

Nevada Copper Announces \$115M Project Finance Facility and Launch of Public Offering of Common Shares

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VANCOUVER, May 07, 2019 - [Nevada Copper Corp.](#) (TSX: NCU) (“Nevada Copper” or the “Company”) is extremely pleased to announce that its wholly-owned subsidiary, Nevada Copper, Inc. (“NCI”), has entered into a \$115 million credit agreement with KfW IPEX-Bank (“KfW IPEX-Bank”) to provide an attractive, long-term, project finance senior debt facility supported by a loan guarantee issued by the Federal Republic of Germany through Euler Hermes (the “KfW IPEX-Bank Facility”) for the underground mine (the “Underground Project”) at its 100% owned Pumpkin Hollow Copper Project (the “Project”).

Concurrently, NCI has also entered into complementary financing and offtake arrangements in connection with the Underground Project, including (i) a \$35 million working capital facility (the “Working Capital Facility”) with Concord Resources Limited (“Concord”), and (ii) offtake agreements with [Aurubis AG](#) and Aurubis Bulgaria AD (collectively, “Aurubis”) and Concord (collectively, the “Offtake Agreements”). In addition, NCI will enter into a \$26.4 million cost overrun facility (“COF”) to be provided by the Company to NCI. The COF will be partially funded by proceeds from the equity offerings referred to below, with the remainder to be covered by a third-party guarantee and backstopped by an equity standby facility (the “Equity Standby Facility”). The agreements referred to in this paragraph, together with the KfW IPEX-Bank Facility, are referred to in this news release as the “Financing Arrangements”.

Funding under the KfW IPEX-Bank Facility will occur following the repayment of the Company’s existing senior debt facility from Red Kite Mine Finance (“Red Kite”). By replacing the Company’s existing senior debt facility from Red Kite with attractive bank project finance, Nevada Copper will significantly reduce its debt service costs, extend its senior debt maturity, and substantially enhance its financial flexibility to manage construction and ramp-up of the Underground Project, which remains on target for production in Q4 2019.

The Company today will file a preliminary prospectus supplement (the “Preliminary Prospectus Supplement”) to its short form base shelf prospectus dated June 13, 2018 in connection with a public offering of common shares (the “Common Shares”) on an underwritten basis (the “Public Offering”). The Public Offering will be conducted through a syndicate of underwriters, led by National Bank Financial Inc. and RBC Capital Markets acting as joint book-runners, and including Scotiabank as co-lead underwriter. The Company intends to sell additional Common Shares by way of concurrent private placements (the “Concurrent Private Placements”). The gross proceeds of the Public Offering and the Concurrent Private Placements (together, the “Equity Offering”) are expected to be approximately \$30 million (C\$40 million).

The net proceeds of the Equity Offering are expected to be used to (i) partially fund the COF, satisfy the KfW IPEX-Bank Facility’s minimum equity to debt funding requirement and cover a portion of the costs associated with the Financing Arrangements, construction and ramp-up of the Underground Project and general corporate requirements, and (ii) facilitate the acceleration of the Company’s 2019 exploration program in light of the previously-announced significant potential demonstrated by the mineralization discovered at its newly staked claims and extensions to the deposits at the open pit portion of the Project (the “Open Pit”).

Matthew Gili, Chief Executive Officer of Nevada Copper, commented:

“This substantial new financing package marks an important further step in the growth of Nevada Copper. Not only does the replacement of the existing senior debt facility with lower cost bank project finance significantly reduce the Company’s cost of capital and bring in a potential partner for the future development of the Open Pit, the facility provided by KfW IPEX-Bank and backed by a German government loan guarantee is also a major validation of the Project’s quality and the robust plan being executed by the Company.

