Nevada Copper Announces Development Plan for Optimized Underground Mine and Appoints Chief Operating Officer

20.11.2017 | GlobeNewswire

VANCOUVER, British Columbia, Nov. 20, 2017 (GLOBE NEWSWIRE) -- Nevada Copper Corp. (TSX:NCU) (“Nevada Copper” or the “Company”) is pleased to announce a development plan to swiftly advance the Pumpkin Hollow Underground Mine Project (the “Underground Project”) at Nevada Copper’s 100% owned Pumpkin Hollow Copper Property (“Pumpkin Hollow”) to construction phase, with the objective of making a construction decision by mid-2018 and realizing first copper production in 2019.

Highlights:

- Completion of Optimized Underground Project Study: Release of the results of a Pre-Feasibility Study on the Underground Project (the “PFS”), with a new focus on reduced capital costs, and a mine plan oriented towards the extraction of higher-grade, higher-margin ore;
- Chief Operating Officer Appointment: The appointment of Phillip Day as Chief Operating Officer, as Nevada Copper moves forward with a construction restart of the Underground Project;
- Financial Support: Financial support from Pala Investments, Nevada Copper’s largest shareholder, to deliver a project financing package for the construction of the Underground Project, together with existing and new investors;
- Development Plan: Development milestones and timeline for the Underground Project; and
- Open Pit Project Optimization: Significant opportunities identified for open pit optimization.

Highlights of the Underground Project Pre-Feasibility Study

The Pumpkin Hollow Property encompasses the only fully-permitted copper project of scale in the United States, comprising two potential copper mines:

1. the high-grade Underground Project; and
2. a large scale open pit and underground project (the “Integrated Project”) with reserves of 5 billion pounds of copper, 0.76 Mozs of gold and 27.6 Mozs of silver[1].

The two projects benefit from over $220 million of prior expenditures which funded a significant amount of engineering work and technical studies, and allowed for the construction of a production-sized headframe and hoist, warehouse, a 1,900 foot deep, 24-foot diameter concrete-lined production size shaft and over 600 feet of lateral development.

The PFS for the Underground Project leverages the substantial existing infrastructure at the site, including power, water, road access, plus a production shaft and lateral mine development. The objective of the PFS has been to optimize the previously-defined underground portion of the Mineral Resources at Pumpkin Hollow with a focus on:

- Reduced capital cost;
- Higher mined ore grades;
- Reduced operating cost profile;
- De-risked construction plan, including brownfield assets, EPC construction approach and contract mining during ramp-up; and
- A philosophy on focusing on “margin-over-tons”, while maintaining expansion and extension optionality.

Sedgman Engineering and Mining Plus have taken advantage of the existing infrastructure to improve capital

cost accuracy and reduce development risk, and worked with Nevada Copper’s project team, supported by Pala Investments as technical advisor, on preparation of the PFS.

A detailed overview of the PFS is provided below, and the project highlights include:

• Robust project economics:[2]

- Average annual copper production of 50 Mlbs (60 Mlbs in Years 1 to 5);
- First five-year copper grades averaging 1.81% (2.01% Cu-equiv.[3]);
- First five-year C1 cash costs of $1.69/lb of payable copper;
- Average annual operating margins of $67M per annum ($86M in Years 1 to 5);
- Pre-tax $NPV_{5\%}$ of $356M and IRR of 27.2%[4];
- After- tax $NPV_{5\%}$ of $301M and IRR of 25.2%;

• Low initial capital requirements: $182M

• Short lead time to first production:

- Fully permitted for construction and operation;
- Planned commencement of construction by mid-2018 (subject to board approval and financing);
- Target first production in mid-2019;

• Development plan focused on minimizing execution risk:

- Utilizes the existing 1,900 foot deep, 24-foot diameter concrete-lined, production-sized shaft, associated headframe and hoist, and existing surface infrastructure;
- Process plant construction under fixed price engineering, procurement and construction (“EPC”) contract for which engineering designs are well advanced;
- Experienced mining contractor to be utilized for underground development and mine ramp-up, for which initial contractor tenders have been completed;

• Full optionality retained over large-scale fully-permitted open pit:

- Underground Project does not impact Nevada Copper’s ability to develop a future project on the adjacent deposits accessible by open pit methods;
- Significant optimization opportunities identified for open pit project, including potential to:
  - Convert assumed waste material to potential mineral resources, and eventually ore, through drilling in Northern Extension and Connector Zones and additional engineering studies;
  - Reduce project costs through updated project estimation; and
  - Reduce capital costs by optimizing project scale.

