

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Feb. 27, 2017) - [Nevada Copper Corp.](#) (TSX:NCU) ("Nevada Copper" or the "Company") is pleased to announce that its long-term cornerstone shareholder, Pala Investments Limited ("Pala"), has agreed to make a further investment of US\$5 million in the Company ("Pala Financing"). Additionally, Nevada Copper has also successfully secured extensions to the loan maturities under its existing senior term loan facility with EXP T1 Ltd, an affiliate of Red Kite Mine Finance ("Red Kite") and its loan facility with Pala.

Pala is an experienced investor in the mining sector with a strong track record of successful investments and value creation. Pala's team has extensive experience in project development, financing, construction and expansion projects, and seeks to assist companies in which it has long-term shareholdings by providing strategic support in these areas. With this latest round of investment, Pala's financing support to Nevada Copper since August 2014 is in an aggregate amount of US\$30 million.

The Pala Financing and the amendments to the Red Kite loan facility will provide greater flexibility to Nevada Copper's balance sheet as the Company progresses its key initiatives and evaluation of various project development options at Pumpkin Hollow in a rising copper price environment. These initiatives include:

1. drilling to extend and better define the higher grade North deposit extension, complete an updated mineral resource followed by evaluating an optimized higher-grade Integrated open pit/underground development plan; and
1. advancing feasibility and technical studies for the construction of a smaller-scale, lower capital cost and higher grade underground project.

In connection with these initiatives, Nevada Copper is also pleased to announce that Pala will support Nevada Copper as Technical Adviser to assist its management team in the evaluation and advancements of these projects.

Giulio Bonifacio, the CEO of Nevada Copper commented:

"Nevada Copper is pleased to have the continued ongoing support of both Pala and Red Kite. The additional funding from Pala and improved Red Kite loan terms provide Nevada Copper with the opportunity to pursue its key initiatives and evaluation of project development options as copper markets continue to improve. Pumpkin Hollow is a Tier 1 asset which has been significantly de-risked and is fully-permitted/shovel-ready with a 1,900 foot production-sized shaft with lateral development, all of which make it a unique and desirable asset in an improving copper market."

Nevada Copper also wishes to announce the streamlining of its board of directors to six members with the retirement of Victor Bradley, Joe Giuffre and Paul Matysek. Nevada Copper wishes to express its gratitude to Messrs. Bradley, Giuffre and Matysek for their invaluable contributions to, and oversight of, the Company over many years. With Mr. Bradley's retirement, the Company is pleased to announce that Evgenij Iorich, a Non-Executive Director, has been appointed Non-Executive Chairman.

Pala Financing

The Pala Financing is in the form of a convertible loan subordinated to the existing Red Kite loan facility, on terms similar to Pala's existing convertible loans as disclosed in Nevada Copper's announcement dated April 5, 2016 except for certain of the terms described below, and adjusted conversion prices for the new US\$5 million loan tranche, as follows:

- interest rate of 12% per annum;
- maturity date of December 31, 2018;
- arrangement fee of US\$200,000 payable out of the loan proceeds; and
- conversion price of C\$0.90 in respect of the new US\$5 million loan tranche, and interest and fees thereon, being the 15% premium to the average 20-day volume-weighted average price ("VWAP") closing price of the common shares on February 24, 2017, subject to potential adjustment such that the conversion price will not exceed 115% of the subscription price for any equity offering during the next six months. The principal loan amount plus accrued and unpaid interest may be converted at such conversion price into common shares of the Company at any time up to December 31, 2018 or prior to any voluntary prepayment.

The maturity of Pala's outstanding convertible loans has also been extended to December 31, 2018 such that the maturity is aligned with that of the new loan tranche. In connection with the financing, Pala will be issued 2.5 million warrants with a 3-year term with an exercise price at C\$0.97, being a 25% premium to the average 20-day VWAP closing market price of the common shares of the Company on February 24, 2017. The closing of the Pala Financing is subject to customary conditions precedent including receipt of approval of the Toronto Stock Exchange. The receipt of disinterested shareholders' approval is required for the conversion features of the Pala Financing, as detailed above, but this will not delay closing which is expected to occur on or before March 10, 2017.

The Pala Financing is a related party transaction of Nevada Copper for purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* and is subject to the formal valuation and minority approval requirements thereof, unless an exemption is available. The Pala Financing is exempt from such requirements since, at the time the

transaction was agreed to, the fair market value of the transaction did not exceed 25 per cent of Nevada Copper's market capitalization. The Pala Financing was reviewed and approved by Nevada Copper's board of directors (with all Pala's nominee directors abstaining from voting).

Red Kite Loan

Under the amendments to the Red Kite loan facility, monthly interest payments for March to June 2017, estimated at US\$4.8 million, will be prepaid from proceeds of the Pala Financing. Interest payments for the balance of 2017 and 50% of the 2018 monthly interest will be accrued. The milestone deadlines for project construction drawdown conditions to be satisfied and the date for first loan principal repayment have both been extended to December 31, 2018.

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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