We are pleased to be working with our respective offtake partners and working capital providers, Aurubis and Concord Resources, as we bring the Underground Project into first production later this year. The execution of the Underground Project is progressing at a strong and steady pace with both underground development and surface works on track. Further, we have responded to our shareholders and intend to accelerate our exploration program both at the Open Pit and our newly-defined targets around surface mineralization contained in the recently expanded land position”

Benefits of Financing Package

- Significantly reduces senior debt interest margin, which is expected to lead to annual interest savings averaging approximately \$5 million calculated over the nine-year term of the KfW IPEX-Bank Facility
- Extends senior debt maturity from 2025 to 2028
- Amends previous restrictions on distributions, allowing for, subject to certain conditions, free excess cash flow to be utilized in Open Pit development, exploration and payment of dividends
- Provides potential long-term financing partner for future project expansion with demonstrated capacity and experience financing some of the world’s largest mining projects
- COF funding provides further financing contingency for construction and ramp-up at the Underground Project
- Working Capital Facility provides additional funding flexibility during production ramp-up at the Underground Project and interest rate reduction upon reaching run-rate production at the Underground Project
- Offtake Agreements provide increased stability of revenue and optimized logistics solution for the Underground Project while leaving the Open Pit offtake 100% unencumbered

Highlights of Financing Package

- KfW IPEX-Bank Facility – \$115M
 - \$115M senior project finance facility
 - Significantly reduced interest margin
 - Nine-year term (final maturity July 2028)
 - Back-weighted amortization schedule with low early repayment
 - Voluntary repayment allowed at any time and with no penalty after year 3
- COF – \$26.4M
 - Committed contingency amount required under the KfW IPEX-Bank Facility for the purposes of any unplanned cost overruns incurred in the construction of the Underground Project, providing further de-risking
 - Amounts raised in the Equity Offering which are allocated to the COF but remain unused will be available for use at the Company’s discretion upon completion of the construction of the Underground Project
 - Full amount to be covered by combination of Equity Offering and third-party guarantee, backstopped by Equity Standby Facility
- Working Capital Facility – \$35M
 - Working Capital Facility provides for advances equal to 85% of expected concentrate sale proceeds to be received four months in advance of scheduled deliveries prior to commercial production, and thereafter three months in advance
 - Revolving facility with 3.5 year term
 - Interest rate step-down once run-rate production achieved
 - Repayable at any time

- Offtake Arrangements
 - Offtake agreement entered into with Aurubis for 40,000 dmt (+/- 5% at NCI's option) per annum during the term of the KfW IPEX-Bank Facility
 - Concord to provide back-to-back swap arrangement to improve Aurubis commercial terms by removing additional costs of shipping and selling to European smelters
 - Standalone offtake agreement with Concord for 30,000 dmt (+/- 10% at NCI's option) and any other uncontracted volumes from the Underground Project per annum during 3.5 year term (linked to Working Capital Facility tenor)
 - Freight share mechanism in Concord offtake terms to incentivize Concord to place volumes resulting in the highest netback to Nevada Copper
- Equity Offering
 - Expected approximately \$30M offering of Common Shares with participation expected from existing shareholders and new investors
 - Net proceeds expected to be used to (i) partially fund the COF, satisfy the KfW IPEX-Bank Facility's minimum equity to debt funding requirement and cover a portion of the costs associated with the Financing Arrangements, construction and ramp-up of the Underground Project and general corporate requirements, and (ii) facilitate the acceleration of the Company's 2019 exploration program in light of the previously-announced significant potential demonstrated by the mineralization discovered at its newly staked claims and extensions to the deposit at the Open Pit.

The Financing Arrangements will replace the need for the commitment for a \$25 million standby subordinated loan facility provided by Pala Investments Limited ("Pala") that was previously announced on August 28, 2018 (the "Pala Standby Facility Commitment"), which will be terminated as of funding under the KfW IPEX-Bank Facility.

Further details of the Financing Package

KfW IPEX-Bank Facility

NCI, a wholly-owned subsidiary of the Company, and KfW IPEX-Bank have entered into a credit agreement whereby KfW IPEX-Bank has committed to fund \$115 million for construction and operating costs in respect of the Underground Project, scheduled to begin production in Q4 2019. The KfW IPEX-Bank Facility will accrue interest at a significantly favourable margin compared to the senior debt facility provided by Red Kite. Initial repayments are scheduled to start in January 2021 with a back-weighted repayment profile, with final payment due in July 2028. In the event that less than \$15 million of the COF has been drawn as of completion of the Underground Project, an amount equal to the difference between \$15 million and the amount that has been drawn under the COF will be applied by NCI to repay principal under the KfW IPEX-Bank Facility. Each of the Company, NCI and each subsidiary of NCI will grant security in favour of the collateral agent under the KfW IPEX-Bank Facility over substantially all of their respective current and future assets, including all of the assets at the Underground Project and the Open Pit. Closing of the KfW IPEX-Bank Facility is conditional on, among other things, completion of a minimum equity contribution (to be funded via the Equity Offering), entry into the Working Capital Facility, entry into the COF, and entry into of the offtake agreement with Aurubis, as detailed below.

Cost Overrun Facility

In connection with the KfW IPEX-Bank Facility, the Company will provide the COF to NCI for up to \$26.4 million, which may be drawn only once all other existing sources of funding have been utilized and if construction costs at the Underground Project exceed the current estimate. The COF will be made available from the date of closing of the KfW IPEX-Bank Facility until the completion of the construction of the Underground Project. The COF will be partially funded through \$15 million from the net proceeds of the Equity Offering, with the remainder to be backstopped by the Equity Standby Facility. In addition, as a condition to closing of the KfW IPEX-Bank Facility, KfW IPEX-Bank requires a corporate guarantee from Pala in respect of the COF amount (after reduction by the amounts funded from the proceeds of the Equity Offering) (the "Guaranteed Amount") and a pledge of certain of Pala's assets for the period until completion of the construction of the Underground Project. The Company will compensate Pala for its commitments under the corporate guarantee and pledge arrangement at a rate of 5% per annum of the remaining Guaranteed Amount.

Working Capital Facility

As previously-announced on December 22, 2017, the Company entered into a marketing services agreement with Concord to source a working capital revolving facility. Following a competitive tender process, NCI has entered into the Working Capital Facility with Concord for a maximum principal amount of \$35 million which provides for advances of up to 85% of the value of expected deliveries up to four months in advance of deliveries prior to commercial production at the Underground Project, and three months thereafter, on a revolving basis. Interest on advance payments will be payable at LIBOR plus 7.5% prior to commercial production at the Underground Project and LIBOR plus 5% thereafter, for a term of 3.5 years, unless terminated in accordance with the terms of any Offtake Agreement. Funding under the Working Capital Facility is conditional on, among other things, funding under the KfW IPEX-Bank Facility, perfection of a first ranking pledge over concentrates produced by NCI and a third ranking pledge over the assets and shares of NCI. There is no penalty or charge for repayment in respect of the Working Capital Facility.

Offtake Arrangements

As a condition to the KfW IPEX-Bank Facility, NCI has entered into a copper concentrate sales agreement with Aurubis whereby NCI will deliver not less than 40,000 dmt (+/- 5% at NCI's option) per annum to Aurubis for a term linked to the KfW IPEX-Bank Facility. In light of logistical challenges for deliveries from the Underground Project to Aurubis's smelters in Germany and Bulgaria, NCI and Concord may elect to deliver alternative clean copper concentrates acceptable to Aurubis pursuant to a swap agreement between NCI and Concord (the "Swap Agreement").

Drawdowns under the Working Capital Facility will be linked to deliveries to Concord under the Swap Agreement and a separate copper concentrate sales agreement with Concord (the "Additional Volumes Offtake Contract") for a term of 3.5 years, linked to the term of the Working Capital Facility. Under the terms of the Additional Volumes Offtake Contract, NCI will deliver not less than 30,000 dmt (+/- 10% at NCI's option) and other uncontracted volumes from the Underground Project per annum to Concord. Both the Swap Agreement and the Additional Volumes Offtake Contract provide for NCI to deliver monthly shipments to Concord at the Wabuska rail loading station, located approximately 11 miles north of the Project.

