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[Nevada Copper Corp.](#) (TSX:NCU) ("Nevada Copper" or the "Company") announces that it will file an amended and restated preliminary short form prospectus (the "Amended Preliminary Prospectus") in connection with a proposed offering (the "Offering") of subscription receipts (the "Subscription Receipts"). Aggregate net proceeds from the Offering will total a minimum of approximately US\$5 million which, when combined with proceeds of US\$5 million from a convertible loan facility (the "Pala Convertible Loan Facility") with Pala Investments Limited ("Pala"), will satisfy the Company's financing requirement pursuant to its amended senior secured loan agreement (the "Red Kite Loan Agreement") with an affiliate of Red Kite Mine Finance ("Red Kite"). Details regarding the Pala Convertible Loan Facility are more fully described below.

Each Subscription Receipt (the "Initial Securities") will entitle the holder to receive one unit of the Company (a "Unit"), without payment of additional consideration or further action, upon satisfaction of certain release conditions (the "Release Conditions") as described in the Amended Preliminary Prospectus. Each Unit will be comprised of one common share and one-half of a common share purchase warrant.

Under the amended terms of the Red Kite Loan Agreement, the Company is required to raise aggregate net proceeds of US\$10 million through equity or subordinated debt financing (the "Interim Financing Requirement"). The completion of the Offering and the Pala Convertible Loan Facility will satisfy the Interim Financing Requirement and bring the Company into full compliance with applicable covenants under the Red Kite and Pala loan facilities. As a result the Company will now have sufficient time until December 31, 2017 to progress its broad review of strategic alternatives, continue discussions with interested parties regarding potential strategic transactions, and conclude a transaction that maximizes value to all shareholders. These potential transactions could include the sale of the Company, or a joint venture arrangement with related financing to secure the remaining development capital for advancing the Pumpkin Hollow copper project to commercial production.

Giulio Bonifacio, President and CEO comments: "Pumpkin Hollow represents the only large, fully-permitted copper deposit in the Americas not currently owned by a major, in an ideal location with existing infrastructure. We are extremely pleased with support shown by both Pala and Red Kite over the last several months as upon completion of the equity financing we will be well positioned to focus on strategic options and conduct a full strategic review with the sole focus of ensuring we maximise value for all stakeholders."

The Offering Under the Amended Preliminary Prospectus

The Amended Preliminary Prospectus describes the recent amendments to the Red Kite Loan Agreement and the proposed Pala Convertible Loan Facility, which provides an additional US\$5 million advance from Pala to the Company, as initially announced in the Company's news release dated April 5, 2016 and discussed more fully below.

The Amended Preliminary Prospectus replaces and supersedes the preliminary short form prospectus of the Company filed on February 9, 2016. The Amended Preliminary Prospectus will be filed with the securities regulatory authorities in each of the provinces of Canada, except Québec. The Offering will be conducted on a "best efforts" basis pursuant to an agency agreement to be entered into between the Company and a syndicate of agents co-led by GMP Securities L.P. and Dundee Securities Ltd. (collectively, the "Co-Lead Agents") and including Haywood Securities Inc. (together with the Co-Lead Agents, the "Agents"). The issue price of the Subscription Receipts (the "Issue Price") and the terms of the share purchase warrants comprising the Units will be determined in the context of the market.

The Company will grant the Agents an option (the "Over-Allotment Option") to sell up to such number of additional Subscription Receipts as is equal to 15% of the number of Initial Securities initially sold under the Offering (the "Additional Securities" and, together with the Initial Securities, the "Offered Securities"). The Over-Allotment Option shall be exercisable, in whole or in part, on the Closing Date and for a period of 30 days thereafter, at the Issue Price per Additional Security. If the Over-Allotment Option is exercised following satisfaction of the Release Conditions, Units will be issued in lieu of Subscription Receipts.

Upon closing of the Offering, the gross proceeds from the sale of the Offered Securities (the "Escrowed Proceeds") will be deposited with and held by Computershare Trust Company of Canada, as escrow agent (the "Escrow Agent"), and invested in short-term interest bearing or discount debt obligations issued or guaranteed by the Government of Canada (and other approved investments), pending satisfaction of the Release Conditions, which include the condition that, upon release of the Escrowed Proceeds and the Company's receipt of the Pala Advance (as defined below), the Company will not be in breach of any of the material terms and conditions of the Red Kite Loan Agreement. Upon satisfaction of the Release Conditions, the Subscription Receipts will automatically be converted into Units, without payment of additional consideration or further action on the part of the holders.

