COPPER MOUNTAIN MINING CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended

June 30, 2011

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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 JUNE 30, 2011

August 12, 2011

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 audited consolidated financial statements of the Company and the unaudited financial statements and the notes thereto for the period ended June 30, 2011. The Company reports its financial statements in accordance with International Financial Reporting Standards ("IFRS"). The Company's significant accounting policies are set out in Note 2 of the March 31, 2011 unaudited consolidated financial statements. Previously the Company reported its interim and annual financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The Company's 2010 comparatives in this MD&A have been presented in accordance with IFRS. As the Company's IFRS transition date was January 1, 2010, the 2009 comparative information in this MD&A has not been restated. The Company's financial statements and the MD&A 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. Estimates regarding the anticipated timing, amount and cost of mining at the Copper Mountain Project are based on assumptions underlying mineral reserve and mineral resource estimates and the probability of realizing such estimates are set out in the Updated Feasibility Study on the Copper Mountain Project. Capital and operating cost estimates are based on extensive research by the Company, recent estimates of construction and mining costs and other factors that are set out herein and in the Updated Feasibility Study. Production estimates are based on mine plans and production schedules, which have been developed by the Company's personnel and independent consultants. 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, but are not limited to: general business, economic, competitive, political and social uncertainties; the limited operating history of the Company; actual results of reclamation activities; conclusions of economic evaluations; fluctuations in the value of the Canadian dollar relative to the United States dollar; changes in project parameters as plans continue to be refined; failure of equipment or process to operate as anticipated; changes in labor costs and other costs and availability of equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavorable operating conditions and losses, detrimental events that interfere with transportation of concentrate or the smelters ability to accept concentrate, including declaration of Force Majeure events, insurrection or war; delays in obtaining governmental approvals or revocation of governmental approvals; title risks and Aboriginal land claims; delays or unavailability in financing or in the completion of development or construction activities; failure to comply with restrictions and covenants in senior loan agreements, actual results of current exploration activities; volatility in Company's publicly traded securities; and the factors discussed in the section entitled "Risk Factors" in the Company's annual information form and in the Company's continuous disclosure filings available under its profile on SEDAR at www.sedar.com. 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. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

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."**

Overview

Copper Mountain Mining Corporation was incorporated under the provisions of the British Columbia *Company Act* on April 20, 2006. 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 25% of Similco and agreed to use commercially reasonable efforts to arrange or provide the debt financing for the Project. The project debt financing of US $322 million was completed in the summer of 2010, which finalized the funding requirements 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 concentrator and associated facilities for the production of approximately 105 million pounds of copper per year, in a copper concentrate with gold and silver credits. Mechanical completion of the project was achieved at the end of April 2011, and commissioning of equipment progressed well during May and June 2011. On June 30, 2011 the first filtered copper concentrate was produced and deposited in the mine concentrate shed as planned. Mill throughput is currently at about 70 percent of the designed capacity due to the limits in moving ore through the SAG mill. The grates supplied with the mill are limiting the tonnage throughput due to under-sizing of the grate openings. New grates with larger openings have been ordered and half have already been delivered to site for installation to eliminate this tonnage restriction. Mining activities continue with the Company's new mining fleet which is operating as expected.

During the period ended June 30, 2011, the Company continued to focus on the development of the Copper Mountain Project and as of June 30, 2011, the Company had spent $447 million on the project including all scope changes, and has committed an additional $13.6 million in expenditures for the Copper Mountain Project.

Construction of the project is complete and the project is forecasted to be at designed capacity in August 2011. (Forward-looking statement italicized). The Company trades on the Toronto Stock Exchange under the trading symbol "CUM".

Copper Mountain Project

The Copper Mountain Project is situated 20 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 conducted an extensive exploration drill program on the property during 2007 and early 2008 and confirmed the continuity of mineralization between three of the previously mined open pits. The Company made a development decision for the project in the fall of 2008 and construction commenced in the fall of 2009. The development consisted of the construction of a 35,000 tonne per day concentrator that is designed 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.

Concentrator building foundation concrete work was completed in the first quarter of 2010 and steel erection of the concentrator building began immediately thereafter. The building was fully enclosed by the end of October 2010 and by the end of April 2011 all major equipment had been installed and the project was considered to be mechanically complete. Commissioning of equipment was completed during May and June 2011 and on June 30, 2011 the first filtered copper concentrate was produced and deposited in the mine concentrate shed as planned. Port facilities have been completed to handle the truck discharging and storage which included the construction of a new truck tipper sufficient in size to handle the new 50-tonne super B train truck units. Trucking of copper concentrate commenced to the port subsequent to the end of the quarter and the Company committed to its first concentrate shipment to Mitsubishi's smelter in Japan for the fourth week of August 2011.

The Company's new mining equipment fleet consists of two Komatsu PC 8000 hydraulic shovels, thirteen – 240 ton capacity haul trucks, a Komatsu WA 1200 loader, two Komatsu D375 dozers, and two Caterpillar 16 G graders. The Company currently has its full complement of operating employees engaged at the site.

