

FINAL TRANSCRIPT

Copper Mountain Mining Corporation

Second Quarter Results

Event Date/Time: August 11, 2014 - 10:45 a.m. E.T.

Length: 41 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**Rodney Shier**

Copper Mountain Mining Corporation –Chief Financial Officer

James O'Rourke

Copper Mountain Mining Corporation –Chief Executive Officer

CONFERENCE CALL PARTICIPANTS**Mark Turner**

Scotiabank – Analyst

Stefan Ioannou

Haywood Securities – Research Analyst

Aleksandra Bukacheva

BMO Capital Market – Analyst

Steve Parsons

National Bank Financial – Analyst

Adam Low

Raymond James – 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 the Copper Mountain Mining Corporation Second Quarter Results Conference Call. At this time, all lines are in a listen-only mode. Following the presentation, we will conduct a question and answer session. Instructions are provided at that time for you to queue up for a question.

If anyone has any difficulty during the call, please press star, zero, for Operator assistance at any time. I would like to remind everyone that this call is being recorded on Monday, August 11th, 2014.

I would now like to turn the conference over to Rodney Shier, CFO. Please go ahead.

Rodney Shier – Chief Financial Officer, Copper Mountain Mining Corporation

Thank you, Joanna (phon). After opening remarks by Management in which we will review the business operating results for the second quarter of 2014, we'll open the lines for questions as noted by Joanna.

Please note that comments made today that are not of a factual historical nature may contain forward-looking information. This information, by its nature, is subject to risks and uncertainties that may cause the stated outcome to differ materially from

"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. »

actual outcomes. Please refer to the bottom of our latest Press Release for more information.

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

James 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 second quarter results of operation at the Copper Mountain mine. I'll briefly summarize the financial results and provide an update on the various activities, after which Rod will provide the financial details for the 2014 second quarter.

The 2014 second quarter continued to show improved operational results. The mine delivered another record production quarter as a result of continued focus on integrating the three portable crushers into the grinding pre-crusher circuit. During the quarter, up to 40 percent of the SAG mill feed was pre-crushed with a recent rate at about 12,500 tonnes per day. The short-term crushing measures were implemented in 2013 have contributed to a steady increase in throughput during the first half of the year while the permanent crusher has been under construction.

For the three months ended June 30th, the Company completed a total of three shipments of copper concentrate generating \$68 million in revenue after provisional pricing adjustments. Ship availability during the quarter limited sales volumes; hence

"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. »

the mine shipped 32,700 dry metric tonnes of concentrate containing approximately 18 million pounds of copper, 6,300 ounces of gold, and 94,900 ounces of silver. Revenues were up for this quarter as compared to the same period last year because of increased copper production, although at decreased copper prices.

The 2014 second quarter set a new production record for the mine. For the three months ending June 30th, 2014, the mine produced 35,800 dry metric tonnes of concentrate, containing 19.9 million pounds of copper, 5,000 ounces of gold, and 113,300 ounces of silver. This represents a 27 percent increase in copper production as compared to the same period last year. It is in—and is on track with our 2014 guidance.

The totaled cash costs net of precious metal credits was US\$227 per pound of copper sold, while site cost net of precious metal credits were US\$163 per pound copper produced for the three months ending June 2014.

Mining activities continued with a majority of ore from Pit 3 during the quarter while the mining in Pit 2 was focused on the pushback in the southwest end of the Pit 2 pit.

During the quarter, a total of 16.1 million tonnes of material was mined, including 4.6 million tonnes of ore and 11.5 million tonnes of waste. The average strip

"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. »

ratio was 2.5 to 1 as compared to the 2.2 (phon) to 1 strip ratio projected for the current mine life plan.

During the second quarter, mine moved approximately 174,000 tonnes of material per day. With the addition of the two new haul trucks that were commissioned in May and the new dispatch system, productivity increased to the 200,000 ton per day capacity level in June. The mining fleet continued to enjoy favorable mechanical availabilities. Mine operating costs in the first half of the year averaged \$1.76 per ton moved, which includes the extra temporary explosive costs for improved fragmentations to assist mill throughput.

For the three months ending June 30th, the average head grade was 0.39 percent copper, which is a little above guidance levels of 0.375 percent copper. Looking to the remainder of 2014, the majority of the ore is scheduled from Pit 3 which contained slightly higher grades.

