

Copper Mountain Mining Announces Strong Q3 2020 Financial Results, Reduces All-in Cost Guidance

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VANCOUVER, Nov. 2, 2020 - [Copper Mountain Mining Corp.](#) (TSX: CMMC) (ASX: C6C) (the "Company" or "Copper Mountain") announced its third quarter 2020 financial and operating results. All currency is in Canadian dollars, unless otherwise stated. All results are based on the Company's Financial Statements and Management Discussion & Analysis ("MD&A") are available at www.CuMtn.com

Q3 2020 HIGHLIGHTS

- Production for Q3 2020 was 23.8 million pounds of copper equivalent (comprised of 18.9 million pounds of copper and 4.9 million ounces of silver).
- C1 cash cost for Q3 2020 was US\$1.27/lb copper produced, all in sustaining cost (AISC) was US\$1.43/lb copper produced.
- Revenue for Q3 2020 was \$95.0 million, from the sale of 17.8 million pounds of copper, 6,232 ounces of gold and other metals, after adjustments.
- Gross profit for Q3 2020 was \$42.0 million and net income was \$33.2 million.
- Earnings per share was \$0.13 per share, or \$0.08 on an adjusted basis.
- Cash flow from operations (before working capital changes) for Q3 2020 was \$47.0 million as compared to negative \$1.0 million in the second quarter.
- Cash and cash equivalents at the end of Q3 2020 was \$53.6 million, an increase of \$24.6 million during the quarter.
- AIC guidance for 2020 was reduced to a range of US\$1.85 to US\$2.00 per pound of copper from a range of US\$1.95 to US\$2.10 per pound of copper. Production guidance was maintained at 70 to 75 million pounds of copper with the expectation to achieve the high end of the range.

"We posted another strong quarter and continued to exceed our revised operating plan with solid operating and financial performance," said Mark G. Blyden, Copper Mountain's President and CEO. "We expect production to continue to increase in the fourth quarter with higher metal recoveries. As a result, we are reducing our 2020 all-in cost guidance to a range of US\$1.85 to US\$2.00 per pound of copper. We are maintaining our production guidance but expect to end the year at the top end of the range."

"Our plan is to continue to build upon our healthy cash position in anticipation of restarting construction of the third ball mill stage to complete our 45,000 tonnes per day mill expansion project. We have commenced activities to prepare for construction by the end of Q3 2021. The installation of the third ball mill is expected to increase production by 15 to 18% as a result of higher metal recoveries while maintaining the mill head grade. This is the first step of our multi-tier growth plan. This growth plan is to increase production to 65,000 tonnes per day at the Copper Mountain Mine. We expect to publish a technical report in Q4 on this expansion project. The Project is being advanced and we are currently developing project financing options and evaluating potential project partners to steadily de-risk and advance our organic growth plans."

SUMMARY OF OPERATING RESULTS

Mine Production Information

Copper Mountain Mine (100% Basis) Q3 2020 Q3 2019 9 Mos. 2020 9 Mos. 2019

Mine

Total tonnes mined (000s)	13,681	13,965	39,547	47,558
Ore tonnes mined (000s)	3,133	2,761	10,388	8,582
Waste tonnes (000s)	10,548	11,204	29,159	38,976
Stripping ratio	3.37	4.06	2.81	4.54

Mill

Tonnes milled (000s)	3,725	3,596	10,928	10,910
Feed Grade (Cu%)	0.29	0.26	0.29	0.28
Recovery (%)	80.4	78.2	78.2	79.3
Operating time (%)	90.8	91.9	91.8	93.3
Tonnes milled (TPD)	40,489	39,087	39,884	39,963

Production

Copper (000s lb)	18,934	16,302	54,498	53,362
Gold (oz)	6,630	6,498	20,268	20,547
Silver (oz)	81,418	57,225	247,560	185,212

Sales

Copper (000s lb)	17,824	17,021	54,565	54,300
Gold (oz)	6,232	6,400	18,885	20,470
Silver (oz)	67,901	57,426	226,767	177,694

C1 cash cost per pound of copper produced (US\$)⁽¹⁾ 1.27 2.12 1.58 1.87AISC per pound of copper produced (US\$)⁽¹⁾ 1.43 2.28 1.74 1.99AIC per pound of copper produced (US\$)⁽¹⁾ 1.68 2.67 1.93 2.48

Average realized copper price (US\$/lb) 2.97 2.65 2.66 2.74

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

During the third quarter of 2020, the Company continued to operate under the revised operating plan announced in March of 2020. In Q3 2020, the Copper Mountain Mine produced 18.9 million pounds of copper, 6,630 ounces of gold, and 81,418 ounces of silver, as compared to 16.3 million pounds of copper, 6,498 ounces of gold, and 57,225 ounces of silver for Q3 2019.

