

Copper Mountain Mining Announces Q3 2019 Financial Results

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VANCOUVER, Nov. 4, 2019 - [Copper Mountain Mining Corp.](#) (TSX: CMMC | ASX:C6C) (the "Company" or "Copper Mountain") announces third quarter 2019 financial and operating results. All currency is in Canadian dollars, unless otherwise stated. All results are reported on a 100% basis. The Company's Financial Statements and Management Discussion & Analysis ("MD&A") are available at www.CuMtn.com and www.sedar.com.

THIRD QUARTER 2019 HIGHLIGHTS

- Production for the third quarter of 2019 was 20.3 million pounds of copper equivalent (comprised of 16.3 million pounds of copper, 6,498 ounces of gold and 57,225 ounces of silver).
- C1 cash costs per pound of copper produced was US\$2.12 and all in sustaining cost (AISC) per pound of copper was US\$2.28, both net of precious metal credits.
- Revenue for the third quarter of 2019 was \$62.7 million, from the sale of 17.0 million pounds of copper, 6,400 ounces of gold and 57,426 ounces of silver, net of pricing adjustments.
- Cash flow from operations for the third quarter of 2019 was \$0.4 million.
- Cash and cash equivalents at the end of the third quarter was \$36.0 million.
- Eva Copper Mineral Resource was increased with the announcement of Blackard Mineral Resource:
 - Measured and Indicated Resource of 77 million tonnes grading 0.49% of copper containing 836 million pounds of copper (Increases Eva Copper M&I Resource by 66% to 2.1 billion lbs of copper)
 - Inferred Resource of 19 million tonnes grading 0.49% of copper containing 206 million pounds of copper (Increases Eva Copper Inferred Resource by 118% to 380 million lbs of copper)

"During the third quarter we remained focused on managing our costs during this year's phase of lower grade production. In light of the current copper price environment," commented Gil Clausen, Copper Mountain's President and CEO. "We have therefore taken a prudent and conservative approach in advancing the mill expansion project to match our cash flow as we move into a strong 2020 with higher grade and increased production. Consequently, we expect commissioning of the expansion in the fourth quarter of 2020. As a result, we do not anticipate that any additional funding is required to complete the project."

Mr. Clausen added, "In line with our commitment to maximizing cash flow, we have also improved our life of mine production which will allow for more consistent, higher production at a lower cost"

SUMMARY OF OPERATING RESULTS

Mine Production Information	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2019	2018	2019	2018
Copper Mountain Mine (100% Basis)	\$	\$	\$	\$
Mine				
Total tonnes mined (000s)	13,965	18,503	47,558	54,607
Ore tonnes mined (000s)	2,761	5,612	8,582	16,160
Waste tonnes (000s)	11,204	12,891	38,976	38,447
Stripping ratio	4.06	2.30	4.54	2.38
Total tonnes reclaimed from stockpile (000s)	835	-	2,328	-
Mill				
Tonnes milled (000s)	3,596	3,802	10,910	10,662
Feed Grade (Cu%)	0.26	0.28	0.28	0.32
Recovery (%)	78.2	79.1	79.3	79.4
Operating time (%)	91.9	92.7	93.3	91.5
Tonnes milled (TPD)	39,087	41,326	39,963	39,055
Production				
Copper (000s lb)	16,302	18,283	53,362	58,219
Gold (oz)	6,498	7,532	20,547	20,126
Silver (oz)	57,225	64,889	185,212	211,202
Sales				
Copper (000s lb)	17,021	17,612	54,300	59,764
Gold (oz)	6,400	6,349	20,470	19,324
Silver (oz)	57,426	62,487	177,694	214,325
C1 cash cost per pound of copper produced (US\$) ⁽¹⁾	2.12	1.98	1.87	1.82
All-in-sustaining cost (AISC) per pound of copper produced (US\$) ⁽¹⁾	2.28	2.13	1.99	2.00
Average realized copper price (US\$/lb)	2.65	2.77	2.74	3.03

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

In Q3 2019, the Copper Mountain Mine produced 16.3 million pounds of copper, 6,498 ounces of gold, and 57,225 ounces of silver compared to 18.3 million pounds of copper, 7,532 ounces of gold, and 64,889 ounces of silver in Q3 2018. Lower production is primarily due to grade and tonnage losses in a small isolated area of the Pit2 West pushback when compared to the resource model. This model shortfall has been rectified with additional infill drilling during the quarter and is accounted for in the resulting reserve update the Company announced on October 28, 2019. In addition, the Company began to feed stockpiled ore from the medium grade stock pile in the third quarter to accommodate the development of the Copper Mountain North pit to allow production to commence in 2020.

