

FINAL TRANSCRIPT

Copper Mountain Mining Corporation

Third Quarter Results

Event Date/Time: November 12, 2014 — 10:30 a.m. E.T.

Length: 33 minutes

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

CORPORATE PARTICIPANTS**Rod Shier***Copper Mountain Mining Corporation — Chief Financial Officer***Jim O'Rourke***Copper Mountain Mining Corporation — Chief Executive Officer***CONFERENCE CALL PARTICIPANTS****Tom Meyer***CIBC — Analyst***Mark Turner***Scotiabank — Analyst***Steve Parsons***National Bank Financial — Analyst***Stefan Ioannou***Haywood Securities — Analyst***Jackie Przybylowski***Desjardins Capital Markets — Analyst***Adam Low***Raymond James — Analyst***Peter Campbell***Jennings Capital — Analyst*

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

PRESENTATION**Operator**

Good morning, ladies and gentlemen, and welcome to Copper Mountain Mining Corporation's third quarter results conference call.

At this time, all lines are in listen-only mode. Following the presentation, we will conduct a question-and-answer session. Instructions will be provided at that time for you to queue up for a question. If anyone has any difficulties hearing the conference, please press *, 0 for Operator assistance at any time.

I would like to remind everyone that this call is being recorded on Wednesday, November 12, 2014.

I would now like to turn the conference over to your host, Rod Shier, Chief Financial Officer of Copper Mountain Mining Corporation. Please go ahead.

Rod Shier — Chief Financial Officer, Copper Mountain Mining Corporation

Thank you, Chris (phon). After opening remarks by management in which we will review the business and operational results for the 2014 third quarter, we'll open the lines to participants for questions, as noted by Chris.

Please note that comments made today that are not of a historical factual nature may contain forward-looking statements. This information by its nature is subject to risk and uncertainty

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

that may cause a stated outcome to differ materially from actual outcomes. Please refer to the bottom of our latest news release for more information.

I'll now turn the call over to Jim O'Rourke for his remarks.

Jim O'Rourke — Chief Executive Officer, Copper Mountain Mining Corporation

Thank you, Rod. Good morning, everyone, and thank you for joining us. Today we'll discuss 2014 third quarter results for the operation at the Copper Mountain mine.

I'll briefly summarize the financial results and provide an update on various activities, after which Rod will provide the financial details for the 2014 third quarter.

The 2014 third quarter results continue to show improvements in the operation. This quarter marks our eighth consecutive quarter of improved copper production.

Year to date, copper production remains on track to meet our guidance level of 80 million to 90 million pounds of copper for the year. Commissioning of the new secondary crusher has gone well, and it is operating at rates that allow the mill to reach its design capacity of 35,000 tonnes per day.

Additional fine tuning of the crusher and the SAG mill is a top priority to maximize the mill throughput. Performance to date provides confidence that the milling rates above 35,000 tonne per day are achievable.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

During the period, the Company completed a total of five shipments of copper concentrate, generating \$82.5 million in revenue, net of precious metals, treatment charges, and provisional pricing adjustments.

The mine produced 21.7 million pounds of copper, 6,100 ounces of gold, and 124,100 ounces of silver. This quarter's production is in line with guidance, and is a 22 percent increase in copper production over the same period last year.

The total cash costs for the three months ended September 30, 2014, was US \$1.73 per pound copper sold net of precious metal credits, while the site costs for the period were US \$1.19 per pound produced net of precious metal credits.

During this quarter, the site unit cash costs of copper were reduced mainly because of the reduced costs from discontinuing the temporary pre-crushing, the favourable Canadian dollar exchange rates, plus the higher copper head grade that contributed to the record production of 21.7 million pounds of copper.

Mining activities continued with the majority of ore from Pit 3 during the quarter. More specifically, mining continued with a stage two pushback in Pit 3 and the start of the stage three pushback to the west side of Pit 3. Mining activities in the Pit 2 area continued on the southwest side of the pit.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

During the quarter, a total of 15.3 million tonnes of material was mined, including 4.5 million tonnes of ore and 10.8 million tonnes of waste. The average strip ratio was 2.4 to 1 as compared to an average of 2 to 1 strip ratio for the current life of mine plan.

