COPPER MOUNTAIN MINING CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six months ended

June 30, 2010

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FORM 51-102F1
COPPER MOUNTAIN MINING CORPORATION
(The "Company")

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A") OF FINANCIAL CONDITION & THE RESULTS OF OPERATIONS FOR THE PERIOD ENDED MARCH 31, 2010

August 12, 2010

Introduction

Management's discussion and analysis ("MD&A") focuses on significant factors that affected Copper Mountain Mining Corporation's performance and factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the unaudited consolidated financial statements of the Company's and the notes thereto for the six months ended June 30, 2010 and with the audited consolidated financial statements of the Company's with the related notes contained therein for the year ended December 31, 2009. The Company reports its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Company's significant accounting policies are set out in Note 2 of the consolidated financial statements for the year ended December 31, 2009. The Company's financial statements and the management's discussion and analysis are presented in Canadian dollars and are intended to provide a reasonable basis for the investor to evaluate the Company's development and financial situation.

Forward-Looking Statements

The MD&A contains certain statements that may be deemed "forward-looking statements." All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities, and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "targets" and similar expressions , or that events or conditions "will", "would", "may", "could", or "should" occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, government policy decisions, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources

This discussion uses the terms "measured resources" and "indicated resources". The Company advises investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves**

Cautionary Note Investors Concerning Estimates of Inferred Resources

This discussion uses the term "inferred resources". The Company advises investors that while this term is recognized and required by Canadian securities regulations, the US Securities and Exchange Commission does not recognize it. Inferred resources have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of a mineral resource will ever be upgraded to a higher category. Under Canadian securities regulations, estimates of Inferred Mineral Resources may not form the basis of economic studies, except in rare cases. **Investors are cautioned not to assume that any part or all of an inferred resource exists, or is economically or legally mineable.**

1.2 Overview

The Company was incorporated under the provisions of the British Columbia *Company Act* on April 20, 2006, as Copper Mountain Mining Corporation. On December 22, 2006, the Company acquired all of the issued and outstanding common shares of Similco Mines Ltd. ("Similco"), a private company also incorporated under the provisions of the British Columbia *Company Act*, which owns the Copper Mountain Project. On August 19, 2009, Mitsubishi Materials Corporation ("MMC") acquired a 25% interest in Similco and agreed to use commercially reasonable efforts to arrange or provide the project loan for the Copper Mountain Project.

The Copper Mountain Project involves the development of an open pit mine and the construction of a new 35,000 tonne per day copper concentrator that will produce approximately 105 million pounds of copper per year, in a copper concentrate with gold and silver credits. *The Copper Mountain Project is currently under construction and preproduction mining activities are scheduled to start in the fall of 2010, while the completion of the mill construction is on track for a May 2011 completion, which will allow for full production by June 2011* (Forward-looking statement italicized).

During the quarter ended June 30, 2010, the Company continued to focus on the development of the Copper Mountain Project. As of June 30, 2010, the Company had committed to an additional $177 million for development activities on the Copper Mountain Project. These expenditures included progress payments on the sag mill and ball mills, detailed engineering, earth-works, and concrete foundation work on the concentrator and truck shop area.

The project is on time and on budget to meet the planned June 2011 production start (Forward-looking statement italicized).

The Company trades on the Toronto Stock Exchange under the trading symbol CUM.

1.2.1 Copper Mountain Project

The Copper Mountain Project is situated 15 km south of Princeton, British Columbia and 300 km east of the port of Vancouver. Prior to 1996, the mine operated as an open pit copper mine. The Company has conducted an extensive exploration drill program on the property and confirmed the continuity of mineralization between the existing open pits. The Company made a development decision for the project in the fall of 2008. The development consists of the construction of a 35,000 tonne per day concentrator and is expected to produce on average 105 million pounds of copper per year in the first 12 years. Based on present reserves, the mine has a life of 17 years. The property consists of 135 Crown granted mineral claims, 176 located mineral claims, 14 mining leases, and 12 fee simple properties covering an area of 6,702.1 hectares or 67 square kilometers.

Manufacturing of the sag mill and ball mills has been completed and components are in transit for delivery this summer. Mill building foundation concrete work was completed in the first quarter and steel erection of the concentrator building has now commenced during the second quarter. Clearing of the new crusher area has begun and concrete foundation work for the new crusher and new truck shop are underway. The office and warehouse complex has been refurbished and is being used by mine and construction personnel. The Company currently has approximately 70 employees and 200 contractors engaged at the site on construction activities. It is estimated that the project will provide employment for 200 construction workers at its peak and the ongoing operations will create 258 full time positions. A total of $61.9 million in project expenditures on the Copper Mountain Project was capitalized during the quarter ended June 30, 2010, bringing the total project expenditures to $145.3 million. Of this, $42.4 million has been spent on instalment payments for the sag and ball mills, $20.2 million was spent on engineering, $49.1 million on mill site preparation and construction activities and other deposits on key equipment items, $22.9 million on mobile mining fleet instalments. The balance of $10.7 million was for various support activities on site.

