

Nevada Copper Announces Transformative Balance Sheet Improvement

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YERINGTON, Oct. 12, 2021 - [Nevada Copper Corp.](#) (TSX: NCU) (OTC:NEVDD) ("Nevada Copper" or the "Company") today announced that it has entered into an agreement with its senior project lender and a non-binding term sheet with its largest shareholder to provide additional financing and a significant deferral and extension of its debt facilities, providing substantially greater balance sheet flexibility and support for the completion of the ramp-up of its underground mining operations and subsequent advancement of its open pit project and broader property exploration targets.

Highlights

- Extension of Senior Project Facility:
 - *Two-year deferral of first loan repayments:* First debt repayments deferred by two years, with Tranche A repayment only scheduled to begin in July 2025, providing significant additional flexibility
 - *Extension of loan amortization schedule:* Extended amortization schedule with final maturity now occurring in July 2029
 - *Additional project completion flexibility:* The long stop date for the formal commercial project completion test deferred until June 2023
- Consolidation and extension of shareholder loans
 - *Consolidation of shareholder loans:* All outstanding shareholder loans consolidated under a single existing shareholder credit facility, as amended (the "Amended Credit Facility")
 - *Two-year extension to maturity date:* Maturity of the Amended Credit Facility deferred until 2026, with no scheduled payments before final maturity
 - *Additional committed liquidity:* Increased availability of US\$41 million under the Amended Credit Facility

Randy Buffington, Chief Executive Officer of the Company, commented: *"These combined balance sheet improvements provide significant additional runway for the Company as we move forward to complete the ramp-up of our underground operations. The ongoing support of two of our major stakeholders provides further validation of the significant inherent value of our copper operations in Nevada and allows us to continue to pursue the growth potential embedded within our asset base".*

Further Details

Senior Project Facility Extension

The Company has entered into the following amendments to its amended and restated credit facility (the "KfW Facility") with its senior project lender, KfW-IPEX Bank:

- Under the US\$115 million Tranche A of the KfW Facility:
 - The first debt repayment now occurs two years later on July 31, 2025, with the debt service reserve account to be funded six months prior;
 - The final amortization now occurs one year later on July 31, 2029;
 - The interest margin on the loan increases by 0.5% to 2.1%, reflective of the extended loan tenor; and
 - Commencement of the project cash sweep under the existing facility agreement will be deferred by two years to January 31, 2024. A one-time extraordinary cash sweep of excess cash will also be deferred by two years to July 31, 2025.

- Under the US\$15 million Tranche B of the KfW Facility:
 - The first debt repayment now occurs two years later on July 31, 2024, with no debt service reserve account requirement;
 - The final amortization now occurs later on July 31, 2025; and
 - The interest margin on the loan increases by 0.5% to 5.4%, reflective of the extended loan tenor.

In relation to these changes, an amendment fee of 0.25% is payable with 90 days of closing of the facility amendments, and a further 0.75% is payable following the project completion test.

A condition precedent of the facility amendment is the receipt by the Company's wholly-owned subsidiary, Nevada Copper, Inc., of at least US\$40 million in net proceeds from debt or equity financings (the "KfW Condition"). If fully drawn the Amended Credit Facility would satisfy this condition.

Shareholder Loans Consolidation and Extension

Concurrent with securing the amendments to the KfW Facility, the Company has entered into a non-binding term sheet with Pala Investments Limited ("Pala"), the Company's largest shareholder, providing for all outstanding shareholder loan promissory notes to be consolidated under the existing credit facility previously provided by Pala to the Company on February 3, 2021. The Amended Credit Facility will reflect the following amendments:

- The Amended Credit Facility shall be increased to US\$138 million, with the use of funds to include:
 - Additional liquidity of US\$41 million (the "Additional Tranche"), which if fully drawn would satisfy the conditions precedent under the amended KfW Facility; and
 - The retirement of all other outstanding shareholder loans in the form of promissory notes;
- Maturity date extended by two years until 2026 under the Amended Credit Facility, with no scheduled payments before final maturity; and
- No change to the existing interest rates or other material terms in the Amended Credit Facility.