Note that a future stand-alone open pit project development option is not part of the Technical Report.[5] Both the underground and open pit projects are located within privately-held land inclusive of surface and mineral rights.

A Technical Report (the “Technical Report”) prepared in accordance with NI 43-101, will be filed on SEDAR within the 45 days from the date of this announcement and will be made available on Nevada Copper's website (www.nevadacopper.com).

Appointment of Chief Operating Officer

Nevada Copper is pleased to announce the immediate appointment of Phillip Day as Vice President, Chief Operating Officer.

Mr. Day has significant project delivery and operating experience, and brings key project management skills required to advance the Underground Project into construction phase. Mr. Day’s project construction experience includes senior roles with AMEC Americas, where he managed a number of major projects,

including the brownfields expansion of Corrego do Sito Gold Project and the $1 billion Gramalote gold study for AngloGold Ashanti. Previously he worked in managerial, operational and technical roles for BHP Billiton and WMC Resources as well as comissioning and operation of the Minara Resources Murrin Murrin Nickel Laterite project. Mr. Day is presently Head of Technical and Operations at Pala Investments.

Commenting on the appointment and the release of the PFS, Mr. Day stated: *“I am excited to join Nevada Copper. I see significant opportunities at Pumpkin Hollow, as we now have a robust underground project ready to advance into construction in the near term. The ability to leverage the existing infrastructure and previous studies will allow us to significantly de-risk project development. Importantly, for the flagship Pumpkin Hollow Open Pit, I also see substantial scope for optimization and value creation that can be advanced in parallel with the near-term production from the underground mine. In particular, drilling of the Northern Extension and Connector Zones, combined with ongoing technical studies, has the potential to add open pit tons and grade, which has the potential to enhance project economics by converting material currently classified as waste into ore.”*

Financial Support from Pala Investments

To support Nevada Copper in swiftly advancing the Underground Project to the construction phase, Pala Investments has advised that it will provide financial support to Nevada Copper, including the potential backstop of future equity financings, in connection with delivering a project financing package for the construction of the Underground Project. In this regard, Pala Investments is currently working closely with Nevada Copper and its senior lender, Red Kite Mine Finance, and existing and new investors, on delivering a project financing package for the construction of the Underground Project. Nevada Copper will provide an update as soon as more details are available.

Underground Project Development Plan

In light of the positive results of the PFS and the financial support of Pala Investments, Nevada Copper is pursuing a development plan to efficiently transition into a mid-tier copper producer. Key milestones include:

- Release of results of PFS of the optimized Underground Project – Complete;
- Execution of EPC contract with Sedgman Engineering and contract mining agreement – Q1‑2018;
- Construction decision – Q2‑2018; and
- First production – Q2‑2019.

A construction decision on the Underground Project will be determined by the board of directors of Nevada Copper subject to completion of remaining project engineering, financing and market conditions at the relevant time.

Open Pit Optimization Opportunities

In addition to its plan to transition to a copper producer in the near term, Nevada Copper has also identified multiple opportunities to optimize a future open pit mining option, including:

- *Drilling of extension zones:* A drilling program is being developed to test the Northern and Connector zones of the open pit deposits. Positive results, combined with ongoing technical studies, would have the potential of converting material classified as waste to ore; the resultant increase in tons and reduction in waste stripping requirements would improve project economics;
- *Updated project estimation:* Updated project cost estimation in light of current market conditions has the potential to reduce overall project costs; and
- *Optimized project scaling:* Depending on the results of extensional drilling and a review of project cost estimation, opportunities may exist to pursue a smaller start-up option with reduced capital requirements.

Nevada Copper intends to progress these optimization opportunities during 2018 in parallel with its objective to advance construction of the Underground Project.

Giulio Bonifacio, President & CEO of the Company commented: *"The announcement of the PFS results*

against the backdrop of improving copper prices, sets the stage for the next steps towards financing and a construction decision at Pumpkin Hollow. Pala has continued to provide both financial and technical support to Nevada Copper. Their technical input has been invaluable in the optimization of the underground project, and the ongoing optimization of the open pit, with a focus on profitability and constructability”

We welcome Mr. Day to our senior management team as we further advance Pumpkin Hollow towards construction. Pumpkin Hollow is a truly unique, robust base metal asset that is fully permitted in a top tier location while also possessing significant built-in growth potential and upside both by way of the underground deposits and the large open pit deposits. Our stated objective is to be the next significant new copper producer in the Americas by way of a staged development of the underground mine followed by the open pit operation at Pumpkin Hollow.”

