

Copper Mountain Mining Announces Q2 2019 Financial Results

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VANCOUVER, Aug. 1, 2019 - [Copper Mountain Mining Corp.](#) (TSX: CMMC | ASX:C6C) (the "Company" or "Copper Mountain") announces second quarter 2019 financial and operating results. All currency is in Canadian dollars, unless stated. All results are reported on a 100% basis. The Company's Financial Statements and Management Discussion & ("MD&A") are available at www.CuMtn.com and www.sedar.com.

SECOND QUARTER 2019 HIGHLIGHTS

- Production for the second quarter of 2019 was 22.1 million pounds of copper equivalent (comprised of 18.4 million pounds of copper, 6,922 ounces of gold and 65,707 ounces of silver).
- Revenue for the second quarter of 2019 was \$65.1 million, from the sale of 17.9 million pounds of copper, 7,044 ounces of gold and 55,276 ounces of silver, net of pricing adjustments.
- C1 cash cost per pound of copper produced was US\$1.74 and all-in sustaining cost (AISC) per pound of copper produced was US\$1.85.
- Earnings per share was \$0.01 and adjusted earnings per share was \$0.00 for the second quarter of 2019.
- Cash flow from operations for the second quarter of 2019 was \$23.7 million.
- Cash and cash equivalents at the end of the second quarter of 2019 was \$43.9 million.

"The second quarter was another consistent operating quarter," commented Gil Clausen, Copper Mountain's President and CEO. "We maintained our cash position, paid down our debt and continued to advance our growth opportunities while achieving profitable and reliable results quarter in and quarter out."

He added, "We expect production to be stronger in the second half of 2019 as we move into higher grade ore, and we expect to achieve our annual 2019 production guidance."

SUMMARY OF OPERATING RESULTS

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
Copper Mountain Mine				
(100% Basis)				
Mine				
Total tonnes mined (000s)	16,139	19,520	33,593	36,104
Ore tonnes mined (000s)	3,007	4,030	5,821	10,548
Waste tonnes (000s)	13,132	15,490	27,772	25,555
Stripping ratio	4.37	3.84	4.77	2.42
Mill				
Tonnes milled (000s)	3,764	3,368	7,314	6,860
Feed Grade (Cu%)	0.28	0.34	0.29	0.33
Recovery (%)	78.2	80.5	79.9	79.6
Operating time (%)	95.0	89.2	94.0	90.9
Tonnes milled (TPD)	41,363	37,011	40,409	37,901
Production				
Copper (000s lb)	18,450	20,030	37,060	39,936
Gold (oz)	6,922	6,524	14,049	12,594
Silver (oz)	65,707	68,404	127,987	146,313
Sales				
Copper (000s lb)	17,931	20,411	37,279	42,152
Gold (oz)	7,044	6,484	14,070	12,975
Silver (oz)	55,276	71,269	120,268	151,838
C1 cash cost per pound of copper produced (US\$) ⁽¹⁾	1.74	1.56	1.75	1.76
All-in-sustaining cost (AISC) per pound of copper produced (US\$) ⁽¹⁾	1.85	1.78	1.86	1.96
Cost of Sales per pound of copper (US\$/lb sold (net))	2.06	1.98	2.01	2.07
Average realized copper price (US\$)	2.72	3.12	2.79	3.15

(1) Non-GAAP performance measure. See MD&A for details.

In Q2 2019, the Copper Mountain Mine produced 18.4 million pounds of copper, 6,922 ounces of gold, and 65,707 ounces of silver compared to 20.0 million pounds of copper, 6,524 ounces of gold, and 68,404 ounces of silver in Q2 2018. This represents a decrease of 8% and 4% for copper and silver respectively and a 6% increase in gold. During the quarter, the mine processed a total of 3.8 million tonnes of ore at an average feed grade of 0.28% Cu and with a copper recovery of 78.2%. The slightly lower recovery during the quarter was due to mining some oxidized ore but was more than offset by the increased mill availability which averaged 95%. The Copper Mountain Mine remains on track to achieve production guidance for the year.