The mine processed a total of 3.7 million tonnes of ore during the quarter as compared to 3.6 million tonnes

in Q3 2019. Average feed grade increased to 0.29% Cu and copper recovery improved to 80.4% in Q3 2020, as compared to average feed grade of 0.26% Cu and copper recovery of 78.2% in Q3 2019, which are the primary reasons for higher production in Q3 2020. Copper grade is expected to continue to improve in Q4 2020, as the Company has completed mining in the Pit#1 area and has restarted mining in the higher grade Pit #3 area. Mining costs are expected to remain at lower levels as the waste haul remains short as Pit#1 is being backfilled with waste rock from Pit#3. Mill availability averaged 90.8% for Q3 2020 as compared to 91.9% in Q3 2019. The slight decrease in mill availability was a result of scheduled preventative maintenance shutdowns in Q3 2020. With expected higher grades and higher recoveries driving increased production in the fourth quarter of 2020, Copper Mountain expects to achieve the higher end of its guidance range for the year.

C1 cash cost per pound of copper produced for Q3 2020 decreased 40% to US\$1.27, as compared to US\$2.12 in Q3 2019. The decrease in cost per pound in Q3 2020 was the result of higher production, reduced mining costs and higher by-product credits for the gold and silver produced in Q3 2020 as compared to Q3 2019.

All-in sustaining cost per pound of copper produced (AISC) in Q3 2020 decreased 37% to US\$1.43, as compared to US\$2.28 in Q3 2019. The low AISC carries forward from the low C1 cost per pound with addition of \$3.9 million in sustaining capital, lease and applicable administration expenditures in Q3 2020 as compared to \$3.4 million in Q3 2019.

Total all-in cost per pound of copper produced (AIC), net of credits, for Q3 2020 decreased 37% to US\$1.68, as compared to US\$2.67 in Q3 2019. The low AIC carries forward from the low AISC with the addition of \$6.4 million in deferred stripping and \$nil of low-grade stockpile mining costs incurred in Q3 2020 as compared to \$8.3 million of deferred stripping and \$0.3 million of low-grade stockpile costs in Q3 2019.

The significant decrease in C1, AISC, and AIC recognized in Q3 2020 as compared to past quarters was a result of the Company's strong copper production, cost savings initiatives and operating efficiencies at the Copper Mountain mine, supplemented by an increase in precious metals prices and production for Q3 2020.

SUMMARY OF FINANCIAL RESULTS

Results and Highlights (100%)	Three months ended		Nine months ended	
	September 30,		September 30,	
(In thousands of CDN\$, except for per share amounts)	2020 \$	2019 \$	2020 \$	2019 \$
Financial				
Revenue	94,992	62,703	235,645	214,717
Gross profit	42,019	(1,428)	57,329	23,484
Gross profit before depreciation ⁽¹⁾	47,091	4,866	74,472	41,282
Net income (loss)	33,249	(10,595)	21,724	9,761
Income (loss) per share – basic	0.13	(0.05)	0.08	0.03
Adjusted earnings ⁽¹⁾	15,078	(5,602)	15,067	(482)
Adjusted earnings per share – basic	0.08	(0.03)	0.08	(0.00)
EBITDA ⁽¹⁾	51,226	(3,204)	60,631	38,917
Adjusted EBITDA	33,055	1,789	53,974	28,674
Cash flow from operations	38,595	368	70,620	46,893
Cash and cash equivalents – end of period				

53,573

36,008

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

In Q3 2020, revenue was \$95 million, net of pricing adjustments and treatment charges, compared to \$62.7 million in Q3 2019. Q3 2020 revenue is based on the sale of 17.8 million pounds of copper, 6,232 ounces of gold, and 67,901 ounces of silver. This compares to 17.0 million pounds of copper, 6,400 ounces of gold and 57,426 ounces of silver sold in Q3 2019. Revenue increased significantly as a result of increased sales and higher metal prices, including a positive mark to market and final adjustment on concentrate sales of \$11.3 million. This compares to a negative mark to market and final adjustment of \$2.4 million for Q3 2019, a differential of approximately \$13.7 million. Q3 2020 revenue before the mark to market adjustment was \$83.7 million as compared to \$63.6 million for Q3 2019.