During the third quarter, the mine moved an average of approximately 178,000 tonnes of material per day. The new dispatch system is working very well, and has helped us attain improved truck factors and improved utilization of our mining equipment. Preliminary numbers indicate that the productivity gains from the dispatch system are equivalent to having an additional haulage truck.

The mining fleet continues to enjoy favourable mechanical availabilities, and the mine operating cost for 2014 third quarter averaged \$1.74 per tonne moved. For the three months ended September 30th, the average head grade was 0.42 percent copper, which was above our guidance levels of 0.375 percent copper.

A significant portion of the ore will continue to be mined from Pit 3 during the balance of 2014, with ore grades planned to be slightly higher than guidance. The mill continued to make steady progress, with increasing throughput as a result of the addition of the new secondary crushing facility and improved copper production with higher ore grade from Pit 3.

The 2014 third quarter reflects two months of operating with the new secondary crusher. During the 2014 third quarter, the concentrator processed 2.8 million tonnes of ore as compared to 2.7 million tonnes of ore for the same period last year. On a tonne-per-day basis, the 2014 third

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

quarter averaged 30,700 tonnes per day, which represents a 5.5 percent improvement from the third quarter last year.

The new secondary crusher is reducing 100 percent of the mill feed to the 2-inch size range. The supplier of the crusher has a few modifications to allow the crusher to provide an even finer product.

We continue to optimize the newly installed crusher and SAG mill operation to maximize mill throughput, and mill throughput to date in November has averaged about 37,000 tonnes per day.

Commissioning of the secondary crusher continues to meet expectations. The crusher processed its first ore on August 4th, and is operating at the designed rate of 3,000 tonnes per hour. During the months of August and September, all of the mill feed was crushed through the new facility.

Minor changes had to be overcome initially. Nuisance stoppages of the conveyor belt feeding the crusher caused by the detection of trapped metal adversely affected the crusher operating time, and in September magnets were installed on the feed conveyor to remove the trapped metal. An additional permanent metal detector with a plow has recently been installed as an added long-term solution for metal removal.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Copper recovery for the third quarter averaged 83 percent, while mill operating time for the quarter was 90.5 percent. Recoveries during this quarter were slightly lower than the prior quarter, partly because of the treatment of some near-surface oxidized ore in the Pit 2 pushbacks.

A safety milestone for the mine was reached at the end of the quarter: over 400 days without a lost time incident. This equates to over 1 million employee hours worked without a lost time incident. This is a major achievement and attests to the team's dedication to ensuring a safe production environment.

We're looking forward to completing the last quarter of 2014 on a strong note with improved throughput from the optimized secondary crusher and continued favourable head grade from Pit 3. We are confident that the mine will deliver production results within the forecasted guidance levels of 80 million to 90 million pounds of copper.

I'll answer any specific questions at the end of the period if you're wishing more detail.

I'll turn it back over to Rod.

Rod Shier

Thank you, Jim. For the three months ended September 30, 2014, the Company recognized net revenues of 82.5 million after pricing adjustments and smelter charges based on sales of 25.3 million pounds of copper, 7,800 ounces of gold, and 133,800 ounces of silver with an average realized copper price of US \$3.17 per pound.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

This compares to net revenues after pricing adjustments and smelter charges of 67.6 million based on an average provisional copper price of US \$3.22 for the three months ended September 30, 2013.

Despite decreasing copper prices, net revenues were up for this quarter by almost 22 percent as compared to the same period last year because of increased copper sales. Third quarter sales also include a recovery of proceeds from the ship loading error which occurred during the quarter.

Cost of sales for the three months ended September 30, 2014, was 63.7 million, which resulted in a gross profit of 18.8 million as compared to cost of sales of 51.2 million, which resulted in a gross profit of 16.4 million for the three months ended September 30, 2013. The increase in cost as compared to the third quarter of 2013 is a result of the mine processing more ore.

General and administrative expenses for the three months ended September 30, 2014, were 1.7 million as compared to 1.2 million for the comparative period of 2013.

