

Copper Mountain Mining Announces First Quarter 2023 Financial Results

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VANCOUVER, April 28, 2023 - [Copper Mountain Mining Corp.](#) (TSX: CMMC) (ASX: C6C) (the "Company" or "Copper Mountain") announces first quarter 2023 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 ("MD&A") are available at www.CuMtn.com and www.sedar.com.

Gil Clausen, Copper Mountain's President and CEO commented, "We are encouraged with our solid start to the year. We achieved strong performance this quarter despite starting the year combating a ransomware attack that impacted our recovery as we were operating without its expert system control and without full utilization of the rougher expansion. We also experienced a throughput for ten days because of limited fresh water due to a mechanical failure of the reclaim water barge. Even with these setbacks, we recorded the highest production and lowest all-in cost quarter since 2021, which was a record year for the Company. As we finished the first quarter on plan, we remain on track to achieve our 2023 copper production guidance of between 55.5 million pounds at our all-in cost guidance of between US\$2.45 to US\$2.95 per pound."

Mr. Clausen added, "Following the quarter, we announced an exciting and transformative business combination with Hudbay Minerals Inc. We believe the strategic rationale is compelling for all stakeholders who will benefit from being part of a combined company with a diversified portfolio of three long life assets and a leading organic growth pipeline. We see exceptional upside and significant value to be unlocked with this transaction."

SUMMARY

- Production in Q1 2023 was 18.9 million pounds of copper equivalent, including 15.9 million pounds of copper, 5.6 million ounces of silver and 0.2 million ounces of gold.
- The Company reported GAAP financial measures of C1 cash cost, AISC, and AIC per pound of copper produced for Q1 2023 as follows: C1 cash cost of \$3.11, AISC of \$3.36 and AIC of \$3.66.
- Revenue for Q1 2023 was \$106.5 million, or \$0.10 per share, from the sale of 16.1 million pounds of copper, 5.6 million ounces of silver and 0.2 million ounces of gold.
- Net loss for Q1 2023 was \$13.0 million, or (\$0.06) per share and adjusted net income⁽¹⁾ was \$0.9 million, or \$0.01 per share.
- EBITDA⁽¹⁾ for Q1 2023 was \$16.2 million and adjusted EBITDA⁽¹⁾ was \$17.1 million.
- Cash flow from operating activities before non-cash working capital items for Q1 2023 was \$21.3 million, or \$0.10 per share basis⁽¹⁾, and \$9.1 million after non-cash working capital items, or \$0.04 on a per-share basis⁽¹⁾.
- Cash, cash equivalents and restricted cash as at March 31, 2023 was \$71.2 million.
- In January 2023, completed a bond buyback resulting in the repurchase of the total planned aggregate principal amount of US\$87 million of bonds, thereby reducing the Company's total nominal value of bonds outstanding to US\$148 million.
- Entered into monthly zero-cost collar option contracts for 3.32 million pounds of copper per month from January to March 2023 with a floor price of US\$3.60 per pound and a ceiling price of US\$4.40 per pound.
- After quarter end, the Company announced on April 13, 2023, it has entered into a definitive agreement (the "Arrangement Agreement") by which Hudbay Minerals Inc. ("Hudbay") will acquire all the issued and outstanding common shares of Copper Mountain. Under the terms of the Arrangement Agreement, each Copper Mountain shareholder will receive 0.381 common share for each Copper Mountain common share held.
- The consideration represents approximately \$4.40 per share on April 12, 2023.
- The consideration represents a 23% premium to the 10-day volume-weighted-average share price as at April 12, 2023.
- Existing Hudbay and Copper Mountain shareholders will receive a total of 14.8 million common shares of Hudbay.

