



**COPPER MOUNTAIN**  
**MINING CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED**  
**SEPTEMBER 30, 2007**

**Suite 550 – 800 Pender Street**  
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**Ph# 604-682-2992 Fax# 604-681-5910**

**-FORM 51-102F1**  
**COPPER MOUNTAIN MINING CORPORATION**  
**(The “Company”)**

**MANAGEMENT'S DISCUSSION & ANALYSIS (“MD&A”) OF FINANCIAL  
CONDITION & THE RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED  
SEPTEMBER 30, 2007**

November 28, 2007

Introduction

*Management’s discussion and analysis (“MD&A”) focuses on significant factors that affected Copper Mountain Mining Corporation’s performance and such 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 for the nine months ended September 30, 2007 and the Company’s 2006 audited consolidated financial statements and the related notes contained therein. 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 audited consolidated financial statements for the period from the date on incorporation to December 31, 2006 and are included in the Company’s prospectus filed on Sedar. Additional information on the Company is available and can be found at [www.sedar.com](http://www.sedar.com) or [www.CuMtn.com](http://www.CuMtn.com).*

**Overview – September 30, 2007**

The Company recorded net income of \$274,312 or \$0.02 per share for the nine months ended September 30, 2007. In order to better understand Copper Mountain’s financial results for the nine months ended September 30, 2007, it is important to gain an understanding of the stage of development of the Company’s only asset, the Copper Mountain Project.

The Company owns 100% of Similco Mines Ltd. and is conducting an extensive exploration drill program on the property. Drilling is expected to continue throughout 2008. A total of 51,000 meters is expected to be drilled during 2007. In addition, the Company is awaiting the results of the recently completed Titan 24 Deep Earth Imaging field work. This work was performed by Quantec Geoscience Limited, (“Quantec”), a leading global provider of geoscience solutions. The results are expected by year-end. The Company has released an interim 43-101 compliant resource estimate. Measured and Indicated resources, based on a 0.2% Cu cut-off grade, are 227.5 million tons grading 0.37% Cu containing 1.7 billion pounds of copper and an inferred resource of 197.2 million tonnes grading 0.31 Cu containing 1.2 billion pounds of copper. In addition, subsequent to the end of the quarter the Company released a positive Preliminary Assessment Report that recommends additional exploration work be completed on the property and the completion of a bankable feasibility study.

**Basis of Presentation**

The accompanying financial statements of Copper Mountain Mining Corporation have been prepared by management in accordance with GAAP.

The Company was incorporated under the provisions of the British Columbia Business Corporations 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 incorporated under the provisions of a predecessor to the British Columbia Business Corporations Act.

On June 20, 2007, the Company filed its Initial Public Offering prospectus (the "IPO") The IPO financing consisted of 3.45 million units (each a "Unit") at a price of \$1.45 per Unit and 1.15 million common shares issued on a flow-through basis under the Income Tax Act of Canada (the "Flow-Through Shares") at a purchase price of \$1.75 per Flow-Through Share.

On June 21, 2007, the Company became a reporting issuer upon receipt of filing of the Prospectus from the British Columbia Securities Commission. The Company commenced trading on June 29, 2007, on the TSX Venture Exchange under the trading symbol CUM.

### **Forward Looking Statements**

The MD&A contains forward-looking information which involves risk and uncertainties including but not limited to changes in exchange rates, commodity prices, interest rates and operating uncertainties encountered in the mining business. Forward looking information typically contain statements with the words such as "expect", "believe", "plan", "forecast", "intend", "targets", "budgets" or similar words suggesting future outcomes. Because of these risks and uncertainties, the actual results could be materially different than those currently anticipated by the Company.

### **Critical Accounting Policies**

A summary of significant accounting policies is presented in Note 2 to the consolidated financial statements for the period from the date of incorporation on April 20, 2006 to December 31, 2006 and for the three months ended March 31, 2007 included in the Company's prospectus filed on Sedar.

### **Critical Accounting Estimates**

Preparing financial statements in accordance with GAAP requires management to make certain judgments and estimates. Changes to these judgments and estimates could have a material effect on the Issuer's financial statements and financial position.

The carrying value of expenditures incurred in a development stage company like Copper Mountain are subject to an impairment evaluation. All of the expenditures incurred to date on the Issuer's Copper Mountain Project have been capitalized. It is management's opinion that the estimated cash flows expected to result from the future use of the property and its eventual disposition will exceed its carrying amount.