Further Details of the Technical Report

Background
The Technical Report discloses the proposed development of the Underground Project at a preliminary feasibility level. This is the primary focus of the Technical Report and is presented as “Case A” in the Technical Report. For further clarity, the Underground Project will also be referred to interchangeably as Case A in the descriptions below.

The Technical Report also includes feasibility-level information on the potential development of a large 70,000 tons/day mine at Pumpkin Hollow with feed mainly from the nearby open pit deposits, but also from the same underground mineral resources as accessed in the Underground Project. This is referred to within the Technical Report as the “Integrated Project” or “Case B”. The Integrated Project was originally the subject of a NI 43-101 2015 Feasibility Study Technical Report[6] (“2015 IFS”) for which the scientific and technical information is materially unchanged and remains a viable development option.

The Technical Report that will be filed will therefore contain a summary of both:

1. a Prefeasibility Study on the Underground Project; and
2. a Feasibility Study on the Integrated Project, an integrated underground and open pit project for Case B, based on the 2015 IFS.

Note: unless specifically stated, all descriptions and results below refer to the Underground Project: a 5,000 tons/day underground mine development scenario as described in the Technical Report. A summary and results of the Integrated Project are disclosed at the end of this document.

Mineral Resources
The mineral resource estimate for Pumpkin Hollow is unchanged from that disclosed in the 2015 IFS and includes the eastern deposits amenable to underground mining methods and the western deposits amenable to open-pit mining methods as disclosed in the tables below. Both the Underground Project and the Integrated Project, are based on Mineral Reserves converted from the same Mineral Resource estimate for Pumpkin Hollow. Development of the Underground Project and the Integrated Project are mutually-exclusive development alternatives as presented in the Technical Report.

The open pit cut-off grade has been approximated at 0.15% Cu prior to completion of cost optimization and has been applied for purposes of the resource statement only. To further approximate the reasonable prospects of economic extraction, a cut-off grade of 0.15% Cu has been applied to Measured, Indicated and Inferred Resources constrained within a Geovia Whittle™ pit optimization assuming a copper price of $3.75/lb and the parameters used for the reserve pit optimization. Value has only been attributed to copper for the pit optimization constraint. Iron is reported as a by-product to the Cu-Au-Ag resource blocks.

The underground cut-off grade has been approximated at 0.75% Cu prior to completion of cost optimization and has been applied for purposes of the mineral resource statement only. To further approximate the reasonable prospects of economic extraction, reporting of resources has been constrained to within the mineralized domains, with the exception of waste amongst the mineral zone interpretation that was confined with a waste solid for purposes of internal waste inclusion for the mine plan. Metals prices of $3.00/lb,

$1,250/oz and $18/oz for copper gold and silver respectively were used for resource estimation.

Mineral Resources Eastern Underground Deposits

	Tons	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver
Classification*	000's	%	Oz./ton	Oz./ton	000s lbs.	Ozs.	Ozs.
Measured	12,143	1.60	0.006	0.127	389,000	74,000	1,541,000
Indicated	41,948	1.33	0.005	0.112	1,114,000	217,000	4,716,000
Measured + Indicated	54,090	1.39	0.005	0.116	1,503,000	291,000	6,257,000
Inferred	29,167	1.09	0.003	0.064	636,000	87,000	1,875,000

Mineral Resources North, South & Southeast (Open Pit Deposits)

	Tons	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver
Classification*	000's	%	Oz./ton	Oz./ton	000s lbs.	Ozs.	Ozs.
Measured	271,291	0.42	0.001	0.048	2,299,000	394,000	12,932,000
Indicated	295,118	0.43	0.001	0.046	2,541,000	356,000	13,690,000
Measured+ Indicated	566,409	0.43	0.001	0.047	4,840,000	750,000	26,622,000
Inferred	8,009	0.52	0.001	0.052	83,000	6,000	414,000

The Mineral Resources have an effective date of April 15, 2015. The independent Qualified Person for the Mineral Resources is Dr. Rex Bryan RM SME of TetraTech. Tables may not add due to rounding

Underground Project: Project Mineral Reserve - East & E2 Deposits

With respect to the Underground Project (Case A) in the PFS, the mineral reserves for the East and E2 deposits were developed from the deposits’ Measured and Indicated Mineral Resources after the application of a net smelter return (“NSR”) cut-off grade of $46/ton Minable Shape Optimizer (MSO) was conducted on the mining block models. The results generated from MSO were utilized for generating detailed and refined crosscut and stope designs within Deswik CAD.