1.4 Results of Operations

For the Three and Six Months Ended June 30, 2010

The Company incurred a loss of $2,085,385 or $0.03 per share for the three months ended June 30, 2010, compared to a loss of $306,917 for the three months ended June 30, 2009. This loss was primarily as result of an unrealized foreign exchange loss of $1,986,757 for the three months ended June 30, 2010 compared to $nil for the three month period ended June 30, 2009. The foreign exchange loss for the quarter was made up of an unrealized loss of $4,048,400 on the project loan. offset in part by an unrealized gain on our US dollar cash balances held at the end of the quarter of $2,061,643. *As the Company will be producing US dollars revenues, there is a natural hedge for*

	Three months ended		**Six months ended**	
	June 30, 2010	**June 30, 2009**	**June 30, 2010**	**June 30, 2009**
EXPENSES				
Accretion of asset retirement obligation	$ 32,659	$ -	$65,316	$ -
Amortization	9,249	4,455	19,151	8,337
Advertising and promotion	9,136	19,590	24,108	24,908
Bank charges and interest	4,911	2,035	10,512	4,722
Consulting fees	62,642	66,395	110,288	110,963
Filing fees	62,384	300	110,771	10,652
General and administration	154,244	40,087	267,401	70,928
Investment shows	6,347	-	16,765	-
Meals and entertainment	2,808	4,311	8,263	9,705
Professional fees	80,099	39,181	153,131	88,110
Shareholder communications	1,792	37,304	12,279	54,888
Stock-based compensation	41,997	84,529	174,001	84,529
Transfer agent	3,693	2,174	6,442	4,312
Travel expenses	20,358	1,762	45,408	19,243
Wages and salaries	200,961	53,776	370,439	104,053
Loss before other items	**(693,280)**	**(355,899)**	**(1,394,275)**	**(595,350)**
OTHER ITEMS				
Interest and other income	59,908	48,982	196,914	84,378
Foreign exchange loss	(1,986,757)	-	(1,889,359)	-
Net loss before tax and non-controlling interest	(2,620,129)	(306,917)	(3,086,720)	(510,972)
Non-controlling interest	534,744	-	490,859	-
Net loss and comprehensive loss for the period	**$ (2,085,385)**	**$ (306,917)**	**$ (2,595,861)**	**$ (510,972)**

the US dollar loans (Forward-looking statement italicized). Results for the quarter are shown in the table above.

Filing fees for the three months ended June 30, 2010 were $62,384 as compared to $300 for the three months ended June 30, 2009 as a result of the increase in the Company's market capitalization and an increase in the number of jurisdictions where the Company is now a reporting issuer.

General and administration expenses were $172,244 for the three months ended June 30, 2010 compared to $40,087 for the three months ended June 30, 2009. This increase is a result increased of rent and office expenses associated with the new office location that was required as a result of the Company's growth in personnel.

Professional fees increased to $80,099 for the three months ended June 30, 2010, from $39,181 for the three months ended June 30, 2009 as a result of more legal work being required during the quarter.

Wages and salaries were $200,961 for the three months ended June 30, 2010 as compared to $53,776 for the three months ended June 30, 2009. The increase in wages and salaries is a result of additional staff being hired at the head office to deal with corporate matters.

Stock-based compensation expense was $41,997 for the three months ended June 30, 2010 compared to $84,529 for the three month period ended June 30, 2009, as a result of options expenses being amortized during the quarter.

Other items include interest income which was $59,908 for the three months ended June 30, 2010, compared to $48,982 for the three months ended June 30, 2009. This increase is a result of the Company holding larger average cash balance during the second quarter of 2010. The Company also recorded a non-controlling interest of $534,744 which represents MMC's share of the operating loss of Similco for the quarter, compared to nil for the three months ended June 30, 2009.

1.5 Summary of Quarterly Results

The following table contains selected quarterly financial information derived from the Company's financial statements and should be read in conjunction with the consolidated quarterly financial statements.

Quarter	Revenue	Net Loss	Loss per Share Basic and Diluted
June 30, 2010	-	$2,085,385	$0.03
March 31, 2010	-	$510,476	$0.01
December 31, 2009	-	$349,508	$0.01
September 30, 2009	-	$407,267	$0.01
June 30, 2009		$306,917	$0.01
March 31, 2009	-	$204,055	$0.01
December 31, 2008	-	$277,693	$0.01
September 30, 2008	-	$390,666	$0.01

1.6 Liquidity

As at June 30, 2010, the Company had working capital of $117.5 million compared with working capital of $38.7 million at December 31, 2009; the increase in working capital is a result of the Company making the first cash drawdown under the financing agreements.

The Company holds its excess cash in an interest bearing account or in cashable Guaranteed Investment Certificates at a major Canadian chartered bank.

As at June 30, 2010, the Company had committed to an additional $177 million in expenditures for the development of the Copper Mountain Project. The expenditures relate primarily to acquiring major pieces of equipment, detailed engineering, and general construction activities and commitments for the project. The Company is also required to deposit with the British Columbia Minister of Finance additional security in the amount of $500,000 by June 30, 2011, and a further $3,500,000 by June 30, 2012 in support of reclamation obligations at the Copper Mountain property.