Results of Operations

	Three months ended		Six months ended	
	June 30, 2011 $	**June 30, 2010 $**	**June 30, 2011 $**	**June 30, 2010 $**
Expenses				
Amortization	11,145	9,249	23,494	19,151
General and administration	495,012	444,414	1,151,883	765,368
Share based compensation	1,986,543	41,997	3,019,049	174,001
Wages and salaries	412,419	164,961	811,245	370,439
Loss before other items	**2,905,119**	**660,621**	**5,005,671**	**1,328,959**
Other income (expenses)				
Interest income	610,183	59,908	709,306	196,914
Unwinding of discount on restoration provision	(8,776)	(32,659)	(11,780)	(65,316)
Foreign exchange gain	1,738,976	(1,986,757)	7,418,877	(1,889,359)
Unrealized loss on derivative	(3,439,077)	-	(3,380,651)	-
	(1,098,694)	(1,959,508)	4,735,752	(1,757,761)
Net income (loss) and comprehensive income (loss) for the period before tax and non-controlling interest	**(4,003,813)**	**(2,620,129)**	**(269,919)**	**(3,086,720)**
Net income (loss) and comprehensive income (loss) attributable to:				
Shareholders of the company	(3,594,072)	(2,085,385)	(1,309,147)	(2,595,861)
Non-controlling interest	(409,741)	(534,744)	1,039,228	(490,859)
	(4,003,813)	**(2,620,129)**	**(269,919)**	**(3,086,720)**
Loss per share	**(0.04)**	**(0.03)**	**(0.01)**	**(0.03)**

For the Three Months Ended June 30, 2011

The Company reported a loss attributable to the shareholders of the Company of $3,594,072 or $0.04 per share for the three months ended June 30, 2011, compared to a loss of 2,085,385 or $0.03 per share for the three months ended June 30, 2010. The loss primarily resulted from an unrealized loss of $3,439,077 on an interest rate swap derivative required under the Company's project debt agreements and non-cash share based compensation of $1,986,543 off-set by a gain on foreign exchange of $1,738,976 for the three months ended June 30, 2011, compared to a loss on derivative of $Nil, non-cash share based compensation of

$41,997 and a loss on foreign exchange of $1,986,757 for the three month period ended June 30, 2010. The loss on derivatives for the quarter was a result of the revaluation of the interest rate swap related to the Company's project loan. The gain on foreign exchange for the period was attributed to a portion of the Company's long-term debt denominated in U.S. dollars.

General and administration expenses for the three months ended June 30, 2011, were $495,012 compared to $444,414 for the three months ended June 30, 2010; the increase is primarily due to the increased activities of the Company in relation to Copper Mountain Project development. Wages and salaries were $412,419 for the three months ended June 30, 2011, compared to $164,961 for the three months ended June 30, 2010. The increase in wages and salaries is a result of additional staff being hired at the corporate office to deal with corporate matters and an increase in salaries for senior level executives to bring them to industry standards.

Non-cash share based compensation was $1,986,543 for the three months ended June 30, 2011, compared to $41,997 for the three month period ended June 30, 2010; as a result of additional options being granted to new employees and options vesting during the second quarter of 2011.

Other items include interest income which was $610,183 for the three months ended June 30, 2011, compared to $59,908 for the three months ended June 30, 2010. This increase is a result of the Company holding larger average cash balances during the second quarter of 2011.

Non-controlling interest (NCI) represents MMC's share of the income and losses of the Copper Mountain Mine. NCI for the three month period ending June 30, 2011was a loss of $409,741 compared to a loss of $534,744 for the three months ended June 30, 2010. The NCI loss for the three months ended June 30, 2011 was primarily a result of a loss on derivatives attributed to the revaluation of an interest rate swap on the Company's project loans. The NCI loss for the three months ended June 30, 2010 was attributed to a loss on foreign exchange attributed to a portion of the Company's long-term debt denominated in U.S. dollars.

For the Six Months Ended June 30, 2011

The Company reported a loss attributable to the shareholders of the Company of $1,309,147 or $0.01 per share for the six months ended June 30, 2011, compared to a loss of $2,595,861 or $0.03 per share for the six months ended June 30, 2010. The loss primarily resulted from an unrealized loss of $3,380,651 on interest rate swap derivatives required under the Company's project debt agreements and non-cash share based compensation of $3,019,049 off-set by gain on foreign exchange of $7,418,877 for the six months ended June 30, 2011, compared to a loss on derivative of $Nil, non-cash share based compensation of $174,001 and loss on foreign exchange of $1,889,359 for the six month period ended June 30, 2010. The loss on derivatives for the period was a result of the revaluation of the interest rate swap related to the Company's project loan. The gain on foreign exchange for the period was attributed to a portion of the Company's long-term debt denominated in U.S. dollars.

General and administration expenses for the six months ended June 30, 2011, were $1,151,883 compared to $765,368 for the six months ended June 30, 2010; the increase is primarily due to the increased activities of the Company in relation to Copper Mountain Project development. Wages and salaries were $811,245 for the six months ended June 30, 2011, compared to $370,439 for the six months ended June 30, 2010. The increase in wages and salaries is a result of additional staff being hired at the corporate office to deal with corporate matters and an increase in salaries for senior level executives to bring them to industry standards.