The Mineral Reserves reflect the transverse mining method, primary and secondary stope sequence along with the use of cemented paste fill, unconsolidated paste fill and rock fill within the respective stope sequencing. Dilution and mine loss percentage estimates have been applied in the Reserves. Stope dilutions range between 2.5% and 10% and stope recoveries range between 95% and 96%.

Underground Project: Mineral Reserves - East & E2 Underground Deposit

Mineral Reserves - Eastern Underground Deposits (East and E2)

	Ore	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver	Copper Equiv.
Classification	000's tons	%	Oz./ton	Oz./ton	000s lbs.	Ozs.	Ozs.	%
Proven	7,400	1.85	0.007	0.144	273,800	51,000	1,064,000	2.01
Probable	16,500	1.47	0.006	0.138	485,100	102,000	2,269,000	1.61
Total	23,900	1.59	0.006	0.139	758,900	153,000	3,333,000	1.74

(1) Copper equivalency calculations are based on $3.00 per pound for copper, $1,343 per ounce gold and $19.86 per ounce silver, and metallurgical recoveries of 92%, 78% and 70% for copper, gold and silver, respectively.

The independent Qualified Person for the Underground Project Mineral Reserves is Neil Schunke P.Eng. of Mining Plus. The effective date of the Underground Project Mineral Reserves is July 2017. Tables may not add due to rounding.

Approximately 44% of the total East and E2 deposits Measured and Indicated Mineral Resources were converted to a mineral reserve by the Underground Project mine plan. Pumpkin Hollow’s eastern deposits mineral resource is composed of resources located in the East and E2 Deposits and the deeper JK-34 Deposit. The current Underground Project mine plan does not include material from the JK-34 Deposit.

Integrated Project: Mineral Reserves

The mineral reserves summarized below were disclosed in the 2015 IFS as filed on SEDAR with an effective date of April 15, 2015 and reflect the various mining and operating assumptions detailed in that report. They remain unchanged as of the date of the Technical Report. The Integrated Project mineral reserves are not additive to the Underground Project mineral reserves.

Mineral Reserves North and South Open Pittable Deposits

	Ore	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver
Classification	000's tons	%	Oz./ton	Oz./ton	000s lbs.	Ozs.	Ozs.
Proven	265,520	0.40	0.001	0.046	2,111,000	318,000	12,236,000
Probable	273,765	0.38	0.001	0.043	2,100,000	274,000	11,703,000
Total	539,285	0.39	0.001	0.044	4,211,000	592,000	23,939,000

Mineral Reserves East and E2 Underground Deposits[7]

	Ore	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver
Classification	000's tons	%	Oz./ton	Oz./ton	000s lbs.	Ozs.	Ozs.
Proven	8,923	1.59	0.006	0.124	283,000	53,000	1,109,000
Probable	23,680	1.17	0.001	0.109	556,000	116,000	2,589,000
Total	32,603	1.29	0.005	0.113	839,000	169,000	3,698,000

Combined Mineral Reserves North & South and East and E2 Deposits

	Ore	Copper	Gold	Silver	Contained Copper	Contained Gold	Contained Silver
Classification	000's tons	%	Oz./ton	Oz./ton	000s lbs.	Ozs.	Ozs.
Proven	274,443	0.44	0.001	0.049	2,394,000	371,000	13,345,000
Probable	297,445	0.45	0.001	0.048	2,656,000	390,000	14,292,000
Total	571,888	0.44	0.001	0.048	5,050,000	761,000	27,637,000

The independent Qualified Persons for the Integrated Project Mineral Reserves are Ed Lips, P.Eng of TetraTech for the open pit and Mel Lawson RM SME, of Stantec for the underground. Tables may not add due to rounding.

Permitting

Both the Underground Project and Intergrated Project development scenarios have been fully permitted in order to retain future development flexibility. It is expected that changes during final engineering design will require notification and submission of revised designs to the respective Nevada state agencies. These design changes are considered “engineering design changes”, or minor modifications, to the permit and will not require a new permit application, nor the associated public notice and review.

