

Copper Mountain Mining Announces Q3 2022 Financial Results

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VANCOUVER, Nov. 9, 2022 - [Copper Mountain Mining Corp.](#) (TSX: CMMC) (ASX: C6C) (the "Company" or "Copper Mountain") announces third quarter 2022 financial and operating results. All currency is in Canadian dollars, unless otherwise stated. Results are reported on a 100% basis. The Company's Financial Statements and Management's Discussion & Analysis are available at www.CuMtn.com and www.sedar.com.

SUMMARY

- Production in Q3 2022 was 16.5 million pounds of copper equivalent, including 13.2 million pounds of copper, 6,000 ounces of silver, and 0.1 million ounces of gold.
 - (1) The Company reports its non-GAAP financial measures of C1 cash cost, AISC, and AIC per pound of copper produced in Q3 2022 as follows: C1 cash cost was US\$3.70, AISC was US\$4.50, and AIC was US\$4.95. These measures are evaluated for operating performance. See "Cautionary Note Regarding Non-GAAP Performance Measures" in this press release.
 - All-in sustaining cost ("AISC") ⁽¹⁾ per pound of copper produced in Q3 2022 was US\$4.50 and all-in cost ("AIC") ⁽¹⁾ per pound of copper produced was US\$4.95.
 - (2) Based on a US\$1.00 exchange rate and consensus metal prices for years 1, 2, 3 and long-term, respectively for Q3 2022, US\$3.46, US\$3.04 and US\$1.98 per ounce of copper and adjusted at US\$1.79 was US\$2.75 million, or (\$0.11) per share; US\$1,749 and US\$1,650 per ounce of gold; and US\$21.86, US\$22.30, US\$22.24 and US\$21.35 per ounce of silver.
 - Cash, cash equivalents, and restricted cash at September 30, 2022 was \$49.6 million.
- Gil Clausen, Copper Mountain's President and CEO, said the Copper Mountain quarter slightly disappointed expectations for the third quarter. "We produced 16.5 million pounds of copper equivalent, a volume that is consistent with the third quarter of 2021. The third quarter came from the lower grade, North Pit as opposed to the planned Phase 4. The first half of Phase 4's production lagged due to spotty ore continuity in the upper benches of that pushback. In the second half of September, we addressed the issue by increasing the grade of the ore. The higher grade ore is now being processed through the mill. The higher oxide content in the upper benches is causing the mill to have a higher oxide content issue, forcing reduced milling rates for about a month. The mill is now breaking apart in the mill, significantly affecting the throughput. Overall, it was a disappointing quarter and the first of 2022." Company's Chief Financial Officer, Mr. Clausen, added:
- In early October, the expansion to the rougher flotation circuit was successfully completed.
 - The Company's commitment to the expansion of Phase 4 is complete. The higher oxide content in the upper benches is causing the mill to have a higher oxide content issue, forcing reduced milling rates for about a month. The mill is now breaking apart in the mill, significantly affecting the throughput. Overall, it was a disappointing quarter and the first of 2022." Company's Chief Financial Officer, Mr. Clausen, added:
- "However, we are now past an inflection point in the operation with the main waste movement of Phase 4 completed. Ore grades are higher, recoveries are up, and the North Pit development has been advanced beyond the higher oxide transitional zone. Our team has also completed all our plant optimization projects. The mill has been operating at the designed 45,000 tpd throughput and achieving daily rates up to 53,000 tpd in October. The mill is now breaking apart in the mill, significantly affecting the throughput. Overall, it was a disappointing quarter and the first of 2022." Company's Chief Financial Officer, Mr. Clausen, added:
- "Although we experienced challenges at the mine, we completed several primary corporate objectives: growing reserve resources at the Copper Mountain Mine, including a 70% increase in measured and indicated mineral resources compared to the prior technical report dated November 30, 2020; publishing a new NI 43-101 life of mine/ mill expansion study to 65,000 tonnes per annum; announcing a definitive agreement for the sale of the Eva Copper project; and publishing the Company's inaugural ESG report." added Mr. Clausen.