Copper Mountain Mine (100% Basis) Q1 2023 Q1 2022

Mine

Total tonnes mined (000s)	15,800	12,230
Ore tonnes mined (000s)	3,800	2,888
Waste tonnes (000s)	12,000	9,342
Stripping ratio	3.16	3.23

Mill

Tonnes milled (000s)	3,435	2,968
Feed Grade (Cu%)	0.27	0.25
Recovery (%)	78.7	82.0
Operating time (%)	88.7	86.3
Tonnes milled (TPD)	38,165	32,978

Production

Copper (000s lb)	15,864	13,224
Gold (oz)	5,616	5,135
Silver (oz)	75,277	55,993

Sales

Copper (000s lb)	16,122	13,487
Gold (oz)	5,579	5,076
Silver (oz)	78,122	60,038

C1 cash cost per pound of copper produced (US\$) ⁽¹⁾	3.11	3.58
AISC per pound of copper produced (US\$) ⁽¹⁾	3.36	4.45
AIC per pound of copper produced (US\$) ⁽¹⁾	3.66	5.08

Average realized copper price (US\$/lb)	\$4.02	\$4.54
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(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 15.9 million pounds of copper, 5,616 ounces of gold, and 75,277

ounces of silver in Q1 2023, compared to 13.2 million pounds of copper, 5,135 ounces of gold, and 55,993 ounces of silver in Q1 2022. The higher production in Q1 2023 was due to higher mill throughput, higher mill feed grades and improved operating time.

Mill feed grade in Q1 2023 was 0.27% Cu compared to 0.25% Cu in Q1 2022. Higher mill feed grade was due to more feed being delivered from the higher-grade Phase 4 area, compared to quarters in 2022. Approximately 55% of the high grade mined was from Phase 4 and approximately 45% from the North Pit. In addition, Phase 4 grades were higher than planned at 0.32% Cu. Grades are expected to continue to improve in the second quarter and third quarter as more ore is sourced from the higher-grade Phase 4 area.

The mill processed a total of 3.4 million tonnes of ore during the quarter compared to 3.0 million tonnes in Q1 2022, with mill availability averaging 88.7% for Q1 2023 compared to 86.3% in Q1 2022. Mill availability was higher than the prior quarter but lower than target due to the ransomware attack in late December 2022, which resulted in the mill being preventatively shut down. Full mill production was restored on January 4th, 2023. In addition, mill throughput was reduced for ten days as a result of limited water available due to a mechanical failure of the reclaim water barge. An alternative process water pumping system was installed in early March. Average throughput continues to increase from 2022 with improving plant performance and better utilization of the ball mill 3 circuit.

Copper recovery was 78.7% in Q1 2023 compared to 82.0% in Q1 2022. The ransomware attack resulted in the plant operating without onstream analysis of the process flows, expert system control, and full utilization of the rougher expansion for much of the quarter, which resulted in the lower recovery experienced. All of these systems were fully restored at quarter end, supporting the 2023 recovery improvement plan.

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 Q1 2023 was US\$3.11, compared to US\$3.58 in Q1 2022. The decrease in C1 cash costs in Q1 2023 was primarily the result of higher copper production and higher precious metal credits.

AISC per pound of copper produced for Q1 2023 was US\$3.36, compared to US\$4.45 in Q1 2022. AISC carries forward from C1 cash costs with the addition of \$5.3 million in AISC adjustments, which includes: \$4.5 million for lease payments and \$1.2 million for applicable mine administration costs and net of a \$0.4 million credit for sustaining capital. Total sustaining capital expenditures in Q1 2023 was \$3.2 million less \$3.6 million in funding awarded to the Company through the Clean BC Industry Fund of the Province of British Columbia in support of our greenhouse gas reduction strategy to replace diesel equipment through electrification. This compares to the addition of \$14.6 million in AISC adjustments in Q1 2022, which included \$10.2 million for sustaining capital, \$3.9 million for lease payments, and \$0.5 million for applicable mine administration expenditures.

AIC per pound of copper produced for Q1 2023 was US\$3.66, compared to US\$5.08 in Q1 2022. AIC carries forward from AISC, with the addition of deferred stripping mining costs, which are capitalized, and low-grade stockpile mining costs, which are recorded as inventory. There was \$6.4 million of deferred stripping costs in Q1 2023 as compared to \$10.5 million deferred stripping costs in Q1 2022. There was no mining of low-grade stockpile material in Q1 2023 or Q1 2022.