### **Results of Operations**

The Company recorded net income of \$274,312 or \$0.02 per share for the nine months ended September 30, 2007. As the Company was incorporated April 20, 2006, and there was no material activity during the period ended September 30, 2006, there are no comparative figures. The Company has no income producing assets and has not reported any revenue from operations for any quarters from the date of incorporation on April 20, 2006 to September 30, 2007. However, the Company renounced \$4,760,000 in exploration expenditures during the year, which resulted in a recovery of future income taxes of \$1,624,112 (calculated at a 34.12% tax rate), which is taken into income under GAAP. Also, during the period, the Company had interest income of \$116,541.

Professional fees, which consist of accounting, audit, and legal fees, were \$65,022 for the nine months ended September 30, 2007. The Company also incurred consulting fees of \$65,953. Shareholder communications totalled \$227,340 for the nine months ended September 30, 2007. These costs were mostly in relation to the IPO and initiating an investor communication awareness program aimed at

keeping shareholders informed. Other expenses recorded for the nine months ended September 30, 2007, included salaries and wages of \$32,721, bank charges of \$6,981, meals and entertainment costs of \$8,567, and travel costs of \$14,813.

During the period the Company purchased mobile mining equipment from Compliance Energy Corporation (“Compliance”), a company related by common directors for \$568,500 in cash consideration. The valuation for the major pieces of mining equipment transferred was determined by an independent third party, while the remaining minor pieces of equipment were transferred at negotiated prices between the parties. In addition, the Company assumed \$523,359 in lease obligations on the acquisition of a D8 Dozer, a 773 Haul Truck from Compliance, and a 2006 Ford F150 4x4 truck. The Company issued 2.4 million stock options to directors, officers, and employees of the Company. These options have been valued using the Black-Scholes Option Pricing Model and as a result the Company recorded a \$936,318 charge to stock compensation expense as required under the fair value method of accounting for stock options. Any consideration paid by directors and employees on the exercise of stock options is credited to share capital.

General and Administrative expenses were \$88,132 for the nine months ended September 30, 2007. General and Administrative were made up of \$7,300 of filing fees, \$19,200 of office expenses, \$2,398 of postage and courier, \$15,798 of printing and stationary, \$34,476 of office rent, and telephone charges of \$8,960.

During the period, \$4,440,212 in exploration expenditures was spent on the property and was deferred. The \$4,440,212 in deferred costs were made up of drilling costs of \$2,936,317, geological consulting costs of \$270,136, core cutting costs of \$105,834, scoping study costs of \$137,535, contract labour costs of \$35,782, assay costs of \$195,733, equipment rental costs of \$26,700, insurance costs of \$17,395, mapping costs of \$10,239, claims fees of \$373,649, data recovery costs of \$819, salaries of \$176,774, amortization costs of \$60,841, travel of \$41,283, house rental for accommodating our workers on site, of \$6,800, utilities of \$1,325, and miscellaneous costs of \$43,023. To the end of September 30, 2007, 84 drill-holes have been released which included drilling results up to the end of July 20, 2007. These results have been included in the interim independent 43-101 compliant resource estimate released on September 6, 2007. Drilling has continued since then and an updated 43-101 resource report is expected early in the new year. A summary of the intersections from drill-holes announced have been posted on the Company’s web site. The Company currently has five drills on the property drilling 24 hours per day seven days a week.

### **Liquidity and Capital Resources**

As of September 30, 2007, the Company had working capital of \$4,626,290 (comprised of \$4,774,027 of cash, \$314,700 of receivables, and prepaid expenses offset by \$462,437 of liabilities). The Company believes that it will continue to access the capital markets over the next year to meet the capital requirements of its capital requirements.

### **Related Party Transactions**

During the period, except as disclosed elsewhere in this MD&A, 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. The Company paid fees of \$146,706 to two companies controlled by two of its officers for management consulting and administration services. (\$20,000 – 2006). In addition, the Company paid geological consulting fees of \$49,754 to a company controlled by one of its officers

## Selected Quarterly Financial Information

The following table is selected quarterly financial information derived from the Company's financial statements.