As at June 30, 2010 the company had the following contractual obligations:

	Payment Due By Period				
Contractual Obligation	Total	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Capital lease obligations	252,153	123,543	113,711	14,899	-
Purchase obligations	177,000,000	177,000,000	-	-	-
Reclamation obligations	$4,000,000	$500,000	$3,500,000	-	-

During the quarter ended June 30, 2010 the Company completed the following financing agreements:

	June 30, 2010	December 31, 2009
Subordinated loan	$ 9,681,920	$ -
Senior credit facility	-	-
Term loan	123,551,821	-
Deferred financing expenses	(2,467,413)	-
	$ 130,766,328	$ -

(i) Subordinated loan agreement

On April 23, 2010 the Company entered into a loan agreement with a subsidiary of MMC for $9.6 million. The loan carries an interest rate of 4.80% which is payable twice a year on February 20th and August 20th. The loan matures on June 30, 2023 and is prepayable at any time without penalty. As at June 30, 2010 the Company accrued $81,920 in interest payable.

(ii) Project finance agreements for US$ 322 Million

In May 2010 the Company completed the project finance agreements for the development of the Copper Mountain Project in the amount of US$322 Million. The project financing consists of two tranches: (1) a Senior Credit Facility for US$162 Million provided by a consortium of Japanese banks and (2) a Term Loan of US$160 Million provided by the Japan Bank for International Cooperation.

(i) Senior Credit Facility

The maximum available under the senior credit facility ("SCF") is US$162 Million. The SCF carries a variable interest rate of LIBOR plus 2% and matures on June 15, 2023. Under the terms of the SCF the Company is required to complete an interest rate swap on 70% of the principal amount of the facility within 45 days of closing. This was completed subsequent to the end of the period. (see also note 13 Subsequent Events). As at June 30, 2010 the Company had not drawn any funds on the SCF.

The SCF principal is repayable commencing December 15, 2011 and semi-annually thereafter over a twelve year period on an accelerating basis, with 40% of the principal balance due in the final two years before maturity.
The obligations under the SCF are secured by all the assets of the Copper Mountain Project and the loan is insured by Nippon Export and Investment Insurance. In addition, the Company and MMC have guaranteed the SCF until commercial production is achieved.

(ii) Term Loan

The maximum available under the term loan ("Term Loan") is US$160 Million. The Term Loan carries a variable interest rate of LIBOR plus 0.551% and matures on February 10, 2022. As at June 30, 2010 the company had drawn US$116 Million of this facility and accrued US$54,688 (Canadian $58,221) in interest payable. The Term Loan is unsecured and is repayable in increasing installments every six months commencing February 2010, with the majority of the loan falling due in the last six installment dates of the Term Loan.

1.7 Capital Resources

Other than those obligations disclosed in the notes to its financial statements for the six months ended June 30, 2010, and the year ended December 31, 2009, the Company had no material commitments for capital expenditures as of June 30, 2010.

Total costs of the Copper Mountain Project, are estimated at $438 million (including a contingency amount of $25 million). The Company has completed its financing agreements for US $322 million *and the Project is now fully funded* (Forward-looking statement italicized). Approximately $110 million in equity has been funded by the partners according to their ownership interests.

1.8 Off-Balance Sheet Arrangements

None

1.9 Transactions with Related Parties

All transactions with related parties have occurred in the normal course of the Company's operations and have been measured at their fair value as determined by management.

- During the three months ended June 30, 2010, the Company paid three of its officers consulting, management and geological fees aggregating $153,777 (June 2009 - $216,768).

- During the three months ended June 30, 2010, the Company paid $19,377 (June 2009 – $34,500) in rent to Compliance Energy Corporation ("Compliance") for office space. Compliance is a public company, listed on the TSX Venture Exchange and related by common directors.

- During the three months ended June 30, 2010 the Company paid $34,480 (June 2009 – Nil) in office rent to Kobex Minerals Inc. Kobex Minerals Inc. is related to the Company by a common director.

1.11 Proposed Transactions

None

1.12 Critical Accounting Estimates

The Company's significant accounting policies are presented in note 2 of the audited consolidated financial statements for the year ended December 31, 2009. The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the consolidated financial statements. These estimates include:

- mineral resources and reserves,
- the carrying value of mineral properties,
- the carrying value of property, plant and equipment,
- rates of amortization of property, plant and equipment,
- the valuation allowances for future income taxes
- the assumptions used in determining the reclamation obligation, and
- the valuation of stock-based compensation expense.

Actual amounts could differ from the estimates used and, accordingly, affect the results of operations once the mine is back in production.

1.13 Change in Accounting Policies, Including Initial Adoption

Effective January 1, 2011, Canadian publicly listed entities will be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS"), instead of current Canadian GAAP. This mandate is first applicable to interim reporting periods in 2011 and includes the requirement to present comparative financial information for the 2010 year, also based on IFRS. Accordingly, although we will first report our result under IFRS in 2011, the underlying conversion will be based on an effective transition date of January 1, 2010.