SUMMARY OF FINANCIAL RESULTS

Results and Highlights (100%)	Three months ended	
	March 31,	
(In thousands of CDN\$, except for per share amounts)	2023	2022
	\$	\$
Financial		
Revenue	100,497	93,858
Gross profit	20,188	18,576
Gross profit before depreciation ⁽¹⁾	25,954	24,051
Net loss from continuing operations	(12,997)	(4,197)
Loss per share - basic	(0.06)	(0.03)
Adjusted net income (loss) ⁽¹⁾	867	(8,805)
Adjusted net income (loss) per share - basic ⁽¹⁾	0.00	(0.04)
EBITDA ⁽¹⁾	16,155	11,221
Adjusted EBITDA ⁽¹⁾	17,054	6,613
Cash flow from operating activities	9,099	33,314
Cash flow from operating activities per share - basic ⁽¹⁾	0.04	0.16
Cash, cash equivalents, and restricted cash - end of period	71,180	150,013

(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 Q1 2023, revenue was \$100.5 million, net of pricing adjustments and treatment charges, compared to \$93.9 million in Q1 2022. Revenue in Q1 2023 is based on the sale of 16.1 million pounds of copper, 5,616 ounces of gold, and 75,277 ounces of silver. This compares to 13.5 million pounds of copper, 5,076 ounces of gold and 60,038 ounces of silver sold in Q1 2022. As noted above, the increase in revenue was due to higher quantities of all metal sold which was marginally offset by a smaller positive mark to market and final adjustment on concentrate sales of \$2.0 million for Q1 2023 as compared to a positive mark to market and final adjustment of \$7.1 million for Q1 2022. Higher copper production and sales in the quarter was due to higher grades and improved mill throughput in Q1 2023 as compared to Q1 2022.

Cost of sales in Q1 2023 was \$80.3 million as compared to \$75.3 million for Q1 2022. The increase in cost of sales is primarily due to less mining costs capitalized to deferred stripping with \$6.9 million of mining costs capitalized to deferred stripping in Q1 2023 compared to \$11.1 million in Q1 2022. The increase in cost of sales is also a result of the payment of safety bonuses to mine site employees in Q1 2023 and higher transportation costs due to the timing of concentrate shipments and related shipping and port costs.

The Company generated gross profit of \$20.2 million in Q1 2023 as compared to a gross profit of \$18.6 million for Q1 2022. The Company reported a net loss of \$13.0 million for Q1 2023 as compared to a net loss of \$4.2 million for Q1 2022. The variance in net income for Q1 2023, as compared to Q1 2022, was due to several items, including:

- Q1 2023 included a \$2.0 million positive mark to market and final adjustments from provisional pricing on concentrates as compared to a \$7.1 million positive adjustment in Q1 2022.
- Higher cost of sales primarily due to less mining costs being capitalized to deferred stripping in Q1 2023 as compared to 2022.
- Higher finance expenditures due to costs related to the repurchase of US\$87.0 million of bonds and amortization fees related to the repaid amount.
- Q1 2023 included a non-cash deferred tax expense of \$13.8 million compared to \$1.4 million in Q1 2022.

The Company recorded adjusted net income⁽¹⁾ of \$0.9 million in Q1 2023, or \$0.00 per share⁽¹⁾, compared to adjusted net loss⁽¹⁾ of \$8.8 million in Q1 2022, or \$(0.04) per share⁽¹⁾.

PROJECT DEVELOPMENT UPDATE

Copper Mountain Mine, Canada

All major capital projects including ball mill 3, the rougher circuit expansion, cleaner circuit expansion, and filter press expansion were completed in 2022. The focus for 2023 is utilization and optimization of these circuits to support production. These projects will continue to add value and support processing higher grades while maintaining target throughput.

Exploration Update

The Copper Mountain Mine is a large alkalic porphyry deposit with known copper-gold mineralization occurring over a 5 x 2 kilometre area. A 61 km drilling program was completed during 2021 and 2022 and supported an updated resource model resulting in a 70% increase in the Measured and Indicated Mineral Resource at Copper Mountain. The deposit, however, remains open both laterally and at depth, providing further resource 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.

The 2023 exploration program will focus in particular on the identification of areas with the potential to host high-grade "root zones", analogous to the deeper parts of the Red Chris porphyry in British Columbia (also an alkalic porphyry and of similar age), and the deposits in the Cadia-Ridgeway alkalic porphyry district in Australia. Drill testing of targets began in February 2023 with approximately 8000 metres of diamond drilling planned in Phase 1 of the program. A 3D induced polarization ("IP") and resistivity survey is also underway at New Ingerbelle and will be completed in the second quarter. Drilling results from Phase 1 are expected mid-year.

