

Copper Mountain Mining Announces Q4 and Full Year 2018 Financial Results

Vancouver, British Columbia – February 15, 2019 – Copper Mountain Mining Corporation (TSX: CMMC | ASX:C6C) (the “Company” or “Copper Mountain”) announces fourth quarter and full year 2018 financial results. All currency is in Canadian dollars, unless otherwise stated. All results are reported on a 100% basis. The Company’s Financial Statements and Management Discussion & Analysis (“MD&A”) are available at www.CuMtn.com and www.sedar.com.

FOURTH QUARTER 2018 AND FULL YEAR 2018 HIGHLIGHTS

- Fourth quarter 2018 production was the strongest quarter of the year, with production increasing 9.7% from the prior year to 24.5 million pounds of copper equivalent (comprised of 20.6 million pounds of copper, 8,124 ounces of gold and 62,711 ounces of silver).
- Full year 2018 production met guidance, with production increasing 4.6% from the prior year to 92.4 million pounds of copper equivalent (comprised of 78.8 million pounds of copper, 28,250 ounces of gold and 273,913 ounces of silver).
- C1 cash costs for the fourth quarter decreased 13% compared to the prior year to US\$1.60 per pound of copper produced and full year 2018 C1 cash costs decreased 4% compared to the prior year to US\$1.77 per pound of copper produced.
- Revenue for the fourth quarter was \$73.1 million from the sale of 19.4 million pounds of copper, 7,475 ounces of gold and 69,761 ounces of silver and revenue for the full year of 2018 was \$296.0 million, from the sale of 79.2 million pounds of copper, 26,799 ounces of gold, and 284,086 ounces of silver, net of pricing adjustments.
- Adjusted earnings per share was (\$0.01) for the fourth quarter and \$0.02 for the year.
- Cash flow from operations for the fourth quarter was \$28.8 million and \$51.3 million for the full year of 2018.
- In 2018, Mineral Reserves increased at the Copper Mountain Mine, a preliminary economic assessment (PEA) on New Ingerbelle was completed resulting in an after-tax NPV (8%) of US\$390 million and a feasibility study was completed for the Eva Copper Project resulting in an after-tax NPV (8%) of US\$256 million.

“In 2018, we focused on building a strong foundation from which to grow our business,” said Copper Mountain’s President and CEO, Gil Clausen. “The Copper Mountain Mine finished the year achieving guidance across all metrics. We are also completing an integrated mine plan which will combine the New Ingerbelle deposit into the Copper Mountain mine plan and may double the mine life. The New Ingerbelle deposit provides the potential to add significant value through the addition of low risk, low cost production, particularly as we evaluate a mill expansion plan, which could allow for increased production levels in our existing mill within our current operating and environmental permits. We expect to complete this integrated life of mine plan and publish a new Technical Report for our Copper Mountain Mine in the first quarter of 2019.”

SUMMARY FINANCIAL RESULTS

Results & Highlights (100%)	Three months ended		Year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
<i>(In thousands of CDN\$, except for per share amounts)</i>	\$	\$	\$	\$
Financial				
Revenue	73,149	85,687	296,019	304,080
Gross profit	7,896	20,013	25,306	59,095
Gross profit before depreciation ⁽¹⁾	18,089	34,966	76,352	110,586
Net income (loss)	(18,982)	23,538	(26,876)	67,339
Earnings (loss) per share - basic	\$(0.09)	\$0.12	\$(0.13)	\$0.36
Adjusted net (loss) income ⁽¹⁾	(1,400)	25,311	3,377	46,598
Adjusted (loss) earnings per share - basic	\$(0.01)	\$0.19	\$0.02	\$0.35
EBITDA ⁽¹⁾	(234)	31,564	40,685	122,504
Adjusted EBITDA	17,348	33,337	85,841	90,692
Cash flow from operations	28,777	17,445	51,266	57,274
Cash and cash equivalents – end of year			46,123	45,133

1) Non-GAAP performance measure. See Copper Mountain's Q4 2018 MD&A for details.

