

# Copper Mountain Mining Announces Q3 2018 Financial Results

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VANCOUVER, Oct. 31, 2018 - [Copper Mountain Mining Corp.](#) (TSX: CMMC | ASX:C6C) (the "Company" or "Copper Mountain") announces third quarter 2018 financial results. All currency is in Canadian dollars, unless otherwise stated. Results are reported on a 100% basis. The Company's Financial Statements and Management Discussion & Analysis ("MD&A") are available at [www.CuMtn.com](http://www.CuMtn.com) and [www.sedar.com](http://www.sedar.com).

Third quarter 2018 highlights:

- Production at the Copper Mountain Mine was 22.0 million pounds of copper equivalent in the third quarter of 2018, which includes 18.3 million pounds of copper, 7,500 ounces of gold and 64,900 ounces of silver and in line with expectations.
- Company on track to achieve 2018 annual production guidance of 80 million pounds of copper (+/-5%) with the exception of a strong fourth quarter.
- Revenue for the third quarter 2018 was \$60.7 million, from the sale of 17.6 million pounds of copper, 6,300 ounces of gold and 62,500 ounces of silver, net of pricing adjustments.
- Increased mineral reserves at the Copper Mountain Mine to 210 million tonnes<sup>1</sup> grading 0.26% copper, 0.08 grams per tonne gold, and 0.89 grams per tonne silver for 1.2 billion pounds of copper, 504,000 ounces of gold and 6.0 million ounces of silver.
- Positive feasibility study results for the Eva Copper Project demonstrated an after-NPV of US\$256 million at an 8% discount rate and total copper production of 959 million pounds over a 12-year mine life.
- Robust preliminary economic assessment (PEA) results for New Ingerbelle demonstrated an after-tax Net Present Value (NPV) of US\$394 million at an 8% discount rate and total copper production of 768 million pounds over a 12-year mine life.

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<sup>1</sup> Includes low-grade stockpile.

Gil Clausen, President and CEO of Copper Mountain, remarked "This quarter was an exceptionally busy quarter for Copper Mountain as we delivered on all of the project milestones as promised. We completed the phase 2 drilling program at New Ingerbelle and subsequently announced an updated mineral resource along with a base case mine development and preliminary economic assessment (PEA) which demonstrated strong economics. We also announced solid feasibility study results for our Eva Copper Project in Australia, which exhibited robust economics and is expected to produce over 120 million pounds of copper annually in the first 10 years of its mine life. "

Mr. Clausen added, "We will continue to focus on ensuring Copper Mountain produces predictably and reliably as it has in the past. Production in the fourth quarter is forecast to be strong as we get back to mining higher grade ore, reduce stripping, and do not anticipate any of the non-recurring items that impacted the third quarter."

Summary Financial Results

Quarter Results & Highlights (100%)	Three months ended / Nine months ended			
	September 30,		September 30,	
(In thousands of CDN\$, other than per share and per pound amounts)	2018	2017	2018	2017
	\$	\$	\$	\$
Revenue	60,720	77,151	222,870	218,393
Cash flow from operations before working capital changes	1,189	31,570	47,206	71,199
Gross profit (Loss)	(9,574)	19,550	17,410	39,082
EBITDA <sup>2</sup>	6,882	42,934	40,919	90,939
Adjusted earnings (loss) <sup>3</sup>	(8,310)	11,051	5,208	15,412
Adjusted earnings (loss) per share <sup>4</sup>	(0.04)	0.08	0.03	0.12
Cash and cash equivalents			41,690	43,645
Accounts receivable			26,130	20,336
Total cash and cash equivalents and accounts receivable			67,820	63,981
Equity			319,951	241,039
Total pounds of copper sold (000's lbs)	17,600	19,300	59,200	55,900
Total ounces of gold sold (oz)	6,300	6,500	19,100	18,800
Total ounces of silver sold (oz)	62,500	72,700	213,100	199,400
Average realized copper price (US\$)	2.77	2.91	3.03	2.72

<sup>2</sup> Earnings before interest, taxes, depreciation and amortization. Refer to the Non-GAAP Performance measures section of this MD&A.

