

FINAL TRANSCRIPT

Copper Mountain Mining Corporation

Second Quarter Results

Event Date/Time: August 12, 2013 — 10:30 a.m. E.T.

Length: 37 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****Stefan Ioannou***Haywood Securities — Analyst***Mark Turner***Scotiabank — Analyst***Aleem Ladak***PI Financial — Analyst***David Forster***Merrill Lynch — Analyst***John Hayes***BMO Capital Markets — Analyst***Adam Low***Raymond James — Analyst***Garnet Salmon***Jennings Capital — Analyst***Ian Parkinson***GMP Securities — 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 second 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 Monday, August 12, 2013.

I would now like to turn the conference over to Chief Financial Officer, Rod Shier. Mr. Shier, please go ahead.

Rod Shier — Chief Financial Officer, Copper Mountain Mining Corporation

Thank you, Joanna (phon). After opening remarks by management in which we will review the business and operational results for Q2 2013, we'll open the lines to all participants for questions, as noted by Joanna.

Please note that the 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

"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. »

uncertainties that may cause the 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, Chief Executive Officer, 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're going to discuss the second quarter operational and financial results for Copper Mountain Mining Corporation.

I will briefly review the mine's operational results for the period and provide you with an update on various activities, after which Rod will provide you financial commentary on the quarter.

During the period, the Company completed a total of three shipments of copper concentrate, generating \$45.7 million in revenue, net of provisional pricing adjustments. The mine produced a total of 15.7 million pounds of copper, 56,000 ounces of gold, and 71,000 ounces of silver.

For the three months ending June 30, 2013, total cash cost per pound sold net of precious metal credits was US \$2.32. Site cash cost per pound of copper produced net of precious metal credits was US \$1.81 for the period.

Mining activities continued from both the Pit 2 and Pit 3 areas during the quarter, as planned, and averaged approximately 171,000 tonnes per day mined. In total, 14.7 million tonnes were mined, including 4.4 million tonnes of ore and 10.3 million tonnes of waste.

"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. »

Ore delivered to the mill was mainly from Pit 2 area and lower grade than that planned in the balance of the year, when the majority of the mill feed will be a higher grade from the Pit 3 area. The average strip ratio for the quarter was 2.3:1 as compared to the average 2.1 strip ratio projected in the current life of mine plan.

This first quarter the concentrator milled a total of 2.5 million tonnes of ore at an average copper head grade of 0.33 percent copper. Mill improvements were achieved during the quarter in spite of the mill transformer loss time incident in mid-May that was fully repaired by early June, a week ahead of the announced schedule.

Both our supplier and mill crews reacted expeditiously to minimize our downtime. The repaired transformer had all three sets of coils replaced, and was fully inspected and certified as new prior to being returned to service.

The mine exited the quarter on a positive note, with June's mill availability at 92.3 percent, mill averaging throughput 12 percent higher than that in the first half, and copper production of 6.1 million pounds for the month. Average mill availability was 86.6 percent for the quarter, which is our record operating time for a quarter since commissioning.

Copper recoveries for the second quarter were 87.3 percent as compared to 82.7 percent for the first quarter of 2013, which can be attributed to reagent testing and the expert system optimization, which is continuously being improved to our maximize recoveries.

"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. »

Plans for the mill operation for the balance of the year include all available methods to provide finer ore to the SAG mill. Higher powder factor blasting of ore is continuing to maximize fragmentation. The contract crusher continues to provide about 4,500 tonnes per day of minus 2-inch ore, although their reliability has not been at levels that we would like to see. The contractor, though, is working to improve their operating performance.

In addition to this limited contracting crushing, the mine purchased a new portable crusher in late July for approximately \$1.5 million to provide up to 7,500 tonnes per day of minus 2-inch material for the SAG mill. The new portable crusher is located at the coarse ore stockpile, and provides a more direct impact on the SAG mill feed.

The combination of these three short-term measures has yielded positive results toward increasing throughput. However, we are still struggling to achieve our designed 35,000 tonne per day on a consistent basis. Currently, mill throughput rates in the 30,000 to 32,000 tonne per day range are being achieved with these short-term improvements.

Ore sizing information available from the cameras on the SAG mill that continuously measure the feed size have proven to be very helpful in analyzing the effects of the finer feeds to the SAG mill throughput.

Test runs in the plant with various amounts of pre-crushed ore to the minus 2-inch range demonstrate the potential of the throughput increases possible. These analyses favour long-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. »

solution of proceeding with the installation of a secondary crusher, which will provide a long-term tonnage solution.