In mid 2009, management began reviewing IFRS material as a first step in developing an IFRS conversion plan for the transition from Canadian GAAP to IFRS. Management has initially identified four phases to a potential conversion: scoping and planning, detailed assessment, implementation and post implementation.

The scoping and planning phase involves establishing a project team and organizational structure, including oversight of the process by the audit committee; this phase also entails an initial assessment of the key areas where IFRS transition may have a significant impact and present significant challenges. This scoping and planning phase has begun and this work will continue throughout the remainder of the summer of 2010 and will lead into the second phase by August 2010. The second phase, detailed assessment, involves in-depth technical analysis that will result in understanding potential impacts, decisions on accounting policy choices and the drafting of accounting policies and preparing a detailed transition plan, as well as identifying any potential IT system requirements. This phase is expected to be complete in the third quarter of 2010. During the implementation phase, management will identify and carry out the implementation requirements to effect management's accounting choices, develop sample financial statements, implement business and internal control requirements, calculate the opening balance sheet at January 1, 2010 and other transitional reconciliations and disclosure requirements. The implementation phase of the conversion will continue through 2010 and is expected to be completed by the end of the third quarter of 2010, at which time management has engaged its the Company's auditors to review the opening balance sheet. The last phase of post implementation will involve continuous monitoring through 2011 of changes in IFRS throughout the implementation process.

New Accounting Standards Adopted

None

New Accounting Standards Not Yet Adopted

Section 1582 – Business Combinations, Section 1601 - Consolidations and Section 1602 – Non-controlling Interests – These sections were issued in January 2009 and are harmonized with International Financial Reporting Standards. Section 1582 specifies a number of changes, including: an expanded definition of a business combination, a requirement to measure all business acquisitions at fair value, a requirement to measure non-controlling interests at fair value, and a requirement to recognize acquisition-related costs as expenses. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. These new standards are effective for 2011. Early adoption is permitted.

1.14 Financial Instruments and Other Instruments

Please refer to note 2 of the audited financial statements for the year ended December 31, 2009.

1.15 Other MD&A Requirements

Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.

Risks and Uncertainties

The Company's success depends on a number of factors, most of which are beyond the control of the Company. Typical risk factors include copper, gold and silver price fluctuations, foreign currency fluctuations, and operating uncertainties encountered in the mining business. Future government, legal or regulatory changes could affect any aspect of the Company's business, including, among other things, environmental issues, land claims, permitting and taxation costs all of which could adversely affect the ability of the Company to develop the Copper Mountain Project. These risks and uncertainties are managed in part, by experienced managers, advisors and consultants, maintaining adequate liquidity, and by cost control initiatives.

Disclosure Controls

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to permit timely discussions regarding public disclosures. Management, including the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures and the internal controls over financial reporting ("ICFR"). There has been no material change in the Company's internal controls during the quarter ended on June 30, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

The Company's internet web site is www.CuMtn.com

COPPER MOUNTAIN MINING CORPORATION
Interim Consolidated Balance Sheets
As at June 30, 2010 and December 31, 2009
(Unaudited)

	June 30, 2010	December 31, 2009 (audited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 121,012,896	$ 50,428,303
Accounts receivable	3,448,020	908,358
Prepaid expenses	24,395	24,320
	124,485,311	51,360,981
Long term assets		
Reclamation bonds (note 3)	4,008,000	3,539,000
Deferred financing costs	-	860,362
Property, plant, and equipment (note 4)	145,301,975	60,328,857
Resource property (note 5)	25,072,371	25,410,965
	$ 298,867,657	$ 141,500,165
LIABILITIES		
Current liabilities		
Accounts payable	6,799,921	$ 12,644,698
Current portion of capital lease obligations (note 8)	123,543	120,375
	6,923,464	12,765,073
Long term liabilities		
Asset retirement obligation (note 3)	1,310,816	1,245,500
Capital lease obligations (note 6)	128,610	168,754
Long term debt (note 7)	130,766,328	-
	139,129,218	14,179,327
Non-controlling interest (note 8)	46,188,220	44,929,079
SHAREHOLDERS' EQUITY		
Share capital (note 9)	115,075,512	81,421,380
Contributed surplus	2,353,682	2,253,493
Deficit	(3,878,975)	(1,283,114)
	113,550,219	82,391,759
	$ 298,867,657	$ 141,500,165

Nature of operations (note 1)
Commitments (note 11)
Subsequent events (note13)

Approved on behalf of the Board of Directors:

"John Graf"	**Director**	**"Jim O'Rourke"**	**Director**
John Graf		**Jim O'Rourke**	**Director**

COPPER MOUNTAIN MINING CORPORATION
Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit
For the three and six months ended June 30, 2010 and 2009
(Unaudited)