CORPORATE UPDATE

Transactions

On April 13, 2023, Hudbay and Copper Mountain announced the Arrangement Agreement, pursuant to which, Hudbay will acquire all of the issued and outstanding common shares of Copper Mountain, pursuant to a court approved plan of arrangement (the "Transaction").

The Transaction will create a premier Americas-focused copper mining company that is well-positioned to deliver sustainable cash flows from an operating portfolio of three long-life mines, as well as compelling organic growth from a world-class pipeline of copper expansion and development projects. All assets in the combined portfolio are located in tier-one mining-friendly jurisdictions of Canada, Peru and the United States. The combined company represents the third largest copper producer in Canada based on 2023 estimated copper production.

Under the terms of the Arrangement Agreement, each Copper Mountain shareholder will receive 0.381 of a Hudbay common share for each Copper Mountain common share held.

The Transaction consideration represents approximately C\$2.67 per Copper Mountain common share and a

US\$439 million equity value based on Hudbay's closing share price on April 12, 2023. The Transaction consideration represents a 23% premium to Copper Mountain shareholders based on Hudbay's and Copper Mountain's 10-day volume-weighted-average share prices on April 12, 2023. Existing Hudbay and Copper Mountain shareholders will own approximately 76% and 24% of Hudbay, respectively.

Following the closing of the Transaction, the Board of Directors of Hudbay will include two directors from the Board of Directors of Copper Mountain, and the management team of Hudbay will include select members from the management team of Copper Mountain.

In light of the Transaction, Gil Clausen has postponed his retirement and will remain as President and Chief Executive Officer of Copper Mountain until closing.

The Transaction is subject to shareholder approval, the satisfaction of certain other closing conditions customary in transactions of this nature, including clearance under the Competition Act (Canada), B.C. court approval and applicable stock exchange approvals.

The Transaction is expected to be completed late in the second quarter or early in the third quarter of 2023. Following completion of the Transaction, the shares of Copper Mountain will be de-listed from the Toronto Stock Exchange and the Australian Securities Exchange.

For more information on the Transaction see Copper Mountain's press release "Hudbay and Copper Mountain Combine to Create a Premier Americas-Focused Copper Producer" dated April 13, 2023.

Ransomware Attack

The Company was subject to a ransomware attack late on December 27, 2022 that affected the Company's internal IT systems at the Copper Mountain Mine and corporate office. As a result, the Company isolated operations, switched to manual processes, where possible, and the mill was preventatively shutdown to determine the effect on its control system. On January 1, 2023, the Company resumed operations of the primary crusher and on January 4, 2023 the mill was at full production. The Company has now returned to full business functionality in a safe and secure manner. Throughout the outage, all environmental management systems at the Copper Mountain Mine were operational, and there were no environmental incidents or injuries to personnel.

The Company has since enhanced its security and monitoring tools with additional protection and continues to work with external advisors to review and evaluate additional security measures that could be implemented to further protect the Company's systems. Ensuring the safety and security of the Company's systems remain one of the Company's top priorities.

OUTLOOK

This section of the press release provides management's production and cost estimates for 2023. See "Cautionary Note Regarding Forward-Looking Statements" in this press release. C1 cash costs, AISC and AIC per pound of copper produced are non-GAAP financial measures. See "Cautionary Note Regarding Non-GAAP Financial Measures" in this press release.

With a solid first quarter, the Company is on track to achieve 2023 production guidance of 88 to 98 million pounds of copper. The Company forecasts production and grade to increase sequentially through the first three quarters of the year.

Costs across all metrics have significantly improved in the first quarter of 2023, and are expected to continue to trend lower, driven by higher production, lower mining costs and lower sustaining capital and deferred stripping. The Company is on track to achieve its 2023 cost guidance.

FIRST QUARTER 2023 FINANCIAL AND OPERATING RESULTS CONFERENCE CALL AND WEBCAST

Copper Mountain will host a conference call on Friday, April 28, 2023 at 10:30 am Eastern Time (7:30 am Pacific Time) for senior management to discuss first quarter 2023 results.