Engineering studies have been completed that confirm the economic viability of this expansion. Management is working with our partners and the project bankers to obtain agreement to expedite the project.

The installation of a SAG mill pre-crusher or secondary crusher that would be able to deliver minus 2-inch material ore on a consistent basis is projected to ensure the 35,000 tonne per day design capacity with the potential to increase the capacity of the concentrator up to the 40,000 tonne per day range or a 25 to 30 percent increase in tonnage. Similar increases have been experienced by other mines in North America which have also installed secondary crushers to maximize production.

Capital cost for the second crusher is projected to be approximately \$40 million with a 12-month construction period. The installation is planned to avoid any disruption in the operations.

The \$40 million capital investment provides an excellent return on capital in a short payback period of less than one year. Adding the secondary crusher will provide a steadier operation, and allow more reliable production forecasts, increased copper production, and resulting lower unit copper production costs.

I'd now like to turn the call over to Rod to discuss the financial results. Thank you.

Rod Shier

"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, Jim. During the second quarter of 2013, the Company recognized revenue of 45.7 million net of a 5.3 million negative pricing adjustment and 4 million in treatment charges based on an average provisional copper price of 3.18 per pound as compared with revenues of 60.7 million net of pricing adjustments and an average provisional copper price of US 3.44 per pound for the period ending June 30, 2012. This reduction in revenue is primarily a result of lower sales volume and metal prices as compared to the same period last year.

The mine shipped and sold 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. This compares to a total of 18.1 million pounds of copper, 5,600 ounces of gold, and 124,000 ounces of silver during the three months ended June 30, 2012.

The decrease in sales volume is a result of the mine processing lower grade material averaging 0.33 copper head grade this period as compared to an average grade of 0.41 copper during the same quarter last year as the mine was operating primarily from Pit 3. Despite the mine milling more material this year, the net effect is lower copper production as a result of processing lower grade during the quarter, which was again, noted mainly mining from the Pit 2 area during this period.

The cost of sales for the three months ended June 30, 2013, was 47.3 million, which resulted in a gross loss of 1.6 million compared to cost of sales of 48.8 million, which resulted in a gross profit of 11.9 million for the period ended last year.

"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. »

General and administrative expenses for the three months ended June 30, 2013, were 1 million and very comparable to the 1.2 million for the three months ended June 30, 2012.

Noncash share-based compensation reflected a recovery of 42,000 for the three months ended June 30, 2013, compared to an expense of about 840,000 for the three-month period ended June 30, 2012. The decrease in noncash share-based compensation was a result of the stock options issued in prior periods now being fully vested.

For the three-month period ended June 30, 2013, the Company recorded finance income of 86,000 and finance expense of 2.2 million, which primarily consists of interest on loans and amortization of loan-related financing fees. This compares with finance income of 737,000 and a finance expense of 2.5 million for the three months ended June 30, 2012.

For the three-month period ended June 30, 2013, the Company recognized a noncash unrealized foreign exchange loss of 10.5 million related to the Company's US-denominated debt as a result of the strengthening US dollar. This compares with a noncash unrealized foreign exchange loss of 6.7 million for the three months ended June 30, 2012.

During the quarter, the Company recognized a noncash unrealized gain on the interest rate swap of about 2.3 million as compared with an unrealized loss of 3.3 million for the same period last year. The noncash unrealized gain on the interest rate swap for the quarter was a result of the revaluation of the interest rate swap entered into by the Company as part of the project loan agreement, which was required by project lenders. It should be noted that these adjustments 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. »

income are required under IFRS and are of a noncash nature, as outlined in the Company's statement of cash flows.

For the quarter, the Company reported a current and deferred income tax and resource tax expense of 120,000 and 1.0 million as compared with a resource tax expense of 280,000 and no deferred taxes for the three months ended June 30, 2012. This all results in a net loss attributable to shareholders of the Company of 14.7 million or \$0.15 per share for the three months ended June 30, 2013, as compared to a net loss of 2.1 million or \$0.02 per share for the three months ended June 30, 2012.

The net loss for the quarter was directly attributable to lower production results and lower revenues on metal sales, as well as a negative pricing adjustment of 5.4 million on metal sales attributable to lower copper prices, and a noncash unrealized foreign exchange loss of 10.5 million, as that was attributable to the Company's project debt that's denominated in US dollars.