Fourth Quarter 2018 Financial Review

The Company reported a gross profit for Q4 2018 of \$7.9 million, compared to \$20.0 million for Q4 2017, and a net loss of \$19.0 million in Q4 2018, compared to a net income of \$23.5 million in Q4 2017. The increase in the net loss from net income was primarily a result of a non-cash unrealized foreign exchange loss of \$14.7 million compared to a non-cash unrealized foreign exchange loss of \$1.8 million for Q4 2017, a change of approximately \$12.9 million, which was primarily related to the Company's debt that is denominated in U.S. dollars. The increase in net loss was also due to lower revenue and higher cost of sales year over year.

The Company recognized revenue of \$73.1 million, net of pricing adjustments and treatment charges, on the sale of 19.4 million pounds of copper, 7,475 ounces of gold, and 69,761 ounces of silver and based on an average realized copper price of US\$2.81 per pound. This is compared to Q4 2017 revenue of \$85.7 million, net of pricing adjustments and treatment charges, on the sale of 18.1 million pounds of copper, 5,622 ounces of gold and 67,359 ounces of silver and based on an average realized copper price of US\$3.12 per pound for Q4 2017. Despite higher sales, lower revenue year over year was a result of a 10% lower realized copper price in Q4 2018 compared to Q4 2017 and a Q4 2018 mark-to-market adjustment of negative \$2.4 million compared to a positive mark-to-market adjustment of \$10.3 million in Q4 2017.

Cost of sales for Q4 2018 decreased marginally to \$65.2 million compared to \$65.7 million in Q4 2017, even though more concentrate was sold in Q4 2018 than Q4 2017. This was because Q4 2017 included a \$10.8 million write down to the low-grade stockpile, which was included in cost of sales.

Exploration expenditures in Q4 2018 were \$1.2 million, which includes exploration in both Australia and British Columbia.

Full Year 2018 Financial Review

The Company reported gross profit in 2018 of \$25.3 million, compared to \$59.1 million in 2017, and a net loss in 2018 of \$26.9 million, compared to a net income of \$67.3 million in 2017. The increase in net loss in 2018 from net income in 2017 was primarily a result of a non-cash unrealized foreign exchange loss \$23.8 million in 2018, compared to a non-cash unrealized foreign exchange gain of \$20.9 million in 2017, a change of approximately \$45 million, which was mainly related to the Company's debt that is denominated in U.S. dollars. The increase in net loss was also due to lower revenue and higher cost of sales year over year.

The Company recognized revenue of \$296.0 million in 2018, net of pricing adjustments and treatment charges, on the sale of 79.2 million pounds of copper, 26,799 ounces of gold, and 284,086 ounces of silver based on an average realized copper price of US\$2.98 per pound. This compares to revenue of \$304.1 million in 2017, net of pricing adjustments and treatment charges, on the sale of 73.9 million pounds of copper, 23,969 ounces of gold and 260,493 ounces of silver, based on an average realized price of realized copper price of US\$2.82 per pound. As required under IFRS, revenue in 2017 included a positive mark to market adjustment of \$10.7 million for unsettled shipments outstanding at year end, as compared to a negative mark to market adjustment of \$0.9 million for 2018 unsettled shipments at year end.

Cost of sales for 2018 increased by \$26 million to \$270.7 million compared to \$245.0 million in 2017. This increase was due in small part to higher costs for diesel fuel, maintenance and power, but primarily due to the change in ore stockpile inventory with a \$13.1 million decrease in 2018 charged to cost of sales as compared to a \$14.0 million increase in 2017 charged to ore stockpile inventory. The drawdown of ore stockpiles in the year is a result of increased development stripping as the Copper Mountain Mine starts to expose higher grade areas of the pit for future years. As required under IFRS, some of these additional costs of stripping are capitalized when the period stripping ratio exceeds the life of mine stripping ratio of 2:1.