In the event that the Release Conditions are not satisfied or waived on or prior to May 30, 2016 or such later date as is agreed to by the Company and the Agents (the "Termination Time"), the Escrow Agent shall return to the holders of the Subscription Receipts an amount equal to the full subscription price therefor and their pro rata share of interest earned on the Escrowed

Proceeds.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities referenced herein in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Pala Convertible Loan Facility

The Company has entered into definitive documentation regarding the amendment of its existing US\$21.7 million subordinated loan facility into the Pala Convertible Loan Facility. Under the terms of the Pala Convertible Loan Facility:

1. **Pala Advance:** Pala will advance a further US\$5,000,000 (the "Pala Advance"), such that an aggregate principal amount of US\$26.7 million will be outstanding under the Pala Convertible Facility.
2. **Maturity Date:** The Pala Convertible Loan Facility will mature and be payable on the earliest of:
 1. December 31, 2017;
 2. the date when outstanding amounts under the Red Kite Loan Agreement are paid in full; and
 3. a change of control event.
3. **Interest Rate:** 12% per annum
4. **Voluntary Prepayment and Prepayment Fee:** All outstanding amounts under the Pala Convertible Loan Facility may be prepaid in full by the Company with payment of the following early repayment fee (the "Prepayment Fee") equivalent to:
 1. 25% of outstanding amounts to be prepaid, if prepayment is made prior to December 31, 2016; and
 2. 35% of outstanding amounts to be prepaid, if prepayment is made between January 1, 2017 and December 31, 2017.

The Prepayment Fee will be applicable on any repayment of the Pala Convertible Loan Facility prior to December 31, 2017.

5. **Conversion:** Pala may elect to convert the principal amount and any accrued and unpaid interest under the Pala Convertible Loan Facility, including the Prepayment Fee, if applicable, in full or in part, at the Conversion Price (as defined below), into common shares in the capital of the Company at any time up to the Maturity Date or upon any voluntary prepayment by the Company. The Conversion Price will be \$1.11 per share, which represents a 15% premium to the 20-day volume-weighted average price ("VWAP") of the common shares of the Company immediately prior to signing of the definitive loan documentation, subject to potential adjustment such that the Conversion Price will not exceed 115% of the Issue Price in the Offering.
6. **Arrangement Fee:** US\$200,000 due upon execution, payable out of the proceeds of the Pala Advance.
7. **Warrants:** Pala will be issued 2.5 million warrants with a 3 year term, exercisable to acquire common shares of the Company at an exercise price of \$1.20 per share.
8. **Board Nomination Right:** Pala will be granted rights to nominate up to three members of the Board of Directors of the Company, subject to Pala maintaining certain share ownership thresholds.
9. **Right to Purchase:** Pala will be granted the right, so long as it holds at least 15% of the outstanding common shares of the Company, to participate in future equity offerings of the Company.

The Pala Convertible Loan Facility and the Pala Advance remain subject to a number of conditions precedent, including receipt of shareholder approval. The Company plans to hold an annual and special shareholder meeting (the "Shareholder Meeting") on May 27, 2016, at which it will seek disinterested shareholder approval of the Pala Convertible Loan Facility.

Other Corporate Developments

Nevada Copper is pleased to welcome two new future Board members, Mr. Bill Myckatyn and Mr. Lucio Genovese, replacing Daniel Dumas and James Askew who will not stand for nomination at the Shareholder Meeting. Nevada Copper is extremely appreciative of the time and expertise offered to the Company by Messrs. Dumas and Askew during their tenure on the Board.

Mr. Myckatyn is a mining engineer with over 30 years of technical and management experience in mine financing, development and operations. He was the Chairman and subsequently Vice Chairman of [Quadra FNX Mining Ltd.](#), an intermediate copper and gold producer focused in the Americas, until its takeover in 2012. Prior to founding Quadra Mining in 2002, Mr. Myckatyn held the position of Chief Executive Officer and senior positions at other mining and metals companies over the period of a decade including Dayton Mining, Princeton Mining and Gibraltar Mines. For over ten years prior to that, he worked for various operations controlled by [Placer Dome Inc.](#) and its associated and predecessor companies, including four separate mines in Australia and the Philippines. Mr. Myckatyn also sits on the Board of Directors of [OceanaGold Corp.](#), First Point Minerals and San Marcos Resources.

Mr. Genovese has 24 years of experience in both the merchant and financial sector of the metals and mining industry. Mr. Genovese is the CEO of Nage Capital Management in Baar, Switzerland. He is also Chairman of Firestone Diamonds, and member of the Boards of the Armajaro Commodity Funds and Crossbow Partners AG, Baar, Switzerland. He was previously employed at Glencore International AG where he held several senior positions including CEO of the CIS region and manager of the Moscow office. Mr. Genovese is a Chartered Accountant and has a B.Comm and B.Acc from the University of Witwatersrand, Johannesburg (South Africa).

Pumpkin Hollow Project

The Pumpkin Hollow copper development is located entirely on private land close to infrastructure with all required power and water supplies secured. With the project entirely on private land, all required Nevada permits for construction and mine operations are in hand (no federal permits are required). With many analysts forecasting improving copper markets over the next few years, the Company's Pumpkin Hollow Copper Project represents an attractive, "shovel-ready", fully-permitted copper project located in an ideal mine-friendly location.

NEVADA COPPER CORP.

Giulio T. Bonifacio, President & CEO

We seek safe harbour.

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