If we remove all of the accounting noncash items, the Company reported an adjusted income of 1.5 million or \$0.02 per share for the three months ended June 30, 2013, compared with adjusted earnings of 17.6 million or \$0.18 per share for the three months ended June 30, 2012.

As at June 30, 2013, the Company had cash and cash equivalents of approximately 7 million as compared to a cash balance of 8.7 million at the end of the first quarter. As at June 30, 2013, the Company had working capital deficit of approximately 1.7 million as compared with working capital of 10.7 million at December 31, 2012.

"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. »

Subsequent to the end of the quarter on July 7th, the Company received 8.6 million of the 13.2 million receivable at quarter end for a shipment that occurred right before the end of the month. In addition, subsequent to the end of the quarter, the Company contributed in kind 18.8 million of mining equipment that is being used by the Company's subsidiary, Copper Mountain Mine, and was originally purchased in early 2012 for the mine by the parent company, Copper Mountain Mining Corporation. As a result, Mitsubishi Materials Corporation has contributed an additional 6.3 million in cash to Copper Mountain Mine to match their pro rata share of the Company's contribution.

As at the end of this quarter, the mine had successfully completed the bank's project banking completion test, which resulted in the restricted cash account on the balance sheet being released.

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

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

Q&A

Operator

Thank you. We will now begin the question-and-answer session. Should you have a question, please press the *, followed by the 1 on your touch-tone phone. You will hear a three-

"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. »

tone prompt acknowledging your request. Should you wish to decline from the polling process, please press *, followed by the 2. If you are using a speakerphone, please lift the handset before pressing any keys. One moment, please, for your first question.

Your first question comes from Stefan Ioannou from Haywood Securities. Stefan, please go ahead.

Stefan Ioannou — Haywood Securities

Great. Thanks very much, guys. Just wondering on the revised guidance, just wondering if you can maybe add a little bit more colour in terms of where you sort of see the head grade behind the 65 million to 75 million pounds going and ore recoveries? And if you could just, again, a little more maybe depth to it?

Jim O'Rourke

Well, I guess the head grade would be more similar to what it was in 2012 when we were in Pit 3, and it would be up at least a little over 4 percent above where it was recently. The big thing, if you're referring to the pounds of copper produced, where we really suffer about in the year to date, about 20 percent of our decreased copper production from guidance comes from the shortage of tonnes per hour milled or tonnes per day milled, and about 9 percent came from the decrease in the head grade during the last quarter. So we'd be about 4 percent above where we are this year.

Stefan Ioannou

"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. So great. So I guess it's fair to assume then that most of the increase is obviously off the back of the throughput versus things like grade and ore recovery?

Jim O'Rourke

That's correct. Recovery, as you noted, probably was above our plan and above guidance. Our guidance is 92—or 82 percent, sorry.

Stefan Ioannou

Mm-hmm. No, that's good to see this quarter. Yeah.

Jim O'Rourke

Yeah. And we ended up 87 percent.

Stefan Ioannou

Great. Thanks very much, guys.

Jim O'Rourke

Okay.

Operator

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

Mark Turner — Scotiabank

Yeah. Good morning. Just a few more operational questions then maybe I'll hop to the back of the queue afterwards for a few financial ones. But, Jim, just looking for a clarification. During the discussion here you said that the mills are currently operating 30,000 to 32,000 tonne per day

"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. »

range. Is that calendar tonnes per day or is that operating tonnes per day? And just related to that, have you been able to maintain sort of that 92 plus percent availability into July and August?

Jim O'Rourke

July is a little bit lower, but it's—I don't have it in front of me right now, but it's in the 90 percent range; I think maybe 89, in that range.

Mark Turner

Okay. So sorry, does the 30,000 to 32,000 where it's today, is that per calendar day?

Jim O'Rourke

Yeah. Yeah. I think as we mentioned, we bought the new crusher in the latter part of July, the additional portable crusher...

Mark Turner

Mm-hmm.

Jim O'Rourke

And it's—we've now got it operating and we're still getting a little erratic tonnages, but generally we're in the 30,000 tonne per day range.

Mark Turner

Okay. On a calendar day. Okay.

Jim O'Rourke

Yeah.

"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

Yeah. Then just, I guess, along Stefan's lines there too, so the head grade in the second half is to be higher, but are we still not, I guess, expecting the recoveries to come down slightly from that 87 percent maybe given the mineralogy and, I guess, some of the oxidation in Pit 3? Like should it come down closer to the 84, 82?

Jim O'Rourke

It hasn't to date.