Exploration expenditures for the full year of 2018 were \$6.5 million which includes exploration in both Australia and British Columbia.

SUMMARY OPERATING RESULTS

<i>Copper Mountain Mine (100% Basis)</i>	Q4 2018	Q4 2017	Annual 2018	Annual 2017
Mine:				
Total tonnes mined (000's)	19,730	18,998	74,337	72,597
Ore tonnes mined (000's)	4,407	7,370	20,567	26,204
Waste tonnes (000's)	15,323	11,628	53,770	46,393
Stripping ratio	3.48	1.58	2.61	1.77

Mill:				
Tonnes milled (000's)	3,873	3,692	14,535	14,086
Feed Grade (Cu%)	0.30	0.32	0.31	0.32
Recovery (%)	81.0	75.1	79.8	77.2
Operating time (%)	96.0	93.4	92.6	90.3
Tonnes milled (TPD)	42,098	40,130	39,822	38,592
Production:				
Copper (000's lbs)	20,628	19,556	78,847	75,791
Gold (oz)	8,124	5,206	28,250	23,633
Silver (oz)	62,711	70,384	273,913	277,094
Sales:				
Copper (000's lbs)	19,431	18,091	79,195	73,860
Gold (oz)	7,475	5,622	26,799	23,969
Silver (oz)	69,761	67,359	284,086	260,493
Costs and Prices				
Total operating costs (C1) per pound of copper produced (US\$) ⁽¹⁾	\$1.60	\$1.85	\$1.77	\$1.84
All-in-sustaining costs per pound of copper produced (US\$) ^(1,2)	\$1.90	\$1.99	\$2.13	\$2.00
Average realized copper price (US\$)	\$2.81	\$3.12	\$2.98	\$2.82

1) Non-GAAP performance measure. See Copper Mountain's Q4 2018 MD&A for details.

2) Copper cash costs have been updated to industry recognized metrics of total operating costs (C1) and with the addition of All in Sustaining Costs per pound of copper produced the Company believes this disclosure will present the full cost of copper production associated with the Copper Mountain mine and take steps in further supporting peer group comparability. See the non-GAAP performance measures section of this MD&A for details of these calculations.

Fourth Quarter 2018 Operating Results Review

In Q4 2018, the Copper Mountain Mine produced 20.6 million pounds of copper, 8,124 ounces of gold, and 62,711 ounces of silver compared to 19.6 million pounds of copper, 5,206 ounces of gold, and 70,384 ounces of silver in Q4 2017. Increased recoveries for all metals and a 5% increase in tonnes milled resulted in strong production results for Q4 2018 and the strongest quarter for copper and gold production in 2018. Increased gold production can be attributed to the new flash floatation circuit installed in the second half of 2018.

Total operating costs (C1) for Q4 2018 were US\$1.60 per pound of copper produced, 13% lower than the C1 costs for Q4 2017 of US\$1.85 per pound of copper produced. The improvement in costs, when compared to the prior year, is related to several factors including 5% higher copper production in the quarter, a 5% decrease in total mine operating costs in Q4 2018, and a weakening of the Canadian dollar to the United States dollar used when translating C1 costs to United States dollars. It should be noted that substantially all of the Company's operating costs are priced in Canadian dollars. The decrease in C1 costs is also affected by the levels of deferred stripping in the period as these excess stripping costs are treated as capital expenditures. Deferred stripping costs are captured in all-in-sustaining costs (AISC) and not included in C1 costs. The total cash value of deferred stripping in Q4 2018 was \$4.6 million compared to Nil in Q4 2017.

Full Year 2018 Operating Results Review

In 2018, the Copper Mountain Mine achieved annual copper production guidance, producing 78.8 million pounds of copper, 28,250 ounces of gold, and 273,913 ounces of silver compared to 75.8 million pounds of copper, 23,633 ounces of gold, and 277,094 ounces of silver in 2017. This represents an increase of 4% for copper, 19% for gold and a slight 1% decrease in silver production. Increases for copper and gold production as compared to the prior year is a result of improved recoveries and mill throughput in 2018, offset slightly by lower grades being milled in 2018. Improved recoveries in the mill can be attributed to the installation of the new flash flotation circuit in the third quarter of 2018. Recoveries contributed to strong annual production results which included an increase of total tonnes milled by 3%.