SUMMARY OF OPERATING RESULTS

Copper Mountain Mine (100% Basis)	2022	2021	2022	2021
	Q3	Q3	Q1 - Q3	Q1 - Q3
Mine				
Total tonnes mined (000s)	14,248	14,483	41,305	45,529
Ore tonnes mined (000s)	3,660	3,053	9,072	10,335
Waste tonnes (000s)	10,588	11,430	32,233	35,194
Stripping ratio	2.89	3.74	3.55	3.41
Mill				
Tonnes milled (000s)	3,378	3,417	9,604	10,282
Feed Grade (Cu%)	0.24	0.37	0.24	0.41
Recovery (%)	74.4	79.7	78.4	79.8
Operating time (%)	89.0	92.2	88.1	93.4
Tonnes milled (TPD)	36,721	37,141	35,181	37,664
Production				
Copper (000s lb)	13,159	22,406	39,634	73,447
Gold (oz)	6,053	7,449	16,980	23,263
Silver (oz)	64,331	134,987	181,953	443,444
Sales				
Copper (000s lb)	12,319	24,416	38,698	73,613
Gold (oz)	4,902	8,308	15,047	23,406
Silver (oz)	59,790	142,128	117,481	425,076
C1 cash cost per pound of copper produced (US\$) ⁽¹⁾	3.70	1.50	3.40	1.34
AISC per pound of copper produced (US\$) ⁽¹⁾	4.50	1.77	4.20	1.68
AIC per pound of copper produced (US\$) ⁽¹⁾	4.95	2.17	4.99	1.97
Average realized copper price (US\$/lb)	\$3.52	\$4.27	\$4.09	\$4.15

(1) The Company reports the non-GAAP financial measures of C1 cash costs, AISC and AIC per pound of copper produced to manage and evaluate its operating performance. For further information, see "Cautionary Note Regarding Non-GAAP Performance Measures" in this press release.

Production

The Copper Mountain Mine produced 13.2 million pounds of copper, 6,053 ounces of gold, and 64,331 ounces of silver in Q3 2022, compared to 22.4 million pounds of copper, 7,449 ounces of gold, and 134,987 ounces of silver in Q3 2021. Production was lower during the quarter due to lower mill feed grade, lower mill throughput and lower copper recoveries.

Mill feed grade in Q3 2022 was 0.24% Cu as compared to 0.37% Cu in Q3 2021. Mill feed was delivered from Phase 4 (approximately 40%), and the North Pit (approximately 60%) during the quarter. Phase 4 delivered higher grade tonnes as planned, but lower tonnages of higher grade were present at the top of the deposit, thus more North Pit ore was used for mill feed than planned, resulting in the lower overall grade in the quarter. Phase 4 grades averaged 0.28% Cu during the quarter compared to North Pit grades averaging 0.21% Cu. Ore feed grades are expected to improve for the remainder of the year, with the higher-grade Phase 4 ore being the primary ore supply for the remainder of 2022 as the Company begins to mine the bulk of the deposit. Phase 4 higher grade ore is also planned to be the main ore supply for 2023, driving increased production. Phase 4 has an average grade of 0.33% Cu.

The mill processed a total of 3.4 million tonnes of ore during the quarter as compared to 3.4 million tonnes in Q3 2021. The crushing circuit was optimized in the quarter and consistently achieved the designed rate to allow the mill to reach 45,000 tpd during the second half of the quarter, producing a large crushed-ore stockpile in front of the mill. Mill throughput improved following availability of crushed ore from the crushing circuit. However, a SAG ball quality issue was encountered in mid-August which restricted mill throughput until the SAG ball charge was fully replaced in mid-September. Following resolution of this issue, the mill demonstrated the ability to process the targeted 45,000 tpd, achieving daily tonnage rates up to 50,000 tpd in September.

Copper recovery was 74.4% in Q3 2022 as compared to 79.7% in Q3 2021. The milling of higher oxide material from the North Pit negatively impacted recovery. Higher oxide levels did project further than expected in the North Pit, but consistently reduced to normal levels in mill feed and blast hole samples, in the later part of the quarter. Copper recovery is expected to improve with lower oxides, the successful operation of the rougher flotation expansion, and optimization of the grinding circuit to achieve consistent fine grinds.

Mill availability averaged 89.0% for Q3 2022 as compared to 92.2% in Q3 2021. The largest scheduled annual mill shutdown was completed during the quarter, replacing SAG mill liners including the pulp lifters, upgrading site supply powerlines, and commissioning the rougher expansion project. The Ball Mill #3 feed modifications completed in Q2 2022 continue to perform well supporting stable mill production.

Supply chain issues continue to impact the mine and the mill with low availabilities of supply, long deliveries due to low supply chain inventories, and lower quality product challenges. These challenges continue to be managed by the site team.

Costs

C1 cash cost, AISC and AIC per pound of copper produced are non-GAAP financial measures. See "Cautionary Note Regarding Non-GAAP Performance Measures" in this press release.

C1 cash cost per pound of copper produced, net of precious metal credits, for Q3 2022 was US\$3.70, as compared to US\$1.50 in Q3 2021. The variance in C1 cash costs for Q3 2022, as compared to Q3 2021, was due to several items, including:

- Lower mill throughput, lower mill feed grade and lower copper recovery, which resulted in lower production; and
- Inflationary pressures, which increased the cost of fuel, grinding media/steel, explosives and mobile equipment re

With production levels expected to increase for the remainder of the year, the Company anticipates C1 cash cost per pound of copper produced to improve materially in the fourth quarter of 2022.