Non-cash share based compensation were $3,019,049 for the six months ended June 30, 2011, compared to $174,000 for the six month period ended June 30, 2010; as a result of additional options being granted to new employees and directors and options vesting during 2011.

Other items include interest income which was $709,306 for the six months ended June 30, 2011, compared to $196,914 for the six months ended June 30, 2010. This increase is a result of the Company holding larger average cash balances during 2011.

The NCI for the six month period ending June 30, 2011 represented income of $1,039,228, compared to a loss of $490,859 for the six months period ending June 30, 2010. The NCI share of income for the six months ended June 30, 2011 was primarily a result of a gain on foreign exchange related to a portion of the Company's long-term debt denominated in U.S. dollars which was off-set by a loss on derivatives attributed to the revaluation of an interest rate swap on the Company's project loans. The NCI loss for the six months ended June 30, 2010 was attributed to a loss on foreign exchange related to a portion of the Company's long-term debt denominated in U.S. dollars.

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	Cash flow from Operations $	Revenue $	Net Income (Loss) $	Profit (Loss) Attributable to Shareholders $	Income (Loss) per Share Basic and Diluted $
June 30, 2011	10,503,369	-	(4,003,813)	(3,594,072)	(0.04)
March 31, 2011	(3,873,052)	-	3,733,894	2,284,925	0.02
December 31, 2010	(2,146,302)	-	5,441,912	2,953,360	0.03
September 30, 2010	(1,010,372)	-	3,473,431	2,179,406	0.02
June 30, 2010	137,710	-	(2,620,129)	(2,085,385)	(0.03)
March 31, 2010	(1,636,713)	-	(466,591)	(510,476)	(0.01)
December 31, 2009[1]	(2,807,568)	-	(1,238,668)	(1,267,747)	(0.03)
September 30, 2009	(229,519)	-	(391,611)	(407,267)	(0.01)
June 30, 2009	(2,613,879)	-	(306,917)	(306,917)	(0.01)

Cash flow from operations and Net Income (Loss) and Profit (Loss) attributable to the shareholders varies from period to period primarily as a result of non-cash share based compensation charges, changes in foreign exchange rates and valuation of interest rate swaps related to a portion of the Company's long-term debt denominated in U.S. dollars.

Liquidity

As at June 30, 2011, the Company had working capital of $42 million compared with working capital of $136 million at December 31, 2010. The decrease in working capital is a result of the Company paying project costs.

The Company holds its excess cash in interest bearing accounts or in cashable Guaranteed Investment Certificates at major Canadian or United States banks.

As at June 30, 2011, the Company had commitments of $13.6 million for the development of the Copper Mountain Project. These commitments primarily relate to instalment payments for major pieces of

[1] Information for 2009 is presented in accordance with Canadian GAAP and was not required to be restated to IFRS

equipment, detailed engineering, construction management, 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 $3,500,000 by June 30, 2012.

As at June 30, 2011, the company had the following consolidated contractual obligations:

	Payment Due By Period				
Contractual Obligation	**Total**	**Less than 1 Year**	**1 – 3 Years**	**4 – 5 Years**	**After 5 Years**
Long Term Debt	$308,617,153	$11,709,030	$26,475,525	$22,501,785	$247,930,813
Capital lease obligations	$ 552,588	$ 312,099	$ 240,489	-	-
Purchase obligations	$ 13,615,486	$13,615,486	-	-	-
Reclamation bond	$ 3,500,000	-	$ 3,500,000	-	-
Decommissioning & restoration provision	$ 3,665,343	-	-	-	$ 3,665,343

Cash to meet the Company's future cash commitments will come from existing cash on hand, plus cash flow from operations.

Other than those obligations disclosed in the notes to the financial statements for the period ended June 30, 2011, and the year ended December 31, 2010, the Company had no material commitments for capital expenditures as of June 30, 2011.

Capital Resources

To fund the construction of the Copper Mountain Mine, approximately $148 million in equity has been invested by the partners according to their ownership interests. As at June 30, 2011, the Company had $63 million in cash, of which $9 million is earmarked for use on the Project. On July 28 the Company contributed additional $11 million in cash for use on the project. In addition the Company has US$322 million in project financing under two long term loan agreements. One loan agreement is for US$160 million under a term loan arrangement provided by the Japan Bank for International Cooperation. This term loan was fully drawn at the end of 2010. The other loan agreement is for US$162 million under a senior credit facility provided by a consortium of Japanese banks. As at June 30, 2011, the Company had drawn US$162 million under this facility. *The Company does not anticipate requiring any additional funds other than cash on hand to fund the Project to designed capacity*. (Forward-looking statement italicized).

Off-Balance Sheet Arrangements

None

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 period ended June 30, 2011, the Company paid three of its officers consulting, management and geological fees aggregating $450,208 (June 2010 - $279,636) and expensed $1,112,872 in share based payments (June 2010 – $84,528).