Mark Turner

Okay.

Jim O'Rourke

What's happened is we have been into the Pit 3 material very recently, and our recoveries have managed to stay up. We have made a number of changes to the plant, and in the plant area we have the cameras and we have some optimization we're doing on floatation with reagents and that. And we've been very fortunate in seeing a significant improvement.

So I know historically the Pit 3 recoveries have been a little lower, but currently we have a little excess ball mill capacity than what we're used to, so we're getting finer grinds. And also, as I said, the optimization programs we have in place seems to be helping.

"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. »

Recently we have been getting a fair amount of ore from Pit 3, and we haven't seen a substantial decrease in the recoveries. In fact, they're still up about the same as they were last month.

Mark Turner

That—yeah. Sounds very positive. I guess just a one last question then for me before I jump to the back of the queue. With respect—or can you maybe just give us a little bit more detail on where the discussions with the lenders, I guess the lending syndicate and sort of your partners are right now that since you've approved it at the copper—sorry, the secondary crusher at the Copper Mountain Board level? And I guess just maybe your expectations of timing? Because I think previously you had talked to trying to maybe get the mill—or the building for a secondary crusher up before the onset of winter so that you could then construct the crusher inside that during the winter months.

Jim O'Rourke

Well, I think as you probably know, Mark, I'm an eternal optimist. I still believe that we have time to do that. We are—as you mentioned, the Copper Mountain Board have approved us going ahead with it. Rod has been working with a number of groups with regard to debt financing, and we are scheduled to travel to Tokyo at the end of the month and present the whole plan to the banks and our partners. And we're hoping that there will be a decision by the end of September.

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. End of September. Perfect Thank you. I have a few more questions, but I'll jump to the end of the queue. Thanks, guys.

Jim O'Rourke

Okay.

Operator

Thank you. Your next question is from Aleem Ladak from PI Financial. Aleem, please go ahead.

Aleem Ladak — PI Financial

Hey. Good morning, everyone. Just to confirm, when you said 32,000 tonnes per day that you were reaching in July, that's per operating day or calendar day?

Jim O'Rourke

We reach it on a calendar day basis. As I mentioned, though, the little crusher was installed near the end of July, and so some of the results are still a little erratic. So when you talk about the averages, we're hitting it on a day—the odd day basis, but not on a consistent basis.

Aleem Ladak

Okay. Great. Thanks. And then finally, in the guidance you mentioned that 65 million to 70 million pounds is expected for the year, assuming 32,000 tonnes per day. Again, is that per calendar or operating 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. »

I'm sorry? I missed that a little bit.

Aleem Ladak

In the guidance paragraph, the new guidance was 65 million to 70 million pounds. There was a caveat to that saying that this assumes that the mill operates at 32,000 tonnes per day. That's per operating or calendar day?

Jim O'Rourke

That's per calendar day.

Aleem Ladak

Okay. Great. That's it for me.

Jim O'Rourke

Thank you.

Operator

Thank you. Your next question comes from David Forster from Merrill Lynch. David, please go ahead.

David Forster — Merrill Lynch

Hi. Thanks. So my questions were also on the calendar versus operating day and that's covered. Just on the cash cost side, where do you see cash costs through the end of the year? And what's the trend like going forward beyond that?

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. »

Do you want to talk to that?

Rod Shier

Sure. Hi, David. We haven't given guidance on 2014 at this stage. That'll happen later in the year towards the end of the year. We're expecting costs to stay where they are. Right now we're running—we're pretty consistent. It's throughput that gives the unit cost an issue.

We're pretty consistent at 14.5 million a month, plus about 1.15 million extra on top of that for these additional measures that Jim were talking about. So we're running at about 15.6 million per month pretty consistently, and it just depends on what are you getting through the mill to get your unit costs.

David Forster

And where would that—okay. And that's going to drive where it is on a per pound basis is what you're saying.

Rod Shier

Exactly. Exactly.

David Forster

Okay. And how do you see the trend—sorry?

Rod Shier

"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. »

I guess the only other thing, Jim mentioned that we're now moving back into Pit 3 too, so you would expect a little bit better joy, as Jim pointed out, on the grade and that'll help your costs as well, your unit costs.

David Forster

Okay. Back to the throughput, how do you see that trending? So if you're at 30,000 tonnes per day now through to the end of the year, are you expecting—in order to get to a 32,000 on average, wouldn't that mean that you need to be around 33, 34 in Q4? Is that kind of the expectation, a trend upwards towards the end of the year? And how do you get there?