Dial-in and webcast information:

Toronto and international: 1 (416) 764 8650

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

Webcast: <https://app.webinar.net/VXjZ7Gmz54l>

Replay information:

Toronto and international: 1 (416) 764 8677, Passcode: 538637#

North America (toll-free): 1 (888) 390 0541, Passcode: 538637#

The conference call replay will be available until 11:59 pm Eastern Time (8:59 pm Pacific Time) on Friday, May 5, 2023. An archive of the audio webcast will also be available on the Company's website at www.CuMtn.com.

About Copper Mountain Mining Corporation

Copper Mountain owns 75% of the Copper Mountain Mine, which is located in southern British Columbia near the town of Princeton. The Copper Mountain Mine produces approximately 100 million pounds of copper equivalent on average per year. 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 website 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 news release 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 the Company's 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 consummation and timing of the closing of the Transaction with Hudbay, anticipated benefits following the successful closing of the Transaction, production and cost guidance, anticipated production at the Copper Mountain Mine, 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 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 mineral 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, risks related to failure to receive approval by Copper Mountain shareholders, the required court, regulatory and other consents and approvals to effect the Transaction, the possibility that the Arrangement Agreement could be terminated under certain circumstances the successful exploration of the Company's properties in Canada, 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, 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. 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 this metric 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	
	March 31,	
(In thousands of CDN\$, unless otherwise noted)	2023	2022
	\$	\$
Cost of sales	80,309	75,282
Adjustments		
Depreciation and depletion	(5,766)	(5,475)
Change in inventory	3,577	(329)
Transportation costs	(4,785)	(2,836)
Site cash costs	73,335	66,642
Adjustments		
Transportation costs	4,785	2,836
Treatment and refining costs	3,821	2,968
By-product credits (gold and silver)	(15,321)	(12,463)
C1 cash cost	66,620	59,983
Adjustments		
Sustaining capital	(366)	10,249
Lease payments	4,507	3,872
Applicable administration	1,213	472
All-in sustaining costs (AISC)	71,974	74,576
Adjustments		
Deferred stripping	6,413	10,469
All-in costs (AIC)	78,387	85,045
Average foreign exchange rate (CDN\$ to US\$)	0.7403	0.7898
Copper production (000s lb)	15,864	13,224
C1 cash costs (US\$/lb produced (net))	\$3.11	\$3.58
All-in sustaining costs (AISC) (US\$/lb produced (net))	\$3.36	\$4.45
All-in costs (AIC) (US\$/lb produced (net))	\$3.66	\$5.08
Average realized copper price (US\$/lb)		

\$4.02

\$4.54

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	
	March 31,	
(In thousands of CDN\$, except per share amounts)	2022	2021
	\$	\$
Net loss from continuing operations	(12,997)	(4,197)
Adjustments		
Pricing adjustments on concentrate sales	(1,962)	(7,059)
Loss on derivative	265	5,115
Foreign exchange loss (gain)	60	(2,664)
Deferred tax on increase in decommissioning obligation	7,740	-
Finance costs on bond buyback	5,225	-
Loss on the sale of fixed assets	2,536	-
Adjusted net income (loss)	867	(8,805)
Weighted average number of common shares outstanding, as reported - basic (thousands)	213,893	210,767
Adjusted net income (loss) per share - basic	\$0.00	\$(0.04)

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	
	March 31,	
(In thousands of CDN\$)	2023	2022
	\$	\$
Net income loss from continuing operations	(12,997)	(4,197)
Adjustments		
Finance income	(675)	(284)
Finance expense	12,568	8,198
Depreciation	5,766	5,475
Current tax expense	386	621
Deferred income and resource tax expense	11,107	1,408
EBITDA	16,155	11,221
Adjustments		
Mark to market adjustments on concentrate sales	(1,962)	(7,059)
Loss on derivatives	265	5,115
Foreign exchange loss (gain)	60	(2,664)
Loss on the sale of fixed assets	2,536	-
Adjusted EBITDA	17,054	6,613

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

	March 31, 2023	December 31, 2022
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	54,521	83,653
Restricted cash	16,659	130,990
Accounts receivable and prepaid expenses	35,620	33,334
Inventory	42,608	38,448
Other assets	872	1,903
	150,280	288,328
Other assets	1,745	2,651
Mineral properties, plant and equipment	773,949	744,447
Low grade stockpile	64,541	64,541
	990,515	1,099,967
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	78,220	86,212
Accounts payable to related parties	-	13,672
Current portion of lease liabilities	14,011	13,746
Current portion of long-term debt	13,533	131,377
Taxes payable	17,122	16,735
Other financial liabilities	265	-
	123,151	261,742
Provisions and other liabilities	47,600	18,149
Lease liabilities	42,114	45,427
Long-term debt	180,796	176,541
Deferred tax liability	99,498	88,392
	493,159	