Total C1 costs for 2018 were US\$1.77 per pound of copper produced, 4% lower than the C1 costs for 2017 of US\$1.84. The improvement in costs per pound is a result of higher copper production in 2018 and slightly lower total mine operating costs when compared to 2017, after taking into account cost associated with increased low-grade stockpile inventories in 2017, as required under IFRS. The decrease in C1 costs was also affected by the levels of deferred stripping in the year as these mining costs are treated as capital expenditures and deferred as required under IFRS. Deferred stripping costs are captured in AISC and not included in C1 costs. The total cash value of deferred stripping in 2018 was \$20.2 million, compared to \$1.5 million in 2017.

Q4 2018 FINANCIAL AND OPERATING RESULTS CONFERENCE CALL AND WEBCAST

The Company will hold a conference call on Friday, February 15, 2019 at 7:30 am (Pacific Standard Time) for management to discuss the Q4 2018 financial and operating results.

Live Dial-in Information

Toronto and international: 1 (647) 427-7450

North America (toll-free): 1 (888) 231-8191

To participate in the webcast live via computer go to:

<https://event.on24.com/wcc/r/1912233/DA8D8425873C22105A0E0F317371DD61>

Replay Call Information

Toronto and international: 1 (416) 849-0833 Passcode: 5973748

North America (toll-free): 1 (855) 859-2056 Passcode: 5973748

The conference call replay will be available from 12:30 pm (PST) on February 15, 2019 until 20:59 pm PST on February 22, 2019. An archive of the audio webcast will also be available on the company's website at

<http://www.cumtn.com>.

About Copper Mountain Mining Corporation

Copper Mountain's flagship asset is the 75% owned Copper Mountain mine located in southern British Columbia near the town of Princeton. The Copper Mountain mine produces about 100 million pounds of copper equivalent per year with a large resource that remains open laterally and at depth. Copper Mountain also has the permitted, development stage Eva Copper Project in Queensland, Australia and an extensive 397,000 hectare highly prospective land package in the Mount Isa area.

Additional information is available on the Company's web page at www.CuMtn.com.

On behalf of the Board of

COPPER MOUNTAIN MINING CORPORATION

"Gil Clausen"

Gil Clausen, P.Eng.
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Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements and forward-looking information (together, "forward-looking statements") within the meaning of applicable securities laws. All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements can be identified by the use of terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes" or variations of such words, or statements that certain actions, events or results "may", "could", "would", "might", "occur" or "be achieved". Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance and opportunities to differ materially from those implied by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include the successful exploration of the Company's properties in Canada and Australia, the reliability of the historical data referenced in this press release and risks set out in Copper Mountain's public documents, including in each management discussion and analysis, filed on SEDAR at www.sedar.com. Although Copper Mountain believes that the information and assumptions used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by applicable law, Copper Mountain disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Copper Mountain Mining Corporation
Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

	December 31, 2018 \$	December 31, 2017 \$
Assets		
Current assets		
Cash and cash equivalents	46,123	45,133
Accounts receivable and prepaid expenses	18,923	29,314
Inventory	55,801	68,135
	120,847	142,582
Deferred acquisition costs	-	1,121
Reclamation bonds	8,752	8,228
Deferred tax assets	13,980	10,956
Property, plant and equipment	448,237	414,041
Low grade stockpile	109,846	91,021
	701,662	667,949
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	37,494	42,122
Amounts payable to related parties	69,026	43,633
Current portion of long-term debt	52,956	48,649
Current tax liability	622	1,285
	160,098	135,689
Provisions	6,571	6,521
Interest rate swap liability	601	2,081
Long-term debt	229,001	258,373
Deferred tax liability	2,135	-
	398,406	402,664
Equity		
Attributable to shareholders of the Company:		
Share capital	263,822	195,670
Contributed surplus	17,378	15,724
Accumulated other comprehensive loss	(1,655)	-
Accumulated deficit	(48,030)	(25,693)
	231,515	185,701
Non-controlling interest	71,741	79,584
Total equity	303,256	265,285
	701,662	667,949