Quarter	Revenue	Net Income (Loss)	Basic Income (Loss) per Share	Fully Diluted Income (Loss) Per Share
September 30, 2007	-	\$(234,870)	(\$0.01)	(\$0.01)
June 30, 2007	-	\$269,837*	\$0.01	\$0.01
March 31, 2007	-	\$239,345*	\$0.02	\$0.02
December 31, 2006	-	(\$63,193)	(\$0.01)	(\$0.01)
September 30, 2006	-	(\$2,692)	\$0.00	\$0.00
April 20, 2006 to June 30, 2006 <sup>(1)</sup>	-	\$(170,708)	\$0.00	(\$0.02)

<sup>(1)</sup> Company was incorporated on April 20, 2006

\* After adjustment for deferred costs during the period

## Risks and Uncertainties

The Company's success depends on a number of factors, some of which are beyond the control of the Company. Typical risk factors include copper, gold and silver price 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 permitting and taxation costs and the ability of the Company to develop an independent power 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 as of September 30, 2007. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*, are effective to ensure that information required to be disclosed in reports that we file or submit under Canadian securities legislation are recorded, processed and reported within the time period specified in those rules.

**COPPER MOUNTAIN MINING CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

	(Unaudited) September 30, 2007	(Audited) December 31, 2006
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 4,774,027	\$ 3,569,328
Accounts receivable	146,395	148,737
Prepaid expenses	168,305	17,430
	5,088,727	3,735,495
Reclamation bonding	2,046,500	2,039,000
Property, plant and equipment (Note 5)	1,245,790	81,974
Mineral property (Note 4)	5,664,571	1,224,361
<b>TOTAL ASSETS</b>	<b>\$ 14,045,588</b>	<b>\$ 7,080,830</b>
<b>LIABILITIES</b>		
<b>Current liability</b>		
Accounts payable	\$ 462,437	\$ 150,176
	462,437	150,176
<b>Non-current liability:</b>		
Long-term debt	\$ 328,007	\$ -
Accrued site reclamation cost	2,189,000	2,189,000
	2,979,444	2,339,176
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6)	9,926,482	4,807,622
Contributed surplus	1,101,943	170,625
Retained Earnings (Deficit)	37,719	(236,593)
	11,066,144	4,741,654
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>\$ 14,045,588</b>	<b>\$ 7,080,830</b>

Approved on behalf of the board of Directors:

"James O'Rourke" Director  
James O'Rourke

"John Tapics" Director  
John Tapics Director

**COPPER MOUNTAIN MINING CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**

	<b>(Unaudited) Three months ended September 30, 2007*</b>	<b>(Unaudited) Nine months ended September 30, 2007*</b>
<b>EXPENSES</b>		
Amortization	\$ 3,017	\$ 14,155
Bank Charges & interest	3,294	6,981
Consulting Fees	27,635	65,953
General and administration	29,829	88,132
Meals & entertainment	4,612	8,567
Professional fees	22,703	65,022
Shareholder communications	125,206	227,340
Stock-based compensation	33,525	936,318
Transfer Agent	6,339	6,339
Travel expenses	8,499	14,813
Wages & Salaries	14,952	32,721
Net loss before other item	<b>(279,611)</b>	<b>(1,466,341)</b>
<b>OTHER ITEMS:</b>		
Interest and other income	<b>44,741</b>	<b>116,541</b>
Future income taxes recovery	-	<b>1,624,112</b>
Total other items	<b>44,741</b>	<b>1,740,653</b>
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>(234,870)</b>	<b>274,312</b>
<b>RETAINED EARNINGS (DEFICIT) - BEGINNING OF THE PERIOD</b>	<b>272,589</b>	<b>(236,593)</b>
<b>RETAINED EARNINGS - END OF THE PERIOD</b>	<b>\$ 37,719</b>	<b>\$ 37,719</b>
<b>Earnings (loss) per share, basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ 0.02</b>
<b>Weighted average number of common shares outstanding</b>	<b>19,587,710</b>	<b>16,412,128</b>

(\*) As the Company was incorporated April 20, 2006, and there was no material activity during the period ended September 30, 2006, and therefore there are no comparative figures.

