



Copper Mountain Mining Corporation

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TSX: CUM

Copper Mountain Q3 2016 Financial Results

Vancouver, British Columbia – November 7, 2016 – Copper Mountain Mining Corporation (TSX: CUM) (the “Company” or “Copper Mountain”) announces third quarter revenues of \$72.2 million after pricing adjustments and treatment charges from the sale of 29.5 million pounds of copper equivalent (including 23.5 million pounds of copper, 8,600 ounces of gold, and 75,700 ounces of silver). Total cash cost for the quarter ended September 30, 2016 was US\$1.45 per pound of copper sold, net of precious metals credits and the Company ended the quarter with \$25 million in cash.

Highlights (100% Basis)

- Copper, gold and silver production for the third quarter of 2016 at Copper Mountain Mine was 22 million pounds of copper, 8,200 ounces of gold and 81,500 ounces of silver.
- Revenue for the period was \$72.2 million, from the sale of 23.5 million pounds of copper, 8,600 ounces of gold, and 75,700 ounces of silver, net of pricing adjustments.
- Cash flow from operations for the quarter was \$15.9 million.
- Cash balance at the quarter end was \$25 million, an increase of \$20 million from June 30, 2016
- Adjusted EBITDA was \$16.6 million for the quarter.
- Site cash costs for the 2016 third quarter were US\$0.97 per pound of copper produced net of precious metal credits.
- Total cash costs for the quarter were US\$1.45 per pound of copper sold net of precious metal credits and after all off-site charges.
- Realized prices on metal sales in the quarter were US\$2.15 per pound of copper, US\$1,337 per ounce of gold and US\$19.54 per ounce of silver.

Jim O’Rourke, President and CEO of Copper Mountain, remarked *“During the third quarter of 2016, Copper Mountain achieved new production records at the mine, with Mill throughput averaging 39,980 tpd during the quarter. The mine continues to focus on cost controls and production efficiencies. Total cash costs for the quarter decreased 16% to US\$1.45 per pound of copper sold net of precious metal credits from US\$1.72, Q3 2015 total cash costs. Open pit mining averaged 173,100 tonnes of material per day during the third quarter, bringing the year to date average to 187,200 tonnes of material per day, 7% ahead of plan.”*

Mr. O’Rourke continued, *“The increased production has produced an increase in capital resources. At the end of the quarter the Company had a total of \$41 million of capital resources in the form of \$25 million in cash and cash equivalents, \$11 million in concentrate sales receivables, and \$5.0 million of concentrate inventory waiting at the port to be shipped. We will continue to focus on cost control and operational improvements to further strengthen the Company’s balance sheet.”*

Summary Financial Results

(in thousands CDN\$, except for cash cost data in US\$)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenues	72,195	63,702	193,473	191,969
Gross profit (loss)	4,188	(2,085)	10,069	5,818
Net income (loss) and comprehensive income (loss)	(7,937)	(28,121)	8,716	(57,052)
Adjusted earnings (loss) ¹	(1,332)	2,035	(12,568)	9,824
Adjusted earnings (loss) per share ²	(0.01)	0.02	(0.10)	0.08
EBITDA ³	10,006	(15,472)	57,090	(18,327)
Adjusted EBITDA	16,611	14,684	35,806	48,549
Cash flow from operating activities	15,862	4,774	24,419	18,131
Cash and cash equivalents			24,734	18,478
Equity			192,337	222,529
Copper produced (000's lbs)	22,000	20,400	62,100	58,200
Gold produced (oz)	8,200	6,300	23,780	21,900
Silver produced (oz)	81,500	64,900	220,800	216,300
Copper sold (000's lbs)	23,500	21,900	61,700	61,800
Gold sold (oz)	8,600	7,800	22,700	21,700
Silver sold (oz)	75,700	65,300	200,600	224,700
Site cash costs per pound of copper produced (net of gold, silver credits) (US\$)	0.97	1.21	1.06	1.26
Total cash costs per pound of copper sold (net of gold, silver credits) (US\$)	1.45	1.72	1.49	1.76
Realized Copper Price (US\$)	2.15	2.39	2.13	2.57

Copper Mountain Mine

During the quarter, the Company completed a total of three shipments of copper concentrate containing approximately 23.5 million pounds of copper, 8,600 ounces of gold, and 75,700 ounces of silver which generated \$72.2 million in revenue net of treatment and refining charges and pricing adjustments. Site cash costs were US\$0.97 per pound of copper produced and total cash costs were US\$1.45 per pound sold, net of precious metal credits for the three months ended September 30, 2016; compared to site cash costs of US\$1.21 per pound of copper produced and total cash costs of US\$1.72 per pound of copper sold, net of precious metal credits for the three months ended September 30, 2015. The increase in revenue is a result of stronger sales volumes as compared to the same period last year and a higher foreign exchange rate for the United States dollar. Revenue was partially offset by a lower copper price realized during the quarter.