During the quarter, the mine processed a total of 3.6 million tonnes of ore at an average feed grade of 0.26% Cu and with a copper recovery of 78.2%. Approximately 0.8 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. The slightly lower recovery experienced during the quarter was due to processing some oxidized ore from the mid-grade ore stockpile. Mill availability averaged 91.9% for Q3 2019. Subsequent to the quarter, the Company completed the installation of oil-filled transformers on both ball mills, which should allow for higher tonnage rates going forward. The SAG mill and both ball mills are now operating with oil filled transformers, completing replacement of the dry type transformers. This change is expected to improve long term operational reliability and allow the mills to increase grinding energy input to their original design specifications.

C1 cash cost per pound of copper produced for Q3 2019 was US\$2.12, as compared to US \$1.98 in Q3 2018. The increase in cost per pound was primarily the result of lower copper production in the period when compared to Q3 2018. C1 cash cost for Q3 2019 was positively impacted by the cost associated with stripping in excess of the average life of mine strip ratio, due to the continued development stripping on the southwest highwall of the CMM main Pit (formerly Pit #3). The total cash value of deferred stripping in Q3 2019 was \$8.3 million, compared to \$3.1 million in Q3 2018. All-in costs for the quarter, inclusive of deferred stripping costs, were US \$2.67 per pound, compared to US \$2.52 per pound in Q3 2018.

Site cash costs for Q3 2019 were \$49.3 million and C1 cash costs were \$45.6 million, both of which are net of deferred stripping. This is in line with the previous quarters. The consistency in total 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		Nine months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
(In thousands of CDN\$, except for per share amounts) \$	\$	\$	\$	\$
Financial				
Revenue	62,703	60,720	214,717	222,870
Gross profit (loss)	(1,428)	(9,574)	23,484	17,410
Gross profit before depreciation ⁽¹⁾	4,866	3,815	41,282	58,263
Net income (loss)	(10,595)	(5,066)	9,760	(7,894)
Earnings (loss) per share – basic	(0.05)	(0.02)	0.03	(0.02)
Adjusted earnings (loss) ⁽¹⁾	(5,602)	(3,002)	(482)	7,132
Adjusted earnings (loss) per share – basic	(0.03)	(0.02)	(0.00)	0.04
EBITDA ⁽¹⁾	(3,204)	6,882	38,917	40,919
Adjusted EBITDA	1,789	8,946	28,674	68,493
Cash flow from operations	368	(19,650)	46,893	22,489
Cash and cash equivalents – end of period			36,008	41,690

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

In Q3 2019, revenue was \$62.7 million, net of pricing adjustments and treatment charges, compared to \$60.7 million in Q3 2018. Q3 2019 revenue is based on the sale of 17.0 million pounds of copper, 6,400 ounces of gold, and 57,426 ounces of silver and on an average realized copper price of US\$2.65 per pound. This compares to 17.6 million pounds of copper, 6,349 ounces of gold and 62,487 ounces of silver sold in Q3 2018 and an average realized copper price of US\$2.77 per pound. Revenue was slightly higher in Q3 2019 as a result of slightly higher gold sales along with higher gold and silver prices realized when compared to Q3 2018.

Cost of sales in Q3 2019 was \$64.1 million as compared to \$70.3 million for Q3 2018. Unit cost of sales were US\$2.26 per pound of copper sold, net of precious metals credits for Q3 2019, as compared to US\$2.60 per pound of copper sold, net of precious metals credits for Q3 2018. The decrease in cost of sales is a result of reduced depreciation due to the increased reserve base announced late in 2018 and due to mining costs of \$9.3 million being allocated to deferred stripping in Q3 2019 as compared to \$3.8 million in Q3 2018. The decrease in per unit cost of sales in Q3 2019 is a result of increased by-product credits relating to higher gold and silver prices and increased deferred stripping costs in Q3 2019.

The Company reported a gross loss of \$1.4 million and a net loss of \$10.6 million for Q3 2019, compared to a gross loss of \$9.6 million and a net loss \$5.1 million for Q3 2018, respectively. The variance in the net loss for Q3 2019, as compared to the net loss for Q3 2018, was a result of several items including: 1) Revenue in

Q3 2019 was based on fewer pounds of copper sold at a lower realized price; 2) Revenue in Q3 2019 included a negative mark to market adjustment of \$0.9 million as compared to a negative mark to market adjustment of \$2.3 million for Q3 2018; 3) Lower depreciation and higher deferred stripping costs in Q3 2019; 4) Cost of sales for Q3 2018 included a \$4.2 million write-down to the low-grade stockpile, which was necessary to record the low-grade stockpile to net realizable value, while there was no such adjustment in Q3 2019; and, 5) The inclusion of a non-cash unrealized foreign exchange loss of \$4.0 million as compared to a non-cash unrealized foreign exchange gain of \$5.4 million in Q3 2018, a differential of approximately \$9.4 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 with engineering work to advance its expansion plans 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 improve copper recovery as a result of being able to achieve a finer grind of ore. The expansion project includes the installation of a third ball mill that the Company has already purchased.