In relation to these changes, an amendment and extension fee of 4% of the principal amount of the Amended Credit Facility, excluding the Additional Tranche, shall be payable at closing of the Amended Credit Facility, such fee to be capitalized to the Amended Credit Facility balance. A disbursement fee of 2% will apply to amounts of the Additional Tranche that are drawn by the Company and will be capitalized to the Amended Credit Facility balance at the time of such draws. Fifteen million common share warrants shall be issued to Pala, exercisable until the maturity of the Amended Credit Facility, at an exercise price equal to the lower of a 25% premium to the 5-day volume weighted average price of the shares of the Company immediately prior to the closing of the Amended Credit Facility, or a 25% premium to the 5-day volume weighted average price of the shares of the Company immediately following the announcement of the offering price of any equity financing the Company may pursue prior to the closing of the Amended Credit Facility.

Should the Company complete one or more equity financings in the future, Pala will be entitled to equitize and/or convert up to US\$35 million of principal loan amounts outstanding under the Amended Credit Facility into new common shares of the Company on the same terms of any such financing.

The terms of the Amended Credit Facility have been reviewed and approved by the independent directors of the Company. The closing of the Amended Credit Facility is subject to the negotiation of definitive documentation and the approval of the TSX. There can be no assurance that definitive documentation in respect of the Amended Credit Facility as outlined above will be entered into. If the Amended Credit Facility is not entered into, the Company will require other financing to be able to satisfy the KfW Condition.

About Nevada Copper

Nevada Copper (TSX: NCU) is a copper producer and owner of the Pumpkin Hollow copper project. Located in Nevada, USA, Pumpkin Hollow has substantial reserves and resources including copper, gold and silver. Its two fully permitted projects include the high-grade underground mine (the "Underground Mine") and processing facility, which is now in the production stage, and a large-scale open pit project, which is advancing towards feasibility status.

[Nevada Copper Corp.](#)

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Cautionary Language

This news release includes certain statements and information that constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts are forward-looking statements. Such forward-looking statements and forward-looking information specifically include, but are not limited to, statements that relate to the Amended Credit Facility, including the terms thereof, and the satisfaction of the KfW Condition.

Forward-looking statements and information include statements regarding the expectations and beliefs of management. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "potential", "is expected", "anticipated", "is targeted", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements or information should not be read as guarantees of future performance and results. They are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and events to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Such risks and uncertainties include, without limitation, those relating to: the ability of the Company to complete the ramp-up of the Underground Mine within the expected cost estimates and timeframe; requirements for additional capital and no assurance can be given regarding the availability thereof; the impact of the COVID-19 pandemic on the business and operations of the Company; the state of financial markets; history of losses; dilution; adverse events relating to milling operations, construction, development and ramp-up, including the ability of the Company to address underground development and process plant issues; failure to obtain the effectiveness of extensions under and amendments to the Company's amended and restated senior credit facility with KfW IPEX-Bank; failure to enter into the Amended Credit Facility; ground conditions; cost overruns relating to development, construction and ramp-up of the Underground Mine; loss of material properties; interest rates increase; global economy; limited history of production; future metals price fluctuations; speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labor disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade of mineralization or recovery rates from management's expectations and the difference may be material; legal and regulatory proceedings and community actions; accidents; title matters; regulatory approvals and restrictions; increased costs and physical risks relating to climate change, including extreme weather events, and new or revised regulations relating to climate change; permitting and licensing; volatility of the market price of the Company's securities; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry as well as those risks discussed in the Company's Management's Discussion and Analysis in respect of the year ended December 31, 2020 and in the section entitled "Risk Factors" in the Company's Annual Information Form dated March 18, 2021. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. The forward-looking information or statements are stated as of the date hereof. Nevada Copper disclaims any intent or obligation to update forward-looking statements or information except as required by law. Readers are referred to the additional information regarding Nevada Copper's business contained in Nevada Copper's reports filed with the securities regulatory authorities in Canada. Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that could cause actions, events or results not to be as anticipated, estimated or intended. For more information on Nevada Copper and the risks

and challenges of its business, investors should review Nevada Copper's filings that are available at www.sedar.com.

Nevada Copper provides no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.

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