In Q2 2019, approximately 1.5 million tonnes of ore that was fed to the mill came from the ore stockpile and was included in the average feed grade for the quarter. Increased gold production in Q2 2019 can be attributed to higher head grades as compared to Q2 2018.

C1 cash cost per pound of copper produced for Q2 2019 was US\$1.74, as compared to US\$1.56 realized in Q2 2018. The increase in cost per pound was primarily a result of lower production in Q2 2019 as compared to Q2 2018. In addition, increased costs were incurred for planned maintenance of the shovels and haul trucks. C1 cash cost was positively impacted by the cost associated with stripping in excess of the average life of mine strip ratio. The total cash value of deferred stripping in Q2 2019 was \$10.7 million, compared to \$12.5 million in Q2 2018.

Site cash costs for Q2 2019 were \$46.9 million and C1 cash costs were \$42.8 million, both in line with the previous eight quarters. The consistency in costs over the past quarters demonstrates reliable production and operation at the Copper Mountain Mine quarter-after-quarter.

SUMMARY OF FINANCIAL RESULTS

Results and Highlights (100%)	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
(In thousands of CDN\$, except for per share amounts)	2019	2018	2019	2018
	\$	\$	\$	\$
Financial				
Revenue	65,144	84,204	152,014	162,150
Gross profit	1,636	20,672	24,912	26,984
Gross profit before depreciation ⁽¹⁾	6,801	32,680	36,416	54,448
Net income (loss)	2,529	3,638	20,355	(2,828)
Earnings (loss) per share – basic	0.01	0.01	0.07	(0.02)
Adjusted earnings ⁽¹⁾	917	11,095	5,119	22,682
Adjusted earnings per share – basic	0.00	0.06	0.03	0.08
EBITDA ⁽¹⁾	10,257	22,552	42,121	34,037
Adjusted EBITDA	6,811	30,009	26,885	59,547
Cash flow from operations	23,685	40,121	47,374	42,139
Cash and cash equivalents – end of period			43,896	72,090

(1) Non-GAAP performance measure. See MD&A for details.

In Q2 2019, revenue was \$65.1 million, net of pricing adjustments and treatment charges, compared to \$84.2 million in Q2 2018. Q2 2019 revenue is based on the sale of 17.9 million pounds of copper, 7,044 ounces of gold, and 55,276 ounces of silver and on an average realized copper price of US\$2.72 per pound. This compares to 20.4 million pounds of copper, 6,484 ounces of gold and 71,269 ounces of silver sold in Q2 2018 and an average realized copper price of US\$3.12 per pound. Revenue was lower as a result of selling fewer pounds of copper and realizing a lower copper price during the quarter as compared to Q2 2018. Further, revenue in Q2 2019 included a negative mark to market adjustment of \$3.2 million as compared to a negative mark to market adjustment of \$1.3 million for Q2 2018.

Cost of sales in Q2 2019 was \$63.5 million as compared to \$63.5 million for Q2 2018. Unit cost of sales was US\$2.06 per pound of copper sold, net of precious metals credits for Q2 2019, as compared to US\$1.98 per pound of copper sold, net of precious metals credits for Q2 2018. The increase in unit cost of sales is a result of selling fewer pounds of copper during the quarter as compared to Q2 2018.

Gross profit for Q2 2019 was \$1.6 million as compared to \$20.7 million for Q2 2018 and net income was \$2.5 million for Q2 2019 as compared to \$3.6 million for Q2 2018. The decrease in net income for Q2 2019, as compared to the net income for Q2 2018, was a result of: 1) lower revenue due to fewer pounds of copper sold and a lower realized copper price; 2) a negative mark to market adjustment of \$3.2 million included in revenue in Q2 2019 as compared to a negative mark to market adjustment of \$1.3 million for Q2 2018; 3) cost of sales including lower depreciation of \$5.2 million for Q2 2019 compared to \$12 million for Q2 2018 as a result of an increased reserve base in 2018 over which these costs are depreciated; and 4) the inclusion of a non-cash unrealized foreign exchange gain of \$6.7 million in Q2 2019 as compared to a non-cash unrealized foreign exchange loss of \$6.4 million in Q2 2018, a differential of approximately \$13 million, which was primarily related to the Company's debt that is denominated in US dollars.