Infrastructure

The project area is well supplied with nearby local infrastructure. Project-related infrastructure expenditures include an upgraded power line and substation and, for the Integrated Project only, a new water line that connects to the City of Yerington’s water system. An energy cost of $0.056/kwh during production was used for the Underground Project PFS purposes, based on NV Energy estimated rates. Existing state

and county roads will be used to access the mine site. Copper concentrates will be trucked directly from the mine-site to a trans-load facility, where they will be transported to a US west coast port or to domestic smelters. Process make-up water for Underground Project will derived from onsite wells. The Company also has a water service agreement with the City of Yerington, that could be used for either the Underground Project or Integrated Project development plans. Housing and regional services are available in Yerington and the surrounding communities of Silver Springs, Smith Valley, Fernley, Dayton, Fallon, Carson City and Hawthorne all of which are within commuting distance. These communities have an existing labor pool and housing, including a construction and an operations workforce.

Mining

The Underground Project has one mining area, the Eastern Area, that is planned to be mined by underground methods, specifically, long-hole stoping, with predominantly cemented paste fill methods. The mining methods and the mining sequence were developed to maximize grades in the early production years to the extent possible. Underground mining zones included in the mine plan extend between the 1040 and 2840 Levels. Access to the mine will be via the existing 24-foot diameter vertical shaft. Vent and secondary egress shafts will be constructed as required.

Mining will be performed using the productive mechanized transverse long-hole mining method, with cemented paste fill (CPF) in the primary and some secondary stopes, and un-cemented paste fill (UPF) or unconsolidated rock fill of remaining secondary stopes. Once at steady-state production, all waste rock is planned to remain underground to be used as backfill for secondary stopes. Until then, waste rock will be hoisted to surface.

One production/service shaft and three ventilation/emergency egress shafts are included in the mine design. Stopes will be 100 ft high by 50 ft wide for East South, 100 ft high by variable widths for E2 zones, and 75 ft high by 50 ft wide for East North zone. Mining will be carried out using longhole drilling and blasting, with ore and waste material mucked using load, haul, dump equipment (“LHDs”), direct to ore passes or to remuck bays situated for optimum materials handling. Ore material will be transported via haul trucks and/or ore passes to the Coarse Ore Bins (“COB”) for storage before being hoisted out of the mine. Haul trucks will be used to transport ore material from the remuck bays to the COBs, or to transport waste to the backfill levels. The majority of the underground mobile mining fleet will be battery powered. Primary crushing is located on the surface. Un-crushed rock will be conveyed to skips and hoisted to the surface, then crushed and stockpiled, for either direct-feed to the processing plant or stockpiling to the low-grade stockpile. For all stopes that will be backfilled using CPF or UPF, a bulkhead will be constructed at all access points and the stopes will be filled with paste delivered by a piping network from the paste plant. The paste plant will be located on the surface and booster pumps will be used where necessary to transfer paste fill through the mine workings to the fill point.

Process Plant

Ore will be hoisted to the surface, crushed and conveyed to a coarse ore stockpile and reclaim located near the 5,000 tons per day concentrator. The concentration circuit is conventional with a combined semi-autogenous (SAG)/ball mill circuit with cyclone classification, flotation circuits, followed by thickening and pressure filtration to produce a concentrate grading 26% copper or greater, and containing payable gold and silver. Projected metallurgical recoveries are 92%, 78% and 70%, for copper, gold and silver, respectively.

Dry stack tailings (DST), in conjunction with underground paste backfill, are the preferred means of final deposition as this method contains substantially less water than tailings discharged directly from a concentrator. DST will be produced by filtering the final flotation tailings. The underground paste backfill portion of the tailings will be combined with cement before being deposited in the underground mine workings.

Filtration of tailings allows for better process water management and control. Process water will be recycled from the tailings and concentrate thickener overflows. Fresh water will generally be used only for pump gland service, mill lube cooling, SAG mill ring motor cooling, reagent preparation, and safety showers / eyewash stations.

Metals Production

Projected ore tonnage and grades, and recovered metals production to the copper concentrate is summarized below. Life-of-Mine (LOM) copper recovered to concentrates is estimated to be 698 million pounds.