Mining activities continued from the Pit 2, Saddle and Virginia Pit areas during the quarter. A total of 15.9 million tonnes of material was mined, including 5.9 million tonnes of ore and 10 million tonnes of waste, resulting in a strip ratio of 1.68 to 1. High equipment mechanical availability was maintained during the quarter which helped contribute to the above average mining rates achieved during the quarter. Mining of the Virginia Pit has now been completed.

During the quarter the mill processed a total of 3.7 million tonnes of ore grading 0.33% copper to produce 22 million pounds of copper, 8,200 ounces of gold, and 81,500 ounces of silver. Mill recoveries were 83.0% for the quarter.

¹ Adjusted earnings (loss) is a non-GAAP financial measure which removes unrealized gains/losses on interest rate swaps, pricing adjustments on concentrate metal sales and foreign currency gains/losses.

² Calculated by dividing the total adjusted earnings by the weighted average number of shares outstanding under the basic method.

³ Earnings before interest, taxes, depreciation and amortization. Refer to the Non-GAAP Performance measures section of this MD&A.

Mill operating time during the quarter averaged 92.2%. The mill achieved an average throughput rate of 39,980 tpd during the quarter. The Company currently has 432 operating employees engaged at the mine site.

The following table sets out the major operating parameters for the mine for the three and nine months ended September 30, 2016.

Mine Production Information	Three months ended		Nine months ended	
	September 30,		September 30,	
Copper Mountain Mine (100% Basis)	2016	2015	2016	2015
	\$	\$	\$	\$
Mine:				
Total tonnes mined (000's ³)	15,920	14,708	51,303	43,607
Ore tonnes mined (000's)	5,949	5,381	17,348	16,734
Waste tonnes (000's)	9,972	9,327	33,955	26,874
Stripping ratio	1.68	1.73	1.96	1.61
Mill:				
Tonnes milled (000's)	3,678	3,437	10,447	9,671
Feed Grade (Cu%)	0.33	0.33	0.33	0.33
Recovery (%)	82.9	82.4	82.4	81.8
Operating time (%)	92.2	93.2	91.6	92.4
Tonnes milled (TPD ⁴)	39,980	37,345	38,100	35,402
Production:				
Copper production (000's lbs)	22,000	20,400	62,100	58,200
Gold production (oz)	8,200	6,300	23,780	21,900
Silver production (oz)	81,500	64,900	220,800	216,300
Site cash costs per pound of copper produced (net of precious metal credits) (US\$)	0.97	1.21	1.06	1.26
Total cash costs per pound of copper sold (net of precious metal credits) (US\$)	1.45	1.72	1.49	1.76

Exploration – Mine Site

A 5,000 meter drill program was completed in the third quarter. The drill program was designed to convert inferred resources into measured and indicated status on the western end of Pit 2. The program was successful in converting blocks, increasing grade, lowering strip ratio, and extending mineralization further to the west. Redesign of the open pit in the newly drilled area is scheduled for the fourth quarter and will result in an increase to the reserve base.

Exploration – Generative

A 570 line-km GEOTECH helicopter-borne Z-TEM survey was undertaken and completed over the Fenton project area as well as a number of other company owned properties in the region. Results of the survey will help define target areas for further drill testing of the Fenton property, where previous exploration and preliminary drilling have identified large areas of intense alteration with significant enrichment of gold, silver, and zinc within a felsic flow-dome complex. The survey will also help evaluate the exploration potential of our other early stage properties in the region, in conjunction with recently completed geochemical programs. The targets on these properties range from large, bulk-tonnage gold-silver deposits to more compact, higher-grade polymetallic deposits.