For the 2014 second quarter, the concentrator milled a total of 2.8 million tonnes of ore as compared to 2.5 million tonnes of ore for the same period last year. On the tonnes per day basis, the 2014 second quarter averaged 30,477,000 (phon) tonnes per day versus 27,302,000 (phon) tonnes per day for the same period last year. This 12 percent improvement in throughput over the last year is attributable to the short-term

"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. »

crushing strategies that we implemented over the past year. Copper recovery for the second quarter averaged 84 percent while mill operating time for the quarter was 90 percent.

We're extremely pleased to announce that the mechanical completion of the new secondary crusher was achieved at the end of July and the project came in on time and within the \$40 million budget. The tie-in of the new secondary crusher into the existing one kilometer overland conveyor that transfers ore from the primary crusher to the new secondary crusher and the mill feed's stockpile was successfully completed without any operational interruptions to the site milling operation.

The secondary crusher processed its first ore last week and the crusher operated well at the 2,600 ton per operating hour rate. With the contribution of the new crusher during the commissioning of the SAG mills through— commissioning, the SAG mill throughput averaged 34,442 tonnes per day during the first week of August. We have had some hiccups in the commissioning period with conveyor drive, but the crusher is performing well in the 2,600 to 3,100 tonnes per operating hour range. We are seeing finer feed to the mill and our mill tonnage has recently increased to the 1,700 ton per operating hour range.

"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. »

Operations are steadily improving as the live crushed over stockpile transitions from the minus 5.5 inch to the new reduced ore feed size of minus 2 inch. With the new secondary crusher in full operation, the Company intends to dismantle the temporary portable crushing units that were put in place over the past 12 months and this change will help reduce our operating costs at the site.

On the exploration side, the Company plans additional drilling in the Oriole deposit, known this fall, (phon) to assist with mine planning and upgrade some of the inferred resources in order to incorporate this deposit into the 2015 mine plan. Additional drilling is also being planned for other areas of the mine to assist with further optimization of the mine production plan.

Operational highlights for the second quarter included improvements in both mining and milling areas. The recent installation of the mine dispatch system has provided immediate increased load factors on the trucks and improved utilization of the mining equipment; both of these improvements have contributed to better productivity.

On the milling side, we recently installed (phon) an expanded mill expert system that has helped improve automation on the grinding and flotation circuits. During this quarter, favourable head grade and steady progress in mill throughput contributed to

"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. »

another record quarter of improved copper production at the Copper Mountain Mine site.

Looking at the remainder of 2014, we are focused on achieving our target throughput rates of 35,000 tonnes per day or greater now that the new permanent crusher is operational. We are extremely pleased with everyone's efforts that have allowed us to complete the installation of the permanent crusher on time and on budget.

In the first half of the year, the mine delivered production results that were in line with our annual guidance levels of 80 million to 90 million pounds of copper by utilizing the temporary crushing initiatives, which represents a 27 percent increase in the 2013 copper production. In the second half of the year, we are confident our production target will be achieved.

We have a strong operating team at the mine and we will continue to focus on improved efficiencies and in directions to maximize our copper production. I'll answer specific questions in the question and answer period for those wishing more details.

I'd like now to turn it over to Rod.

Rodney Shier – Chief Financial Officer, Copper Mountain Mining Corporation

Thank you, Jim. For the three months ended June 30th, 2014, the Company recognized net revenue after pricing adjustments and sellthrough charges of \$68 million based on an average realized copper price of US\$3.08 per pound. This compares to net revenues after pricing adjustments and smelter charges of \$45.7 million based on an average provisional copper price of US\$3.18 for the three months ended June 30, 2013. This increase in revenue have resulted increased sale volumes as compared to the same period last year.

The mine shipped and sold a total of 18 million pounds of copper, 6,300 ounces of gold and 94,900 ounces of silver during the three months ended June 30, 2014. This compares to a total of 14.7 million pounds of copper, 5,400 ounces of gold and 66,000 ounces of silver during the three months ended June 30, 2013. The increase in sales volumes is a result of increased production of the mine as compared to the 2013 quarters.