Noncash share-based compensation reflected an expense of 0.4 million for the three months ended September 30, 2014, compared to an expense of 0.02 million for the three months ended September 30, 2013, the increase in noncash share-based compensation a result of the vesting of stock options in the period and an increase in the DSU expense as a result of the higher share price of the Company.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

For the three months ended September 30, 2014, the Company recorded finance income of 0.04 million and finance expense of 1.9 million as compared with finance expense of 0.03 million and finance expense of 2.1 million for the three months ended September 30, 2013. Finance expense primarily consists of interest on loans and the amortization of financing fees.

For the three months ended September 30, 2014, the Company recognized a noncash unrealized foreign exchange loss of 15.3 million compared with a noncash unrealized foreign exchange gain of 6.6 million for the three months ended September 30, 2013, which primarily relates to the Company's debt that is denominated in US dollars.

During the third quarter, the Company recognized a noncash unrealized gain on interest rate swaps of 0.2 million as compared with a noncash unrealized loss on the interest rate swap of 0.3 million for the three months ended September 30, 2013, which was related to the revaluation of the interest rate swap liability required under the Company's loan agreements.

It should be noted that these adjustments to income are required under IFRS and are noncash in nature, as outlined in the Company's MD&A and statement of cash flows.

For the three months ended September 30, 2014, the Company recorded a current and deferred income and resource tax expense of 3.7 million as compared with a current and deferred income and resource tax expense of 4.3 million for the three months ended September 30, 2013. This all resulted in a net loss attributable to shareholders of the Company for the three months

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

ended September 30, 2014, of 2.8 million, or \$0.02 per share as compared to a net income of 11.2 million, or \$0.11 per share for the three months ended September 30, 2013.

If we take all the accounting noncash items out, the Company reported an adjusted EBITDA of 61.7 million and adjusted earnings of 18.2 million, or about \$0.15 per share for the three months ended September 30, 2014, compared with adjusted EBITDA of 42.9 million and adjusted earnings of 0.5 million, or nil per share for the three months ended September 30, 2013.

As at September 30, 2014, the Company had cash on hand of 17.8 million and receivables of 32.8 million. The increase in receivables over the prior period is a result of having the last shipment during the quarter occurring on September 29th. Funds of approximately 15 million for this shipment was received very early in October.

On the hedging front, I'd like to remind everyone on the line today that we have no commodity hedging in place and an extremely attractive debt financing package.

In conclusion, we look forward to completing the year on a strong note, and are confident our production targets will be met.

I'd now like to open the lines up for any questions that people may have.

Q&A

Operator

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press *, followed by 1 on your touch-tone phone. You will hear a three-tone prompt acknowledging your request, and your questions will be polled in the order they are received. If you are using a speakerphone, please lift the handset before pressing any keys. One moment, please, for your first question.

Your first question is from Tom Meyer, CIBC. Tom, please go ahead.

Tom Meyer — CIBC

Thank you, and good morning. I'm just curious on the sales front; October 8th, the press release, you sold 37,000 wet—approximately 37,000 wet metric tonnes, and then we learned that it was 46,000 dry metric tonnes today. So what transpired since October 8th to today?

Rod Shier

Yeah. Tom, good question, and we do apologize for that clarity error. The last shipment, the guys—we neglected to include that last shipment in the total on that initial release on October 8th, as well as the mis-loaded cargo, so upon going through our quarterly review that was detected, and hence the increase in sales figure number

Tom Meyer

Okay. And then on the material, the oversized material that was still in the stockpile ahead of the SAG mill. Have you worked through that completely? Or is there still residual oversize that has to go through the SAG in Q4?

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Jim O'Rourke

We're pretty well worked all through it now in the last couple of months. We've had dozers on the pile. We maybe get a little shot of it periodically.

We're still getting a little bit of coarse material from the crusher. The throw on the crusher is 88 millimetres and the opening is 30 millimetres on our closed-side setting, so we can get some 3-inch material through there.

Tom Meyer

But does that occur—are you—obviously you're making the adjustments on it, but is that disruptive to the overall like flotation side?

Jim O'Rourke

Doesn't affect the flotation side; it does affect the SAG mill tonnage periodically if we get a slug of it, but it's just a question of working through it. But we're averaging up in the order of 37,000 tonne a day now with that situation.