The Company has re-scheduled and slowed the project development timing to match the 2020 cash flow generation of the mine in the current low copper price environment, such that additional financing is not required to complete the project in fiscal year 2020. As a result, full commissioning has been rescheduled from Q2 2020 to Q4 2020. Project Engineering design has been completed to support commissioning the project in Q4 2020, while Engineering of the cleaner circuit upgrade is well advanced to support earlier commissioning of the cleaner circuit upgrade in mid-2020. During the third quarter, the new higher capacity SAG Mill screen was installed and is operating as expected. Subsequent to the quarter, at the end of October, the third ball mill arrived at the Port of Vancouver and is now on site.

EXPLORATION UPDATE

Copper Mountain Mine

The 2019 exploration drill program for the Copper Mountain Mine is now completed. This included approximately 15,000 metres of drilling with the objective of defining resources adjacent to and below current reserves in high potential areas. As a result of the drilling program that concluded in the third quarter, the Company, subsequent to the end of the third quarter, updated the reserve and resource for the Copper Mountain Mine. Reserves increased by 12% to 477 million tonnes grading 0.23% copper and 0.10 g/t gold for contained metal of 2.47 billion pounds of copper and 1.55 million ounces of gold. Measured and Indicated Mineral Resources increased by 9% to 599 million tonnes grading 0.23% copper and 0.10 g/t gold for contained metal of 3.08 billion pounds of copper and 2.0 million ounces of gold. Inferred Mineral Resources increased by 16% to 276 million tonnes grading 0.20% copper and 0.10 g/t gold for contained metal of 1.23 billion pounds of copper and 0.88 million ounces of gold. Please refer to press release dated October 28, 2019.

Australia

The 2019 exploration drill program in Australia has been completed. This program included both exploration drilling and metallurgical testwork for the Blackard deposit, which is a large stratabound deposit located within the Company's Eva Copper Project mining leases, five kilometres from the proposed Eva Copper processing plant, in Queensland, Australia. Drilling confirmed a Measured and Indicated Mineral Resource of 77 million tonnes grading 0.49% copper containing 836 million pounds of copper. This brings the Eva Copper Project's Measured and Indicated Resource to 228 million tonnes grading 0.42% copper containing 2.1 billion pounds of copper. The Company also completed extensive metallurgical testwork that has confirmed economic recoveries at Blackard. Based on these results, flotation recoveries are expected to be 90% for the Copper Sulphide Zone and 63% for the Copper Zone, both producing saleable concentrates.

The Blackard deposit was not included in the Eva Copper 2018 feasibility study, and therefore, the Company will now be updating the Eva Copper feasibility study to include this new information, the results of which are planned for release in Q1 2020.

Outlook

The Company expects 2019 production to be at the lower end of the full year guidance range of 72 million to

80 million pounds of copper, as the fourth quarter is expected to be strong with improved throughput and grades planned. The Company is beginning a higher-grade mining sequence at the Copper Mountain Mine as a result of the stripping development work that has been completed year to date. The grade and production is expected to continue to increase throughout 2020, providing for a strong production year for the mine as outlined in the Company's guidance.

Q3 2019 FINANCIAL AND OPERATING RESULTS CONFERENCE CALL AND WEBCAST

The Company will be hosting a conference call on Monday, November 4, 2019 at 7:30 am (Pacific Time) for senior management to discuss the third 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/2107795/5E94E5CAA7BB5380363A6641AB67CA2A>.

Replay Call Information

Toronto and international: 1 (416) 849-0833, Passcode: 8899813

North America (toll-free): 1 (855) 859-2056, Passcode: 8899813

The conference call replay will be available from 10:30 am (Pacific Time) on November 4, 2019 until 8:59 pm (Pacific Time) on November 11, 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 Corp.](#)

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

	September 30, December 31, 2018	
	2019	\$
	\$	
Assets		
Current assets		
Cash and cash equivalents	36,008	46,123
Accounts receivable and prepaid expenses (note 4)	15,327	18,923
Inventory (note 5)	37,758	55,801
	89,093	120,847
Reclamation bonds (note 9)	4,131	8,752
Deferred tax assets	14,736	13,980
Property, plant and equipment (note 6)	485,545	448,237
Low grade stockpile (note 5)	112,754	109,846
	706,259	701,662
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	33,768	37,494
Amounts payable to related parties	105,965	69,026
Current portion of long-term debt (note 8)	34,878	52,956
Current tax liability	1,490	622
	176,101	160,098
Provisions (note 9)	18,413	6,571