Cost of sales for the three months ended June 30, 2014 was \$57.6 million, which resulted in a gross profit of \$10.4 million as compared to cost of sales of \$47.3 million which resulted in a growth loss of \$1.6 million for the three months ended June 30, 2013. This increase in cost is compared to the second quarter of 2013; a result of the mine processing more ore and the addition of temporary crushing and blasting

"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. »

measures that contributed an additional \$1.3 million to \$1.5 million per month to the site costs.

General and administrative expenses for the three months ended June 30, 2014 were \$1.3 million as compared to \$1 million for the three months ended June 30, 2013. Noncash share base compensation reflected an expense of \$1.4 million for the three months ended June 30, 2014 compared to a recovery of 0.04 million for the three months ended June 30, 2013. This increase is due to the issuance of stock options during the quarter and an increase in the DSU liability as a result of the higher share price for the Company's shares during the quarter.

For the three months ended June 30, 2014, the Company recorded finance income of \$0.1 million and finance expense of \$2.6 million as compared with finance income of \$0.09 million and finance expense of \$2.2 million for the three months ended June 30, 2013. Finance expense primarily consists of interest on loans and amortization of financing fees.

For the three months ended June 30, 2014 the Company recognized a noncash unrealized foreign exchange gain of \$10.9 million compared with a noncash unrealized foreign exchange loss of \$10.5 million for the three months ended June 30, 2013, which primarily relates to the Company's debt that is denominated in US 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. »

During the second quarter, the Company recognized a noncash unrealized loss on the interest rate swap of \$1.6 million as compared with a noncash unrealized gain on interest rate swap of \$2.3 million for the three months ended June 30, 2013, which is 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 June 30, 2014, the Company recorded a current resource tax expense of \$0.3 million and a deferred income and resource tax expense of \$1 million as compared with the current resource tax expense of \$0.1 million and deferred income and resource recovery of \$1 million for the three months ended June 30, 2013. This all resulted in a net income attributable to Shareholders of the Company for the three months ended June 30, 2014 of \$9.5 million or \$0.08 per share, as compared to a net loss of \$14.8 million or \$0.15 per share for the three months ended June 30, 2013.

As at June 30, 2014, the Company had cash on hand of \$20.2 million which includes Mitsubishi Materials' contribution for their share of the secondary crusher.

"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. »

Approximately three-quarters of the total capital cost of the secondary crusher has already been spent and committed.

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, the second quarter of 2014 delivered another record quarter of improved copper production and included operational improvements in both mining and milling areas. Currently, commissioning of the secondary crusher is progressing smoothly and we are pleased with the progress. We're confident our production targets will be achieved in the second half of this year.

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

Q & A

Operator

Thank you. Ladies and gentlemen, we will now begin the question and answer session. Should you have a question, please press the star, followed by one, on your touchtone phone. You will hear a three-tone prompt acknowledging your request. Should you wish to decline from the polling process, please press the star, followed by the two. If you are using a speaker phone, please lift the handset before pressing the keys. One moment for your first question.

"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. »

Your first question comes from Mark Turner of Scotia Bank. Please go ahead.

Mark Turner – Analyst, Scotiabank

Yes, good morning, guys. Congrats on quarter—in-line quarter, but I think all was a good thing with a single assets, specifically with the amount of work that you guys had been doing on-site there. I guess, number of questions, but maybe I'll just ask a few first and get into back of the line.

Jim, you'd mentioned on the call sort of about the grade profile for the second half of the year. I just wanted to make sure I understood sort of correctly that the grade for the second half coming from Pit 3 is—is that to be higher than originally planned or then higher than what you had actually, I guess, put through the mill in Q2?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

No. Just higher than our average grade for the mine, in general. I think our average grade was 0.35. Our guidance was 0.375 in the first half with around 0.39, so it should probably continue in that range.

Mark Turner – Analyst, Scotiabank

Okay. So, staying around a 0.375, maybe slightly higher, but not necessarily what was achieved in the first half? Okay. Understood. Thank you.

Then just, I guess my second sort of set of questions; I'm just trying to understand where maybe some of the short-term risks lie in terms of ramping up the secondary crusher. So, it sounds like the tie-in's done so there should be no sort of direct impact on that. In the MD&A, I thought it said that you're going to leave some of these portable secondary crushers sort of in place or mobilized for the next little while; is that not the case? Are you starting to de-mobe those right now ahead of, I guess, sort of working through some of the ramp up issues on the secondary?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

No. In fact, like our own crusher, that's been shutdown already and we've moved our people over to operate the permanent secondary crusher.