<sup>3</sup> Adjusted earnings (loss) is a non-GAAP financial measure which removes unrealized gains/losses on interest rate swaps, pricing adjustments on concentrate metal sales and foreign currency gains/losses.

<sup>4</sup> Calculated by dividing the total adjusted earnings by the weighted average number of shares outstanding under the basic method.

The Company recognized revenue of \$60.7 million in Q3 2018 on the sale of copper concentrates net of treatment charges. Third quarter revenue was impacted by a shipping delay at the Port of Vancouver over the quarter-end which resulted in 1.1 million pounds of copper, 440 ounces of gold, and 4,000 ounces of silver not being recorded in Q3 2018. This revenue will be recognized in Q4 2018. The decrease in revenue in the third quarter was also the result of lower realized copper prices, lower quantities of metal sold and negative provisional pricing adjustments. Pricing adjustments totaled negative \$2.4 million and reflects a weakening of copper prices during the quarter and resulted in downward adjustments for shipments not yet

finalized at the period end. This decrease was partly offset by a higher gold grade and recovery during the quarter.

At the end of Q3 2018, the Company recorded an increase in accounts receivable primarily attributable to a shipping delay at the Port of Vancouver over the quarter-end for which the Company did not receive payment of \$19.2 million from the September shipment until October 3, 2018. This cash, if received in the quarter, would have increased the quarter-end cash balance to \$60.9 million.

The Company recorded higher Q3 2018 operating costs as a result of increased cost of sales of \$70.3 million. The increase is largely due to a \$5.3 million inventory adjustment to the low-grade stockpile. This adjustment was necessary to record the low-grade stockpile at net realizable value due to the decline in copper price. Additionally, Q3 2018 operating costs reflect increases mainly associated with timing of planned major mine maintenance, fuel unit costs, and other consumable unit costs as compared to Q3 2017.

Exploration expenditures for the quarter were \$2.9, which includes both exploration in Australia and British Columbia.

The Copper Mountain Mine produced 22.0 million pounds of copper equivalent which is comprised of 18.3 million pounds of copper, 7,500 ounces of gold and 64,900 ounces of silver during Q3 2018. Lower copper production in Q3 2018 was as forecast and within expectations of the 2018 production plan. Gold production was higher quarter-over-quarter and year-over-year on higher gold grades and improved recoveries after installation of a flash flotation circuit in the concentrator. Copper grades and therefore copper production is expected to improve in the fourth quarter of 2018.

Site cash costs for Q3 2018 were US\$1.78 per pound of copper produced, net of precious metal credits, and total cash costs were US\$2.25 per pound sold, net of precious metal credits. Site cash costs and total cash costs were higher primarily due to lower copper production and sales as a result of lower head grades in the quarter, as planned, the \$5.3 million inventory adjustment to the low-grade stockpile, and the shipping delay at the Port of Vancouver which decreased metal sales by 1.1 million pounds of copper, 440 ounces of gold, and 4,000 ounces of silver. As production and sales are expected to be higher in the fourth quarter of 2018, site cash costs and total cash costs are expected to decrease.

The Company is on track to meet full year guidance for copper production as year-to-date production has been in-line with the plan and production is expected to be strong in the fourth quarter. The Company maintains 2018 annual production guidance of 80 million pounds of copper (+/- 5%).

The following table provides a summary of the operating results from the mine for the three and nine months ended September 30, 2018:

Mine Production Information	Three months ended		Nine months ended	
	September 30,		September 30,	
Copper Mountain Mine (100% Basis)	2018	2017	2018	2017
<b>Mine:</b>				
Total tonnes mined (000's <sup>5</sup> )	18,503	17,431	54,606	53,606
Ore tonnes mined (000's)	5,612	6,843	16,159	18,843
Waste tonnes (000's)	12,891	10,587	38,446	34,763
Stripping ratio	2.30	1.55	2.38	1.87
<b>Mill:</b>				
Tonnes milled (000's)	3,802	3,787	10,661	10,354
Feed Grade (Cu%)	0.28	0.32	0.31	0.31
Recovery (%)	79.1	77.3	79.4	77.9
Operating time (%)	92.7	93.5	91.5	89.3
Tonnes milled (TPD <sup>6</sup> )	41,300	41,200	39,100	38,100
<b>Production:</b>				
Copper production (000's lbs)	18,300	20,900	58,200	56,200
Gold production (oz)	7,500	6,700	20,100	18,500
Silver production (oz)	64,900	79,300	211,200	206,000
Site cash costs per pound of copper produced (net of precious metal credits) (US\$)	1.78	1.25	1.53	1.31
Total cash costs per pound of copper sold (net of precious metal credits) (US\$)	2.25	1.62	1.96	1.74