AISC per pound of copper produced for Q3 2022 was US\$4.50, compared to US\$1.77 in Q3 2021. AISC carries forward from C1 cash costs with the addition of \$13.9 million in sustaining capital, lease, and

applicable administration expenditures in Q3 2022 compared to \$7.7 million in Q3 2021. The increase in AISC is carried forward from higher C1 cash costs and higher sustaining capital of \$10.3 million in Q3 2022 compared to sustaining capital of \$4.7 million in Q3 2021.

Sustaining capital costs for Q3 2022 were higher than Q3 2021 mainly due to \$6.8 million of expenditures for the mine's continued environmental water management systems currently underway. The mine's continued environmental water management projects are substantially advanced and are expected to be fully completed in Q4 2022.

AIC per pound of copper produced for Q3 2022 was US\$4.95, as compared to US\$2.17 in Q3 2021. AIC carries forward from AISC with the addition of \$7.6 million in deferred stripping as compared to \$11.3 million deferred stripping in Q3 2021. Deferred stripping costs in Q3 2022 were from regular development activities, as the Company continued to advance the development of the higher-grade Phase 4 pushback of the Main Pit.

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)	2022	2021	2022	2021
	\$	\$	\$	\$
Financial				
Revenue	58,256	137,176	211,188	441,447
Gross profit (loss)	(11,123)	66,641	(1,734)	248,707
Gross profit (loss) before depreciation ⁽¹⁾	(6,217)	73,927	15,282	269,978
Net income (loss)	(39,430)	25,824	(47,540)	116,604
Earnings (loss) per share - basic	(0.15)	0.08	(0.19)	0.39
Adjusted earnings (loss) ⁽¹⁾	(22,920)	41,389	(27,383)	106,969
Adjusted earnings (loss) per share - basic ⁽¹⁾	(0.11)	0.20	(0.13)	0.51
EBITDA ⁽¹⁾	(24,226)	61,550	(5,769)	238,493
Adjusted EBITDA ⁽¹⁾	(7,716)	77,115	14,562	228,858
Cash flow from operating activities	(7,518)	90,869	34,799	265,036
Cash flow from operating activities per share - basic ⁽¹⁾			0.16	1.27
Cash, cash equivalents and restricted cash - end of period			49,651	199,436

(1) The Company reports the non-GAAP financial measures of gross profit before depreciation, adjusted earnings, adjusted earnings per share, EBITDA and adjusted EBITDA to manage and evaluate its operating performance. For further information, see "Cautionary Note Regarding Non-GAAP Performance Measures" in this press release.

In Q3 2022, revenue was \$58.3 million, net of pricing adjustments and treatment charges, compared to

\$137.2 million in Q3 2021. Revenue in Q3 2022 is based on the sale of 12.3 million pounds of copper, 4,902 ounces of gold, and 59,790 ounces of silver. This compares to 24.4 million pounds of copper, 8,308 ounces of gold, and 142,128 ounces of silver sold in Q3 2021. The decrease in revenue was due to lower quantities of all metal sold and at a lower average price. Lower quantities of metal sold was a result of lower metal production in Q3 2022 compared to Q3 2021.

Cost of sales in Q3 2022 was \$69.4 million as compared to \$70.5 million for Q3 2021. The elevated cost of sales despite lower revenues can largely be attributed to cost increases associated with fuel, mill grinding media/steel, explosives, and mobile equipment repairs, as well as increased maintenance contractor support required to assist with managing both COVID-19 related absences and above-normal workforce absences.

The Company generated a gross loss of \$11.1 million in Q3 2022 as compared to a gross profit of \$66.6 million for Q3 2021. The Company reported a net loss of \$39.4 million for Q3 2022 as compared to a net income of \$25.8 million for Q3 2021. The variance in net income for Q3 2022, as compared to Q3 2021, was due to several items, including:

- Lower revenue in Q3 2022 due to a 50% decrease in pounds of copper sold in Q3 2022 as compared to Q3 2021 and lower average realized copper prices;
- Lower revenue in Q3 2022 due to a 43% decrease in gold and silver revenues in Q3 2022 as compared to Q3 2021 and lower ounces of gold and silver sold at lower prices; and
- Elevated cost of sales in Q3 2022 of \$69.4 million as compared to \$70.5 million in Q3 2021, despite significantly lower revenues, largely due to inflationary pressures.