With regard to the contractors, those have also been stopped and we've run down the coarse ore stockpile to accommodate more of the crushed material from the crusher. So, there really won't be anything there for the contractor to crush. So no, it's fairly immediate.

Mark Turner– Analyst, Scotiabank

Okay. I guess I understand they've all been shutdown, but your—the ones that you own, like are they still sort of in place? So, just wondering like if there's—if some, you know, unexpected period of downtime that the crushers are still there, so you could

potentially turn them on, if need be or they—have they been actually started to be demobilized?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

No. Definitely, our crusher is still sitting there at the pile so it could be used at any time.

Mark Turner – Analyst, Scotiabank

Okay. Perfect. Then just is one question...

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

But I mentioned there also, you know, that coarse ore stockpile in front of the mills is about 200,000 ton capacity. So, you know, there's a fair amount of flexibility there with regard to any repairs or delays with regard to the other crusher.

Plus, the fact that the secondary crusher is designed to operate at about 3,000 tonnes an hour so it only has operated about 65 percent of the time, in order to accommodate the mill.

Mark Turner – Analyst, Scotiabank

Right. Understood. I guess during that first week, you'd pushed it to sort of 70 percent; is that—of throughput on operating hour basis—is that...?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

That 70 percent was the power on the crusher and we started out the crusher with a two-inch close-side (phon) setting. It's since been adjusted to the 38 millimeters now and its operating well below its power draw. So, it's working very well, running very smoothly in 3,000 ton an hour range.

Mark Turner—Analyst, Scotiabank

Great. Okay. Just one last I guess sort of set of questions here speaking with the—you mentioned you're going to drill—do more drilling on Oriole for the 2015 mine plan. Just, longer-term or medium-term, I guess, when can we expect to sort of see an updated mine plan? Is that going to be—and more than I guess a year out—is that a sort of, again, like a year out once you get a handle on what the secondary crusher can actually do?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Well, we do our budgets in the fall of every year and at that time, we redo our mine plan.

Mark Turner – Analyst, Scotiabank

Right. I guess—so you've been doing this guidance for a year. Once you get the secondary crusher sort of up and running with—at sort of steady states, is there any sort

of a plan to put out maybe a sort of a five-year guidance, that type of thing in terms five-year mine plan?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

I don't think that's normal. We'll give next year's guidance after we complete the budget, if that's what you're wondering.

Mark Turner – Analyst, Scotiabank

Yes. I guess I'm just trying to conceptually think of, you know, potentially hear (phon) this—with the secondary crusher, the mill can be, I think, in excess of 35,000 tonnes per day and then I just—just trying to, I guess, reconcile that belief or that thought with you know, how the mine plan goes forward in terms of building stockpiles because obviously, you have to throw out the old mine plan, but there was—at those mine rates and that processing rate, you're going to be building stockpile for a number of years. I'm just trying to think if that should—our expectations of that should come down and sort of the grade (phon) profile over the next few years. But yes, I guess, understood that you're still working through that right now.

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Yes. I think, you know, so far what we've done, all of our mine plans are based on 35,000 ton a day going forward. Until we know differently, we really can't do much

and we'll be looking at that. As I say, we complete our new mine plans sort of end of October and it goes to the Board and that in start of December.

So, at that time, we'll be in a better position to really say what the future is.

Mark Turner – Analyst, Scotiabank

Great. Thanks, guys.

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Thanks Mark.

Operator

Thank you. Your next question comes from Stefan Ioannou from Haywood Securities. Please go ahead.

Stefan Ioannou – Research Analyst, Haywood Securities

Great. Thanks, guys. Great to see the progress with the crusher. Just maybe for Rod just a question on the CAPEX. You mentioned that, you know, I guess, 75 percent of the \$40 million has been spent to-date; that's as of June 30, right? Like is it fair to assume the remaining 10 has been spent in July?

Rodney Shier – Chief Financial Officer, Copper Mountain Mining Corporation

Well, then you're quite correct. I mean, we've all—we've incurred it all, but don't forget we have delayed payments on about \$5 million of it. When we went into the planning, we figured we'd spend about \$35 million by the time it was commissioned...