	Three months ended		Six months ended	
	June 30, 2010	**June 30, 2009**	**June 30, 2010**	**June 30, 2009**
EXPENSES				
Accretion of asset retirement obligation	$ 32,659	$ -	$ 65,316	$ -
Amortization	9,249	4,455	19,151	8,337
Advertising and promotion	9,136	19,590	24,108	24,908
Bank charges and interest	4,911	2,035	10,512	4,722
Consulting fees	62,642	66,395	110,288	110,963
General and administration	172,244	40,387	285,401	81,580
Investment shows	6,347	-	16,765	-
Meals and entertainment	2,808	4,311	8,263	9,705
Professional fees	98,099	39,181	153,131	88,110
Shareholder communications	1,792	37,304	12,279	54,888
Stock-based compensation	41,997	84,529	174,001	84,529
Stock exchange and filing fees	62,384	-	110,771	-
Transfer agent	3,693	2,174	6,442	4,312
Travel expenses	20,358	1,762	45,408	19,243
Wages and salaries	164,961	53,776	370,439	104,053
Loss before other items	(693,280)	(355,899)	(1,394,275)	(595,350)
OTHER ITEMS:				
Interest and other income	59,908	48,982	196,914	84,378
Foreign exchange losses	(1,986,757)	-	(1,889,359)	-
Net loss before tax and non-controlling interest	(2,620,129)	(306,917)	(3,086,720)	(510,972)
Non-controlling interest (note 4)	534,744	-	490,859	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (2,085,385)**	**$ (306,917)**	**(2,595,861)**	**$ (510,972)**
DEFICIT – BEGINNING OF PERIOD	(1,793,590)	(219,422)	(1,283,114)	(15,367)
DEFICIT – END OF PERIOD	**$ (3,878,975)**	**$ (526,339)**	**$ (3,878,975)**	**$ (526,339)**
Loss per share, basic and diluted	$ (0.03)	$ (0.01)	$ (0.03)	$ (0.02)
Weighted average number of common shares outstanding	86,853,124	31,625,002	86,853,124	31,625,002

COPPER MOUNTAIN MINING CORPORATION
Interim Consolidated Statements of Cash Flows
For the three and six months ended June 30, 2010 and 2009
(Unaudited)

	Three months ended		Six months ended	
	June 30, 2010	**June 30, 2009**	**June 30, 2010**	**June 30, 2009**
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net (loss) income for the year	$ (2,085,385)	$ (306,917)	$ (2,595,861)	$ (510,972)
Non-cash expenses:				
Accretion of asset retirement obligation	32,659	-	65,316	-
Amortization	9,249	4,455	19,151	8,337
Non-controlling interest	(534,744)	-	(490,859)	-
Unrealized foreign exchange loss	4,048,400	-	4,048,400	-
Stock-based compensation	41,997	84,529	174,001	84,529
Net changes in working capital items:	(1,799,569)	(2,395,946)	(3,144,254)	(1,368,429)
	(287,393)	(2,613,879)	(1,924,106)	(,786,535)
INVESTING ACTIVITIES				
Reclamation bonding	(369,000)	-	(469,000)	-
Other assets	860,362	-	860,362	-
Purchase of property, plant and equipment	(62,451,339)	(190,166)	(90,092,388)	(446,013)
Exploration tax credit	-	-	338,594	-
Resource property costs	-	(5,898,656)	-	(15,306,297)
	(61,959,977)	(6,088,822)	(89,362,432)	(15,752,310)
FINANCING ACTIVITIES				
Issue of share capital, net of issue costs	32,863,421	-	33,580,319	-
Proceeds from non-controlling interest	-	-	1,750,000	-
Due from related party	-	-	-	438,187
Short term loan	-	9,247,640	-	10,632,640
Capital lease obligations	(5,865)	(52,258)	(36,976)	(82,614)
Long term debt	127,322,178	-	126,577,787	-
	160,179,734	9,195,382	161,871,131	10,988,213
CHANGE IN CASH	97,932,364	492,681	70,584,593	(6,550,632)
CASH – BEGINNING OF PERIOD	23,080,532	4,212,396	50,428,303	11,255,709
CASH – END OF PERIOD	$ 121,012,896	$ 4,705,077	$ 121,012,896	$ 4,705,077

Supplemental disclosure with respect to cash flows (note 12)

COPPER MOUNTAIN MINING CORPORATION
Interim Consolidated Statements of Changes in Equity
As at June 30, 2010
(Unaudited)

	Share Capital		Contributed	Deficit	Total
	Number of Shares	**Amount**	**Surplus**		
Balance as at January 1, 2009	31,625,002	$ 31,806,566	$ 1,984,726	$ (15,367)	$ 33,775,925
Shares issued for cash	45,675,000	52,526,250	-	-	52,526,250
Options exercised	42,000	41,787	(16,587)	-	25,200
Brokers warrants exercised	228,375	262,630	-	-	262,630
Share issue costs	-	(3,215,853)	-	-	(3,215,853)
Stock-based compensation	-	-	285,354	-	285,354
Loss for the period	-	-	-	(1,267,747)	(1,267,747)
Balance as at December 31, 2009	77,570,377	$ 81,421,380	$ 2,253,493	$ (1,283,114)	$ 82,391,759
Options exercised	260,500	266,312	(73,812)	-	192,500
Brokers warrants exercised	622,125	715,443	-	-	715,443
Share issued for cash	11,327,500	34,548,875	-	-	34,548,875
Share issue costs	-	(1,876,498)	-	-	(1,876,498)
Stock-based compensation	-	-	174,001	-	174,001
Loss for the period	-	-	-	(2,595,861)	(2,595,861)
Balance as at June 30, 2010	**89,780,002**	**$ 115,075,512**	**2,353,682**	**$ (3,878,975)**	**$ 113,550,219**