PROJECT DEVELOPMENT UPDATE

Copper Mountain Mill Expansion

During the quarter, the Company continued to advance its expansion of the existing Copper Mountain Mine mill, which is planned to increase throughput to 45,000 tonnes per day from 40,000 tonnes per day and also improve copper recovery. The expansion project includes the installation of a third ball mill that the Company has already purchased and is currently being stored overseas. The foundation design for the new ball mill is currently being completed and the Company plans to ship the ball mill in the third quarter to arrive at the mine site before year end. Final test work and design for the cleaner circuit was completed in the second quarter, in addition to the engineering required for the new mill maintenance shop. Subsequent to the end of the quarter, the new higher capacity SAG Mill screen was installed and tie-ins for the new ball mill were completed during a planned mill shutdown for re-lining existing mills in early July.

Eva Copper Project

The Company is currently executing a drilling program to test additional exploration targets proximal to Eva Copper's main deposit, Little Eva, as well as to support metallurgical studies and down dip extensions of the Blackard deposit. Blackard is not currently included in the Eva Copper feasibility study and has the potential to add a material volume of high grade tonnage to the existing planned mill feed. Following completion of this year's drill program and metallurgical testwork, the Company will incorporate the results into an updated Eva Copper feasibility study planned for announcement in Q1 2020.

Q2 2019 FINANCIAL AND OPERATING RESULTS CONFERENCE CALL AND WEBCAST

The Company will be hosting a conference call on Thursday, August 1, 2019 at 7:30 am (Pacific Time) for senior management to discuss the second quarter 2019 results.

Dial-in information:

Toronto and international: 1 (647) 427-7450

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

To participate in the webcast live via computer go to:

<https://event.on24.com/wcc/r/2010157/A052FEC7A4C7DC35C45A6CCF8CA82B7C>

Replay Call Information

Toronto and international: 1 (416) 849-0833 Passcode: 6689529

North America (toll-free): 1 (855) 859-2056 Passcode: 6689529

The conference call replay will be available from 10:30 am (PST) on Thursday, August 1, 2019 until 8:59 pm PST on Thursday, August 8, 2019. An archive of the audio webcast will also be available on the Company's website at <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 currently produces approximately 90 million pounds of copper equivalent, with average annual production expected to increase to over 110 million pounds of copper equivalent. Copper Mountain also has the permitted, development-stage Eva Copper Project in Queensland, Australia and an extensive 4,000 km² highly prospective land package in the Mount Isa area. Copper Mountain trades on the Toronto Stock Exchange under the symbol "CMMC" and Australian Stock Exchange under the symbol "C6C".

Additional information is available on the Company's web page at www.CuMtn.com.

On behalf of the Board of

[Copper Mountain Mining Corp.](#)
"Gil Clausen"

Gil Clausen, P.Eng.
President and 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. 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 Corporation

Condensed Consolidated Interim Statements of Financial Position

(Unaudited in thousands of Canadian dollars)

	June 30, December 31,	
	2019	2018
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	43,896	46,123
Accounts receivable and prepaid expenses	11,934	18,923
Inventory	41,890	55,801
	97,720	120,847
Reclamation bonds	8,676	8,752
Transaction costs	850	-
Deferred tax assets	12,706	13,980
Property, plant and equipment	468,014	448,237
Low grade stockpile	112,437	109,846
	700,403	701,662
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	35,384	37,494
Amounts payable to related parties	80,983	69,026
Current portion of long-term debt	56,008	52,956
Current tax liability		

1,381

	173,756	160,098
Provisions	7,434	6,571
Interest rate swap liability	573	601
Long-term debt	194,768	229,001
Deferred tax liability	2,159	2,135
	378,690	398,406

Equity

Attributable to shareholders of the Company:

	263,863	263,822
Share capital		
Contributed surplus	18,475	17,378
Accumulated other comprehensive loss	(4,362)	(1,655)
Accumulated deficit	(34,428)	(48,030)
	243,548	231,515
Non-controlling interest	78,165	71,741
Total equity	321,713	303,256