I think I did mention that the supplier has some minor modifications to make to the crusher, and we have a conference call today with them to see what we're going to do. And that would minimize that plus-3-inch material that tends to flow through the open-side setting.

Tom Meyer

Okay. Thanks. I'll leave it there.

Operator

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Thank you. Your next question is from Mark Turner, Scotiabank. Mark, please go ahead.

Mark Turner — Scotiabank

Yeah. Thanks, guys. So Tom asked my I think pretty obvious sales revenue question there, so just in terms of the operation and in the MD&A that just came out here it looks like the actual on-site operating costs were about CDN 41 million in the quarter, so about 14.50 per tonne milled. Just wonder if you can give us sort of any clarity on that because clearly there it seems like a \$2 sort of improvement on that metric in the quarter, so not all the improvement in the cash cost here just sort of grade-related. But if you could break that down maybe; like a little more clarity on mining versus maybe some of the savings that you're seeing already at the mill?

Jim O'Rourke

Well, I guess obviously we've been working on trying to minimize our costs, and I think as I mentioned in my talk that we had three things. Number one, we've discontinued the temporary crushing, which was about 1.3 million a month, but then again we're running the secondary crusher, so that's about 300,000. So we've got a net gain there.

Also the Canadian dollar is helping us when you talk about costs in terms of US terms, anyway, on the copper. And also what we found is that some of our supplies, for example, our grinding balls previously were coming from the US and were priced in US dollars. And we're now switched to a Canadian supplier in Canadian dollars, and also they're cheaper, so we have been making considerable strides in reducing the cost, and we'll continue to do so.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Mark Turner

Okay. Thanks. Maybe I'll follow up sort of off-line with some granularity, if I could. I guess the next sort of question; so you've been making and there's still, I guess, some modifications to come on the secondary crusher. Have some of the changes that you were planning on in terms of the SAG mill actually been implemented? Like have you moved that far down on the, I guess, the iterative process of trying to increase throughput here like in terms of grate sizing and that type of thing in the SAG?

Jim O'Rourke

Yeah. I think you notice that the operating time for the quarter was 90.5 percent, I believe, which was a little under our plan. And part of the reason was that with the crusher coming on we wanted to make a number of changes in the SAG mill, so we had a fairly lengthy shutdown where we did change the grades.

We have now a half grade, sort of 65 millimetre, and the other half are 85. We were going to go to 65 and we just wanted to go halfway first, but some other changes were made in the SAG mill with regard to the pulp lifters and also some liners in preparation for operating with the finer product.

So we don't anticipate that that will be a necessity in the future, and we'll get back to our 92 percent operating time, but we have made changes.

Mark Turner

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Okay. But there's still, I guess, more to come in the mill, too, as you figure out the secondary?

Jim O'Rourke

Correct.

Mark Turner

And then just one last question so I understand I think some—maybe the nuance here. So the mill's doing sort of around 37,000 tonnes per day so far this month. Has the secondary crusher been able to keep up with that? Because I mean I guess having been on site a few times we know that when you get that 2-inch material it flies through the mill better than 30,700 tonnes per day. So just wondering if you've been achieving that and maintaining sort of your crushed ore stockpiles where you'd like them to be.

Jim O'Rourke

Yes. In fact month to date in the secondary we've averaged 42,230 in the secondary crusher.

Mark Turner

Great. Thank you.

Jim O'Rourke

Forty-two thousand tonne a day.

Mark Turner

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Great. Thanks, guys, and congrats.

Operator

Thank you. Your next question is from Steve Parsons, National Bank Financial. Steve, please go ahead.

Steve Parsons — National Bank Financial

Yeah. Thanks a lot. Good morning, guys. Maybe a question for Jim, first of all; it sounds like there's going to be a higher proportion of Pit 3 ore in the mine plan for Q4 and, therefore, higher grades. Are there some changes to the mine sequencing here? And is there a chance that you'll see the higher Pit 3 ratios into 2015?

Jim O'Rourke

We're just working on the mine plans right now, Steve, and I think as you know, there are some other considerations there. We have the Virginia pit, the Oriole pit, which are higher-grade pits, and we're looking at sequencing them in for next year, but in fact we're going up to the site today to talk about it.

