

Nevada Copper Announces Construction Decision for Pumpkin Hollow Underground Project

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VANCOUVER, Aug. 28, 2018 - [Nevada Copper Corp.](#) (TSX: NCU) ("Nevada Copper" or the "Company") is pleased to announce that a decision has been made by the Company's board of directors to proceed with construction at its 100%-owned Pumpkin Hollow underground project in Nevada. This decision follows the Company's recently completed C\$108.5 million public offering of common shares (the "Offering") and pre-construction activities which have been ongoing since May 2018.

Highlights:

- Commencement of full-scale construction: Transition from pre-construction works to full-scale construction of the Pumpkin Hollow underground project is expected to commence shortly. Project execution plan includes additional benefits from recent value engineering and detailed design.
- Satisfaction of Triple Flag stream conditions: Following today's announcement of the construction decision, Nevada Copper has satisfied the conditions precedent for the drawdown of the US\$70 million precious metals stream deposit.
- Award of key project contracts: Sedgman EPC and Cementation mining contracts executed. Contract structure provides enhanced project delivery through construction risk mitigation measures and fixed-price EPC contract.

Matt Gili, President and Chief Executive Officer of Nevada Copper, commented:

"We are very excited to commence full-scale construction of the Pumpkin Hollow underground project, which will include the processing plant and completion of the underground mine. Delivery of the underground project is the first key step in our strategy of capital-efficient, phased growth from our base in Nevada. I would like to thank all our shareholders and stakeholders, including our financing partners Triple Flag and Red Kite, for their support as we proceed with construction, targeting first copper production in 2019."

Drawdown of Triple Flag stream deposit

With the completion of the Offering and today's announcement of a construction decision, Nevada Copper has satisfied the substantive conditions precedent for the Company's receipt of funding under the precious metals purchase and sale agreement dated December 21, 2017 among the Company, its wholly-owned subsidiary Nevada Copper, Inc. and Triple Flag Mining Finance Bermuda Ltd. The drawdown of the US\$70 million deposit pursuant to the agreement is expected to occur shortly.

Contract awards to Cementation and Sedgman

In connection with the construction decision, Nevada Copper has awarded a mining contract for shaft sinking and underground mine development work at Pumpkin Hollow to Cementation, USA, Inc. ("Cementation"). This follows the earlier pre-works program carried out by Cementation at Pumpkin Hollow to prepare the existing shaft and hoist infrastructure in advance of commencement of underground construction activities.

In addition, Nevada Copper has awarded an engineering, procurement and construction ("EPC") contract for the surface plant and infrastructure at Pumpkin Hollow to Sedgman USA Inc. ("Sedgman"), a member of CIMIC Group, for a fixed price of US\$118 million. The EPC

contract follows several months of a detailed engineering and design program conducted by Sedgman incorporating a number of significant improvements to the earlier pre-feasibility study ("PFS") for the Pumpkin Hollow underground project published in November 2017.

The fixed price nature of the EPC contract provides Nevada Copper with significant cost protection for project delivery and the use of a leading mineral processing EPC contractor with knowledge of the project further de-risks project execution during ramp-up.

Project Update

Following the completion of the PFS, released in November 2017, Nevada Copper has undertaken further review and detailed design. A number of project optimizations and operational de-risking measures have been incorporated, including a centralized mine design, which provides greater operational efficiency for the underground mine and construction of a ventilation shaft via blind sink which provides a lower-risk method to support schedule compliance and further enhances optionality for future operations.

Further project enhancements continue to be reviewed by Nevada Copper, including debottlenecking to subsequently increase production throughput and the potential for decline access to the E2 ore body. Nevada Copper will provide further updates on such project enhancements as appropriate.

Today's construction decision is based on a construction capital expenditure estimate of US\$197 million for the Pumpkin Hollow underground project, and Nevada Copper continues to expect first concentrate production in the fourth quarter of 2019.

New Standby Facility

In connection with today's announcement of a construction decision, Nevada Copper has secured a commitment from its cornerstone shareholder, Pala Investments Limited, to make available to the Company, at the Company's election, a standby subordinated loan facility of up to US\$25 million at market terms to be mutually agreed and on intercreditor terms acceptable to the Company's secured lenders. The commitment has been provided should the Company require funds over the next 12-to-24 months for various corporate purposes, including but not limited to, costs of the Pumpkin Hollow underground project, advancement of the open pit and exploration drilling. The availability of a standby source of funding support provides Nevada Copper with further risk mitigation and access to financial resources as it embarks on underground project construction, whilst continuing to advance the Pumpkin Hollow open pit project and other corporate opportunities.

About Nevada Copper

Nevada Copper's (TSX: NCU) Pumpkin Hollow project is the only major, shovel-ready and fully-permitted copper project in North America. 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 Pumpkin Hollow underground project which is in construction with a view to near-term commencement of copper production; and the Pumpkin Hollow open pit project, a large-scale copper deposit with substantial mineral reserves, and which is currently undergoing an optimization program to target a reduced-capex, staged-development approach.

Additional Information

For further information please visit the Nevada Copper corporate website (www.nevadacopper.com).

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