



COPPER MOUNTAIN
MINING CORPORATION

Copper Mountain Mining Corporation

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COPPER MOUNTAIN ANNOUNCES 2014 SECOND QUARTER RESULTS

This release should be read with the unaudited financial statements and management's discussion and analysis available at www.cumtn.com and filed on www.sedar.com. Our financial results are prepared in accordance with IFRS and expressed in Canadian dollars, unless otherwise noted. Sales and production volumes for the Company's 75%-owned Copper Mountain mine are presented on a 100% basis unless otherwise indicated.

Vancouver, British Columbia – August 11, 2014 – Copper Mountain Mining Corporation (TSX: CUM) (the “Company” or “Copper Mountain”) announces sales of 18 million pounds of copper, 6,300 ounces of gold and 94,900 ounces of silver to produce revenues of \$68 million after pricing adjustments and treatment charges, including a \$5.8 million positive pricing adjustment for the three months ended June 30th, 2014.

Second Quarter 2014 Highlights (100% Basis)

- The Company achieved record production for the 2014 second quarter at Copper Mountain Mine with 19.9 million pounds of copper, 5,000 ounces of gold and 113,300 ounces of silver being produced. This represents a 27% increase in copper production above the same period last year.
- Mill throughput averaged 30,477 tpd which was a 4% improvement from the 2014 first quarter
- Mining rates improved with the addition of two additional trucks and the dispatch system. The mining rate set a new record in June which averaged 200,000 tonnes of material moved per day.
- Revenues for the quarter were \$68.0 million including positive pricing adjustments of \$5.8 million
- EBITDA¹ was \$25.3 million for the quarter ended June 30th, 2014.
- Gross profit totaled \$10.4 for the three months ended June 30th, 2014.
- Earnings attributable to shareholders of the company were \$9.5 million or \$0.08 per share.
- Site cash costs for the 2014 second quarter were US\$1.63 per pound of copper produced net of precious metal credits.
- Total cash costs for the period was US\$2.27 per pound of copper sold net of precious metal credits and after all off-site charges.
- Realized prices on metal sales were \$3.08 per pound of copper, \$1,293 per ounce of gold and \$19.62 per ounce of silver.

Jim O'Rourke, President and CEO of Copper Mountain, remarked *“This quarter marks our 7th consecutive quarter of improved copper production. Copper production remains on track to meet guidance levels of 80-90 million pound of copper for the 2014 fiscal year. During this quarter, mill throughput continued to improve as a result of increasing the amount of minus 2 inch ore entering the SAG mill by utilizing the contract crushing and portable crushing measures. These temporary initiatives will be discontinued and dismantled shortly”*.

Mr. O'Rourke continued, *“The \$40 million secondary crusher project has reached mechanical completion on schedule and budget. Commissioning is underway and the first ore was processed during the first week of August. The new crusher has been tested at its 70% range and has operated well at 2,600tpoh.”*

¹ Earnings before interest, taxes, depreciation, and amortization. Refer to the Non-GAAP Performance measures section of this MD&A