Cost of sales in Q3 2020 was \$53.0 million as compared to \$64.1 million for Q3 2019. A substantial part of the decrease in cost of sales is a result of the Company's cost savings initiatives resulting from the revised operating plan which included utilizing less equipment. Q3 2020 cost of sales did not include any mining costs being allocated to the low-grade stockpile and the Company allocated \$6.4 million to deferred stripping. This is compared to Q3 2019 cost of sales which was net of \$8.3 million of deferred stripping and low-grade stockpile costs.

The Company reported net income of \$33.2 million for the three-month period ended September 30, 2020 as compared to a net loss of \$10.6 million for the same period of 2019. The variance in the higher net income for 2020, as compared to 2019, was a result of several items including:

- Revenue in Q3 2020 included a positive mark to market and final adjustment from provisional pricing on concentrate
- Revenue in Q3 2020 was higher as a result of higher metal prices experienced in the quarter as compared to Q3 2019
- The inclusion of a non-cash unrealized foreign exchange gain of \$6.9 million in Q3 2020 as compared to a non-cash loss of \$4.0 million in Q3 2019, a differential of approximately \$10.9 million, which was primarily related to the Company's operations in dollars.

On adjusted basis, the Company recorded a net income of \$15.1 million in Q3 2020, compared to a net loss of \$5.6 million in Q3 2019.

PROJECT DEVELOPMENT UPDATE

Copper Mountain Mill Expansion

In July 2020, the Company completed the first stage of the Ball Mill Expansion project which included installation of the Direct Flotation Reactors (DFRs). The Ball Mill Expansion is designed 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 DFRs have increased the efficiency and the capacity of the current cleaner circuit, and as planned increased copper concentrate grade from about 24 to 28%, resulting in lower concentrate transportation, smelting and refining costs during Q3 2020. The installation of the DFRs was completed on schedule and on budget.

As noted in Q1 2020, as a result of COVID-19, the Company deferred all major capital spend and therefore halted work on the second stage of the Ball Mill Expansion project, which deferred the actual installation of a third ball mill that the Company had already purchased and had delivered to site. Work was reduced to completing commitments on long lead items, which would allow the project to restart in an efficient and expeditious manner. The Company has re-commenced activities for the installation of the third ball mill for a construction start in early 2021. Copper Mountain is planning for commissioning of the Ball Mill Expansion project by the end of Q3 2021.

2020 OUTLOOK

The Company is reducing its 2020 AIC guidance to a range of US\$1.85 to US\$2.00 per pound of copper from a range of US\$2.20 to US\$2.35 per pound of copper. The Company reaffirms its 2020 production guidance of 70 to 75 million pounds of copper and expects to be at the higher end of the range. Copper production is expected to be stronger in the fourth quarter of 2020 as a result of higher grades and improved

recoveries.

Q3 2020 FINANCIAL AND OPERATING RESULTS CONFERENCE CALL AND WEBCAST

Copper Mountain will host a conference call on Monday, November 2, 2020 at 7:30 am (Pacific Time) for senior management to discuss the third quarter 2020 results.

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 go to:

https://produceredition.webcasts.com/starthere.jsp?ei=1379598&tp_key=9549f68559

Replay Call Information

Toronto and international: 416-849-0833, Passcode: 3359433

North America (toll-free): 1-855-859-2056, Passcode: 3359433

The conference call replay will be available until 8:59 pm (Pacific Time) on November 9, 2020. 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 approximately 120 million pounds of copper equivalent. Copper Mountain also has the development-stage Eva Copper Project in Queensland, Australia and an extensive 2,443 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, 2019 2020	
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	53,573	32,126
Accounts receivable and prepaid expenses	32,159	27,947
Inventory	31,172	35,299
	116,904	95,372
Reclamation bonds	4,159	3,740
Deferred tax assets	18,274	28,088
Property, plant and equipment	542,237	501,663
Low grade stockpile	64,932	64,978
	746,506	693,841
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	38,905	41,366
Amounts payable to related parties	3,785	104,698
Current portion of long-term debt	64,769	60,260
Current tax liability	1,079	1,186
	108,538	207,510
Provisions	17,816	18,104
Due to related parties	151,803	-