**COPPER MOUNTAIN MINING CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	(Unaudited) Three months ended September 30, 2007*	(Unaudited) Nine months ended September 30, 2007*
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net Income for the period	\$ (234,870)	\$ 274,312
Net changes in non-cash working capital items:		
Accounts receivable	85,421	2,342
Prepaid expenses	(100,000)	(150,875)
Accounts payable	(47,529)	312,261
Non-cash expenses:		
Amortization	3,017	14,155
Future income tax recovery	-	(1,624,112)
Stock-based compensation	33,525	936,318
	(260,436)	(235,599)
<b>INVESTING ACTIVITIES</b>		
Purchase of reclamation bonding	-	(7,500)
Purchase of property, plant and equipment	(1,147,066)	(1,238,812)
Mineral property costs	(1,111,860)	(4,379,369)
	(2,258,926)	(5,625,681)
<b>FINANCING ACTIVITY</b>		
Issue of share capital, net of issue costs	14,310	6,737,972
Long-Term Debt	328,007	328,007
	342,317	7,065,979
<b>CHANGE IN CASH</b>	(2,177,045)	1,204,699
<b>CASH - BEGINNING OF PERIOD</b>	6,951,072	3,569,328
<b>CASH - END OF PERIOD</b>	\$ 4,774,027	\$ 4,774,027

(\*) As the Company was incorporated April 20, 2006, and there was no material activity during the period ended September 30, 2006, and therefore there are no comparative figures.

Supplementary cash flow information

During 2007, the Company deferred \$60,841 of amortization costs on vehicles and mining equipment.

During 2006, the Company issued 4,000,000 common shares valued at \$64,000 for an option to purchase the shares of Similco Mines Ltd.

**COPPER MOUNTAIN MINING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND**  
**FROM THE DATE OF INCORPORATION ON APRIL 20, 2006 TO DECEMBER 31, 2006 (UNAUDITED)**

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**1. BASIS OF PRESENTATION**

These interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles (“GAAP”) with respect to the preparation of interim financial information. Accordingly, they do not include all of the information and disclosures required by Canadian GAAP in the preparation of our annual consolidated financial statements. Certain information and footnote disclosure normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. The accounting policies used in preparation of the accompanying unaudited interim consolidated financial statements are the same as those described in our annual consolidated financial statements and the notes thereto from the period of incorporation on April 20, 2006 to December 31, 2006.

These interim period statements have not been reviewed by the Company’s auditors and should be read together with the audited consolidated financial statements and the accompanying notes included in the Company’s prospectus.

**2. CONTINUANCE OF OPERATIONS**

These interim consolidated financial statements have been prepared on a going concern basis, which assumes the ongoing capacity of the Company to realize on its assets and discharge of liabilities in the normal course of business. The Company’s status as a going concern is dependent on its ability to generate future profitable operations and to receive continued financial support from its lenders and shareholders. Management is of the opinion that sufficient working capital will be obtained from operations and external financing to meet the Company’s liabilities and commitments as they become due. Should the going concern assumption not be appropriate, the carrying values and classifications of assets and liabilities would change and those changes could be material. It is not possible to predict the outcome of those matters at this time.

**3. ACQUISITION OF SIMILCO MINES LTD. (“Similco”)**

The Company acquired all the outstanding share capital of Similco on December 22, 2006. The acquisition was accounted for by the purchase method with the Company identified as the acquirer and the consideration comprised of 4,000,000 shares valued at \$64,000 for the initial purchase option and the Company paid an additional \$1,000,000 to complete the purchase. These amounts were allocated to mineral property acquisition costs, together with \$47,526 representative of liabilities of Similco assumed net of other identifiable assets of Similco acquired, as listed below:

Other identifiable assets acquired:	
Cash	\$ 11,949
Accounts receivable	37,610
Prepaid expenses	23,765
Reclamation bond	2,039,000
Property, plant and equipment	50,000
	<u>2,162,324</u>
Liabilities assumed:	
Accounts payable	20,850
Accrued reclamation costs	2,189,000
	<u>2,209,850</u>
Excess of liabilities assumed over non-mineral property assets acquired	<u>\$ 47,526</u>

**COPPER MOUNTAIN MINING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND**  
**FROM THE DATE OF INCORPORATION ON APRIL 20, 2006 TO DECEMBER 31, 2006 (UNAUDITED)**

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**4. MINERAL PROPERTY**

**Copper Mountain Project**  
**Princeton, British Columbia**

The Company acquired mineral claims, leases and properties covering 6,702.1 hectares of the Copper Mountain project upon the acquisition of Similco Mines Ltd. Approximately 10% of the claims are subject to royalties of 1% to 5%.