Interest rate swap liability (note 8)	584	601
Long-term debt (note 8)	197,068	229,001
Deferred tax liability	1,777	2,135
	393,943	398,406
Equity		
Attributable to shareholders of the Company:		
	266,663	263,822
Share capital		
Contributed surplus	18,304	17,378
Accumulated other comprehensive loss	(5,794)	(1,655)
Accumulated deficit	(43,182)	(48,030)
	235,991	231,515
Non-controlling interest	76,325	71,741
Total Mountain Mining Corp.	312,316	303,256

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		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2019	2018	2019	2018
	\$	\$	\$	\$
Revenue (note 11)	62,703	60,720	214,717	222,870
Cost of sales (note 12)	(64,131)	(70,294)	(191,233)	(205,460)
Gross profit (loss)	(1,428)	(9,574)	23,484	17,410
Other income and expenses				
General and administration (note 12)	(3,517)	(2,160)	(8,908)	(8,225)
Share based compensation (note 10)	(497)	(387)	(1,684)	(1,274)
Operating income (loss)	(5,442)	(12,121)	12,892	7,911
Finance income	135	134	389	476
Finance expense (note 13)	(3,454)	(3,602)	(11,695)	(10,963)

Unrealized (loss) gain on interest rate swap	(15)	195	(505)	1,197
Foreign exchange (loss) gain	(4,041)	5,419	8,733	(9,042)
Income (loss) before tax	(12,817)	(9,975)	9,814	(10,421)
Current tax (recovery) expense	(190)	59	(1,166)	(608)
Deferred income and resource tax recovery	2,412	4,850	1,113	3,135
Net income (loss)	(10,595)	(5,066)	9,761	(7,894)
Other comprehensive income (loss)				
Foreign currency translation adjustment	(1,432)	(2,684)	(4,139)	(3,219)
Total comprehensive income (loss)	(12,027)	(7,750)	5,622	(11,113)
Net income (loss) attributable to:				
Shareholders of the Company	(8,755)	(4,289)	4,848	(7,351)
Non-controlling interest	(1,840)	(777)	4,913	(543)
	(10,595)	(5,066)	9,761	(7,894)
Earnings (loss) per share:				
Basic	(0.05)	(0.02)	0.03	(0.04)
Diluted	(0.05)	(0.02)	0.03	(0.04)
Weighted average shares outstanding, basic (thousands)	190,344	188,116	188,925	166,939
Weighted average shares outstanding, diluted (thousands)	191,711	191,435	190,492	170,796
Copper Mountain Mining Corporation Condensed Consolidated Interim Statements of Cash Flows For the Three and Nine Months Ended September 30, (Unaudited in thousands of Canadian dollars)				
Shares outstanding at end of the period (thousands)	191,331	188,170	191,331	188,170

Three months ended
September 30,

2019

\$

Nine months ended
September 30,

2019

\$

September
30,

2018

\$

Cash flows from operating activities

Net income (loss) for the period	(10,595)	(5,066)	(7,894)
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Adjustments for:

Depreciation	6,312	13,880	40,853
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Unrealized foreign exchange (gain) loss	672	(8,970)	6,447
Unrealized loss (gain) on interest rate swap	15	505	(1,197)
Deferred income and resource tax expense	(2,412)	(4,849)	(3,141)
Finance expense	3,454	3,602	10,963
Share based compensation	497	3,584	995
	(2,057)	3,189	47,026
Net changes in working capital items (note 15)	2,425	(2,433)	(24,537)
Net cash from operating activities	368	(19,350)	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	(8,264)	(3,008)	(15,555)
Purchase of property, plant and equipment	(6,590)	(4,286)	(16,087)
Reclamation bonds	4,545	(387)	(387)
Proceeds on disposal of fixed assets	-	-	-
Net cash (used in) from investing activities	(10,309)	(7,273)	(5,569)
Cash flows from financing activities			
Proceeds on exercise of options and warrants	2,284	2310	224
Advances from non-controlling interest	23,294	38,389	28,412
Payments made to non-controlling interest	-	(829)	(2,367)
Loan principal paid	(21,189)	(42,828)	(34,320)
Interest paid	(2,356)	(8,286)	(8,057)
Finance lease payments	(626)	(1,200)	(5,266)
Net cash used in financing activities	1,407	(23,694)	(21,374)
Effect of foreign exchange rate changes on cash and cash equivalents		(802)	1,011
(Decrease) Increase in cash and cash equivalents	(7,888)	(30,406)	(3,443)
Cash and cash equivalents - Beginning of period	43,896	70,020	45,133

Cash and cash equivalents - End of period	36,008	36,008	41,690
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