³ Excludes ore re-handle from stockpile

⁴ Tonnes per day

Listed below is a summarized balance sheet and income statement as well as details for our conference call schedule:

Summarized Balance Sheet
(thousands of CAD \$)

	September 30, 2016 \$	December 31, 2015 \$
<u>Assets</u>		
Cash	24,734	12,190
Accounts Receivable and prepaids	16,461	11,990
Inventory	45,498	44,882
Property, plant and equipment	479,562	519,750
Other Assets	73,315	58,494
	639,570	647,306
<u>Liabilities</u>		
Accounts payable and accrued liabilities	28,241	42,399
Current portion of long-term debt	47,833	33,115
Other	22,472	8,913
Electricity deferral	12,021	-
Decommissioning and restoration provision	7,154	7,787
Interest rate swap liability	7,295	7,061
Long-term debt	322,217	371,610
	447,233	470,885
<u>Equity</u>		
Share capital	193,998	188,306
Contributed surplus	14,668	12,929
Retained earnings (deficit)	(75,754)	(81,379)
Non-controlling interest	59,425	56,565
Total equity	192,337	176,421
	639,570	647,306

Summarized Income Statement
(thousands of CAD \$)

	Three months ended September 30,		Nine months ended September 30,	
	2016 \$	2015 \$	2016 \$	2015 \$
Revenues	72,195	63,702	193,473	191,969
Cost of sales⁵	(68,007)	(65,787)	(183,404)	(186,150)
Gross profit	4,188	(2,085)	10,069	5,818
Other income and expenses				
General and administration	(1,465)	(1,447)	(4,444)	(5,674)
Low grade stockpile write-down	(2,020)	-	(6,239)	-
Share based compensation	(180)	(236)	(626)	(819)
Operating income	523	(3,768)	(1,240)	(675)
Finance income	5	13	143	212
Finance expense	(3,240)	(2,763)	(9,224)	(7,790)
Unrealized gain (loss) on interest rate swap	649	(2,313)	(2,671)	(3,938)
Unrealized gain (loss) on foreign exchange	(4,974)	(21,963)	22,930	(49,012)
Loss of sale on fixed asset	(643)	-	(643)	-
(Loss) income before tax	(7,680)	(30,794)	(9,295)	(61,203)
Current resource tax expense	(257)	(121)	(579)	(588)
Deferred income and resource tax recovery	-	2,794	-	4,739
Net income (loss) and comprehensive income (loss) for the period	(7,937)	(28,121)	8,716	(57,053)
Net income (loss) and comprehensive income (loss) attributable to:				
Shareholders of the company	(6,098)	(21,059)	5,625	(43,385)
Non-controlling interest	(1,839)	(7,062)	3,091	(13,667)
	(7,937)	(28,121)	8,716	(57,052)
Earnings (loss) per share	(0.05)	(0.18)	0.05	(0.37)

The full set of financial statements and accompanying MD&A are posted on Sedar.com.

2016 Guidance:

The 2016 guidance remains unchanged for the balance of 2016.

⁵ Cost of sales consists of direct mining and milling costs (which include mine site employee compensation and benefits, mine site general and administrative costs, non-capitalized stripping costs, maintenance and repair costs, operating supplies and external services), depreciation and offsite transportation costs.

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 Company has a strategic alliance with Mitsubishi Materials Corporation who owns the remaining 25%. The Copper Mountain mine commenced production in the latter half of 2011, and has continued to improve its operations since start-up. The 18,000 acre site has a large resource of copper that remains open laterally and at depth. The mine has significant exploration potential that will need to be explored over the next few years to fully appreciate the property's full development potential. Additional information is available on the Company's web page at www.CuMtn.com.

A conference call and audio webcast will be held on Monday, November 7, 2016 at 7:30 am (PST) for management to discuss the second quarter 2016 results. This discussion will be followed by a question-and-answer period with investors.

Live Dial-in information

Toronto and international: (647) 427-7450

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

To participate in the webcast live via your computer go to:

<http://event.on24.com/r.htm?e=1253968&s=1&k=F303E13481194B0FF30E12A194626D94>

Replay call information

Toronto and international: 416.849.0833, passcode 72541674

North America (toll-free): 1.855.859.2056, passcode 72541674

The conference call replay will be available from 10:30 am (PST) on November 7, 2016, until 11:59 pm PST on November 15, 2016

Participant audio webcast will also be available on the Company's website at <http://www.CuMtn.com>

On behalf of the Board of

COPPER MOUNTAIN MINING CORPORATION

"Rod Shier"

Rodney A. Shier, CA.
Chief Financial Officer

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Note: This release contains forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents, filed by the Company on SEDAR at www.sedar.com, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. The Company undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statement.