<sup>5</sup> Excludes ore re-handle from stockpile

<sup>6</sup> Tonnes per calendar day

#### Q3 2018 Financial and Operating Results Conference Call and Webcast

The Company will hold a conference call on Wednesday, October 31, 2018 at 7:30 am (Pacific Standard Time) for management to discuss the Q3 2018 financial and operating results.

#### Live Dial-in information

Toronto and international: 647-427-7450

North America (toll-free): 1-888-231-8191

To participate in the webcast live via computer visit the Company's website at [www.cumtn.com](http://www.cumtn.com) or <https://event.on24.com/wcc/r/1833337/29A6E0EF562FD710672ED8952756F33F>

#### Replay information

Toronto and international: 416-849-0833

Passcode: 9499185

North America (toll-free): 1-855-859-2056

Passcode: 9499185

The conference call replay will be available from 10:30 am (PST) on October 31, 2018 until 20:59 pm PST on November 7, 2018. An archive of the audio webcast will also be available on the company's website at [www.cumtn.com](http://www.cumtn.com).

#### About Copper Mountain Mining Corporation

Copper Mountain's flagship asset is the 75% owned Copper Mountain mine located in southern British Columbia near the town of Princeton. The Copper Mountain mine produces about 100 million pounds of copper equivalent per year with a large resource that remains open laterally and at depth. Copper Mountain also has the permitted, development stage Eva Copper Project in Queensland, Australia and an extensive 397,000 hectare highly prospective land package in the Mount Isa area.

Additional information is available on the Company's web page at [www.CuMtn.com](http://www.CuMtn.com).

On behalf of the Board of

#### COPPER MOUNTAIN MINING CORPORATION

"Gil Clausen"

Gil Clausen, P.Eng.  
Chief Executive Officer

#### Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements and forward-looking information (together, "forward-looking statements") within the meaning of applicable securities laws. All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements can be identified by the use of terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes" or variations of such words, or statements that certain actions, events or results "may", "could", "would", "might", "occur" or "be achieved". Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance and opportunities to differ materially from those implied by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include the successful exploration of the Company's properties in Canada and Australia, the reliability of the historical data referenced in this press release and risks set out in Copper Mountain's public documents, including in each management discussion and analysis, filed on SEDAR at [www.sedar.com](http://www.sedar.com). Although Copper Mountain believes that the information and assumptions used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by applicable law, Copper Mountain disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

#### [Copper Mountain Mining Corp.](#)

Condensed Consolidated Interim Statements of Financial Position  
(Unaudited in thousands of Canadian dollars)

	September 30, December 31,	
	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	41,690	45,133
Accounts receivable and prepaid expenses	26,130	29,314
Inventory	58,034	68,135
	125,854	142,582
Deferred acquisition costs	-	1,121
Reclamation bonds	8,744	8,228
Deferred tax assets	14,097	10,956
Property, plant and equipment	446,591	414,041
Low grade stockpile	105,860	91,021
	701,146	667,949
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	27,313	42,122
Amounts payable to related parties	67,751	43,633
Current portion of long-term debt	55,127	48,649
Current tax liability	13	1,285
	150,204	135,689
Provisions	6,540	6,521
Interest rate swap liability	696	2,081
Long-term debt	223,755	258,373
	381,195	402,664

## Equity

Attributable to shareholders of the Company:

Share capital	262,622	195,670
Contributed surplus	16,918	15,724
Accumulated other comprehensive loss	(3,219)	-
Accumulated deficit	(33,044)	(25,693)
	243,277	185,701
Non-controlling interest	76,674	79,584

[Copper Mountain Mining Corp.](#)

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

For the Three and Nine Months Ended September 30, (Unaudited) in thousands of Canadian dollars, except for earnings per share)

	Three months ended September 30, 2018		Nine months ended September 30, 2017	
	2018	2017	2018	2017
	\$	\$	\$	\$
Revenue	60,720	77,151	222,870	218,310
Cost of sales	(70,294)	(57,601)	(205,460)	(179,910)
Gross profit (loss)	(9,574)	19,550	17,410	39,000
Other income and expenses				
General and administration	(2,160)	(1,307)	(8,225)	(5,640)
Exploration and evaluation	-	-	-	(35)
Share based compensation	(387)	(349)	(1,274)	(1,120)
Operating (loss) income	(12,121)	17,894	7,911	32,200
Finance income	134	4	476	360
Finance expense	(3,602)	(2,968)	(10,963)	(9,700)
Unrealized gain (loss) on interest rate swap	195	77	1,197	(697)
Foreign exchange gain (loss)	5,419	12,353	(9,042)	22,800
Income (loss) before tax				

(9,975)

27,360

(10,421)





Current resource tax recovery (expense)	59	(787)	(608)	(1,25)
Deferred income and resource tax recovery	4,850	-	3,135	-
Net income (loss)	(5,066)	26,573	(7,894)	43,8
Other comprehensive loss				
Foreign currency translation adjustment	(2,684)	-	(3,219)	-
Total comprehensive income (loss)	(7,750)	26,573	(11,113)	43,8
Net income (loss) attributable to:				
Shareholders of the Company	(4,289)	19,538	(7,351)	31,4
Non-controlling interest	(777)	7,035	(543)	12,3
	(5,066)	26,573	(7,894)	43,8
Earnings (loss) per share:				
Basic	(0.02)	0.15	(0.04)	0.24
Diluted	(0.02)	0.14	(0.04)	0.23
Weighted average shares outstanding, basic (thousands)	188,116	133,298	166,939	133,
Weighted average shares outstanding, diluted (thousands)	191,435	136,853	170,796	133,
For the Three and Nine Months Ended September 30, (Unaudited in thousands of Canadian dollars)				
Shares outstanding at end of the period (thousands)	188,170	133,629	188,170	133,
		Three months ended September 30,	Nine months ended September 30,	
		2018	2017	2018
		\$	\$	\$
Cash flows from operating activities				
Net (loss) income for the period	(5,066)	26,573	(7,894)	4
Adjustments for:				
Gain on disposal of fixed assets	-	(4)	-	(
Depreciation	13,389	12,610	40,853	3
Unrealized foreign exchange (gain) loss	(6,079)	(10,849)	6,447	(
Unrealized (gain) loss on interest rate swap	(195)	(77)	(1,197)	6
Deferred income and resource tax expense				

(4,849)

-

(3,141)





Finance expense	3,602	2,968	10,963
Share based compensation	387	349	995
	1,189	31,570	47,026
Net changes in working capital items	(20,839)	(20,461)	(24,537)
Net cash (used in) from operating activities	(19,650)	11,109	22,489
Cash flows from investing activities			
Cash acquired in acquisition of Altona	-	-	29,115
Transaction costs	(54)	-	(2,291)
Share issue costs	-	-	(364)
Deferred stripping activities	(3,092)	-	(15,555)
Purchase of property, plant and equipment	(4,216)	(1,073)	(16,087)
(Purchase) refund of reclamation bond	(387)	-	(387)
Proceeds on disposal of fixed assets	-	-	-
Net cash used in investing activities	(7,749)	(1,073)	(5,569)
Cash flows from financing activities			
Proceeds on exercise of options and warrants	26	387	224
Advances from non-controlling interest	14,383	13,574	28,412
Payments made to non-controlling interest	(899)	-	(2,367)
Loan principal paid	(12,427)	(11,981)	(34,320)
Interest paid	(2,275)	(1,944)	(8,057)
Finance lease payments	(1,277)	(2,195)	(5,266)
Net cash used in financing activities	(2,469)	(2,159)	(21,374)
Effect of foreign exchange rate changes on cash and cash equivalents (532)		(1,336)	1,011
Net cash and cash equivalents - End of period	(30,400)	6,541	(3,443)
Net cash and cash equivalents - Beginning of period	72,090	37,104	45,133

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 Cash and cash equivalents - End of period 43,645 41,690

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