- During the period ended June 30, 2011, the Company paid $27,172 (June 2010– $34,377) 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, 2011, the Company paid $68,960 (June 2010 – $71,433) in office rent to Kobex Minerals Inc. Kobex Minerals Inc. is related to the Company by a common director.

- Key management includes the company's directors and officers. Compensation awarded to key management includes:

	Six Months ended June 30, 2011	Six Months ended June 30, 2010
Salaries and short-term employee benefits	$ 450,208	$ 279,636
Share-based payments	1,112,872	84,528
	$ 1,563,080	$ 364,164

Proposed Transactions

None

Critical Accounting Estimates

The Company's significant accounting policies are presented in note 3 of the unaudited consolidated financial statements for the period ended March 31, 2011. The preparation of consolidated financial statements in accordance with International Financial Reporting Standard "IFRS" 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 current and deferred income taxes
- the assumptions used in determining the decommissioning and restoration provision
- the valuation of share-based payments.

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

Change in Accounting Policies, Including Initial Adoption

Effective January 1, 2011, Canadian publicly listed entities were required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS"). Due to the requirement to present comparative financial information, the effective transition date is January 1, 2010. The three months ended March 31, 2011 was our first reporting period under IFRS.

Transitional Financial Impact

An explanation of how the transition from GAAP to IFRS has affected the Company's financial position and comprehensive income (loss) is set out in note 11 to the unaudited financial statements for the period ended June 30, 2011

The adoption of the IFRS did not impact the Company's the comprehensive income (loss) that was previously reported under GAAP. The financial position was changed as follows:

(in millions of Canadian dollars)

Assets

	December 31, 2010			June 30, 2010			January 1, 2010		
	GAAP	**Adj**	**IFRS**	**GAAP**	**Adj.**	**IFRS**	**GAAP**	**Adj.**	**IFRS**
Property, plants and equipment	345	2	347	145	1	146	86	1	87

Liabilities

Decommissioning Liability	2	2	4	1	1	2	1	1	2

The presentation of the equity balance has changed to include the non-controlling interest balance which was reported as a liability under GAAP:

Liability

	December 31, 2010			June 30, 2010			January 1, 2010		
	GAAP	**Adj**	**IFRS**	**GAAP**	**Adj.**	**IFRS**	**GAAP**	**Adj.**	**IFRS**
Non controlling interest	50	(50)	-	46	(46)	-	45	(45)	-
Equity									
Attributable to shareholders of the Company	116	-	116	115	-	115	82	-	82
Contributed surplus	4	-	4	2	-	2	2	-	2
Retained earnings	2	-	2	(4)	-	(4)	(1)	-	(1)
Non-controlling interest	-	50	50	-	46	46	-	45	45
Total Equity	**122**	**50**	**172**	**113**	**46**	**159**	**83**	**45**	**128**

New Accounting Standards Adopted

Refer to IFRS disclosures above

Financial Instruments and Other Instruments

Please refer to note 2 of the unaudited financial statements for the period ended March 31, 2011.

Other MD&A Requirements

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

(b) The following details the share capital structure as at August 11, 2011 the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Expiry Date	Exercise Price	Number	Number
Common shares	-	-	-	98,404,877
Share purchase options	May 6, 2014	$0.60	2,594,050	
	January 14, 2015	$2.26	200,000	
	March 1, 2015	$2.26	25,000	
	May 21, 2015	$2.26	7,500	
	June 18, 2015	$2.47	35,000	
	June 25, 2015	$2.39	1,277,500	
	July 19, 2015	$2.45	70,000	
	August 12, 2015	$2.55	245,000	
	February 10, 2016	$7.01	275,000	
	April 21, 2016	$7.22	50,000	
	May 1, 2016	$7.12	150,000	
Total share purchase options			**4,929,050**	**98,404,877**

Internal Controls Over Financial Reporting

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, and evaluating the effectiveness of the Company's internal control over financial reporting as at each fiscal year end. Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of the Company's internal control over financial reporting as at December 31, 2010. Based on this evaluation, management has concluded that during the period ended June 30, 2011, the Company's internal control over financial reporting was effective.

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.

The Company's internet web site is www.CuMtn.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 by experienced managers, advisors and consultants, by maintaining adequate liquidity, and by cost control initiatives.

Copper Mountain Mining Corporation

Consolidated Financial Statements
For the six months ended June 30, 2011
Unaudited

Copper Mountain Mining Corporation

Consolidated Statement of Financial Position
(Unaudited)

	June 30, 2011 $	December 31, 2010 $
Assets		
Current assets		
Cash and cash equivalents	62,849,133	153,078,528
Restricted cash	23,000	1,023,000
Accounts receivable and prepaid expenses	19,278,637	20,953,309
Inventory (note 3)	8,106,278	1,084,673
	90,257,048	176,139,510
Reclamation bonds	4,708,000	4,008,000
Property, plant and equipment (note 4)	482,454,115	346,087,430
	577,419,163	526,234,940
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	36,386,832	40,509,294
Current portion of long-term debt	11,709,030	-
	48,095,862	40,509,294
Decommissioning and restoration provision	3,665,343	3,802,222
Long-term derivative liability	5,174,692	2,021,250
Long-term debt	297,460,711	308,476,843
	354,396,608	354,809,609
Equity		
Attributable to shareholders of the Company:		
Share capital (note 5)	157,676,212	116,286,786
Contributed surplus	5,527,879	3,800,668
Retained earnings (deficit)	361,099	1,670,246
	163,565,190	121,757,700
Non-controlling interest	59,457,365	49,667,631
Total equity	223,022,555	171,425,331
	577,419,163	526,234,940