Long-term debt	161,661	188,123
Deferred tax liability	3,474	2,203
	443,292	415,940
Equity		
Attributable to shareholders of the Company:		
	267,399	266,663
Share capital		
Contributed surplus	19,494	18,623
Accumulated other comprehensive loss	(2,176)	(4,158)
Accumulated deficit	(55,057)	(70,516)
	229,660	210,612
Non-controlling interest	73,554	67,289
Total equity	303,214	277,901

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Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
746,506 693,841

For the Three and Nine Months Ended September 30

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

	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2020	2019	2020	2019
	\$	\$	\$	\$
Revenue	94,992	62,703	235,645	214,717
Cost of sales	(52,973)	(64,131)	(178,316)	(191,233)
Gross profit (loss)	42,019	(1,428)	57,329	23,484
Other income and expenses				
General and administration	(1,836)	(3,517)	(5,196)	(8,908)
Share based compensation	(863)	(497)	(2,066)	(1,684)
Operating income (loss)	39,320	(5,442)	50,067	12,892
Finance and other income	517	135	622	389
Finance expense	(3,741)	(3,454)	(11,173)	(11,695)

Unrealized loss on interest rate swap	(2)	(15)	(1,020)	(505)
Foreign exchange (loss) gain	6,938	(4,041)	(5,457)	8,733
Loss on sale of fixed asset	(102)	-	(102)	-
Income (loss) before tax	42,930	(12,817)	32,937	9,814
Current tax recovery (expense)	385	(190)	(128)	(1,166)
Deferred income tax (expense) recovery	(10,066)	2,412	(11,085)	1,113
Net income (loss)	33,249	(10,595)	21,724	9,761
Other comprehensive income (loss)				
Foreign currency translation adjustment	897	(1,432)	1,982	(4,139)
Total comprehensive income (loss)	34,146	(12,027)	23,706	5,622
Net income (loss) attributable to:				
Shareholders of the Company	24,420	(8,755)	15,459	4,848
Non-controlling interest	8,829	(1,840)	6,265	4,913
	33,249	(10,595)	21,724	9,761
Earnings (loss) per share:				
Basic	0.13	(0.05)	0.08	0.03
Diluted	0.13	(0.05)	0.08	0.03
Copper Mountain Mining Corp.				
Weighted average shares outstanding, basic (thousands)	191,544	190,344	191,403	188,925
Weighted average shares outstanding, diluted (thousands)	193,035	191,711	192,082	190,492
For the Three and Nine Months Ended September 30, Shares outstanding at end of the period (thousands)	192,301	191,331	192,301	191,331
(Unaudited in thousands of Canadian dollars)				

	Three months ended September 30,		Nine
	2020		2019
	\$		\$
Cash flows from operating activities			
Net income (loss) for the period	33,249		(10,595)
Adjustments for:			
Depreciation	5,072		6,312

Loss on disposal of fixed assets	102	-
Unrealized foreign exchange (gain) loss	(6,077)	672
Unrealized loss on interest rate swap	2	15
Deferred income tax expense (recovery)	10,066	(2,412)
Finance expense	3,741	3,454
Share based compensation	863	497
	47,018	(2,057)
Net changes in working capital items	(8,423)	2,425
Net cash from operating activities	38,595	368
Cash flows from investing activities		
Deferred stripping activities	(6,402)	(8,264)
Development of property, plant and equipment	(4,970)	(6,590)
Reclamation bonds	(4)	4,545
Net cash (used in) from investing activities	(11,376)	(10,309)
Cash flows from financing activities		
Proceeds on exercise of options and warrants	482	2,284
Payments made to non-controlling interest	-	-
Net cash used in financing activities	(21,343)	(21,189)
Effect of foreign exchange rate changes on cash and cash equivalents	(200)	646
Increase (Decrease) in cash and cash equivalents	24,570	(7,888)
Cash and cash equivalents - Beginning of period	29,000	43,886
Cash and cash equivalents - End of period	53,573	36,008

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