But the schedule for next year is really mainly from Pit 2. We're doing the pushback of stage three on Pit 3, but we should be finished in the bottom part of Pit 3 this year.

Steve Parsons

Got it. Okay. And just as relates to the Canadian dollar, what percentage of your on-site and off-site costs are in C dollars?

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Jim O'Rourke

I'll let you...

Rod Shier

Yeah. There is direct costs, US dollar direct costs, and we're probably running on average you've got in the order of about 15 to 18 percent are what I consider direct US dollar items. But then you've got US dollar influenced items, such as could be steel, could be fuel, those types of things, so you're probably in the 30, 35 percent that are called US-influenced costs.

Steve Parsons

Got it.

Jim O'Rourke

Of our big eight costs, Steve, labour, which is Canadian-based, is 23 percent, and power, which is BC Hydro, is 12 percent, so there's 35 percent right there. Diesel is generally US-based, I guess, because of the price of oil, but it doesn't seem to be reflecting the price of oil, and it's about 17 percent of our costs.

But what we are noticing is some of the things, like as I mentioned earlier, grinding media, tires, some of these items are coming down in price with the slackness, I guess, in the industry; less demand...

Steve Parsons

Got it.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Jim O'Rourke

But we are seeing some improvements in prices.

Steve Parsons

Okay. Last question; if you could just remind—maybe a question for Rod—if you could just remind us the status of your tax shielding and when you forecast an uptick—or when you expect to be more exposed to cash taxes?

Rod Shier

Again, Steve, that's going to be an impact of what's your assumption on pricing, right, on the revenue side. That is...

Steve Parsons

What about at current copper prices?

Rod Shier

Yeah. Yeah. At current copper prices, we still have a fair tax shield left over a couple of years, and so I wouldn't expect any big change over the next few years.

Steve Parsons

Very good. That's it for me. Thanks, guys.

Operator

Thank you. Your next question is from Stefan Ioannou, Haywood Securities. Stefan, please go ahead.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Stefan Ioannou — Haywood Securities

Great. Thanks, guys. Congratulations on the quarter. Just maybe to follow up a little bit on Mark's question. Just obviously it was great to see the cash costs come down through Q3. Just wondering as we're sort of halfway through Q4 now do you have any sort of feel for the impact that the secondary crushing is having on your overall processing cost in sort of dollars per tonne? Or is it sort of too early for that?

Rod Shier

I think it's too early for that right now. We're still, as Jim says, working through optimization of it, so I think it's too early.

We certainly, as Jim noted, saw a reduction in the quarter of our unit cost on a dollar per pound basis, and that is a direct function, as he said, of the increased production, your US dollar change, and not having to pay the portable crusher cost each month.

Stefan Ioannou

Sure, sure. Okay. And then just maybe on a separate note, is there anything in particular we should be watching for on the exploration front going forward here? Or is it sort of pretty quiet in the background right now with all the focus on the secondary crusher and getting things up to 35,000 tonnes a day?

Jim O'Rourke

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

We did have a meeting not long ago. What we did is we have two advisors to the Board, one Roman Shlanka and Bob Young, both copper explorationists. We did have a meeting recently and sort of trying to work out a long-term strategy.

And what came out of it was a proposal to do a low-level mag survey supported with a helicopter. And that's being done this week, and then once we get those results I think we'll get the group back together again with Peter and look at a strategy to see where we should be focusing our attention.

Stefan Ioannou

Okay. Would that be over the bigger—the overall property package? Or right around the existing mine?

Jim O'Rourke

That's the overall property package.

Stefan Ioannou

Okay. Okay. Great. Thanks, guys, very much.

Operator

Thank you. Your next question is from Jackie Przybylowski, from Desjardins Capital Markets. Jackie, please go ahead.

Jackie Przybylowski — Desjardins Capital Markets

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Hi. Thanks, and congratulations on the quarter. I guess my question following Stefan, and Mark and Tom, also on the cash costs; I know when we were on the site visit back in September you guys had talked about bringing your cash costs down to around the \$2 level once the secondary crusher was up and running. So definitely pleasantly surprised to see them as low as they were, but I was wondering if we should still be looking at that \$2 number that you gave as more of a long-term guidance? Or is this sort of \$1.70 level more sustainable do you think?