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

	<b>September 30,</b>	<b>December 31,</b>
	<b>2007</b>	<b>2006</b>
Property acquisition costs	\$ 1,111,524	\$ 1,111,524
Claims costs	376,510	8,846
Geological consulting	330,395	60,259
Exploration expenditures	-	
Amortization	60,841	-
Assays	196,359	626
Claims fees	8,276	2,291
Contract Labour	47,465	11,683
Core Cutting	105,834	-
Data recovery	7,008	6,189
Drilling	2,940,817	4,500
Equipment rental	38,363	11,663
House Rental	6,800	-
Liability Insurance	17,395	-
Mapping	10,844	605
Miscellaneous	49,196	6,173
Salaries	176,774	-
Scoping study	137,535	-
Travel	41,283	-
Utilities	1,352	-
	<u>\$ 5,664,571</u>	<u>\$ 1,224,359</u>

Refer also to note 3.

**COPPER MOUNTAIN MINING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND**  
**FROM THE DATE OF INCORPORATION ON APRIL 20, 2006 TO DECEMBER 31, 2006 (UNAUDITED)**

**5. PROPERTY, PLANT AND EQUIPMENT**

In July, 2007, the Company purchased mining equipment and automobiles from Compliance Energy Corporation ("Compliance") for the sum of \$568,500 in cash consideration. The valuation for the major pieces of mining equipment transferred was determined by an independent third party, while the remaining minor pieces of equipment were transferred at negotiated prices between the parties. In addition, the Company assumed \$523,359 in lease obligations on the acquisition of a D8 Dozer, a 773 Haul Truck, and a 2006 Ford F150 truck from Compliance. The lease obligations have an effective interest rate of 5.2% per annum. The payments are expected to conclude by July 2009.

	September 30, 2007			December 31, 2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Automobiles	\$ 58,305	\$ ( 2,915)	\$ 55,390	\$ -	\$ -	\$ -
Building	50,000	( 3,500)	46,500	50,000	(2,000)	48,000
Computer Equipment	94,874	(16,430)	78,444	36,969	(4,929)	32,040
Mining Equipment	1,063,547	(53,678)	1,009,869	-	-	-
Other Equipment	10,086	(1,857)	8,229	-	-	-
Office Equipment	49,825	(4,982)	44,843	-	-	-
Other Furniture	2,561	(46)	2,515	2,417	(483)	1,934
	<u>\$ 1,329,198</u>	<u>\$ (83,408)</u>	<u>\$ 1,245,790</u>	<u>\$ 89,386</u>	<u>\$ (7,412)</u>	<u>\$ 81,974</u>

**6. SHARE CAPITAL**

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

Issued:

	Common Shares	Amount	Contributed Surplus
Issued at April 20, 2006	-	-	-
• Shares issued for cash	10,338,500	\$ 5,058,500	-
• Shares issued for acquisition of Similco	4,000,000	64,000	-
• Share issue costs	-	(314,878)	-
• Stock-based Compensation	-	-	170,625
Issued at December 31, 2006	<u>14,338,500</u>	<u>\$ 4,807,622</u>	<u>\$170,625</u>
• Shares issued for cash	5,212,250	\$ 7,652,025	-
• Shares issued for finder's fee	36,960	36,960	-
• Share issue costs	-	(951,013)	-
• Stock-based compensation	-	-	936,318
• Option compensation	-	5,000	(5,000)
• Flow-through renounced	-	(1,624,112)	-
Issued at September 30, 2007	<u>19,587,710</u>	<u>\$ 9,926,482</u>	<u>\$1,101,943</u>

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**6. SHARE CAPITAL (Continued)**

The fair value of the stock options granted are estimated on the date of grant using the Black-Scholes Option Pricing Model with the following assumptions: a risk free interest rate of 4.50%, expected life of 5 years, an expected volatility of 40.0%, and no expectation for dividend payments

(b) Stock Options

The Company has a stock option plan whereby it can issue up to 3,000,000 stock options exercisable for a period up to five years from the grant date. The Company has issued 2,360,000 options exercisable at prices ranging from \$1.00 to \$2.30 per share for a period five years from the listing date of the Company's shares on a stock exchange.