Stefan Ioannou – Research Analyst, Haywood Securities

Mm-hmm.

Rodney Shier – Chief Financial Officer, Copper Mountain Mining Corporation

...and that's about where we're at from a commitment point of view.

Stefan Ioannou – Research Analyst, Haywood Securities

Okay. Okay. Great. Then just on the secondary crusher as well, I mean I know it's early days but do you have even a small sense, so far, of what the impact on your cash costs might be going forward here, in terms of cost savings?

Rodney Shier – Chief Financial Officer, Copper Mountain Mining Corporation

Not yet. Not yet. It would just be a guess because as Jim pointed out before, we're going to see savings from when the temporary crushers get taken down. We'll perhaps see similar savings that a Cisco (phon) saw in their mill in fuel (phon) consumption. So, we'd be just guessing right now.

Stefan Ioannou – Research Analyst, Haywood Securities

Okay. I guess going forward, when this is obviously going to be interesting to watch, but are there any sort of other initiatives that have been at least identified, so far, in terms of major cost savings as sort of the next step after the secondary crusher, or is it sort of just a lot of fine tuning here and there?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Well, I guess with regard to—there's two aspects. One is the mine and the costs of the mine and the mill are about equal. The mine, the dispatch system we put in, it's been extremely helpful. The guys have greatly improved their tire life with better road conditions.

With regard to the dispatch system, we've increased our loading on the trucks which has, in effect, saved us an extra truck. So, there's just a lot of things going on right now and I think particularly in the mine with the dispatch system, there's just a lot of things to evaluate and we're getting flooded with data from it.

With regard to the mill, we've got a lot of tune-up to be doing. We—I think as we mentioned earlier with the finer fee to the SAG mill, we're going through a transitional phase in trying to optimize the grade size and also then, because the SAG mill will be taking a little bit of load off the ball mills, we anticipate we'll be changing the openings

in the screens on the discharge of the SAG mill to take a little load off the ball mill so that they'll handle more tonnage.

So, there's just a lot of optimization that's going to be going on in the next couple of months.

Stefan Ioannou – Research Analyst, Haywood Securities

Okay. Great. Great. Thanks very much, guys. I appreciate it.

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Okay.

Operator

Thank you. Your next question comes from Sasha Bukacheva from BMO Capital Market. Please go ahead.

Aleksandra Bukacheva – Analyst, BMO Capital Market

Thank you, Operator. Good morning, Jim, Rod. Thank you very much for the update. So, just so you know, trying to dig in a little bit different to understand the structure of the costs here. So, do you have a sense of what is the standalone cost of operating the second crusher on a monthly or quarterly basis?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

"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."

22

« 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. »

Probably in the order of \$0.5 million.

Aleksandra Bukacheva – Analyst, BMO Capital Market

A month or a quarter?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Month.

Aleksandra Bukacheva – Analyst, BMO Capital Market

A month? Okay. Great. Thank you. Then second question...

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

That's a guesstimate at this time, because we don't have a really good handle on the wear rates yet.

Aleksandra Bukacheva – Analyst, BMO Capital Market

Fair enough. So your plan is, I guess, you would get that sense once it's ramped up over the next three to six month; would that be a fair timeline?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Yes.

Aleksandra Bukacheva – Analyst, BMO Capital Market

Okay. Then the second question, with regards to Oriole pit; do you need any additional mining permit or permit amendments to sequence that into your mine plan?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

The amendment application is in and yes, we do have to have an amendment approved and we don't anticipate a big delay in that in that the Oriole is really just an extension of the south part of Pit 3.

Aleksandra Bukacheva – Analyst, BMO Capital Market

Fair enough. What's the latest you would need the approval in order to sequence it into your 2015 mine plan?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Late this year.

Aleksandra Bukacheva – Analyst, BMO Capital Market

Okay. Okay. Thank you very much. I have no further questions.

Operator

Thank you. Your next question comes from Steve Parsons of National Bank Financial. Please go ahead.

Steve Parsons – Analyst, National Bank Financial

Yes. Good morning, Jim, Rod. Nice to see the—thanks for the update—nice to see the crusher delivering the desired results for the mill. Question on the mine, though; with the couple extra trucks you've taken the mining rate up from some 174 to 200, presumably as you work through this pushback to Pit 2, but also the pushback with Pit 3. Now, could you just remind me what the size is Stage 2 pushback for Pit 3 and how long it's going to last for?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Pit 3? We're in the Stage 2 pushback in Pit 3 now.

