversion date foreign exchange rate exceed the specified June 25, 2009 foreign exchange rate. This element is dependant on an underlying variable not specific to any party to the contract. As the subsequent quarter-end exchange rates were lower than the specified June 25, 2009 exchange rate, no additional embedded derivative liability was recognized.

The Convertible Debenture is comprised as follows:

	March 31, 2010	June 30, 2009
	\$	\$
Recognized as debt on issue date	1,978,548	1,978,548
Cash debt issuance costs	(119,944)	(104,400)
Warrants granted as issuance cost	(34,400)	(34,400)
Accrued interest	337,784	3,718
Foreign exchange (gain)/loss on translation	(237,250)	17,160
	1,924,738	1,860,626

The variable conversion feature is comprised as follows:

	March 31, 2010	June 30, 2009
	\$	\$
Variable conversion feature on issue	327,452	327,452
Foreign exchange (gain)/loss on translation	(38,530)	3,275
	288,922	330,727

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7. CONVERTIBLE DEBENTURE (continued)

As part of the Agreement, the Corporation issued 100,000 share purchase warrants to ZTS (the “Warrants”) which entitle ZTS to purchase up to 100,000 common shares of the Corporation at a purchase price of CDN\$1.00 per share at any time until January 6, 2011. Any common shares issued upon exercise of the Warrants were subject to a four month hold, expiring November 1, 2009. The fair value of these warrants was determined to be \$34,400, which was treated as debt issuance costs (see note 9).

8. SHARE CAPITAL

Authorized

The Corporation is authorized to issue an unlimited number of common shares without par value.

Issued

	Number of Common Shares	Amount \$
Balance, June 30, 2007	35,553,138	13,078,802
Private placement financing, gross proceeds	2,400,000	6,480,000
Fair value of proceed allocated to warrants	-	(768,000)
Share issue costs	-	(746,628)
Shares issued for services	21,589	56,245
Exercise of warrants	2,035,344	3,010,120
Options exercised	380,000	523,000
Contributed surplus reallocated on exercise of warrants and options	-	403,391
Balance, June 30, 2008	40,390,071	22,036,930
Exercise of warrants	188,349	282,416
Balance, June 30, 2009	40,578,420	22,319,346
Private placement financing, gross proceeds	4,500,000	11,250,000
Share issue cost	-	(122,015)
Exercise of options	265,000	265,000
Balance, March 31, 2010	45,343,420	33,712,331

On April 30, 2008 the Corporation closed a bought deal private placement (the “Offering”) of 2,400,000 units (“Units”) at a purchase price of \$2.70 per Unit for gross proceeds of \$6,480,000 with a syndicate of underwriters, led by Acumen Capital Finance Partners Limited and including Fraser Mackenzie Limited (the “Underwriters”). Each Unit consisted of one common share and one-half of a transferable common share purchase warrant (a “Warrant”). Each whole Warrant was exercisable into one common share at a price of \$3.20 per share until October 30, 2009. Management determined that the fair value of the Warrants was \$768,000, and recoded this amount to contributed surplus.

The Underwriters were paid a cash commission of \$453,600. The Underwriters were also issued 168,000 compensation options (“agent’s warrants”) under the private placement. Each compensation option entitled the Underwriters to acquire a Unit at a price of \$2.70 per Unit until October 30, 2009, with each Unit having the same terms as the Units issued to investors under the Offering. The fair value of the compensation options was \$169,000. The Corporation also incurred other cash issue costs of \$124,028.

During the year ended June 30, 2008, the Corporation issued 2,035,344 common shares for gross proceeds of \$3,010,120 on share purchase warrants exercised, and 380,000 commons shares for gross proceeds of \$523,000 on

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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8. SHARE CAPITAL (continued)

stock options exercised. The Corporation also issued 21,589 common shares at fair value of \$56,245 as compensation to a consultant for business development services.

During the year ended June 30, 2009, the Corporation issued 188,349 common shares for gross proceeds of \$282,416 on share purchase warrants exercised.