Stock options outstanding	For the nine month period ended September 30, 2007		Date of incorporation on April 20, 2006 to December 31, 2006	
	Number of options	Weighted average exercise price Cdn.	Number of options	Weighted average exercise price Cdn.
Beginning of period	-	-	-	-
Granted during period	2,360,000	\$ 1.02	-	-
Exercised in period	(6,250)	\$ 1.00	-	-
End of period	2,353,750	\$ 1.02	-	-

(c) Share Purchase Warrants

The continuity of share purchase warrants (each warrant exercisable for one common share) for the period ended September 30, 2007 is:

Expiry date	Exercise Price	Dec 31, 2006	Issued	Exercised	Expired/cancelled	September 30, 2007
Dec 19, 2008	\$1.10	785,500	-	(2,500)	-	783,000
Dec 28, 2008	\$1.10	10,000	-	-	-	10,000
Dec 28, 2008	\$2.00	-	1,725,000	(15,000)	-	1,710,000
Feb 14, 2009	\$1.10	-	250,000	-	-	250,000
		795,500	1,975,000	(17,500)	-	2,753,000
Weighted average exercise price		\$1.10	\$1.89	\$1.87	\$ -	\$1.66

The continuity of share purchase warrants (each warrant exercisable for one common share) for the period from the date of incorporation to December 31, 2006 is:

Expiry date	Exercise Price	Date of Incorporation on April 20, 2006	Issued	Exercised	Expired/cancelled	September 30, 2007
Dec 19, 2008	\$1.10	-	785,500	-	-	783,000
Dec 28, 2008	\$1.10	-	10,000	-	-	10,000
		-	795,500	-	-	795,500
Weighted average exercise price		\$ -	\$1.10	\$ -	\$ -	\$1.10

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**6. SHARE CAPITAL (Continued)**

(d) Broker Warrants

The continuity of broker warrants (each warrant exercisable for one common share) for the period ended September 30, 2007 is:

Expiry date	Exercise Price	Dec 31, 2006	Issued	Exercised	Expired/cancelled	September 30, 2007
Dec 19, 2008	\$1.10	255,500	-	(85,250)	-	188,750
Dec 28, 2008	\$1.10	123,602	-	-	-	123,602
Jan 2, 2009	\$1.10	-	18,480	-	-	18,480
Dec 28, 2008	\$2.00	-	345,000	(750)	-	344,250
		379,102	363,480	(86,000)	-	656,582
Weighted average exercise price		\$1.10	\$1.95	\$ 1.11	\$ -	\$1.57

The continuity of broker purchase warrants (each warrant exercisable for one common share) for the period from the date of incorporation to December 31, 2006 is:

Expiry date	Exercise Price	Date of Incorporation on April 20, 2006	Issued	Exercised	Expired/cancelled	September 30, 2007
Dec 19, 2008	\$1.10	-	255,500	-	-	255,500
Dec 28, 2008	\$1.10	-	123,602	-	-	123,602
		-	379,102	-	-	379,102
Weighted average exercise price		\$ -	\$1.10	\$ -	\$ -	\$1.10

(e) Escrowed Shares

As required by the TSX Venture Exchange, a total of 7,239,000 common shares owned by directors and officers of the Company are subject to an escrow agreement. 5,859,000 of these escrowed shares are to be released in instalments of 15% every six months. In addition, the remaining 1,380,000 common shares will be released in increments of 20% per quarter.

**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, the balances payable are non-interest bearing and have no fixed terms for repayment.

- During the period ended September 30, 2007, the Company paid fees of \$146,706 to companies controlled by two of its officers and directors for management consulting and administration services. (2006 - \$20,000).
- During the period ended September 30, 2007, the Company paid geological consulting fees of \$49,754 to a company controlled by one of its officers.

**COPPER MOUNTAIN MINING CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND**  
**FROM THE DATE OF INCORPORATION ON APRIL 20, 2006 TO DECEMBER 31, 2006 (UNAUDITED)**

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**8. COMMITMENT**

- (a) During the nine months ended September 30, 2007, the Company raised \$2,102,500 by issuing 1,150,000 flow-through common shares. The Company is obligated to spend that amount by December 31, 2008.
- (b) During 2006, the Company raised \$2,747,500 by issuing flow-through common shares and at December 31, 2006, is obligated to spend this amount on Canadian exploration expenditures prior to December 31, 2007.

**9. SUBSEQUENT EVENTS**

- (a) Subsequent to September 30, 2007, 1,000 broker warrants were exercised at a price of \$1.10 per share. The total proceeds received from these transactions totalled \$1,100. A total of 1,000 common shares were issued from the treasury.
- (b) On November 9, 2007, 2,500 warrants were exercised at a price of \$1.10 per share for total proceeds of \$2,750. 2,500 common shares were issued from the treasury.
- (c) In November, 2007, 23,500 warrants were exercised at a price of \$2.00 per share for total proceeds of \$47,000. 23,500 common shares were issued from the treasury.