	Units	Year 1 to 5 (from Q4 2019)	L-O-M
Ore Milled	tons	8,970,000	23,909,000
Ore Milled	tons/day	4,915	5,000
Copper Grade	%	1.81%	1.59%
Copper Grade	% Cu-equiv.(1)	1.98%	1.74%
Copper in Concentrates	Klbs	297,843	698,637
Copper in Concentrates	Klbs/yr	59,569	53,327
Gold in Concentrates	Ozs	53,300	119,700
Silver in Concentrates	Ozs	1,021,000	2,333,300
Gold Grade	Oz/ton	0.008	0.006
Gold Grade	g/tonne	0.26	0.22
Silver Grade	Oz/ton	0.163	0.139
Silver Grade	g/tonne	5.58	4.78

(1) Based on Copper $3/lb., Gold $1,300/oz, Silver $17/oz and metallurgical recoveries of 92%, 78% and 70%, respectively

Capital Costs

The Underground Project initial capital costs are estimated at $182.4 million as of September 2017 with an accuracy of +/- 25%. The major direct cost items include: underground mine development initially on the East deposits, process plant, tailing storage facility, and site infrastructure. Indirect costs include such major areas as engineering and procurement, construction management, freight and commissioning, spares inventory, first fills, and Owner’s Costs, such the owners personnel, local taxes, insurance and other site office costs.

Initial Capital Costs	
Area	US$ M
Directs(1)	
Mining	42.3
Process Facility	80.2
Tailings	4.0
Infrastructure	22.2
Subtotal Directs	148.7
Indirects	
Engineering, Procurement, Construction Management (EPCM)	7.0
Sales & Use Tax on Purchased Equipment	3.3
Construction Indirects	4.6
Owner's Costs	8.8
Spares	0.1
First Fills	0.5
Commissioning and Start up	0.4
Subtotal Indirects	24.7
Subtotal Direct & Indirects	173.4
Contingency	9.0
Total Initial Capex	182.4

(1) EPC Fee and Freight are included in Directs

The working capital required to fund capital expenditures and operating losses during ramp-up operations is estimated to be up to $22 million.

The initial capital cost excludes expenditures previously incurred by Nevada Copper from 2006 to September, 2017 which were used to fund the 1,900 foot deep, 24-foot diameter concrete-lined production size shaft and lateral development, surface facilities including a production hoist, head frame, power line and substation, water management infrastructure, and site buildings such as offices, warehouse, maintenance shop and mine dry.

Sustaining Capital

Life-of-Mine sustaining capital costs is a total of $110.6 million with an accuracy of +/- 25% as summarized below, which include ongoing underground mine development and equipment replacement, and expenditures for expansion of the tailings storage facility.

Sustaining Capital Costs	
Area	US$ M
Underground	67.7
Surface	22.6
Infrastructure	9.7
Deferred Capital	3.5
Underground Contingency	7.1
Total Sustaining Capex	110.6

Operating Costs

LOM site unit operating cash costs are projected to average $44.52 per ton milled, as summarized in the table below:

LOM Unit Operating Cost Summary	
Area	$/ton-milled
Development	5.83
Diamond Drilling	0.68
Production	22.30
Equipment Leasing	2.41
Total Mining Cost	31.22
Milling Cost	9.03
Dry Stack Operations	1.05
G&A Cost	3.22
Total Operating Costs	44.52

Ongoing underground mine development costs are included in sustaining capital. Copper “C1” production costs per payable pound, including site operating costs and copper conversion costs such as smelter charges and concentrate transport, net of gold and silver revenue credits, are estimated to average $1.69/lb. for Years 1 to 5 and $1.85/lb. for LOM.

Concentrate Marketing

The projected copper concentrate grade averages 26% copper and contains payable gold and silver values. The concentrates are considered to be of good quality. The concentrates will be marketed to domestic smelters, and to Asia via a west coast port. Average concentrate transportation costs were estimated to be $75/dry metric tonne. Long term smelter treatment and refining charges of $75/tonne concentrates and $0.075/lb payable copper, respectively were used.

Economic Analysis Summary

Project economics were evaluated using a cash flow analysis, with future revenues and costs projected into the future to yield annual net cash flow and a Net Present Value. The cash flows are calculated both before and after corporate income taxes, and include the cost of all royalties, local property taxes and Nevada net proceeds of mining tax. Cash flows were discounted at 5% to reflect the time value of money and risk factors. An Internal Rate of Return ("IRR") and payback period for the project were also calculated. Variance in metals prices will have the most significant impact on the projected revenues and cash flows.

The following metal price scenarios were used:

1. Base metal price scenario:

Base case metals prices were assumed from analysts’ consensus prices, as published by Consensus Economics Inc. as follows:

	Year->	2020+	
Consensus Copper Prices	$/lb	$3.00	
Consensus Gold Prices	$/oz	$1,285	
Consensus Silver Prices	$/oz	$19.40	

Source: Consensus Economics Inc. August 2017
Spot metals prices on Kitco on October 25, 2017 were copper: $3.17/lb, gold: $1,271/oz, and silver: $16.95/oz.

2. Alternate metal price scenarios:

Alternate low and high copper price scenarios of $2.60/lb and $3.50/lb respectively were also used. A gold price of $1,300/oz and a silver price of $17/oz were used for both scenarios and all prices were held constant for these alternate scenarios.

Summary of Economic Results

A summary of key economic indicators for the Underground Project development option are summarized below:

		Low Case	Base Case	High Case
Copper Price	$/lb	$2.60	Consensus**	$3.50
Gold Price	$/oz	$1,300	Consensus**	$1,300
Silver Price	$/oz	$17	Consensus**	$17
		US$M	US$M	US$M
Net Smelter Revenue*, after royalty	LOM	$1,582	$1,941	$2,150
Operating Margin	LOM	$518	$876	$1,085
Operating Margin	Avg/Yr	$40	$67	$83
Cumulative Cash Flow	Pre-tax	$224	$582	$791
Cumulative Cash Flow	After-tax	$212	$496	$658
NPV 5%	Pre-tax	$108	$356	$510

NPV 5%	After-tax	$100		$301		$421	
IRR	Pre-tax	13.4	%	27.2	%	36.8	%
IRR	After-tax	12.8	%	25.2	%	33.6	%
Payback Period	years	6.50		4.75		4.00	

** Note: Net revenues less smelter charges, concentrate transport and site operating costs.*
*** Consensus prices as shown in the table above*

Royalties and Taxes The economic results above include the costs of all third-party royalties, an estimate of local property taxes, and Nevada net proceeds of mining tax payable on income from operations. The effects of corporate income taxes on project cash flows are also estimated by Nevada Copper on a stand-alone project basis. Income tax calculations related to mining income can be complex in the United States. Although nominal corporate tax rates are 35%, deductions such as undepreciated accumulated tax pools, percentage depletion deductions and others available to mining operations typically reduce the effective tax rate to 20% or less. The undepreciated accumulated tax pools available to shelter the project from corporate income taxes are substantial based on the prior expenditures made on the project. The tax calculation is an estimate only; actual corporate taxes payable may be higher or lower than those presented based on other future corporate activities, such as any proposed further development of the open pit mineral resources. Readers should consult a tax advisor should they require more definitive information on taxation of income derived from mining operations in Nevada.

Project Opportunities

Mineralization in the East and E2 deposits remains open in several directions, and has not been drilled since 2015. Nevada Copper expects to resume drilling on the East and JK-34 deposits from underground drill stations once operations have commenced. Reserve expansion in these areas will likely extend mine life beyond the current 13 years and an underground definition drilling program will better define tonnages and grades.

Additionally, the potential for development of the Mineral Resources associated with the western open pit deposits remains fully intact.

Case A Underground Project Development Schedule

Subject to the approval of the board of directors of the Company and conclusion of project financing arrangements, detailed engineering and ordering of key long-lead-time mining and process equipment is targeted to commence in January 2018. Ramp-up of underground development is anticipated to commence in late 2018 and early 2019 with mill ramp-up starting anticipated starting in Q2 of 2019.

Integrated Project (Case b, 2015 IFS) Summary of Assumptions and Economic Results

The assumptions and results of the 2015 IFS (noted as Case B herein) were publicly disclosed in July 2015 as summarized below:

- Mine life of 23 years with low-risk profile located in an ideal mining jurisdiction close to existing infrastructure, an increase of 5 years from the first published integrated feasibility study;
- Assuming the Base Case of US$3.15 copper, US$1,200 gold and US$18 silver, the Integrated Project generates Life-of-Mine (“LOM”) after-tax net cash flow of US$2.5 billion, NPV@ 5% of US$1.1 billion, an after-tax IRR of 15.6% with 4.7 year payback;
- Significant LOM metal production of 4.5 billion pounds (2.25 million tons) of copper, 512,000 ounces of gold and 15.6 million ounces of silver in a quality copper concentrate. Average annual copper production of 275 million pounds in years 1 to 5;
- The project development contemplates a 63,500 tons/day open pit mine and 6,500 tons/day underground mine, feeding a single 70,000 tons/day concentrator, generating substantial annual cash flow over LOM;
- Proven and Probable Mineral Reserves, including open pit and underground mineable, are 572 million tons of ore grading 0.47% copper equivalent[8], containing 5.05 billion pounds of copper, 761,000 ounces of gold and 27.6 million ounces of silver;
- Initial capital costs are estimated to be $1.04 billion including contingencies, excluding working capital of $33 million. Sustaining LOM capital is $0.63 billion;

- Low LOM site operating costs of $12.80 per ton of ore-milled (Year 1 to 5 - C1 Production Costs at $1.49/lb. payable copper), excluding leased equipment and Nevada State Minerals Tax;
- The 2015 IFS includes drilling data to 2011 for the underground deposits and 2013 for the open pit deposits. Further upside and optimization potential exists from current drilling in 2015 which is not included in the 2015 IFS; and
- The 2015 IFS confirms the technical and financial viability of constructing and operating a 70,000 tons/day copper mining and processing operation at Pumpkin Hollow comprising a single large concentrator with mill feed from both open pit and underground operation.

Qualified Persons

In early 2017, Nevada Copper commissioned Sedgman Limited (part of the Cimic Group) as lead, along with Mining Plus Limited, to complete a Technical Report including a PFS level study on the Case A Underground Project, and including the previous disclosure from the 2015 IFS, in accordance with NI 43-101 standards. The scientific and technical information in this news release has been reviewed and approved by Mr. John Grady Ch.Eng. IEA, Project Manager with Sedgman, and overall manager for the PFS. Mr. Grady is an Independent Qualified Person within the meaning of NI 43-101.

The information and data contained in this news release insofar as Case A has been reviewed by the independent Qualified Persons, John Grady Ch.Eng. and Steve Rossetti Ch.Eng. of Sedgman, Neil Schunke P.Eng. of MiningPlus. The information and data contained in this news release insofar as Case B has been reviewed by the independent Qualified Persons as identified in the 2015 IFS or an alternate QP if this person is no longer available.

The information and data in this news release was also reviewed by Gregory French, P.G., Vice-President & Project Manager of Nevada Copper and Robert McKnight, P. Eng., Executive Vice-President of Nevada Copper, both of whom are Non-independent Qualified Persons within the meaning of NI 43-101.

NEVADA COPPER CORP.

Giulio T. Bonifacio, President & CEO

We seek safe harbour.

Alternative Performance Measures

"Copper Production Costs", "LOM Operating Costs", "LOM site unit operating costs" and similar terms are alternative performance measures. These performance measures are included because these statistics are key performance measures that management may use to monitor performance. Management may use these statistics in future to assess how the Company is performing to plan and to assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a meaning within International Financial Reporting Standards ("IFRS") and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

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[1] *From Mineral Reserves table on Page 8*

[2] *All dollar references in this news release are to United States currency unless otherwise indicated.*

[3] *Copper equivalency calculations are based on consensus metal prices, gold and silver grades as presented in the PFS and metallurgical recoveries of 92%, 78% and 70% for copper, gold and silver respectively.*

[4] *Pre-tax, based on analysts average consensus prices for copper, gold and silver (copper $2.66/lb in 2018 rising to $3.20/lb in 2020; similarly gold $1,268 rising to $1,325/oz; silver $18.21/oz rising to $20.01/oz).*

[5] *Note that a future stand-alone open pit project development option on the mineral resources contained within the open pittable deposits is not part of the Technical Report. The Integrated Project (Case B) as disclosed in the Technical Report is a large 70,000 tpd project with feed mostly from the open pit but also from the underground reserves.*

[6] *This 2015 technical report is a SEDAR-filed NI 43-101 Technical Report entitled “NI-43-101 Integrated Feasibility Study, Pumpkin Hollow Project, Yerington Nevada”, with an effective date of April 15, 2015.*

[7]*Metal prices used in the reserve estimate = Cu $3.00/lb, Au $1,250.00/oz., Ag $18.00/oz. Tons and grade estimates include dilution and recovery. allowances.*

[8] *The copper grade equivalency was determined using Base Case metals prices and metallurgical recoveries of 89.3%, 67.3% and 56.3% for copper, gold and silver respectively.*