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

Copper Mountain Mining Corporation ("the Company" or "CMMC"), was incorporated under the provisions of the British Columbia *Business Corporations Act* on April 20, 2006 and is a mining exploration and development company. On December 22, 2006, the Company acquired all of the issued common shares of Similco Mines Ltd. ("Similco"), a private company incorporated under a predecessor Act to the British Columbia *Business Corporations Act*. On August 19, 2009, Mitsubishi Materials Corporation ("MMC") acquired a 25% interest in Similco.

For the six months ended June 30, 2010, the Company reported a net loss of $2,595,861 and had a deficit of $3,878,975 at that date. The Company has secured sufficient funding for existing and future commitments for developing the Copper Mountain Project by way of two term loans (see note 7 – Term Loans). The Company's ability to recover its investment in the Copper Mountain Project is dependent upon management's ability to sufficiently fund the Project's development program and develop the Project on time and on budget.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These interim unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial information, and include the accounts of the Company and its wholly owned subsidiaries. These interim unaudited financial statements do not include all the information and note disclosure required by GAAP for annual financial statements and therefore should be read in conjunction with the most recent annual audited financial statements.

All significant intercompany transactions have been eliminated

New Accounting Standards Not Yet Adopted

Section 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and Section 1602 – Non-controlling Interests – These sections were issued in January 2009 and are harmonized with International Financial Reporting Standards. Section 1582 specifies a number of changes, including: an expanded definition of a business combination, a requirement to measure all business acquisitions at fair value, a requirement to measure non-controlling interests at fair value, and a requirement to recognize acquisition-related costs as expenses. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. These new standards are effective for 2011. Early adoption is permitted.

3. ASSET RETIREMENT OBLIGATION

(a) Reclamation Bonds

As at June 30, 2010 the Company has on deposit $4.0 million (December 31, 2009 - $3.5) million with the Government of British Columbia in support of reclamation obligations at the Copper Mountain property. The Company is required to deposit additional security in the amount of $500,000 by June 30, 2011, and a further $3,500,000 by June 30, 2012.

(b) Asset Retirement Obligation

The Company has an obligation for remediation of current and past disturbances associated with mining activities at the Copper Mountain property.

3. ASSET RETIREMENT OBLIGATION *(continued)*

Asset retirement obligation changes are as follows:

	June 30, 2010	December 31, 2009
Balance of obligation at the beginning of the period	$ 1,245,500	$ 2,189,000
Obligation acquired during the period	-	1,450,000
Change in valuation of obligation	-	(2,393,500)
Accretion	65,316	-
Balance of obligation at the end of the period	$ 1,310,816	$ 1,245,500

4. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2010			December 31, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Licensed vehicles	$ 526,547	$ (99,656)	$ 426,891	$ 278,561	$ (55,381)	$ 223,180
Buildings	50,000	(8,920)	41,080	50,000	(7,920)	42,080
Computer equipment	96,197	(69,206)	26,991	96,197	(59,586)	36,611
Mining equipment	5,614,332	(1,031,436)	4,582,896	1,689,392	(635,778)	1,053,614
Project costs	139,810,605	-	139,810,605	58,842,588	-	58,842,588
Office equipment	466,880	(73,183)	393,697	151,189	(43,611)	107,578
Other equipment	33,913	(14,098)	19,815	33,913	(10,707)	23,206
	$ 146,598,474	$ (1,296,499)	$ 145,301,975	$ 61,141,840	$ (812,983)	$ 60,328,857

Project costs consist of the deferred construction in progress costs and equipment costs of the Copper Mountain Project. Included in project costs at June 30, 2010 are the following:

	June 30, 2010	December 31, 2009
Engineering and construction management	$ 20,375,059	$ 11,430,946
Mobile mining equipment	19,071,230	3,413,810
Mill concentrator equipment	74,954,172	26,373,694
Mill concentrator site work	10,601,498	10,601,498
Power line and infrastructure	2,772,978	599,587
Construction facilities	3,045,988	1,659,410
Other deferred project expenditures	8,989,680	4,763,643
	$ 139,810,605	$ 58,842,588

During the six months ended June 30, 2010 the Company capitalized and included in project costs $140,174 of interest expense (December 31, 2009 - $1,008,938).

5. RESOURCE PROPERTY

Copper Mountain Project, Princeton, British Columbia

The details of the carrying amount of the Company's resource property costs are as follows:

	June 30, 2010	December 31, 2009
Property acquisition costs	$ 4,024,849	$ 4,024,849
Property holding costs	882,650	882,650
Exploration and feasibility study expenses	20,503,466	20,503,466
Exploration tax credit	(338,594)	-
	$ 25,072,371	$ 25,410,965

6. CAPITAL LEASE OBLIGATIONS

Included in property, plant and equipment is mining equipment that the Company acquired pursuant to a four year interest free capital lease agreement. Capital lease obligations as detailed below are secured by the equipment and are repayable in monthly instalments.

Included in property plant and equipment is office equipment that the Company acquired pursuant to a five year capital lease agreement. The lease obligations include 7.55% interest and are repayable in quarterly instalments. Future minimum lease payments are as follows:

	Mining equipment	Office equipment	Total
Twelve months ended June 30, 2011	$ 120,375	5,916	126,291
Twelve months ended June 30, 2012	108,567	5,916	114,483
Twelve months ended June 30, 2013	-	5,916	5,916
Twelve months ended June 30, 2014	-	5,916	5,916
Twelve months ended June 30, 2015	-	3,771	3,771
Total minimum lease payments	228,942	27,435	256,377
Less: interest portion	-	(4,224)	(4,224)
Present value of capital lease obligations	228,942	23,211	252,153
Current portion	(120,375)	(3,168)	(123,543)
Non-current portion	$ 108,567	$20,043	$128,610

7. LONG TERM DEBT

The details of the long term debt are as follows:

	June 30, 2010	December 31, 2009
Subordinated loan	$ 9,681,920	$ -
Senior credit facility	-	-
Term loan	123,551,821	-
Deferred financing expenses	(2,467,413)	-
	$ 130,766,328	$ -

7. LONG TERM DEBT *(continued)*

(a) Subordinated loan agreement

On April 23, 2010 the Company entered into a loan agreement with a subsidiary of MMC for $9.6 million. The loan carries an interest rate of 4.80% which is payable twice a year on February 20th and August 20th. The loan matures on June 30, 2023 and is prepayable at any time without penalty. As at June 30, 2010 the Company accrued $81,920 in interest payable.

(b) Project finance agreements for US$ 322 Million

In May 2010 the Company completed the project finance agreements for the development of the Copper Mountain Project in the amount of US$322 Million. The project financing consists of two tranches: (1) a Senior Credit Facility for US$162 Million provided by a consortium of Japanese banks and (2) a Term Loan of US$160 Million provided by the Japan Bank for International Cooperation.

(i) Senior Credit Facility

The maximum available under the senior credit facility ("SCF") is US$162 Million. The SCF carries a variable interest rate of LIBOR plus 2% and matures on June 15, 2023. Under the terms of the SCF the Company is required to complete an interest rate swap on 70% of the principal amount of the facility within 45 days of closing. This was completed subsequent to the end of the period. (see also note 13 Subsequent Events). As at June 30, 2010 the Company had not drawn any funds on the SCF.

The SCF principal is repayable commencing December 15, 2011 and semi-annually thereafter over a twelve year period on an accelerating basis, with 40% of the principal balance due in the final two years before maturity.
The obligations under the SCF are secured by all the assets of the Copper Mountain Project and the loan is insured by Nippon Export and Investment Insurance. In addition, the Company and MMC have guaranteed the SCF until commercial production is achieved.

(ii) Term Loan

The maximum available under the term loan ("Term Loan") is US$160 Million. The Term Loan carries a variable interest rate of LIBOR plus 0.551% and matures on February 10, 2022. As at June 30, 2010 the company had drawn US$116 Million of this facility and accrued US$54,688 (Canadian $58,221) in interest payable. The Term Loan is unsecured and is repayable in increasing instalments every six months commencing February 2010, with the majority of the loan falling due in the last six instalment dates of the Term Loan.

7. LONG TERM DEBT *(continued)*

Principal repayments of the Term Loan are as follows:

	US $
2011	-
2012	1,600,000
2013	3,200,000
2014	3,200,000
2015	4,800,000
2016 - 2022	147,200,000
	$160,000,000

8. NON-CONTROLLING INTEREST

The Company determined that Similco is a variable interest entities ("VIE") and consequently uses the principles of AcG 15 "Consolidation of Variable Interest Entities" to determine the accounting for its ownership interest. Management concluded that the Company is the primary beneficiary, and therefore, consolidates Similco with a non-controlling interest representing the MMC ownership interest in the Copper Mountain Project. As at June 30, 2010, the non-controlling interest is made up of the following:

	June 30, 2010	**December 31, 2009**
Cash contributions- Beginning balance	$ 44,929,079	$ 44,900,000
Contributions made in the period	1,750,000	-
Share of operating (loss) income	(490,859)	29,079
Total non-controlling interest	$ 46,188,220	$ 44,929,079

9. SHARE CAPITAL

(a) Authorized – unlimited number of common shares without par value

(b) Stock Options

	Six Months Ended June 30, 2010		**Year Ended December 31, 2009**	
Stock options outstanding	**Number of shares**	**Weighted average exercise price**	**Number of shares**	**Weighted average exercise price**
Beginning of period	3,646,800	$ 0.65	3,801,300	$ 1.29
Granted	1,780,000	2.37	3,538,800	0.61
Expired	-	-	(3,363,800)	1.27
Forfeited	-	-	(287,500)	2.20
Exercised	(260,000)	0.74	(42,000)	0.60
End of period	5,166,800	$ 1.24	3,646,800	$ 0.65

The Company has a stock option plan whereby it can issue up to 5,500,000 stock options exercisable for period of up to five years from the grant date. As at June 30, 2010, the Company has outstanding 5,166,800 options exercisable at prices ranging from $0.60 to $2.47 per share, under the plan:

9. SHARE CAPITAL *(continued)*

Date of Stock Option Grant	Number of Options	Exercise Price	Expiry Date
April 27, 2007	60,000	$1.00	June 29, 2012
August 1, 2008	50,000	$1.40	August 1, 2013
April 21, 2009	100,000	$1.30	April 21, 2014
May 06, 2009	3,114,300	$0.60	May 06, 2014
July 14, 2009	175,000	$0.80	July 14, 2014
January 14, 2010	250,000	$2.26	January 14, 2015
March 01, 2010	50,000	$2.26	March 01, 2015
May 21, 2010	15,000	$2.26	May 21, 2015
June 18, 2010	35,000	$2.47	June 18, 2015
June 25, 2010	1,430,000	$2.39	June 25, 2015
	5,166,800		

As at June 30, 2010 there were 3,386,800 options that were fully vested and exercisable.

The fair value of the stock options granted is estimated on the date of grant using the Black-Scholes Option Pricing Model with the following assumptions: a risk free interest rate of 0.25%, expected life of 5 years, an expected volatility of 50%, and no expectation for dividend payments.

	June 30, 2010	December 31, 2009
Weighted average fair value of options granted	$ 1.00	$ 0.27
Weighted average remaining life of options outstanding	3.49 years	4.33 years

(c) Warrants

In conjunction with financing activities, the Company has granted warrants to brokers for financing fees as follows:

	Six Months Ended June 30, 2010		Year Ended December 31, 2009	
Broker Warrants outstanding	**Number of warrants**	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Beginning of period	2,055,375	$ 1.15	675,476	$ 2.28
Granted	566,374	3.05	2,283,750	1.15
Expired	-	-	(675,476)	2.28
Exercised	(622,125)	1.15	(228,375)	1.15
End of period	1,999,624	$ 2.12	2,055,375	$ 1.15

9. SHARE CAPITAL *(continued)*

As at June 30, 2010, 1,999,624 (December 31, 2009 - 2,055,375) broker warrants are outstanding entitling the holders to acquire shares of the Company as follows:

Date of Broker Warrant Grant	Number of warrants	Exercise Price	Expiry Date
April 26, 2010	566,374	$3.05	April 26, 2011
September 23, 2009	1,346,250	$1.15	March 23, 2011
October 1, 2009	87,000	$1.15	March 23, 2011
	1,999,624		

10. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of the Company's operations and have been measured at their fair value as determined by management.

- During the period ended June 30, 2010, the Company paid three of its officers consulting, management and geological fees aggregating $279,636 (June 2009 - $211,617)

- During the period ended June 30, 2010 the Company paid $34,377 (June 2009 – $nil) in rent to Compliance Energy Corporation ("Compliance") for office space. Compliance is a public company, listed on the TSX Venture Exchange and related by common directors.

- During the period ended June 30, 2010 the Company paid $71,433 (June 2009 – $nil) in office rent to Kobex Minerals Inc ("Kobex"). Kobex is related to the Company by a common director.

11. COMMITMENTS

As at June 30, 2010, the Company had commitments of an additional $177 million in expenditures for the development of the Copper Mountain Project. These expenditures relate to securing major pieces of equipment and construction commitments.

12. SUPPLEMENTARY CASH FLOW DISCLOSURES

- During the period ended June 30, 2010, the Company deferred $337,393 (June 2009 - $172,880) of amortization costs on vehicles and mining equipment.
- During the period ended June 30, 2010, the Company accrued $140,174 (June 2009 - $1,029) in interest costs on term loans and leased mining equipment and vehicles.
- As at June 30, 2010, there was $6,673,776 (December 2009 - $780,500) in accounts payable that related to the development of the Copper Mountain Project.
- Included in cash and cash equivalents at June 30, 2010 is $118,936,146 (December 31, 2009 - $42,520,066) in guaranteed income certificates and $2,076,750 (December 31, 2009 - $7,908,237) held in a bank account.

13. SUBSEQUENT EVENTS

On July 12, 2010, the Company entered into an interest rate swap arrangement. Under the terms of the transaction the Company has swapped a LIBOR plus 2% variable rate interest payment stream for a 3.565% fixed rate interest payment stream on US $113.4 million of the SCF. The interest rate swap arrangement matches the maturity of the SCF.