Copper Mountain Mining Corporation

Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Expenses				
Amortization	11,145	9,249	23,494	19,151
General and administration	495,012	444,414	1,151,883	765,368
Share based compensation (note 6)	1,986,543	41,997	3,019,049	174,001
Wages and salaries	412,419	164,961	811,245	370,439
	2,905,119	660,621	5,005,671	1,328,959
Other income (expense)				
Finance income	610,183	59,908	709,306	196,914
Unwinding of discount on restoration provision	(8,776)	(32,659)	(11,780)	(65,316)
Foreign exchange gain (loss)	1,738,976	(1,986,757)	7,418,877	(1,889,359)
Unrealized loss on derivatives	(3,439,077)	-	(3,380,651)	-
	(1,098,694)	(1,959,508)	4,735,752	(1,757,761)
Net income (loss) and comprehensive income (loss) for the period	(4,003,813)	(2,620,129)	(269,919)	(3,086,720)
Net income (loss) and comprehensive income (loss) attributable to:				
Shareholders of the Company	(3,594,072)	(2,085,385)	(1,309,147)	(2,595,861)
Non-controlling interest	(409,741)	(534,744)	1,039,228	(490,859)
	(4,003,813)	(2,620,129)	(269,919)	(3,086,720)
Earnings per share:				
Basic	(0.04)	(0.03)	(0.01)	(0.03)
Diluted	(0.04)	(0.03)	(0.01)	(0.03)
Weighted average shares outstanding	98,133,411	86,853,124	96,241,819	86,853,124
Shares outstanding at end of period	98,404,877	89,780,002	98,404,877	89,780,002

Copper Mountain Mining Corporation

Consolidated Statements of Cash Flows

For the six months ended June 30, 2011 and 2010 (Unaudited)

	Six months ended June 30, 2011 $	2010 $
Cash flows from operating activities		
Net income (loss) for the period	(269,919)	(3,086,720)
Items not affecting cash:		
Unwinding of discount on restoration provision	11,780	65,316
Amortization	23,494	19,151
Unrealized foreign exchange (gain) loss on long-term debt	(8,806,758)	4,048,400
Unrealized loss on derivatives	3,380,651	-
Share based compensation	3,019,049	174,001
Foreign exchange loss on cash and cash equivalents	1,463,739	2,061,816
	(1,177,964)	3,281,964
Net changes in working capital items (note 8)	(9,325,405)	(3,144,254)
Net cash generated from operating activities	(10,503,369)	137,710
Cash flows from investing activities		
Reclamation bonds	(700,000)	(469,000)
Restricted cash	1,000,000	-
Development of property, plant and equipment	(133,985,760)	(88,893,432)
Net cash generated from investing activities	(133,685,760)	(89,362,432)
Cash flows from financing activities		
Issue of common shares - net of issue costs	40,829,735	33,580,319
Contributions from non-controlling interest	8,750,506	1,750,000
Term loan	8,776,950	126,577,787
Interest paid on long term loan	(2,774,683)	-
Capital lease payments	(159,035)	(36,975)
Net cash generated from financing activities	55,423,473	161,871,131
Effect of foreign exchange rate changes on cash and cash equivalents	(1,463,739)	(2,061,816)
Increase (decrease) in cash	(90,229,395)	70,584,593
Cash and cash equivalents - Beginning of period	153,078,528	50,428,303
Cash and cash equivalents - End of period	62,849,133	121,012,896

Supplementary cash flow disclosures (note 8)

Copper Mountain Mining Corporation

Consolidated Statements of Changes in Equity
(Unaudited)

	Attributable to equity owners of the company						
	Number of shares	**Amount $**	**Contributed surplus $**	**Retained earnings (deficit) $**	**Total $**	**Non-controlling interest $**	**Total equity $**
Balance January 1, 2010	77,570,377	81,421,380	2,253,493	(1,283,114)	82,391,759	44,929,079	127,320,838
Shares issued for cash	11,327,500	34,548,875	-	-	34,548,875	-	34,548,875
Share issue costs	-	(1,876,498)	-	-	(1,876,498)	-	(1,876,498)
Options exercised	260,000	266,312	(73,812)		192,500	-	192,500
Contributions made by Non-controlling interest	-	-	-	-	-	1,750,000	1,750,000
Brokers warrants exercised	622,125	715,443	-	-	715,443	-	715,443
Share based compensation	-	-	174,001	-	174,001	-	174,001
Income for the period	-	-	-	(2,595,861)	(2,595,861)	(490,859)	(3,086,720)
Balance – June 30, 2010	**89,780,002**	**115,075,512**	**2,353,682**	**(3,878,975)**	**113,550,219**	**46,188,220**	**159,738,439**
Balance – January 1, 2011	90,508,645	116,286,786	3,800,668	1,670,246	121,757,700	49,667,631	171,425,331
Shares issued for cash	5,680,002	40,044,000	-	-	40,044,000	-	40,044,000
Share issue costs	-	(2,121,710)	-	-	(2,121,710)	-	(2,121,710)
Options exercised	584,750	984,789	(330,189)	-	654,600	-	654,600
Contributions made by Non-controlling interest	-	-	-	-	-	8,750,506	8,750,506
Brokers warrants exercised	1,631,480	2,482,347	(229,502)	-	2,252,845	-	2,252,845
Share based compensation	-	-	2,286,902		2,286,902	-	2,286,902
Loss for the period	-	-	-	(1,309,147)	(1,309,147)	1,039,228	(269,919)
Balance June 30, 2011	**98,404,877**	**157,676,212**	**5,527,879**	**361,099**	**163,565,190**	**59,457,365**	**223,022,555**