Copper Mountain Mining Corporation 700,403 701,662

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

For the Three and Six Months Ended June 30

(Unaudited in thousands of Canadian dollars, except for number of and earnings per share)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Revenue	65,144	84,204	152,014	162,150
Cost of sales	(63,508)	(63,532)	(127,102)	(135,166)
Gross profit	1,636	20,672	24,912	26,984
Other income and expenses				

General and administration	(2,631)	(3,591)	(5,392)	(6,065)
Share based compensation	(526)	(381)	(1,187)	(887)
Operating income (loss)	(1,521)	16,700	18,333	20,032
Finance income	151	206	254	342
Finance expense	(4,442)	(3,847)	(8,241)	(7,361)
Unrealized (loss) gain on interest rate swap	(96)	229	(490)	1,002
Foreign exchange (loss) gain	6,709	(6,385)	12,774	(14,461)
Income (loss) before tax	801	6,903	22,630	(446)
Current tax expense	(463)	(322)	(976)	(667)
Deferred income and resource tax recovery (expense)	2,191	(2,943)	(1,299)	(1,715)
Net income (loss)	2,529	3,638	20,355	(2,828)
Other comprehensive income (loss)				
Foreign currency translation adjustment	(1,904)	(535)	(2,707)	(535)
Total comprehensive income (loss)	625	3,103	17,648	(3,363)
Net income (loss) attributable to:				
Shareholders of the Company	1,102	2,189	13,602	(3,062)
Non-controlling interest	1,427	1,449	6,753	234
	2,529	3,638	20,355	(2,828)
Earnings (loss) per share:				
Basic	0.01	0.01	0.07	(0.02)
Diluted	0.01	0.01	0.07	(0.02)
Weighted average shares outstanding, basic (thousands)	188,216	177,440	188,199	156,116
Weighted average shares outstanding, diluted (thousands)	190,751	181,756	190,720	160,560
Shares outstanding at end of the period (thousands)	188,237	188,104	188,237	188,104

Copper Mountain Mining Corporation

Condensed Consolidated Interim Statements of Cash Flows

For the Three and Six Months Ended June 30,

(Unaudited in thousands of Canadian dollars)

	Three months ended June 30,		Six months ended
	2019	2018	2019
	\$	\$	\$
Cash flows from operating activities			
Net income (loss) for the period	2,529	3,638	20,355
Adjustments for:			
Depreciation	5,183	12,008	11,522
Unrealized foreign exchange (gain) loss	(5,906)	5,118	(9,588)
Unrealized loss (gain) on interest rate swap	96	(229)	490
Deferred income and resource tax expense	(2,191)	2,991	1,299
Finance expense	4,442	3,847	8,241
Share based compensation	526	381	1,187
	4,679	27,754	33,506
Net changes in working capital items	19,006	12,367	13,868
Net cash from operating activities	23,685	40,121	47,374
Cash flows from investing activities			
Cash acquired in acquisition of Altona	-	29,115	-
Transaction costs	(850)	(763)	(850)
Share issue costs	-	(364)	-
Deferred stripping activities	(10,744)	(12,463)	(24,344)
Purchase of property, plant and equipment	(5,560)	(10,532)	(7,820)
Net cash (used in) from investing activities	(17,154)	4,993	(33,014)
Cash flows from financing activities			
Proceeds on exercise of options and warrants	19	143	26
Advances from non-controlling interest	-	-	15,035

Payments made to non-controlling interest	-	(1,469)	(329)
Loan principal paid	(9,541)	(9,515)	(22,369)
Interest paid	(3,734)	(3,818)	(6,230)
Finance lease payments	(711)	(1,532)	(1,274)
Net cash used in financing activities	(13,967)	(16,191)	(15,141)
Effect of foreign exchange rate changes on cash and cash equivalents	(615)	599	(1,446)
(Decrease) Increase in cash and cash equivalents	(8,051)	29,522	(2,227)
Cash and cash equivalents - Beginning of period	51,947	42,568	46,123
Cash and cash equivalents - End of period	43,896	72,090	43,896

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