Equity Standby Facility

The COF will be partially backstopped by the Equity Standby Facility to be provided by Pala for an amount up to \$11.4 million (the "Commitment Amount") of the \$26.4 million COF. The Commitment Amount will be reduced by the amount of any future offerings of Common Shares which may be completed by the Company. The Equity Standby Facility may be drawn by the Company to fund NCI's drawings under the COF after the first \$15 million of the COF has been drawn. If called by the Company, the Equity Standby Facility will, subject to certain exceptions, be drawn from time to time by way of subscriptions by Pala on a private placement basis for Common Shares at the current market price of the Common Shares at the time of the draw. The Equity Standby Facility carries an initial one time 2% implementation fee.

Equity Offering

In connection with the Public Offering, the Company today will file the Preliminary Prospectus Supplement with the securities regulatory authorities in each of the provinces of Canada, other than Québec. The Public Offering will be conducted through a syndicate of underwriters, led by National Bank Financial Inc. and RBC Capital Markets acting as joint book-runners, and including Scotiabank as co-lead underwriter.

In connection with the Concurrent Private Placements, the Company intends to enter into subscription commitments with each of Castlake, L.P. ("Castlake") and an institutional investor, respectively, whereby (i) Castlake would subscribe for and purchase approximately C\$7.2 million of Common Shares in order for Castlake to maintain its pro rata ownership interest in the Company, and (ii) the institutional investor would subscribe for and purchase approximately C\$8.1 million of Common Shares, in each case at the same price and on the same terms as the Public Offering. Subject to obtaining regulatory approval, the closing of these private placements are conditional upon the closing of the Public Offering and are expected to occur at the same time.

The Equity Offering is expected to raise total gross proceeds of approximately \$30 million before deducting

underwriting commissions and expenses of the Equity Offering. Nevada Copper intends to use the net proceeds from the Equity Offering to (i) partially fund the COF, satisfy the KfW IPEX-Bank Facility's minimum equity to debt funding requirement and cover a portion of the costs associated with the Financing Arrangements, construction and ramp-up of the Underground Project and general corporate requirements, and (ii) facilitate the acceleration of the Company's 2019 exploration program in light of the previously-announced significant potential demonstrated by the mineralization discovered at its newly staked claims and extensions to the deposit at the Open Pit.

The Financing Arrangements described above are conditional on the closing of the Equity Offering. There can be no assurance as to whether or when the proposed Equity Offering may be completed, or as to the actual size or terms of the Equity Offering.

Sale of Red Kite Shares

The Company has been informed by Pala that on May 6, 2019, Red Kite and Pala entered into a share purchase agreement whereby Pala agreed to purchase all of the 31,435,345 Common Shares held, directly or indirectly, by Red Kite (the "Red Kite Shares") at a price of C\$0.40 per Common Share. The sale of the Red Kite Shares to Pala is scheduled to be completed by May 9, 2019. In connection with this transaction, Red Kite has agreed to pay the Company a placement fee in the aggregate amount of C\$628,700, which will be deducted from the purchase price and paid directly by Pala to the Company following completion of such sale.

Amendments to the Stream Agreement

In connection with the KfW IPEX-Bank Facility, the Company, NCI and Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") have agreed, effective as of and conditional upon the drawdown under the KfW IPEX-Bank Facility, to amend the stream agreement entered into among the Company, NCI and Triple Flag on December 21, 2017 (the "Stream Agreement") as follows: (i) in order to accommodate the maximum drawdown under the KfW IPEX-Bank Facility, the aggregate amount of senior indebtedness that the Company is permitted to incur upon the refinancing of the senior debt facility provided by Red Kite will be increased from \$80 million to \$115 million or such lower amount outstanding from time to time, provided that if the amount of outstanding senior debt subsequently reduces below \$80 million, the maximum amount of senior indebtedness that the Company may incur will be limited to a maximum \$80 million; and (ii) the Company's buyback option, exercisable on March 31, 2020, to reduce the amount of gold and silver to be delivered under the Stream Agreement will be reduced from 35% to 15% of the gold and silver production from the Underground Project (based on the fixed ratios of copper to gold and silver specified in the Stream Agreement) and the base amount payable by the Company (prior to applicable adjustments) to exercise such right will be proportionately reduced from \$36 million to approximately \$15.4 million.