Steve Parsons – Analyst, National Bank Financial

Right.

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

We're through most of it and we've started pushback on the south side of Pit 3 as well and also, we're doing a pushback in Stage 2 and it's just part of sequencing.

Steve Parsons – Analyst, National Bank Financial

How long are you going to stay at the 200,000 ton a day mining rate?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Well I think to be honest with you Steve, that was probably a positive surprise to us. We got the two extra trucks. We got the dispatch system working, which has been

excellent, and we also have been working on optimization of the dump locations and that's an ongoing process.

Steve Parsons – Analyst, National Bank Financial

Okay.

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

So, we obviously, are trying to get our hauls as short as possible, but that's been very helpful to us. But also, the road conditions have improved. They're getting a lot better and we intend to continue to work on all these strategies to keep tonnage up.

Steve Parsons – Analyst, National Bank Financial

Right. So, I'm just thinking from a modeling perspective. I mean, if I start modeling 200,000 tonnes a day, I'm modeling more waste and there's more costs associated with that. So, it's good to see the mining rate up. It's just on a modeling perspective, it would result in sort of higher, you know, waste stripping.

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Yes. No. That—I wouldn't do that. That's not the plan. Our budget is 175,000 tonnes a day and, you know, anything above that will depend on what we need with

regard to the mill too. You know, the mill is budgeted for 35,000 tonnes a day and if it's going to be above that, that changes things a bit, too.

So, really, we won't know until the end of the year when we do our mine plan.

Steve Parsons – Analyst, National Bank Financial

Got it. Okay. Jim, on...

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

But I've already told you it's 175,000 tonnes a day.

Steve Parsons – Analyst, National Bank Financial

Very good. Thanks for clarifying that. On the recovery; so you're sort of back— your recoveries have slipped a bit as you've sort of moved back to a higher proportion at Pit 3 or do you see those recoveries getting back up to sort of the 87 level as you kind of work through an optimized Pit 3?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Well, I think it's been shown over the past couple of years that typically, Pit 3 is an 84 range; Pit 2 is an 87 range. So, depending on the blend, it's going to vary between the two.

Steve Parsons – Analyst, National Bank Financial

Okay. The back half year is probably Pit 3?

"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. »

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

It should be, yes.

Steve Parsons – Analyst, National Bank Financial

Indicated. Okay. Then plan for 2015, is—what does the blend look like for Pit 2 and Pit 3?

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Well, we're just working on that now, Steve.

Steve Parsons – Analyst, National Bank Financial

Got you. Okay. That's it for me. Thanks a lot, Jim.

James O'Rourke – Chief Executive Officer, Copper Mountain Mining Corporation

Okay.

Operator

Thank you. Your next question comes from Adam Low from Raymond James. Please go ahead.

Adam Low – Analyst, Raymond James

Good morning, and like others have mentioned, congrats on the smooth start up so far, of your secondary crusher. Only one question for me just with respect to transportation costs. They were considerably higher during the quarter and about \$4.9

"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."

28

« 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. »

million. In previous quarters, it was \$3.4 million. Now, obviously some of that is the increase in volumes that you guys have been getting, but when I look at our per pound basis, transportation costs were about \$0.26 versus \$0.16 in previous quarters.

Just wondered if there was a one-time charge included in that or, you know, what the reason might be for the increase.

Rodney Shier – Chief Financial Officer, Copper Mountain Mining Corporation

You're quite correct, Adam, there was a one-time charge. There was a carryover of some invoicing in the prior period that didn't get done by Arrow. So, we caught it up in this quarter.

Adam Low – Analyst, Raymond James

All right. Thank you. That's it for me.

Operator

Thank you. Ladies and gentlemen, as a reminder, should you have a question, please press the star, followed by the one.

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

Rodney Shier – Chief Financial Officer, Copper Mountain Mining Corporation

Thank you very much. Appreciate everyone's participation in our second quarter conference call and, as usual, Jim and I are available if you have any questions; other questions, don't hesitate to give us a call directly.

Thank you. Goodbye.

Operator

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