1 General Information

Copper Mountain Mining Corporation ("the Company") was incorporated under the provisions of the British Columbia Business Corporations Act on April 20, 2006 and is a mining exploration and development company. The Company maintains its head office at Suite 1700 – 700 West Pender Street, Vancouver, British Columbia. The Company through its 75% owned subsidiary Similco Mines Ltd. ("Similco") owns the Copper Mountain mine. Mitsubishi Materials Corporation ("MMC") owns a 25% interest in Similco.

2 Basis of presentation and adoption of IFRS

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the company has commenced reporting on this basis in these interim consolidated financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34") and IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"). The impact of the transition from Canadian Generally Accepted Accounting Principles (GAAP) to IFRS is explained in note 11, including the nature and effect of significant changes in accounting policies from those used in the company's consolidated financial statements for the year ended December 31, 2010.

The Company's IFRS accounting policies are set out in note 3 of the interim consolidated financial statements for the period ended March 31, 2011.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of August 11, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the company's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed interim consolidated financial statements should be read in conjunction with the company's Canadian GAAP audited financial statements for the year ended December 31, 2010.

3 Inventory

	June 30, 2011	December 31, 2010
Supplies	$ 5,329,718	$ 1,084,673
Ore stockpile	868,123	-
Crushed ore stockpile	408,437	-
Concentrate	1,500,000	-
	$ 8,106,278	$ 1,084,673

4 Property, plant and equipment

Cost	Plant and equipment	Capital working-in-progress	Mineral properties and mine development costs	Total
As at January 1, 2010	$ 2,299,252	$ 58,842,588	$ 26,390,689	$ 87,532,529
Additions	-	241,192,033	15,086,997	256,279,030
Transfers between categories	41,218,865	(41,218,865)	-	-
Restoration provision	-	990,300	424,402	1,414,702
Capitalized interest	-	2,888,900	-	2,888,900
As at December 31, 2010	43,518,117	262,694,956	41,902,088	348,115,161
Additions	5,732	110,071,177	24,899,509	134,976,418
Transfer between categories	38,390,047	(38,390,047)	-	-
Capitalized interest	-	2,998,277	-	2,998,277
As at June 30, 2011	$ 81,913,896	$ 337,374,363	$ 66,801,597	$ 486,089,856

Accumulated depreciation	Plant and equipment	Capital working-in-progress	Mineral properties and mine development costs	Total
As at January 1, 2010	(812,983)	-	-	(812,983)
Depreciation charge	(1,214,748)	-	-	(1,214,748)
As at December 31, 2010	(2,027,731)	-	-	(2,027,731)
Depreciation charge	(1,608,010)	-	-	(1,608,010)
As at June 30, 2011	$ (3,635,741)	-	-	$ (3,635,741)
Net book value				
As at December 31, 2010	$ 41,490,386	$ 262,694,956	$ 41,902,088	$ 346,087,430
As at June 30, 2011	$ 78,278,155	$ 337,374,363	$ 66,801,597	$ 482,454,115

Mineral property costs at June 30, 2011 include $30,861,202 relating to pre-production mining activities

5 Share capital

a) Authorized - Unlimited number of common shares without par value.

b) Broker warrants

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

Broker warrants outstanding	Number of warrants	Weighted average exercise price
December 31, 2010	1,631,480	$1.72
Granted	-	-
Expired	-	-
Exercised	(1,631,480)	$1.15
June 30, 2011	-	-

6 Share Based Compensation

a) Stock options

The Company has a stock option plan whereby it can issue up to 7,500,000 stock options exercisable for a period of up to five years from the grant date. As at June 30, 2011 the Company had 4,929,050 options outstanding as follows:

Stock options outstanding	Number of shares	Weighted average exercised price
December 31, 2010	5,121,300	$1.32
Granted	475,000	$7.07
Expired	(82,500)	$2.30
Forfeited	-	-
Exercised	(584,750)	$0.97
June 30, 2011	4,929,050	$ 1.90

Date of stock option grant	Number of options	Exercise price	Expiry date
May 6, 2009	2,594,050	$ 0.60	May 6, 2014
January 14, 2010	200,000	$ 2.26	January14, 2015
March 1, 2010	25,000	$ 2.26	March 1, 2015
May 21, 2010	7,500	$ 2.26	May 21, 2015
June 18, 2010	35,000	$ 2.47	June 18, 2015
June 25, 2010	1,277,500	$ 2.39	June 25, 2015
July 19, 2010	70,000	$ 2.45	July 19, 2015
August 12, 2010	245,000	$ 2.55	August 12, 2015
February 10, 2011	275,000	$ 7.01	February 10, 2016
April 21, 2011	50,000	$ 7.22	April 21, 2016
May 01, 2011	150,000	$ 7.12	May 01, 2016
	4,929,050		

As at June 30, 2011, 4,409,245 options were fully vested and exercisable at a weighted average exercise price of $1.44.