The Company recorded an adjusted net loss ⁽¹⁾ of \$22.9 million in Q3 2022, or \$(0.11) per share ⁽¹⁾, compared to adjusted net income ⁽¹⁾ of \$41.4 million in Q3 2021, or \$0.20 per share ⁽¹⁾.

PROJECT DEVELOPMENT UPDATE

Copper Mountain Mine, Canada

During the quarter, the Company continued to advance the expansion to the rougher flotation circuit, its final plant improvement and optimization project planned at the mine in 2022. Subsequent to the quarter-end, in early October, the rougher flotation circuit was successfully commissioned, which is expected to now support higher recoveries, especially on slower kinetic ore types.

The prior plant improvement and optimization projects completed earlier this year at the mine include the installation of an additional large column flotation cell to increase cleaner circuit capacity, which was completed and fully commissioned during the second quarter. The large new flotation cell provides additional cleaner circuit capacity to handle higher mill feed grades at higher tonnage rates. The new filter press was also installed and commissioned during the year. This second filter press will allow for maintaining design mill tonnage rates during extended periods of higher grades, eliminating the requirement to reduce mill tonnage as was experienced in 2021. The new filter will also fully support the planned increased production levels in 2023 at any grade. All projects were completed without lost time injuries.

Exploration Update

Canada

A large resource expansion drilling program was completed at the Copper Mountain Mine earlier this year. Data from this successful drilling program were used to update the mineral resource and mineral reserve models, resulting in a 57% increase in the copper mineral reserve and an updated life-of-mine plan, as reported in the Company's press release dated September 28, 2022.

Copper-gold mineralization at the Copper Mountain Mine occurs over a 5 x 2 km area and remains open both laterally and at depth, providing further reserve expansion potential. Multiple historical drill holes end in copper-gold mineralization and geophysical data suggest that the mineralizing system extends well below the current known resource.

To evaluate this upside potential, a geoscience-based target definition program began in June 2022. This program aims to define new drill targets outboard of, and below, the current resource, particularly high grade "root zones", like the deeper parts of the Red Chris porphyry in British Columbia (also an alkalic porphyry and of similar age), and deposits in the Cadia-Ridgeway alkalic porphyry district in Australia. The 2022 program includes relogging and resampling of historical drill core for multi-element geochemical analysis and petrographic study and the creation of a new 3D geological model of the deposit. Reinterpretation of historical geophysical data, including IP chargeability/resistivity data, magnetotellurics, and airborne magnetic/radiometric data is also ongoing, with additional geophysical surveys planned for early 2023. These geophysical data, together with geochemical and alteration/mineralization style data from drill holes will be used to rank and prioritize drill targets for testing in 2023.

OUTLOOK

This section of the press release provides management's production and cost estimates for 2022. See "Cautionary Note Regarding Forward-Looking Statements" in this press release. AIC per pound of copper produced is a non-GAAP financial measure. See "Cautionary Note Regarding Non-GAAP Financial Measures" in this press release.

As a result of production results to date in 2022, the Company now expects annual copper production to be in the range of 55 million to 60 million pounds compared to prior guidance of 65 million to 75 million pounds of copper. This revised estimate also reflects a week of unplanned downtime due to repair maintenance of the primary crusher in October. Such maintenance included regular planned annual maintenance, as well as additional required unplanned work to change worn bushings in the lower part of the crusher and machine eccentric. It is expected that production in the fourth quarter will increase as the Company is now mining higher grade ore from Phase 4 of the Main Pit. When mining in the Phase 4 area, the Company has been experiencing grades of approximately 0.28% Cu, and has achieved the design capacity of 45,000 tpd, milling up to 53,000 tpd in October, as well as higher copper recoveries. The higher-grade Phase 4 ore is expected to be the main source of ore in the fourth quarter of 2022 and in 2023, with grades expected to average 0.27% and 0.33% Cu, respectively. Production in the fourth quarter is forecast to be the strongest quarter in 2022 and is expected to be 15 to 20 million pounds of copper.

The Company expects AIC to improve in the fourth quarter of 2022 to between US\$2.90 and US\$3.10 per pound because of increased production, minimal sustaining capital costs and minimal to no deferred stripping. In addition, several non-recurring expenses are now complete. Further, the Company has completed all plant improvement projects and therefore expects development capital to also be minimal in the fourth quarter of 2022. AIC for the full year 2022 is thus expected to be between US\$4.25 and US\$4.50 per pound which compares to prior guidance of between US\$2.75 and US\$3.25 per pound.

At this time, 2023 production guidance remains unchanged. The Company will announce its 2023 production and cost guidance in early 2023, as per usual practice.