Summary Financial Results

(CDN\$, except for cash cost data in US\$)	Three months ended		Six months ended	
	2014	June 30, 2013	2014	June 30, 2013
	\$	\$	\$	\$
Revenues	68,033,648	45,698,504	129,215,920	100,792,325
Gross profit	10,392,636	(1,634,959)	11,488,712	6,429,449
Operating income (loss)	7,735,877	(2,625,165)	5,797,731	3,684,334
Adjusted earnings ⁵	(1,793,510)	1,527,901	4,930,619	9,372,195
Net income (loss)	13,307,852	(12,083,649)	(2,311,940)	(14,355,559)
Earnings (loss) attributable to shareholders of the Company	9,458,355	(14,766,979)	(2,695,985)	(17,041,754)
Earnings (loss) per share ⁶	0.08	(0.15)	(0.02)	(0.17)
Adjusted earnings (loss) per share ⁷	(0.02)	0.02	0.04	0.10
EBITDA	25,322,416	(3,004,792)	20,081,687	4,456,917
Cash Flow from operating activities before working capital items	17,447,551	5,892,912	26,056,212	18,514,409
Cash and cash equivalents			20,213,980	6,983,156
Working capital			27,995,507	(1,699,149)
Equity			299,365,314	243,043,981
Copper produced (lbs)	19,900,000	15,700,000	39,000,000	29,900,000
Gold produced (oz)	5,000	5,600	10,500	11,000
Silver produced (oz)	113,300	71,000	218,600	135,000
Copper sold (lbs)	18,000,000	14,700,000	37,800,000	29,800,000
Gold sold (oz)	6,300	5,400	12,800	11,300
Silver sold (oz)	94,900	66,000	193,600	135,000
Site cash costs per pound of copper produced (net of gold, silver credits) (US\$)	1.63	1.81	1.64	1.72
Total cash costs per pound of copper sold (net of gold, silver credits) (US\$)	2.27	2.32	2.18	2.25

Copper Mountain Mine

During the second quarter, the mine shipped 35,900 wmt of concentrate containing 18 million pounds of copper to Japan for smelting and recorded revenues, net of smelter charges and pricing adjustments, of \$68 million, realizing a gross profit of \$10.4 million. The total cash cost of copper sold for the three months ended June 30, 2014 was US\$2.27 per pound of copper after gold and silver by-product credits.

During the second quarter, the Copper Mountain Mine achieved record copper production. Total production for the three months ended June 30, 2014 was 19.9 million pounds of copper, 5,000 ounces of gold and 113,300 ounces of silver. This represents a 27% growth in copper production from the same period last year.

SAG Mill throughput improved during the quarter with a total of 2.7 million tonnes of ore being milled at an average grade of 0.39% copper, as compared to 2.5 million tonnes of ore being milled at an average grade of 0.33% copper in the second quarter of 2013, an increase in tonnage of 7.4%. The mill achieved a 90% operating time during the quarter and copper production was in line with guidance.

Construction of the new permanent secondary crusher facility was completed on schedule and on budget. All major equipment has been installed and construction is considered complete. The new secondary crusher received its first ore during the first week of August and since then the crusher operated well at 2,600 tpoH. With the contribution of the new crusher during its commissioning the SAG mill throughput averaged 34,442 tpd during the first week of August.

Mining activities continued on the stage two pushback of Pit 3, while mining activities in the Pit 2 area were focused on the southwest pushback of the Pit. During the quarter a total of 16.1 million tonnes of material was mined, including 4.6 million tonnes of ore and 11.5 million tonnes of waste. The projected life of mine strip ratio is 2 to 1 but higher in the early years. The mine moved an average of

⁵ 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.

⁶ Calculated based on weighted average number of shares outstanding under the basic method based on earnings attributable to shareholders.

⁷ Calculated based on weighted average number of shares outstanding under the basic method based on adjusted earnings.

approximately 174,000 tonnes of material per day during the quarter. With the addition of two new haul trucks that were commissioned in May and the new dispatch system productivity increased to the 200,000 tpd capacity level in June. The mining fleet continues to have excellent mechanical availability.

Listed below are a summarized balance sheet and income statement as well as conference call in details:

Summarized Balance Sheet

	June 30, 2014	December 31, 2013
	\$	\$
<u>Assets</u>		
Cash	20,213,980	42,281,137
Accounts Receivable and prepaids	22,287,541	17,953,700
Inventory	34,682,515	26,789,416
Property, plant and equipment	553,589,887	531,890,214
Other Assets	52,939,670	44,166,934
	683,713,593	663,081,401
<u>Liabilities</u>		
Current liabilities	49,188,529	44,374,657
Decommissioning and restoration provision	7,338,736	6,245,963
Interest rate swap liability	6,666,291	6,364,019
Long-term debt	314,363,836	311,241,671
Deferred tax liability	6,790,887	6,354,461
	384,348,279	374,580,771
<u>Equity</u>		
Share capital	188,298,205	186,291,105
Contributed surplus	10,832,476	9,662,977
Retained earnings	12,596,044	15,292,029
Non-controlling interest	87,638,589	77,254,519
Total equity	299,365,314	288,500,630
	683,713,593	663,081,401

Summarized Income Statement

(CDN\$)	Three months ended		Six months ended	
	2014	June 30, 2013	2014	June 30, 2013
	\$	\$	\$	\$
Revenues	68,033,648	45,698,504	129,215,920	100,792,325
Cost of sales⁸	(57,641,012)	(47,333,463)	(117,727,208)	(94,362,876)
Gross profit (loss)	10,392,636	(1,634,959)	11,488,712	6,429,449
Other income and expenses				
General and administration	(1,286,649)	(1,032,273)	(2,914,311)	(2,729,140)
Share based compensation	(1,370,110)	42,067	(2,776,670)	(15,975)
Operating income (loss)	7,735,877	(2,625,165)	5,797,731	3,684,334
Pricing adjustments on concentrate and metal sales	(5,781,614)	5,353,368	4,083,319	9,500,117
Finance income	134,276	85,943	156,987	185,424
Finance expense	(2,612,281)	(2,203,677)	(4,670,992)	(4,302,996)
Current resource tax expense	(265,711)	(120,016)	(390,056)	(417,425)
Deferred income and resource tax recovery (expense)	(1,004,057)	1,037,448	(46,370)	722,741
Adjusted (loss) earnings⁹	(1,793,510)	1,527,901	4,930,619	9,372,195
Pricing adjustments on concentrate and metal sales	5,781,614	(5,353,368)	(4,083,319)	(9,500,117)
Unrealized gain (loss) on interest rate swap	(1,573,046)	2,264,371	(2,504,940)	2,554,208
Unrealized gain (loss) on foreign exchange	10,892,794	(10,522,553)	(654,300)	(16,781,845)
Net Income (loss) comprehensive income(loss) for the period	13,307,852	(12,083,649)	(2,311,940)	(14,355,559)
Net income (loss) and comprehensive income (loss) attributable to:				
Shareholders of the company	9,458,355	(14,766,979)	(2,695,985)	(17,041,754)
Non-controlling interest	3,849,497	2,683,330	384,045	2,686,195
	13,307,852	(12,083,649)	(2,311,940)	(14,355,559)
Earnings (loss) per share	0.08	(0.15)	(0.02)	(0.17)
Adjusted (loss) earnings per share	(0.02)	0.02	0.04	0.10

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

About Copper Mountain Mining Corporation:

Copper Mountain's flagship asset is the 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 25% of the mine. The Copper Mountain mine commenced production in the summer of 2011 and has continued to improve its operations since startup. 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 properties full development potential. Additional information is available on the Company's web site at www.CuMtn.com.

⁸ 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.

⁹ Adjusted earnings (loss) is a non-GAAP financial measure which excludes unrealized gains/losses on derivative instruments, changes in fair value of financial instruments, foreign currency gains/losses, pricing adjustments related to metal sales and non-recurring transactions.

A conference call and audio webcast will be held on Monday August 11th, 2014 at 7:30 am (Pacific Standard Time) for management to discuss the 2014 second quarter results. This discussion will be followed by a question-and-answer period with investors.

Live Dial-in information

Toronto and international: 416-764-8688

North America (toll-free): 888-390-0546

To participate in the webcast live via your computer go to: <http://www.newswire.ca/en/webcast/detail/1384467/1535799>

Replay call information

Toronto and international: 416-764-8677, passcode 129123

North America (toll-free): 888-390-0541, passcode 129123

The conference call replay will be available from 10:30 am (PST) on August 11, 2014 until 11:59 pm PST on August 25, 2014

Participant audio webcast will also be available on the company's website <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.