On November 3, 2009 the Corporation closed a private placement in the amount of \$11,250,000 (the “Private Placement”) with Capstone Mining Corp. (“Capstone”). Capstone subscribed 4,500,000 units (the “Units”) consisting of one common share and one-half of a transferable common share purchase warrant (a “Warrant”) at a price of \$2.50 per Unit for a total consideration of \$11,250,000. Each whole Warrant is exercisable into one common share at an exercise price of \$3.00 per common share until November 3, 2011. If at any time prior to November 3, 2011, the closing price of the Corporation’s common shares is greater than \$3.50 for at least 20 consecutive trading days, the Corporation can send a notice to Capstone stating that the Warrants will expire if not exercised within 30 days. All securities issued in connection with the Private Placement were subject to a four month hold period, expiring March 4, 2010.

Options

The Corporation grants incentive stock options as permitted pursuant to the Corporation’s Stock Option Plan (the “Plan”) approved by the shareholders on November 16, 2007 which complies with the rules and policies of the TSX. Under the Plan, the aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Corporation as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. If the Optionee ceases to be qualified to receive options from the Corporation those options shall immediately expire. All options vest when granted unless otherwise specified by the Board of Directors.

As of March 31, 2010 the Corporation has stock options outstanding to directors, officers, employees and consultants and exercisable to acquire an aggregate of 4,135,000 common shares summarized as follows. All of these options vested upon grant. The options have a weighted average remaining life of 3.98 years.

	Number of Options	Weighted Average Exercise Price	Expiry Date
Balance, June 30, 2007	3,059,000	\$1.12	
Granted	546,000	\$1.90	August 30, 2012
Exercised	(380,000)	\$1.38	
Cancelled	(20,000)	\$2.60	May 2, 2012
Balance, June 30, 2008	3,205,000	\$1.22	
Granted	830,000	\$1.00	July 2, 2018
Cancelled	(200,000)	\$1.00	August 15, 2011
Granted	210,000	\$0.75	November 13, 2018
Balance, June 30, 2009	4,045,000	\$0.99	
Granted	355,000	\$3.27	January 14, 2020
Exercised	(265,000)	\$1.00	
Balance, March 31, 2010	4,135,000	\$0.99	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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8. SHARE CAPITAL (continued)

Options (continued)

During the nine months ended March 31, 2010, 355,000 (fiscal year June 2009 – 1,040,000) stock options were granted which resulted in compensation expense of \$982,600 (fiscal year, June 2009 - \$1,021,500) being charged to operations. The full amount of \$982,600 (fiscal year June 2009 - \$785,324) was related to directors and officers of the Corporation. The Corporation uses the Black-Scholes option pricing model to value stock options which requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following weighted average assumptions were used in deriving the weighted average grant date fair value of \$2.77 (2009 – \$1.51) per option.

	<u>2010</u>	<u>2009</u>
Risk free interest rate	2.69%	3.25%
Expected dividend yield	0%	0%
Expected stock price volatility	135%	80%
Expected life in years	5.0	4.0

On December 19, 2008, the Board of Directors of the Corporation approved the re-pricing of 1,516,000 stock options currently outstanding under the Plan from exercise prices of \$1.50 - \$2.60, to \$1.00. Accordingly, stock based compensation of \$23,502 was incurred regarding to this re-pricing.

The following table summarizes the stock options outstanding and exercisable as at March 31, 2010:

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Dates</u>
2,069,000	\$1.00	August 15, 2011
35,000	\$1.00	December 19, 2011
125,000	\$1.00	May 2, 2012
526,000	\$1.00	August 30, 2012
815,000	\$1.00	July 2, 2018
210,000	\$0.75	November 13, 2018
355,000	\$3.27	January 14, 2020
4,135,000	\$1.18	

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8. SHARE CAPITAL (continued)

Warrants

As of March 31, 2010 the Corporation has share purchase warrants outstanding for an aggregate of 2,600,000 common shares. The warrants have a weighted average remaining life of 1.02 years:

	Number of Warrants	Exercise Price	Expiry Date
Balance, June 30, 2007	6,648,105		
Warrants granted on financing	1,200,000	\$3.20	October 30, 2009
Agent's warrants granted on financing	168,000	\$2.70	October 30, 2009
Warrants exercised	(1,940,020)	\$1.50	August 15, 2008
Agent warrants exercised	(95,324)	\$1.05	August 15, 2008
Balance, June 30, 2008	5,980,761		
Warrants exercised	(188,109)	\$1.50	August 15, 2008
Agent warrants exercised	(240)	\$1.05	August 15, 2008
Warrants expired	(3,360,583)	\$1.50	August 15, 2008
Warrants expired	(1,063,829)	\$2.90	May 29, 2009
Agent warrants granted	250,000	\$2.10	October 1, 2010
Warrants granted on financing	100,000	\$1.00	January 6, 2011
Balance, June 30, 2009	1,718,000		
Warrants expired	(1,368,000)	\$3.14	October 30, 2009
Warrants granted on financing	2,250,000	\$3.00	November 3, 2011
Balance, March 31, 2010	2,600,000		

During the year ended June 30, 2008 the Corporation issued 168,000 agent's warrants with a value of \$169,000. This amount was charged to share issues costs.

During the year ended June 30, 2009, the Corporation issued 250,000 warrants in connection with investor relations services expenses. The fair value of the warrants issued was determined to be \$36,500 (\$0.15 per warrant) using the Black-Scholes option pricing model, and using the following weighted average assumptions:

	2009	2008
Risk free interest rate	2.79%	2.73%
Expected dividend yield	0%	0%
Expected stock price volatility	70%	95%
Expected life in years	2	1

On June 26, 2009 the Corporation entered into an agreement with Zhongtiaoshan Non-ferrous Metals Group Co., Ltd. ("ZTS") whereby US\$2,000,000 has been received in exchange for a convertible debenture. As part of the agreement, the Corporation issued 100,000 common share purchase warrants to ZTS to purchase up to 100,000 common shares of the Corporation at a purchase price of Cdn\$1.00 per share at any time until January 6, 2011 (note 7).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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8. SHARE CAPITAL (continued)

The fair value of the share purchase warrants was determined to be \$34,400 using the Black-Scholes option pricing model based on the following weighted average assumptions:

	<u>Share Purchase Warrants</u>
Risk free interest rate	1.20%
Expected dividend yield	0%
Expected stock price volatility	120%
Expected life in years	1.5

The following table summarizes the share purchase warrants outstanding and exercisable as at March 31, 2010:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Dates</u>
250,000	\$2.10	October 1, 2010
100,000	\$1.00	January 6, 2011
2,250,000	\$3.00	November 3, 2011
2,600,000		

9. CONTRIBUTED SURPLUS

The continuity of the Corporation's contributed surplus is as following:

	<u>Amount</u>
	\$
Balance, June 30, 2007	2,421,932
Fair value of stock options granted	707,000
Fair value of units warrant issued	768,000
Fair value of agent's warrants issued	169,000
Reallocation on agent's warrants exercised	(47,889)
Reallocation on options exercised	(355,502)
Balance, June 30, 2008	3,662,541
Warrants granted	36,500
Fair value of stock options granted	1,021,500
Adjustment to stock option re-pricing	23,502
Fair value of warrants granted on Convertible Debenture (note 8)	34,400
Balance, June 30, 2009	4,778,443
Fair value of stock options granted	982,600
Balance, March 31, 2010	5,761,043

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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For the nine months ended March 31, 2010 and 2009 (Unaudited – Prepared by Management)

10. GENERAL AND ADMINISTRATION

<u>Nine Months Ended March 31,</u>	<u>2010</u>	<u>2009</u>
	\$	\$
Salaries and benefits	413,521	179,600
Regulatory filing, transfer fees and investor relations	304,588	189,403
Insurance	36,972	43,208
Office expenses	145,916	68,923
TSX listing and related costs	-	5,000
Professional fees	51,955	19,967
	<u>952,952</u>	<u>506,101</u>