Q3 2022 FINANCIAL AND OPERATING RESULTS CONFERENCE CALL AND WEBCAST

Copper Mountain will host a conference call on Wednesday, November 9, 2022 at 7:30 am (Pacific Time) for senior management to discuss third quarter 2022 results.

Dial-in information:

Toronto and international: 1 (416) 764 8650

North America (toll-free): 1 (888) 664 6383

Webcast: <https://app.webinar.net/o02KkbQGrNJ>

Replay information:

Toronto and international: 1 (416) 764 8677, Passcode: 740492#

North America (toll-free): 1 (888) 390 0541, Passcode: 740492#

The conference call replay will be available until 8:59 pm (Pacific Time) on November 16, 2022. 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 is a Canadian mining company focused on the development and production of base and precious metals. The Company, through its subsidiaries, owns 75% of the Copper Mountain Mine located in southern British Columbia. The Copper Mountain Mine produces approximately 100 million pounds of copper equivalent per year and is expected to increase to approximately 140 million pounds of copper equivalent per year, with a large resource that remains open laterally and at depth. Copper Mountain has entered into a definitive agreement to sell its Eva Copper Project and its 210,000 hectare exploration land package in Queensland, Australia, with closing anticipated to occur in the first quarter of 2023. 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
President and Chief Executive Officer

Cautionary Note Regarding Forward-Looking Statements

This document may contain "forward looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). These forward-looking statements are made as of the date of this document and Copper Mountain does not intend, and does not assume any obligation, to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities legislation.

All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements relate to future events or future performance and reflect our expectations or beliefs regarding future events.

In certain circumstances, forward-looking statements can be identified, but are not limited to, statements which use terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes", "forecasts", "guidance", "scheduled", "target" or variations of such words, or statements that certain actions, events or results "may", "could", "would", "might", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified, including production and cost guidance, anticipated production at the Copper Mountain Mine, anticipated timing for the closing of the sale of the Company's Eva Copper Project and Australian exploration land package to Harmony Gold Mining Company Limited (the "Transaction"), expectations regarding the impact of the COVID-19 pandemic on operations, financial condition and prospects, anticipated metals prices and the anticipated sensitivity of the Company's financial performance to metals prices, the timing and results of the Company's exploration and development programs, the timing of the Company's environmental water management projects at the Copper Mountain Mine, the timing of studies, announcements, and analysis, events that may affect its operations and development projects, anticipated cash flows from operations and related liquidity requirements, the anticipated effect of external factors on revenue, such as commodity prices, estimation of mineral reserves and resources, mine life projections, reclamation costs, economic outlook, the impact of inflation, government regulation of mining operations, and business and acquisition strategies. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results, performance, achievements 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, among others, the successful exploration of the Company's properties in Canada and Australia, market price, continued availability of capital and financing and general economic, market or business conditions, extreme weather events, material and labour shortages, the reliability of the historical data referenced in this document, the parties' ability to consummate the Transaction, the ability of the parties to satisfy, in a timely manner, all conditions to the closing of the

Transaction, assumptions concerning the Transaction and the operations and capital expenditure plans of the Company following completion of the Transaction, the potential impact of the announcement or consummation of the Transaction, the diversion of management time on the Transaction, and risks set out in Copper Mountain's public documents, including in each management's discussion and analysis and the Company's most recent annual information form, filed on SEDAR at www.sedar.com. The impact of COVID-19 on Copper Mountain's business and operations is dependent on a number of factors outside of the Company's control and knowledge, including the effectiveness of the measures taken by public health and governmental authorities to combat the spread of the disease, global economic uncertainties and outlook due to the disease, and the evolving restrictions relating to mining activities and to travel in certain jurisdictions in which Copper Mountain operates. Although Copper Mountain has attempted to identify important factors that could cause the Company's actual results, performance, achievements and opportunities to differ materially from those described in its forward-looking statements, there may be other factors that cause the Company's results, performance, achievements and opportunities not to be as anticipated, estimated or intended. While the Company 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. Accordingly, readers should not place undue reliance on the Company's forward-looking statements.

Cautionary Note Regarding Non-GAAP Performance Measures

This document includes certain non-GAAP performance measures that do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). These measures may differ from those used and may not be comparable to such measures as reported by other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance. These performance measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures have been derived from the Company's financial statements and applied on a consistent basis. The calculation and an explanation of these measures is provided in the Company's MD&A and such measures should be read in conjunction with the Company's financial statements.

Cash Costs per Pound

Copper cash costs per pound is a key performance measure that management uses to monitor performance. Management uses these statistics to assess the performance and overall efficiency and effectiveness of mining operations. Cash costs is not an IFRS measure and, although it is calculated according to accepted industry practice, the Company's disclosed cash costs may not be directly comparable to other base metal producers. Cash costs per pound produced is calculated by dividing the aggregate of the applicable costs by copper pounds produced. These measures are calculated on a consistent basis for the periods presented.