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 2.69%, an expected life of 5 years, an expected volatility of 89%, and no expectation of dividend payments.

	2011	2010
Weighted average fair value of options granted in the period	$4.91	$1.36
Weighted average remaining life of options granted in the period	4.70 years	3.80 years

b) Deferred Share Unit Plans

Deferred Share Unit Plan for Non-Employee Directors (“DSU-D”)

The Company established a deferred share unit (“DSU”) plan that allows directors to receive director fees in the form of deferred share units. Directors can elect to receive common shares or cash upon exercise of the DSU. DSUs may only be exercised when the holder ceases to be a director. Vesting terms of the DSUs are established by the directors at the time the DSUs are granted.

Deferred Share Unit Program for Employees (“DSU-E”)

The Company established a deferred share unit program that allows executive officers to receive incentive compensation in the form of deferred share units. Executive officers can elect to receive common shares upon exercise of the DSU by paying the exercise price or they can elect to receive cash equal to the difference between the exercise price and the market price of the Company’s common shares at the time of exercise of the DSU. Vesting terms of the DSUs are established by the directors at the time the DSUs are granted

The table below shows the changes to the deferred share units as at December 31, 2010 and June 30, 2011

Units	**DSU-D Units [1]**	**DSU-E Units [2]**
January 1, 2010	-	-
Granted	33,784	329,646
December 31, 2010	33,784	329,646
Exercised	(6,756)	-
June 30, 2011	27,028	329,646
Liability	**DSU-D**	**DSU-E**
January 1, 2010	$ -	$ -
Share based compensation	219,257	229,928
December 31, 2010	$ 219,257	$ 229,928
Share based compensation	30,000	702,146
Settlement	(47,365)	-
June 30, 2011	$ 201,892	$ 932,074

(1) As at June 30, 2011, all DSU-Ds had vested.
(2) As at June 30, 2011, 247,234 of the DSU-Es had vested.

As at June 30, 2011, the following deferred share units were outstanding:

Date of grant	**Number of units**	**Exercise price**	**Expiry date**
DSU-D - September 17, 2010	27,028	-	September 17, 2020
DSU-E - September 17, 2010	329,646	$ 3.70	September 17, 2020
	356,674		

7 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.

a) During the period ended June 30, 2011, the Company paid three of its officers consulting, management and geological fees aggregating $450,208 (2010 - $279,636)

b) During the period ended June 30, 2011, the Company paid $27,172 (2010 - $34,377) in rent to Compliance Energy Corporation ("Compliance") for office space under a prior obligation. Compliance is a public company, listed on the TSX Venture Exchange, and related by common directors.

c) During the period ended June 30, 2011, the Company paid $68,960 (2010 - $71,433) in office rent to Kobex Minerals Inc., a company related to the Company by a common director.

d) Compensation of key management

Key management includes the company's directors and officers. Compensation awarded to key management includes:

	Three months ended June 30,		**Six months ended June 30,**	
	2011	**2010**	**2011**	**2010**
Salaries and short-term employee benefits	$ 225,625	$ 153,777	$ 450,208	$ 279,636
Share based compensation	557,672	-	1,112,872	84,528
	$ 783,297	$ 153,777	$ 1,563,080	$ 364,164

8 Supplementary cash flow disclosures

a) During the period ended June 30, 2011, the Company deferred $1,584,516 (June 30, 2010 - $464,365) of amortization on vehicles and mobile mining equipment.

b) As at June 30, 2011, $32,190,855 (June 30, 2010 - $6,673,776) in accounts payable related to the development of the Copper Mountain Project.

c) Included in cash and cash equivalents at June 30, 2011 is $51,417,000 (June 30, 2011 – 118,936,146) in guaranteed income certificates and $11,432,133 in cash (2010 - $2,076,750) held in bank accounts.

d) A reconciliation of net changes in working capital items is as follows:

	Six months ended June 30,	
	2011	**2010**
Changes in accounts receivable and prepaid expenses	(2,139,183)	-
Changes in inventory	(7,021,605)	-
Changes in accounts payable and accrued liabilities	(164,617)	(3,144,254)
	(9,325,405)	(3,144,254)

9 Commitments

a) As at June 30, 2011, the Company had committed to $13.6 million in expenditures for the development of the Copper Mountain mine.