Conditions to the Financing Arrangements

Completion of the Financing Arrangements is subject to a number of conditions. In particular, drawdowns under the KfW IPEX-Bank Facility are conditional on completion of the Equity Offering, the entering into of the guarantee and collateral arrangements with Pala as described above, the issuance of the guarantee by the Federal Republic of Germany through Euler Hermes, and other customary matters. The effectiveness of each of the other Financing Arrangements are conditional upon the drawdown under the KfW IPEX-Bank Facility being completed contemporaneously. The Company expects that all conditions to funding of the KfW IPEX-Bank Facility will be satisfied within three to four weeks following closing of the Equity Offering. However, there can be no assurance that all such conditions to funding will be satisfied in this timeframe, or at all. Until such funding occurs, the other Financing Arrangements will not become effective and the senior debt facility provided by Red Kite will remain in place.

Corporate Governance

The board of directors (the "Board") of Nevada Copper formed a special committee (the "Special Committee") consisting of members of the Board who are independent of Pala and management, and who have no direct or indirect interest in any of the transactions contemplated above, to consider the proposed terms of the transactions involving Pala and the Company, including the guarantee and collateral arrangements provided by Pala and the Equity Standby Facility, as well as the proposed

termination of the Pala Standby Facility Commitment (collectively, the "Pala Agreements"). The Special Committee met regularly since its formation separately from the full Board. The Special Committee engaged TD Securities Inc. ("TD Securities") to provide financial advisory services. After careful consideration, assisted by TD Securities' advice, the Special Committee unanimously recommended that the Company enter into the Pala Agreements.

Advisors

Torys LLP and Shearman & Sterling LLP acted as legal counsel to the Company. Milbank LLP acted as legal counsel to KfW IPEX-Bank. White & Case LLP acted as legal counsel for Concord. TD Securities acted as financial advisor to the Special Committee.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities 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.

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 that is currently under construction. Located in Nevada, USA, the Pumpkin Hollow Project has substantial reserves and resources including copper, gold and silver. Its two fully-permitted projects include: the high-grade Underground Project which is in construction with a view to commencement of copper production in Q4 2019; and the Open Pit, a large-scale copper deposit.

Additional Information

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

NEVADA COPPER CORP.

Matthew Gili, President and CEO

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Cautionary Language

This news release includes certain statements and information that may contain 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 concerning: the completion of the transactions described above, the anticipated size of the Equity Offering, the anticipated use of proceeds from the Equity Offering, the expected interest cost savings associated with the KfW IPEX-Bank Facility, the ongoing construction of the Underground Project, the commencement of production at the Underground Project, and other plans of Nevada Copper with respect to the development, construction and commercial production at the Project, and ongoing exploration activities and the objectives and results thereof. There can be no assurance as to whether or when the transactions described above will be completed or whether the terms thereof will remain as expected.

Often, but not always, forward-looking statements and forward-looking information can be identified using 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 are subject to known or unknown risks, uncertainties and other factors which may cause the actual results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Forward-looking statements and information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks and uncertainties relating to: history of losses; requirements for additional capital; dilution; adverse events relating to construction and development; ground conditions; cost overruns; loss of material properties; interest rates increase; global economy; no 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 may differ from what is indicated and the difference may be material; legal and regulatory proceedings and community actions; accidents, title matters; regulatory restrictions; permitting and licensing; volatility of the market price of the Common Shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry as well as those factors discussed in the section entitled "Risk Factors" in the Company's Annual Information Form dated March 29, 2019. Should one or more of these risks and 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 statements and information are stated as of the date hereof (or as otherwise specified therein). The Company disclaims any intent or obligation to update forward-looking statements or information except as required by law. Readers are referred to the full discussion of the Company's business contained in the Company's reports filed with the securities regulatory authorities in Canada. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause 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 annual filings that are available at www.sedar.com.

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

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