Jim O'Rourke

Our plan is to average 32,000 tonnes a day per calendar day for the balance of the year in the second half.

David Forster

Okay. And do you see Q4 better than Q3? Or is kind of flat?

Jim O'Rourke

We projected it flat for both the last two quarters.

David Forster

Okay. Very good. That's all for me.

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 comes from John Hayes from BMO Capital Markets. Please go ahead, John.

John Hayes — BMO Capital Markets

Thank you. Good morning, gentlemen.

Jim O'Rourke

Good morning, John.

John Hayes

Question; first off on the rest of the year, I noticed you mentioned you bought that extra secondary crusher. Do you have any other capital items for the remainder of the year?

Jim O'Rourke

No. Nothing significant.

John Hayes

Okay. Next question I had was, like is there anything big in the maintenance schedule in the next half of the year?

Jim O'Rourke

Are you talking about the mill?

John Hayes

The mill. Yes, in the mill.

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. »

No. Nothing—well, there is this month and that should be the end of the major one. Typically we're looking at plus 90 percent for the balance of the year for the second half.

John Hayes

Okay. So finally my last question is about the second—the addition of the secondary crusher. You've got 40 million in capital to bring it online. Was there—is that just the initial capital? Is there—would you need additional working capital to bring that into position for downtime or things like that? Or is that the whole bill for it?

Jim O'Rourke

That's the whole bill, John. With regard to the downtime, the location of it is the head of the coarse ore stockpile, so we're not anticipating any downtime.

John Hayes

And finally for the last question, sorry about that, when you go back into Pit 3, what happens to the waste to ore ratio? Are you going to see it kind of come back a bit? Or is there going to be less material handling? I presume that pit layback that you were working on has all been done.

Jim O'Rourke

No, we're continuing to mine at the same rate in the anomaly in the 175,000 tonne a day range.

John Hayes

Okay. Thank you.

"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. »

Operator

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

Adam Low — Raymond James

Good morning, guys.

Jim O'Rourke

Good morning.

Adam Low

Thanks for the update so far. I think most of the questions I had regarding what your outlook is going forward have been answered. The one thing I just wanted to clarify. On the 6.3 million that you're getting from Mitsubishi, this is essentially repayment by them for their stake, 25 percent stake, in the purchase of about 24 million in equipment in 2012. Is that right?

Rod Shier

No, that's not quite right. No, Adam. We bought the equipment for about 18.8 million; when I say we I mean the parent company. And the mine has used that equipment since, I guess, early 2012.

And we've just formalized it and contributed in kind essentially to the project, and as they're a 25 percent partner they then matched their 25 percent share of that total package, which is 6.3 million. Because we're putting in...

"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

Is it 18...

Rod Shier

We're putting in 18.8; they have to put in 6.3 to match us to keep the 25/75 relationship.

Adam Low

Okay. That's great. Thanks.

Rod Shier

It's cash that goes in.

Adam Low

Right. All right. Thank you.

Operator

Your next question comes from Garnet Salmon from Jennings Capital. Please go ahead.

Garnet Salmon — Jennings Capital

Hi. Good morning, guys.

Rod Shier

Good morning.

Garnet Salmon

"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. »

First—I have three questions here. First question is in regard to the capital costs of 40 million. In terms of financing, what sort of financial package are you guys looking at to finance this secondary crusher?

Rod Shier

We're looking at funding the secondary crusher with essentially debt and a little bit of cash flow.

Garnet Salmon

Okay. And that's typical bank loan? Or is it...

Rod Shier

We're—yeah. We're looking at a number of different scenarios. We haven't picked the final one yet, but it's all project bank financing.

Garnet Salmon

Okay. And just in terms of the current situation with the working capital deficit. Do you think that the Company will need additional capital to be injected to a (unintelligible)?

Rod Shier

No, we do not. As we just mentioned to Adam, Mitsubishi just put in 6.3 million. We had restricted cash of 6 million released, and with the cash at the end of the period we feel we're at the sufficient level to continue moving forward with sufficient cash flow each month.

Garnet Salmon

"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. And I guess final question on the cash costs. Would it be fair to say that the cash costs, C1 cash costs guidance for the year would be in the range of around 230 to US \$250 per pound?

Rod Shier

No, we didn't give guidance for the year on costs. We just updated our production numbers.

Garnet Salmon

Okay. Great. Thanks.

Rod Shier

Thanks.

Operator

Thank you. Your next question is from Ian Parkinson from GMP Securities. Please go ahead.