C1 Cash Costs

C1 cash costs is a metric representing the cash cost per unit of extracting and processing the Company's principal metal product, copper, to a condition in which it may be delivered to customers net of gold and silver credits from concentrates sold. It is provided in order to support peer group comparability and to provide investors and other stakeholders with additional information about the underlying cash costs of Copper Mountain and the impact of gold and silver credits on the operations' cost structure. C1 cash costs are relevant to understanding the Company's operating profitability and ability to generate cash flow. When calculating costs associated with producing a pound of copper, the Company deducts gold and silver revenue credits as the production cost is reduced as a result of selling these products.

All-in Sustaining Costs (AISC)

AISC is an extension of C1 cash costs discussed above and is also a key performance measure used by management to measure performance. Management uses this measure to analyze margins achieved on existing assets while sustaining and maintaining production at current levels. Development capital, including deferred stripping and certain exploration costs are excluded from this definition as these are costs typically incurred to extend mine life or materially increase the productive capacity of existing assets, or for new

operations. As this measure seeks to present a full cost of copper production associated with sustaining current operations, mining costs associated with sustaining capital, certain applicable corporate administration costs and mining equipment lease costs are included.

All-in Costs (AIC)

AIC is an extended cash-based cost metric providing further information on the total cash, capital, and overhead outlay per unit of copper produced in both the short-term and over the full life cycle of the Company's operations. As a result, deferred stripping and mining costs allocated to the low-grade stockpile on a cash basis are included as these development activities are performed in support of future mining operations under the existing life-of-mine plan. As this measure seeks to present the total cost of copper production associated with sustaining current and future operations, it allows Copper Mountain to assess the ability to support current and future production from the generation of operating cash flows.

A reconciliation of site cash costs, C1 cash costs, AISC, and AIC is provided below:

Cash Costs per Pound Produced (100%)	Three months ended Nine months ended			
	September 30,		September 30,	
(In thousands of CDN\$, unless otherwise noted)	2022	2021	2022	2021
	\$	\$	\$	\$
Cost of sales	69,379	70,535	212,922	192,740
Adjustments				
Depreciation and depletion	(4,906)	(7,286)	(17,016)	(21,272)
Change in inventory	8,264	(5,105)	7,727	(1,030)
Transportation costs	(4,196)	(5,567)	(10,253)	(16,332)
Site cash costs	68,541	52,577	193,380	154,106
Adjustments				
Transportation costs	4,196	5,567	10,253	16,332
Treatment and refining costs	3,038	5,579	9,136	16,747
By-product credits (gold and silver)	(12,274)	(21,442)	(39,847)	(64,367)
C1 cash cost	63,501	42,281	172,922	122,818
Adjustments				
Sustaining capital	10,308	4,700	29,464	18,102
Lease payments	2,901	2,403	9,414	11,578
Applicable administration	670	636	1,870	2,191
All-in sustaining costs (AISC)	77,380	50,020	213,670	154,689
Adjustments				
Deferred stripping	7,607	11,316	39,818	26,504
All-in costs (AIC)	84,987	61,336	253,488	181,193
Average foreign exchange rate (CDN\$ to US\$)	0.7657	0.7937	0.7795	0.7992
Copper production (000s lb)	13,159	22,406	39,634	73,446
C1 cash costs (US\$/lb produced (net))	\$3.70	\$1.50	\$3.40	\$1.34
All-in sustaining costs (AISC) (US\$/lb produced (net))	\$4.50	\$1.77	\$4.20	\$1.68
All-in costs (AIC) (US\$/lb produced (net))	\$4.95	\$2.17	\$4.99	\$1.97
Average realized copper price (US\$/lb)				

\$3.52

\$4.27

\$4.09

\$4.15

Adjusted Net Income

Adjusted net income removes the effects of the following transactions from operating income as reported under IFRS:

- Pricing adjustments on concentrate and metal sales;
- Derivative gains/losses;
- Foreign exchange gains/losses; and
- Non-recurring transactions.

Management believes that these transactions do not reflect the underlying operational performance of the Company's mining operations and are also not indicative of future operating results.

Adjusted Net Income	Three months ended Nine months ended			
	September 30,		September 30,	
(In thousands of CDN\$, except per share amounts)	2022	2021	2022	2021
	\$	\$	\$	\$
Net income (loss)	(39,430)	25,824	(47,540)	116,604
Adjustments				
Pricing adjustments on concentrate sales	1,892	7,601	10,804	(16,685)
(Gain) loss on derivative	(5,024)	794	(13,859)	2,709
Foreign exchange loss	19,642	7,170	23,212	4,341
Adjusted net income (loss)	(22,920)	41,389	(27,383)	106,969
Weighted average number of common shares outstanding, as reported - basic (thousands)	213,791	209,921	212,508	209,320
Adjusted earnings per share (loss) - basic	\$(0.11)	\$0.20	\$(0.13)	\$0.51

EBITDA and Adjusted EBITDA

EBITDA and adjusted EBITDA are non-GAAP performance measures and represent net earnings before interest, income taxes, and depreciation. EBITDA is presented because it is an important supplemental measure of the Company's performance and is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in the industry, many of which present EBITDA when reporting their results. The Company believes EBITDA is an appropriate supplemental measure of debt service capacity and performance of its operations.

Adjusted EBITDA is presented as a further supplemental measure of the Company's performance and ability to service debt. Adjusted EBITDA is prepared by adjusting EBITDA to eliminate the impact of several items that are not considered indicative of ongoing operating performance.

Adjusted EBITDA is calculated by adding to EBITDA certain items of expense and deducting from EBITDA certain items of income that are not likely to recur or are not indicative of the Company's future operating performance consisting of:

- Pricing adjustments on concentrate and metal sales;
- Derivative gains/losses;
- Foreign exchange gains/losses; and
- Non-recurring transactions.

While some of the adjustments are recurring, other non-recurring expenses do not reflect the underlying performance of the Company's core mining business and are not necessarily indicative of future results. Furthermore, gains/losses on derivative instruments, and foreign currency translation gains/losses are not necessarily reflective of the underlying operating results for the reporting periods presented.

EBITDA and Adjusted EBITDA	Three months ended Nine months ended			
	September 30,		September 30,	
	2022	2021	2022	2021
(In thousands of CDN\$)				
	\$	\$	\$	\$
Net income (loss)	(39,430)	25,824	(48,864)	116,604
Adjustments				
Finance income	(120)	(88)	(418)	(137)
Finance expense	9,538	10,240	24,934	23,640
Depreciation	4,906	7,286	17,016	21,272
Current tax expense	-	4,420	418	8,010
Deferred income and resource tax expense	880	13,868	1,145	69,105
EBITDA	(24,226)	61,550	(5,769)	238,493
Adjustments				
Mark to market adjustments on concentrate sales	1,892	7,601	10,804	(16,685)
(Gain) loss on derivative	(5,024)	794	(13,859)	2,709
Foreign exchange loss	19,642	7,170	23,212	4,341
Adjusted EBITDA	(7,716)	77,115	14,388	228,858

[Copper Mountain Mining Corp.](#)

Condensed Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

	September 30, 2022	December 31, 2021
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	32,414	171,902
Restricted cash	17,237	6,512
Accounts receivable and prepaid expenses	13,735	31,624
Inventory	44,816	32,635
Other financial assets	7,482	-
Assets held for sale	86,184	-
	201,868	242,673
Reclamation bonds and security deposits	4,554	5,783
Property, plant and equipment	748,383	710,583
Low grade stockpile	64,250	64,879
	1,019,055	1,023,918
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	87,164	60,482
Current portion of lease liabilities	13,811	10,403
Current portion of long-term debt	13,707	12,678
Liabilities held for sale	2,914	-
Taxes payable	-	2,143
	117,596	85,706
Provisions and other liabilities	18,689	23,961
Lease liabilities	48,529	50,669
Long-term debt	303,870	284,829
Deferred tax liability	100,459	99,314
	589,143	

544,479

Equity

Attributable to shareholders of the Company:

Share capital	292,836	287,724
Contributed surplus	17,331	18,973
Accumulated other comprehensive loss	(6,541)	(3,929)
Retained earnings	26,327	68,940
	329,953	371,708
Non-controlling interest	99,959	107,731
Total equity	429,912	479,439

[Copper Mountain Mining Corp.](#)

Condensed Consolidated Statements of Income and Comprehensive Income
(In thousands of Canadian dollars, except for number of shares and earnings per share)

	Three months ended				Nine months ended			
	September 30,		September 30,		September 30,		September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	58,256	137,176	211,188	441,447				
Cost of sales	(69,379)	(70,535)	(212,922)	(192,740)				
Gross profit (loss)	(11,123)	66,641	(1,734)	248,707				
Other income and expenses								
General and administration	(4,008)	(2,015)	(14,633)	(11,120)				
Share based compensation	617	(2,141)	4,258	(12,632)				
Operating income (loss)	(14,514)	62,485	(12,109)	224,955				
Finance and other income	120	88	418	137				
Finance expense	(9,538)	(10,240)	(24,933)	(23,639)				
Gain (loss) on derivatives	5,024	(794)	13,859	(2,709)				
Foreign exchange (loss) gain	(19,642)	(7,575)	(23,212)	(4,737)				
Gain (loss) on sale of equipment	-	400	-	388				
Income (loss) before tax	(38,550)	44,364	(45,977)	194,395				

Current tax recovery (expense)	-	(4,420)	(418)	(8,010)
Deferred income recovery (expense)	(880)	(13,868)	(1,145)	(69,105)
Net income (loss) from continuing operations	(39,430)	26,076	(47,540)	117,280
Net loss from discontinued operations	(1,521)	(252)	(2,845)	(676)
Net income (loss)	(40,951)	25,824	(50,385)	116,604
Other comprehensive income (loss)				
Foreign currency translation adjustment	(503)	(1,073)	(2,612)	(3,612)
Total comprehensive income (loss)	(41,454)	24,751	(52,997)	112,992
Net income from continuing operations (loss) attributable to:				
Shareholders of the Company	(31,342)	18,049	(39,768)	81,292
Non-controlling interest	(8,088)	8,027	(7,772)	35,988
	(39,430)	26,076	(47,540)	117,280
Net income (loss) attributable to:				
Shareholders of the Company	(32,863)	17,797	(42,613)	80,616
Non-controlling interest	(8,088)	8,027	(7,772)	35,988
	(40,951)	25,824	(50,385)	116,604
Earnings (loss) per share from continuing operations:				
Basic	(0.15)	0.08	(0.19)	0.39
Diluted	(0.15)	0.08	(0.19)	0.37
Earnings (loss) per share:				
Basic	(0.15)	0.08	(0.20)	0.39
Diluted	(0.15)	0.08	(0.20)	0.37
Copper Mountain Mining Corp.				
Weighted average shares outstanding, basic (thousands)	213,791	209,921	212,508	209,320
Condensed Consolidated Statements of Cash Flows				
(In thousands of Canadian dollars)				
Weighted average shares outstanding, diluted (thousands)	213,791	219,453	212,508	218,840
Shares outstanding at end of the period (thousands)	213,791	210,166	213,791	210,166

	Three months ended September 30,	Nine months ended September 30,		
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash flows from operating activities				
Net income (loss) for the period	(40,951)	25,824	(50,385)	11,450
Adjustments for:				
Depreciation	4,971	7,342	17,308	23,450
(Gain) Loss on sale of equipment	-	(400)	-	(3,450)
Unrealized foreign exchange (gain) loss	19,873	10,448	25,206	3,450
(Gain) Loss on derivatives	1,354	794	(7,482)	2,450
Deferred income tax (recovery) expense	880	13,868	1,145	6,450
Finance expense	9,538	10,240	24,933	23,450
Share based compensation	(617)	2,141	(4,258)	12,450
	(4,952)	70,257	6,467	24,450
Net changes in working capital items	(2,566)	20,612	28,332	15,450
Net cash from (used in) operating activities	(7,518)	90,869	34,799	20,450
Cash flows from investing activities				
Purchase of copper puts	-	-	-	(3,450)
Deferred stripping activities	(7,607)	(11,316)	(39,818)	(2,450)
Purchase of property, plant and equipment	(24,919)	(27,729)	(98,721)	(7,450)
Reclamation bonds	6	(77)	912	(3,450)
Net cash used in investing activities	(32,520)	(39,122)	(137,627)	(11,450)
Cash flows from financing activities				
Net proceeds from issuance of bonds	-	-	-	28,450
Proceeds on exercise of options	-	6	3,358	1,450
(Increase) decrease in restricted cash	(11,489)	29,951	(11,673)	(1,450)
Advances from non-controlling interest	-	-	-	20,450
Payments made to non-controlling interest	-	-	-	(1,450)

Loan principal paid	-	(40,064)	(6,311)	(1
Interest paid	(993)	(1,948)	(15,390)	(1
Finance lease payments	(2,901)	(2,403)	(9,414)	(1
Net cash used in financing activities	(15,383)	(14,458)	(39,430)	(5

Effect of foreign exchange rate changes on cash and cash equivalents 3,208 1,582 3,682 65

Contact

Tom Halton, Director, Investor Relations & Corporate Communications, Telephone: 604-682-2992, Email:

tom.halton@cmmin.com
 Decrease in cash and cash equivalents (52,213) 38,871 (138,576) 97

Cash and cash equivalents - Beginning of period 85,539 144,462 171,902 85

Cash and cash equivalents - End of period 33,326 183,333 33,326 18

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Mineralien 2012 Cash and cash equivalents Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren

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