10 Contingencies

On October 15, 2010, the Company was found liable by the Supreme Court of British Columbia for approximately $465,000 in damages suffered by a waste disposal company that was hired to dispose of a transformer located on the Company's mine site. The cooling oil in the transformer contained a high concentration of Polychlorinated Biphenyl ("PCBs"). The waste disposal company claimed it was not advised of the high concentration of PCBs contained in the transformer oil and, as a result, mixed it with other materials collected in the course of its waste disposal business. In consequence, the waste disposal company claimed it incurred approximately $775,000 of extra costs to dispose of the PCB contaminated materials. The Company was found to be 60% responsible for those additional costs. The Company has accrued this liability and is presently appealing the judgment.

11 Transition to IFRS

An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position and comprehensive income (loss) is set out in this note.

The accounting policies set out in note 3 of the interim consolidated financial statements for the period ending March 31, 2011 have been applied in preparing the financial statements for the period ended June 30, 2011, the comparative information presented in these financial statements for the year ended December 31, 2010 and interim period ended June 30, 2010.

IFRS 1, which governs the first-time adoption of IFRS, generally requires accounting policies to be applied retrospectively to determine the opening balance sheet on the transition date of January 1, 2010, and allows certain exemptions on the transition of the transition to IFRS. The elections the Company have chosen to apply and that are considered significant to the Company include:

a) First time adoption exemptions applied

(i) Decommissioning liabilities included in the cost of property, plant and equipment

The Company has applied IFRIC 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities ("IFRIC 1") as of the date of transition to IFRS. IFRIC 1 requires specific changes in decommissioning, restoration or similar liabilities to be added or deducted from the cost of the asset to which it relates and the adjusted depreciable amount of the asset to then be depreciated prospectively over its remaining useful life. IFRS 1 provides the option to measure the restoration provision at the date of transition in accordance with the requirements of IAS 37. Accordingly the Company re-measured the provisions at the date of transition under IAS 37, and estimated the amount to be included in the cost of the related asset by discounting the liability to the date which the liability first arose. The Company did this using best estimates of the historical risk-free discount rates.

(ii) Share-based payment transactions

IFRS 1 encourages, but does not require a first time adopter to apply IFRS 2 *Share-based Payment* ("IFRS 2") to equity instruments that were granted on or before November 7, 2002, or were granted after November 7, 2002 but vested before the Company's IFRS transition date. Accordingly, the Company chose to not retrospectively apply IFRS 2 to share-based payments settled before the transition date.

b) Reconciliation of assets, liabilities, equity, comprehensive income and cash flows of the Company from those reported under Canadian GAAP to IFRS

(in millions of Canadian dollars)

Assets

		December 31, 2010	June 30, 2010	January 1, 2010
Total assets under Canadian GAAP		$ 525	298	$142
Adjustments for differing accounting treatments				
Mineral property, plant & equipment	(A)	2	1	1
Total assets under IFRS		$ 527	299	$143

Liabilities

		December 31, 2010	June 30, 2010	January 1, 2010
Total liabilities under Canadian GAAP		$ 353	139	$14
Adjustments for differing accounting treatments				
Decommissioning and restoration provision	(A)	2	1	1
Total liabilities under IFRS		$ 355	140	$15

Equity

		December 31, 2010	June 30, 2010	January 1, 2010
Total equity under Canadian GAAP		$ 122	113	$83
Adjustments for differing accounting treatments				
Non-controlling interest	(B)	50	46	45
Total equity under IFRS		$ 172	159	$128

The following notes explain the significant differences between Canadian GAAP and the current IFRS accounting policies applied by the Company. These differences result in the adjustments in the table above.

A) Decommissioning and restoration provisions

Consistent with IFRS, restoration provisions have been previously measured based on the estimated cost of restoration, discounted to its net present value upon initial recognition. However, adjustments to the current discount rate were not reflected in the provisions or the related assets under Canadian GAAP unless there was an upward revision in the future cost estimates. The Company elected to apply the exemption from full retrospective application as allowed under IFRS 1. As such, the Company has re-measured the restoration provision as at the transition date under IAS 37, and estimated the amount to be included in the related asset by discounting the liability to the date in which the liability arose.

B) Non-controlling interest

Under IFRS, the non-controlling interests' share of the net assets of subsidiaries is included in equity and their share of the comprehensive income of subsidiaries is allocated directly to equity. Under Canadian GAAP, non-controlling interests were presented as a separate item between liabilities and equity in the statement of financial position, and the non-controlling interests' share of income and other comprehensive income were deducted in calculating net income and comprehensive income of the entity. Non-controlling interest of $45 million as at January 1, 2010 ($46 million as at June 30, 2010 and $50 million as at December 31, 2010), as determined under Canadian GAAP, has been reclassified to equity.

C) Statement of cash flows

The transition from Canadian GAAP to IFRS had no impact on cash and cash equivalents. The Company made the following changes and reclassifications to cash flows resulting from the transition to IFRS:

- Interest payments on long-term debt were reclassified from operating cash flows to financing cash flows.
- The foreign exchange loss on cash and cash equivalents was separated into its own reconciling line item on the statement of cash of flows.

D) Statement of comprehensive income

There is no change to the statement of comprehensive income.