Ian Parkinson — GMP Securities

Hi. Good morning, guys. Thanks for taking the call.

Rod Shier

Good morning.

Ian Parkinson

"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. »

Just following on, I guess, Mark's questions from earlier. Jim, in your eternally optimistic view pending a positive outcome with your discussions in Tokyo later this month, how early could we actually see physical work start on the crusher or crushing project?

Jim O'Rourke

Well, I think some of the minor items have already started, but if we get positive reaction at the end of September then we would plan to start immediately.

Ian Parkinson

And it's a 12-month construction period after that?

Jim O'Rourke

Yeah. Up to 12 months.

Ian Parkinson

Up to 12 months. Okay. Great. Most of my other questions have been answered. Just one quick one on the accounting of this in kind equipment transfer; is there anything to be aware of going into Q3, Rod, that we need to be aware of?

Rod Shier

No, not at all. You see the consolidated statements that go out so, you're not going to really see a change there at all. I mean the only new thing coming in would be the injection of cash of 6.3 million from Mitsubishi.

Ian Parkinson

"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, guys. Great. Thank you very much.

Operator

Your next question comes from Mark Turner from Scotiabank. Mark, please go ahead.

Mark Turner

Yeah. Thanks, guys. Just two follow-up questions, I guess, a little bit different than the ones we've received so far. Just is there any sort of update that you can give us in terms of what the potentials or root cause on that transformer failure might have been? Has it been, I guess, 100 percent determined that it was maybe a fault with something in the transformer as opposed to maybe being caused by something else at the mill?

Jim O'Rourke

We've had third party consultants look at it. I don't think we can say that there's been anything. I mean the suggestions have been everything from a mouse climbing on the bus bars to just unknown failure. It's...

Mark Turner

Okay.

Jim O'Rourke

It really hasn't been determined. And these transformers normally last 20, 30 years, so quite unusual.

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. Yeah. No, no, just wondering if we had figured anything out. And then just my last question; I know the \$10.5 million in FX was unrealized this quarter, but I mean some point it does end up being realized. Just wondering if there has been any thought given to maybe partially hedging out the foreign exchange exposure on the debt and the repayments there? I know there's partial natural hedge with receiving US dollar revenues for the commodity price, but with part of your cost being fixed in Canadian dollars too if there's been any sort of thought process around that?

Rod Shier

Yeah. Your question with regard to the debt, you're quite correct. It's a natural hedge. We have US dollars, so there's nothing to do there. With respect to Canadian dollars, we're not hedged at this point in time and our position is to continue to take advantage of markets when the exchange rates move and we convert money over on a required basis. But we have no hedging in place and no plans right now for US-Canadian dollar hedging.

Mark Turner

Okay. Perfect. Thank you. Thanks, guys.

Operator

Thank you. Your next question comes from David Forster from Merrill Lynch. David, please go ahead.

David Forster

"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. »

Sure. Thanks. So back to the crusher, the additional crusher, you were saying earlier can get you comfortable with the 35,000 tonnes per day and then you can potentially get to 40,000 at some point. Would there be any additional capital that's needed to go from the 35,000 to 40,000?

Jim O'Rourke

No. In fact, it was quite interesting during the failure of the transformer. We were operating the mill with SAG mill and one ball mill at a range of sort of above 1,000 tonne per hour, which would indicate that the ball mill circuit has ample capacity than the rest of the mill does at the 2,000 tonne per hour range.

I think as I mentioned earlier, with these portable crushers we are experiencing significant swings. And the swings are mainly created from segregation in the stockpile. But when we do get finer material into the SAG mill we do operate up around 1,700, 1,800 tonne an hour without any difficulty. And then of course, we get coarser materials sliding into the feeders and that in turn decreases the tonnage again. But the mill has operated in the 40,000 tonne a day range, and we haven't had any difficulties.

David Forster

So then...

Jim O'Rourke

No major changes.

"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. »

David Forster

All right. Thanks for that. That's it.

Operator

Ladies and gentlemen, as a reminder should you have a question, please press the *, followed by the 1.

Mr. Shier, there are no further questions. You may proceed.

Rod Shier

Okay. Well, thank you very much, everyone. We appreciate you dialing into the second quarter conference call with Copper Mountain Mining Corporation. And as usual, Jim and I are always available for questions if you have any additional follow-up ones you want to call us on.

Thank you very much, and have a good day.

Jim O'Rourke

Thank you.

Operator

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. »