Copper Mountain Mining Corporation
Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
For the Years Ended December 31, 2018 and 2017
(In thousands of Canadian dollars, except for number of and earnings per share)

	2018 \$	2017 \$
Revenue	296,019	304,080
Cost of sales	(270,713)	(244,985)
Gross profit	25,306	59,095
General and administration	(10,990)	(6,757)
Property investigation	-	(35)
Share based compensation	(1,605)	(2,152)
Income from operations	12,711	50,151
Finance income	582	319
Finance expense	(15,564)	(13,070)
Unrealized gain (loss) on interest rate swap	716	(87)
Foreign exchange (loss) gain	(23,788)	20,949
(Loss) income before tax	(25,343)	58,262
Current resource tax expense	(1,217)	(1,879)
Deferred income and resource tax (expense) recovery	(316)	10,956
Net (loss) income	(26,876)	67,339
Other comprehensive loss		
Foreign currency translation adjustment	(1,655)	-
Total comprehensive (loss) income	(28,531)	67,339
Net (loss) income and comprehensive (loss) income attributable to:		
Shareholders of the Company	(22,337)	47,963
Non-controlling interest	(4,539)	19,376
	(26,876)	67,339
(Loss) income per share:		
Basic	\$(0.13)	\$0.36
Diluted	\$(0.13)	\$0.35
Weighted average shares outstanding, basic	172,201,295	133,301,425
Weighted average shares outstanding, diluted	172,201,295	136,893,439
Shares outstanding at end of the year	188,170,359	134,285,192

Copper Mountain Mining Corporation
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017
(In thousands of Canadian dollars)

	2018	2017
	\$	\$
Cash flows from operating activities		
Net (loss) income for the year	(26,876)	67,339
Adjustments for:		
Depreciation	51,046	51,491
Loss on disposal of fixed assets	-	(25)
Unrealized foreign exchange loss (gain)	17,601	(20,155)
Unrealized (gain) loss on interest rate swap	(716)	87
Deferred income and resource tax expense (recovery)	310	(10,956)
Finance expense	15,564	13,070
Share based compensation	1,327	1,945
	<u>58,256</u>	<u>102,796</u>
Net changes in working capital items	(6,990)	(45,522)
Net cash from operating activities	<u>51,266</u>	<u>57,274</u>
Cash flows from investing activities		
Cash acquired in acquisition of Altona	29,115	-
Transaction costs for Altona transaction	(2,291)	-
Share issue costs for Altona transaction	(364)	-
Deferred stripping activities	(20,185)	(1,485)
Deferred acquisition costs	-	(1,121)
Development of property, plant and equipment	(21,537)	(3,779)
Purchase of reclamation bond	(396)	-
Proceeds on disposal of fixed asset	-	52
Net cash used in investing activities	<u>(15,658)</u>	<u>(6,333)</u>
Cash flows from financing activities		
Proceeds on exercise of options and warrants	224	1,179
Contributions from non-controlling interest	28,412	21,618
Payments made to non-controlling interest	(3,304)	-
Loan principal paid	(44,074)	(37,361)
Interest paid	(12,122)	(12,521)
Finance lease payments	(6,511)	(8,218)
Net cash used in financing activities	<u>(37,375)</u>	<u>(35,303)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	2,757	(1,914)
Increase in cash and cash equivalents	990	13,724
Cash and cash equivalents - Beginning of year	45,133	31,409
Cash and cash equivalents - End of year	<u>46,123</u>	<u>45,133</u>