590,251

Equity

Attributable to shareholders of the Company:

Share capital	293,711	292,929
Contributed surplus	17,170	17,319
Accumulated other comprehensive loss	(164)	(168)
Retained earnings	88,484	100,901
	399,201	410,981
Non-controlling interest	98,155	98,735
Total equity	497,356	509,716

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

	Three months ended	
	March 31,	
	2023	2022
	\$	\$
Revenue	100,497	93,858
Cost of sales	(80,309)	(75,282)
Gross profit	20,188	18,576
Other income and expenses		
General and administration	(4,838)	(6,420)
Share-based compensation	(2,100)	(3,959)
Operating income	13,250	8,197
Finance income	675	284
Finance expense	(12,568)	(8,198)
Foreign exchange (loss) gain	(60)	2,664
Loss on derivatives	(265)	(5,115)
Loss on disposal of equipment	(2,536)	-
Loss before tax	(1,504)	(2,168)

Current tax expense	(386)	(621)
Deferred income tax expense	(11,107)	(1,408)
Net loss from continuing operations	(12,997)	(4,197)
Net income from discontinued operations	-	35
Net loss	(12,997)	(4,162)

Other comprehensive (loss) income

Foreign currency translation adjustment	4	724
Comprehensive loss	(12,993)	(3,438)

Net (loss) income from continuing operations attributable to:

Shareholders of the Company	(12,417)	(6,337)
Non-controlling interest	(580)	2,140
	(12,997)	(4,197)

Net (loss) income attributable to:

Shareholders of the Company	(12,417)	(6,302)
Non-controlling interest	(580)	2,140
	(12,997)	(4,162)

Loss per share from continuing operations:

Basic	(0.06)	(0.03)
Diluted	(0.06)	(0.03)

Loss per share:

Basic	(0.06)	(0.03)
Diluted	(0.06)	(0.03)

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Weighted average shares outstanding, basic (thousands)	213,893	210,767
Condensed Consolidated Statements of Cash Flows		
(In thousands of Canadian dollars)		
Weighted average shares outstanding, diluted (thousands)	213,893	210,767
Shares outstanding at end of the year (thousands)	214,383	211,250

	Three months ended	
	March 31,	
	2023	2022
	\$	\$
Cash flows from operating activities		
Net loss for the period	(12,997)	(4,162)
Adjustments for:		
Depreciation	5,883	5,646
Loss on disposal of equipment	2,536	-
Unrealized foreign exchange gain	(175)	(2,562)
Unrealized loss on derivatives	265	5,115
Deferred income tax expense	11,107	1,408
Finance expense	12,568	8,198
Share-based compensation	2,100	3,959
	21,287	17,602
Net changes in non-cash working capital items	(12,188)	15,712
Net cash provided by operating activities	9,099	33,314
Cash flows from investing activities		
Deferred stripping activities	(6,413)	(10,469)
Development of mineral property, plant and equipment	(1,862)	(37,646)
Other assets	1,937	953
Net cash used in investing activities	(6,338)	(47,162)
Cash flows from financing activities		
Common shares issued on exercise of options	322	928
Repayment of loan to non-controlling interest	(13,672)	-
Loan principal repaid	(117,206)	-
Restricted cash	113,681	(8,964)
Interest paid	(10,452)	(1,008)
Finance lease payments	(4,507)	(3,872)

Net cash used in financing activities	(31,834)	(12,916)
Effect of foreign exchange rate changes on cash and cash equivalents	(59)	(1,637)
Decrease in cash and cash equivalents	(29,132)	(28,401)
View original content to download multimedia https://www.prnewswire.com/news-releases/copper-mountain-mining-announces-first-quarter-2023-financial-results-301896533.html	89,653	71,902
Cash and cash equivalents - End of year	54,521	143,501
SOURCE Copper Mountain Mining Corp.		

Contact

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