11. FINANCIAL INSTRUMENTS

Financial risk factors

The Corporation manages its exposure to financial risks, including foreign exchange risk and interest rate risk, based on a conservative framework to protect itself against adverse rate movements. All transactions undertaken are to support the Corporation's ongoing business and the Corporation does not acquire or issue derivative financial instruments for trading or speculative purposes. The Corporation's Board of Directors oversees management's risk management practices by setting trading parameters and reporting requirements.

The Corporation's activities are exposed to financial risks: market risk (including currency exchange risk and interest rate risk), credit risk and liquidity risk.

a) Market risks

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents bear interest at market rates. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature and non-interest bearing.

ii) Currency risk

The Corporation is exposed to currency fluctuations in the acquisition of foreign currencies. The Corporation 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. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollars could have an effect on the Corporation's results of operations, financial position and/or cash flows. The Corporation has not hedged its exposure to currency fluctuations.

As at March 31, 2010 the Corporation had a convertible debenture of \$2,170,147 denominated in U.S. dollars. A change in +/- 5% in the USD exchange rate could have an impact of approximately +/- \$108,507 on convertible debenture and variable conversion feature liability.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Corporation to credit risk consist of cash and cash equivalent. The Corporation has reduced its credit risk by investing its cash and cash equivalents in high quality Canadian and US chartered banks.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In Canadian Dollars)

For the nine months ended March 31, 2010 and 2009 (Unaudited – Prepared by Management)

11. FINANCIAL INSTRUMENTS (continued)

c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. At the end of March, 2010, the Corporation had enough funds available to meet its financial liabilities and future financial liabilities under its current commitments. The Corporation handles liquidity risk through the management of its capital structure.

12. MANAGEMENT OF CAPITAL

The Corporation's objectives of capital management are intended to safeguard the entity's ability to support the Corporation's development and exploration of its mineral properties and support any expansionary plans.

The capital of the Corporation consists of the items included in shareholders' equity and debt obligations net of cash and cash equivalents. The Corporation manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Corporation's underlying assets.

To effectively manage the entity's capital requirements, the Corporation has in place a rigorous planning and budgeting process to help determine the funds required to ensure the Corporation has the appropriate liquidity to meet its objectives. The Corporation may issue new shares or seek debt financing to ensure that there is sufficient working capital to meet its short-term business requirements. The Corporation is not subject to externally imposed capital requirements.

13. SUBSEQUENT EVENT

On April 27, 2010, the Corporation closed a bought-deal private placement (the "Offering") of 7,762,500 common shares, including the exercise in full of an over-allotment option, at a purchase price of \$3.05 per common share for gross proceeds of \$23,675,625. The Offering was underwritten by a syndicate of underwriters led by Macquarie Capital Markets Canada Ltd. and including Scotia Capital Inc. All securities issued in connection with the Offering are subject to a four month hold period expiring August 28, 2010.

CORPORATE INFORMATION

DIRECTORS

Giulio T. Bonifacio
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Vancouver, Canada

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Reno, United States

Paul Matysek
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Foster Wilson
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OFFICES

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OFFICERS

Giulio T. Bonifacio
President and Chief Executive Officer

Joe Chan
Vice President and Chief Financial Officer

Greg French
Senior Project Manager

Catherine Tanaka
Corporate Secretary

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
Vancouver, Canada

SHARES LISTED

TSX Exchange: NCU

CAPITALIZATION

(As at May 15, 2010)

Shares Issued and Outstanding: 53,105,920

AUDITOR

Manning Elliott LLP, Chartered Accountants
Vancouver, Canada

LEGAL COUNSEL

Axium Law Corporation
Vancouver, Canada

WEBSITE

Additional information about the Corporation can be found at our website www.nevadacopper.com

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