Rod Shier

Well, our year-to-date number, our all-in cash cost is \$2, so that's sort of where we were expecting it to go. But you're right, this quarter we certainly did see reduced cost on a per-pound basis, and as Jim noted, the US dollar does have an impact on that exchange rate.

But I would like to think that the guidance we gave you of that \$2 all-in is a longer-term guidance of where we'd be, but we need a few more months to sort it out. We're in the middle of budgeting right now for 2015, and we'd have a little bit more clarity by the end of the year.

Jackie Przybylowski

Okay. Great. I think that's it for me. Thank you.

Operator

Thank you. Your next question is from Adam Low, Raymond James. Adam, please go ahead.

Adam Low — Raymond James

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Good morning, and congrats on a good quarter. My first question is with regards to exchange rates. So I mean you guys are obviously benefitting on the operating front from the lower Canadian dollar, but at the same time it means that the revaluation of your debt every quarter it pushes it higher. Now obviously it's a bit of a natural hedge between the two. Just curious as to whether or not you would consider hedging out the FX exposure on your debt?

Rod Shier

Thanks, Adam. It's a good question. We have our interest rate swap that we put in, and you consider that a perfect hedge. It's over the life of the loan. And you're right. We also have a natural hedge because we're paying in US dollars. We pay out in US dollars and we get US dollars back.

So at this stage we don't have a plan to go forward with any additional foreign exchange hedging.

Adam Low

Okay. The modifications you're making to the crusher to fine tune it here, are you guys expecting any downtime related to that this quarter?

Jim O'Rourke

Of the crusher? We believe that we can probably live off the pile if the crusher is down for a period. Usually our stockpile in front of the mill is good for a few days. So I wouldn't anticipate at this time anyway any downtime related to it.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Adam Low

Okay. And you guys gave us the quote about how the throughput is doing through the first week of November. I'm curious, what was throughput like averaged over the month of October?

Jim O'Rourke

Well, I think as we mentioned with regard to October, if you're talking tonnes per calendar day it would be down because, as I mentioned, we had a fair amount of downtime during October, again, making some grate changes—or not grate changes, but some changes to the mill. So it was in the order of, again, a little over 30,000 tonne a day.

Adam Low

All right. Thank you.

Operator

Thank you. Ladies and gentlemen, as a reminder should you have a question, please press *, followed by 1 on your touch-tone phone.

Your next question is from Peter Campbell, Jennings Capital. Peter, please go ahead.

Peter Campbell — Jennings Capital

Thank you for taking my call this morning. Just one quick question; am I right in assuming that you're going to have to renegotiate your TC/RCs in the spring?

Jim O'Rourke

I don't think so, (unintelligible).

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Rod Shier

No. I don't—I think it's one more year, Peter. It's five years they were set it for, and we started in 2011.

Peter Campbell

I see. Okay.

Rod Shier

Yeah. So you're going to have one more year.

Peter Campbell

Okay. And then are there any sort of spot adjustments to that like base rate that was negotiated? Because I guess like what I'm getting at is we're starting to see some upward pressure on TC/RCs, and I'm just kind of wondering if that's going to affect you at all at any point in the coming year?

Jim O'Rourke

No...

Peter Campbell

And so that's not going to happen then until like you have to renegotiate your TC/RCs, and that'll be a year from now? I mean a year from the spring?

Rod Shier

Yeah. That's correct.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Peter Campbell

All right. Perfect. That's all that I had. Thank you very much.

Operator

Thank you. There are no further questions at this time. Please proceed.

Rod Shier

Well, thank you very much, everyone. Appreciate you calling in and showing interest in the third quarter results. And as usual, Jim and I are available for questions; if you have any additional questions just free to call us directly.

Thank you very much. Good bye.

Jim O'Rourke

Thanks, everyone.

Operator

Thank you. Ladies and gentlemen, this concludes your conference call for today. We thank you for participating and ask that you please disconnect your lines.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »