

Copper Mountain Mining Announces Q2 2021 Financial Results, Achieves Record Operating Cash Flow and Increases Production Guidance

Vancouver, British Columbia – July 26, 2021 – Copper Mountain Mining Corporation (TSX: CMMC | ASX:C6C) (the “Company” or “Copper Mountain”) announces strong second quarter 2021 financial and operating 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’s Discussion & Analysis (“MD&A”) are available at www.CuMtn.com and www.sedar.com.

HIGHLIGHTS

- The Company achieved strong production in the second quarter of 2021 of 29.6 million pounds of copper equivalent (comprised of 25.5 million pounds of copper, 7,627 ounces of gold, and 147,973 ounces of silver).
- C1 cash cost ⁽¹⁾ per pound of copper produced in the second quarter of 2021 was US\$1.38, all-in sustaining cost (AISC) ⁽¹⁾ per pound of copper was US\$1.83, and all-in cost (AIC) ⁽¹⁾ per pound of copper was US\$2.06.
- Revenue for the second quarter of 2021 was \$142.1 million from the sale of 21.7 million pounds of copper, 6,545 ounces of gold, and 121,291 ounces of silver, net of pricing adjustments.
- Gross profit for the second quarter of 2021 was \$85.8 million and net income was \$38.7 million, or \$0.12 on a per-share basis.
- Cash flow from operations for the second quarter of 2021 was \$94.6 million, or \$0.45⁽¹⁾ on a per share basis.
- During the second quarter of 2021, the Company closed a US \$250 million senior secured bond issuance to refinance existing debt enabling the Company to access 100% of cash flow from the mine.
- Cash and cash equivalents at the end of the second quarter of 2021 were \$144.5 million-plus restricted cash of \$46.7 million.
- The Company increased 2021 production guidance range to 90 to 100 million pounds of copper.

(1) The Company reports the non-GAAP financial measures of C1 cash costs, AISC and AIC per pound of copper and cash flow per share to manage and evaluate its operating performance. See “Cautionary Note Regarding Non-GAAP Performance Measures”.

“We posted yet another strong production quarter contributing to record operating cash flow,” commented Gil Clausen, Copper Mountain’s President and CEO. “As a result of the production achieved to date, we are increasing our production guidance range for 2021 to 90 to 100 million pounds of copper. As previously guided, we expect grades to moderate for the remainder of the year as we mine proportionally more lower grade Phase 2 ore in the second half of the year, especially in Q4 as we commission and ramp up production from Ball Mill 3.”

Mr. Clausen continued, “The second quarter was transformational as we completed a US\$250 million bond financing which has allowed us to restructure our balance sheet so that we can access 100% of excess cash to fund our organic growth plans. We continued to experience high copper prices and generated healthy cash flow building upon our solid cash position. Our Net Debt to last twelve-month EBITDA⁽¹⁾ reduced to 0.7, demonstrating a strong balance

sheet. We are now in a position to invest in projects that further improve production efficiencies at Copper Mountain, such as adding filtration and flotation capacity to achieve improved recoveries at throughput rates up to 50,000 tonnes per day. Our current Ball Mill 3 Expansion Project is on track to commence commissioning in the third quarter of 2021, and we plan to make a formal construction decision on the Eva Project in Queensland by the end of this year. Eva is a key component in achieving our vision of tripling 2020 production within the next five years."

(1) The Company reports the non-GAAP financial measures of Net Debt to EBITDA to manage and evaluate its operating performance. For further information, see "Cautionary Note Regarding Non-GAAP Performance Measures".

SUMMARY OF OPERATING RESULTS

Copper Mountain Mine (100% Basis)	2021 Q2	2020 Q2	2021 H1	2020 H1
Mine				
Total tonnes mined (000s)	15,674	10,947	31,046	25,866
Ore tonnes mined (000s)	3,854	3,577	7,282	7,255
Waste tonnes (000s)	11,820	7,370	23,764	18,611
Stripping ratio	3.07	2.06	3.26	2.57
Mill				
Tonnes milled (000s)	3,435	3,665	6,865	7,203
Feed Grade (Cu%)	0.42	0.28	0.42	0.29
Recovery (%)	79.4	79.0	79.8	77.2
Operating time (%)	94.1	92.5	94.0	92.4
Tonnes milled (TPD)	37,747	40,275	37,928	39,582
Production				
Copper (000s lb)	25,515	18,092	51,041	35,564
Gold (oz)	7,627	7,499	15,814	13,638
Silver (oz)	147,973	86,126	308,457	166,142
Sales				
Copper (000s lb)	21,696	18,879	49,197	36,741
Gold (oz)	6,545	6,289	15,098	12,653
Silver (oz)	121,291	80,294	282,948	158,866
C1 cash cost per pound of copper produced (US\$)⁽¹⁾				
	1.38	1.48	1.27	1.74
AISC per pound of copper produced (US\$)⁽¹⁾				
	1.83	1.67	1.64	1.90
AIC per pound of copper produced (US\$)⁽¹⁾				
	2.06	1.67	1.88	2.06
Average realized copper price (US\$/lb)				
	4.33	2.43	4.09	2.49

(2) The Company reports the non-GAAP financial measures of C1 cash costs, AISC and AIC per pound of copper to manage and evaluate its operating performance. For further information, see "Cautionary Note Regarding Non-GAAP Performance Measures".

The Copper Mountain Mine produced 25.5 million pounds of copper, 7,627 ounces of gold, and 147,973 ounces of silver in Q2 2021, as compared to 18.1 million pounds of copper, 7,499 ounces of gold, and 86,126 ounces of silver in Q2 2020. Similar to Q1 2021, the higher-grade ore from Phase 3 was the primary driver of the near record production in Q2 2021. Average mill feed grade was 0.42% Cu during the quarter, as compared to average feed grade of 0.28% Cu in Q2 2020. Grades are expected to be more moderate in Q3 as mining moves from Phase 3 to Phase 2, which has lower grade. Grades are expected to moderate further in Q4 with a higher percentage of Phase 2 ore planned for the commissioning of Ball Mill 3.

Copper recovery was 79.4% in Q2 2021, as compared to 79.0% in Q2 2020. The Company is advancing installation of additional cleaner circuit capacity to support maximizing recovery on slower kinetic ore types. The mill processed a total of 3.4 million tonnes of ore during the quarter as compared to 3.7 million tonnes in Q2 2020. Mill tonnage continued at reduced rates in Q2 2021 during periods of high grade processing in order to manage the volume of copper concentrate being produced. The Company is also advancing the installation of additional filtration capacity in order to maintain full throughput during periods of high-grade production. This project was originally scheduled for 2022 and is now planned for H2 2021. Mill availability averaged 94.1% for Q2 2021 as compared to 92.5% in Q2 2020.

To date, there have been no material interruptions to the Company's operations, logistics, or supply chains as a result of the COVID-19 pandemic. Enhanced health and safety protocols continue to be implemented and monitored.

C1 cash cost per pound of copper produced for Q2 2021 was US\$1.38, as compared to US\$1.48 in Q2 2020. The decrease in cost per pound resulted from higher production and larger by-product credits for the gold and silver produced in Q2 2021 compared to Q2 2020. Higher by-product credits resulted from improved precious metal prices and greater gold and silver production for Q2 2021 compared to Q2 2020. The decrease is also a result of \$7.1 million in deferred stripping costs capitalized in Q2 2021, compared to \$Nil deferred stripping in Q2 2020.

All-in sustaining costs per pound of copper produced (AISC) for Q2 2021 was US\$1.83, as compared to US\$1.67 in Q2 2020. AISC carries forward from C1 cash costs with \$14.1 million in sustaining capital, lease, and applicable administration expenditures in Q2 2021 compared to \$4.8 million in Q2 2020. The increase is primarily due to higher sustaining capital of \$7.0 million and lease payments of \$6.5 million. Sustaining capital increased from the same quarter last year as the Company completed installing new contact water management systems in the quarter. Increased lease costs resulted from four new haul truck leases contracted in H1 2021, in addition to four new haul truck leases entered into in late 2020. All of the new trucks are electric trolley assist capable.

Total all-in costs per pound of copper produced (AIC), net of precious metal credits, for Q2 2021 was US\$2.06 as compared to US\$1.67 for Q2 2020. AIC carries forward from AISC with the addition of \$7.1 million in deferred stripping compared to \$Nil deferred stripping in Q2 2020. Deferred stripping costs in Q2 2021 resulted from the Company's regular development activities as it continued to advance the development of the Phase 4 pushback of the main pit. The lack of deferred stripping in Q2 2020 resulted from the Company responding to the lower copper price environment and uncertainty due to the COVID-19 pandemic by resequencing short-term production to lower-cost mining phases to reduce operating costs. Low-grade stockpile mining expenses did not occur in Q2 2021 or Q2 2020.

SUMMARY OF FINANCIAL RESULTS

Results and Highlights (On a 100% basis)	Three months ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
(In thousands of CDN\$, except for per share amounts)	\$	\$	\$	\$
Financial				
Revenue	142,064	91,089	304,271	140,653
Gross profit	85,786	30,259	182,066	15,310
Gross profit before depreciation ⁽¹⁾	92,085	36,222	196,051	27,381
Net income (loss)	38,662	31,933	90,780	(11,525)
Income (loss) per share – basic	0.12	0.12	0.30	(0.05)
Adjusted earnings ⁽¹⁾	32,161	(1,458)	65,580	(11)
Adjusted earnings per share – basic	0.15	(0.01)	0.31	(0.00)
EBITDA ⁽¹⁾	80,958	49,120	176,943	9,405
Adjusted EBITDA	74,457	15,729	151,743	20,919
Cash flow from operations	94,574	15,685	174,167	32,025
Cash and cash equivalents – end of period			144,462	29,003

⁽¹⁾ The Company reports the non-GAAP financial measures of gross profit before depreciation, adjusted earnings and EBITDA to manage and evaluate its operating performance. For further information, see “Cautionary Note Regarding Non-GAAP Performance Measures”.

In Q2 2021, revenue was \$142.1 million, net of pricing adjustments and treatment charges, compared to \$91.1 million in Q2 2020. Q2 2021 revenue resulted from 21.7 million pounds of copper, 6,545 ounces of gold, and 121,291 ounces of silver sold. This production compares to 18.9 million pounds of copper, 6,289 ounces of gold, and 80,294 ounces of silver sold in Q2 2020. The increase in revenue is primarily due to higher metal prices and metal sales which were somewhat offset by lower United States to Canadian dollar foreign exchange rates and lower positive mark to market and final adjustment on concentrate sales. In Q2 2021, there was a positive mark to market and final adjustment on concentrate sales of \$8.8 million compared to a positive mark to market and final adjustment of \$20.3 million in Q2 2020.

Cost of sales in Q2 2021 was \$56.3 million compared to \$60.8 million for Q2 2020. Mine operating costs are net of \$8.1 million of mining costs allocated to deferred stripping in Q2 2021 and \$Nil in Q2 2020.

The Company generated a gross profit of \$85.8 million in Q2 2021, compared to a gross profit of \$30.3 million for Q2 2020. Net income for Q2 2021 was \$38.7 million, compared to \$31.9 million for Q2 2020. The variance in the higher net income in Q2 2021 is a result of several items, including:

- Higher revenue as a result of more pounds sold at a higher average price as compared to Q2 2020;
- An \$8.8 million positive mark to market and final adjustment from provisional pricing on concentrate sales, as compared to a \$20.3 million positive mark to market and final adjustment from provisional pricing on concentrate sales for Q2 2020, a differential of approximately \$11.5 million;

- A non-cash unrealized foreign exchange loss of \$0.4 million in Q2 2021 as compared to a gain of \$14.5 million in Q2 2020, a differential of approximately \$14.9 million, which was primarily related to the Company's debt that is denominated in US dollars; and
- Non-cash deferred tax expense of \$23.8 million as compared to \$6.6 million for Q2 2020.

The Company recorded a net income of \$32.2 million in Q2 2021 on an adjusted basis, or \$0.15 per share, compared to a net loss of \$1.5 million in Q2 2020, or \$0.01 per share.

PROJECT DEVELOPMENT UPDATE

Copper Mountain Mine, Canada

The Company continued to progress the Ball Mill 3 Expansion Project during the quarter with construction well advanced. The Ball Mill 3 Expansion Project will increase mill throughput to 45,000 tonnes per day from 40,000 tonnes per day and improve copper recovery due to achieving a finer grind of ore. As of the end of the quarter, concrete foundations are complete, structural steel is well advanced, and the mill assembly has commenced. The Ball Mill 3 Expansion Project is on track for commissioning late in the third quarter of 2021.

Eva Copper Project, Australia

The Company continued to advance project financing during the quarter and is on track for completion in the fourth quarter of 2021. Basic engineering also continues to progress well, with a final construction estimate planned to be complete in the fourth quarter ahead of a final construction decision to be made by the end of 2021.

EXPLORATION UPDATE

Canada

Exploration drilling to expand resources and reserves in the Copper Mountain North and New Ingerbelle deposits was initiated in March of 2021 and is planned for completion in the third quarter of 2021. Additional drilling within the Main pit at the Copper Mountain Mine is also ongoing.

Australia

The 2021 exploration program designed to discover additional copper, copper-gold or gold deposits within the Company's large landholdings continued through the second quarter. The program, which consists of detailed geophysical, geochemical and geological surveys followed by drill testing, is progressing well and is planned for completion early in the third quarter of 2021.

OUTLOOK

As a result of strong production in the first half of 2021, the Company is increasing its 2021 annual production guidance to 90 to 100 million pounds of copper. The Company also reaffirms annual AIC guidance of US\$1.80 to US\$2.00 per pound. As the Company optimizes and improves its operations, it has approved an additional cleaner cell and filter press capital project, which is expected to be complete by the end of 2021. The extra filtration capacity will allow the Company to maintain throughput capacity during periods of high-grade production. As a result of this additional investment, the Company is revising its development capital guidance for 2021 to US\$40 million.

Please see “Cautionary Note Regarding Forward-Looking Statements.”

Q2 2021 FINANCIAL AND OPERATING RESULTS CONFERENCE CALL AND WEBCAST

Copper Mountain will host a conference call on Monday, July 26, 2021 at 7:30 am (Pacific Time) for senior management to discuss second quarter 2021 results.

Dial-in information:

Toronto and international: 1 (416) 764 8650

North America (toll-free): 1 (888) 664 6383

To participate in the webcast live via computer go to:

https://produceredition.webcasts.com/starthere.jsp?ei=1478739&tp_key=16f12ee090

Replay Call Information

Toronto and international: 1 (416) 764 8677, Passcode: 524127#

North America (toll-free): 1 (888) 390 0541, Passcode: 524127#

The conference call replay will be available until 8:59 pm (Pacific Time) on August 9, 2021. 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 currently produces approximately 100 million pounds of copper equivalent per year, with average annual production expected to increase to approximately 140 million pounds of copper equivalent. Copper Mountain also has the development-stage Eva Copper Project in Queensland, Australia and an extensive 2,100 km² highly prospective land package in the Mount Isa area. Copper Mountain trades on the Toronto Stock Exchange under the symbol “CMMC” and Australian Stock Exchange under the symbol “C6C”.

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.

President and Chief Executive Officer

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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.

Cautionary Note Regarding Non-GAAP Performance Measures

This document includes certain non-GAAP performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used and may not be comparable to such measures as reported by other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company’s performance. These performance measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures have been derived from the Company’s financial statements and applied on a consistent basis. The calculation and an explanation of these measures is provided in the Company’s MD&A and such measures should be read in conjunction with the Company’s financial statements.

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

	June 30, 2021 \$	December 31, 2020 \$
Assets		
Current assets		
Cash and cash equivalents	144,462	85,571
Restricted cash	46,728	-
Accounts receivable and prepaid expenses	35,562	30,413
Inventory	41,803	38,038
Other financial assets	1,447	-
	270,002	154,022
Reclamation bonds	4,409	4,162
Deferred tax assets	3,335	473
Property, plant and equipment	618,779	552,648
Low grade stockpile	64,879	64,836
	961,404	776,141
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	55,466	44,400
Amounts payable to related parties	-	3,644
Current portion of long-term debt	62,387	79,559
Current tax liability	2,279	1,578
	120,132	129,181
Provisions	25,415	18,371
Due to related parties	-	145,918
Long-term debt	331,525	129,153
Deferred tax liability	62,535	4,465
	539,607	427,088
Equity		
Attributable to shareholders of the Company:		
Share capital	286,613	283,926
Contributed surplus	18,931	19,611
Accumulated other comprehensive loss	(3,059)	(520)
Retained Earnings (deficit)	27,666	(35,153)
	330,151	267,864
Non-controlling interest	91,646	81,189
Total equity	421,797	349,053
	961,404	776,141

Copper Mountain Mining Corporation
Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(In thousands of Canadian dollars, except for number of and earnings per share)

	Three months ended		Six months ended	
	2021	2020	2021	2020
	June 30,	June 30,	June 30,	June 30,
	\$	\$	\$	\$
Revenue	142,064	91,089	304,271	140,653
Cost of sales	(56,278)	(60,830)	(122,205)	(125,343)
Gross profit	85,786	30,259	182,066	15,310
Other income and expenses				
General and administration	(4,263)	(914)	(9,531)	(3,360)
Share based compensation	(4,532)	(575)	(10,491)	(1,203)
Operating income	76,991	28,770	162,044	10,747
Finance income	31	31	49	105
Finance expense	(10,469)	(4,133)	(13,400)	(7,432)
Gain (loss) on derivatives	(1,915)	(76)	(1,915)	(1,018)
Foreign exchange (loss) gain	(417)	14,463	2,829	(12,395)
Income (loss) before tax	64,221	39,055	149,607	(9,993)
Current tax expense	(1,733)	(505)	(3,590)	(513)
Deferred income expense	(23,826)	(6,617)	(55,237)	(1,019)
Net income (loss)	38,662	31,933	90,780	(11,525)
Other comprehensive income (loss)				
Foreign currency translation adjustment	(1,378)	4,192	(2,539)	1,085
Total comprehensive income (loss)	37,284	36,125	88,241	(10,440)
Net income (loss) attributable to:				
Shareholders of the Company	26,167	23,373	62,819	(8,961)
Non-controlling interest	12,495	8,560	27,961	(2,564)
	38,662	31,933	90,780	(11,525)
Earnings (loss) per share:				
Basic	0.12	0.12	0.30	(0.05)
Diluted	0.12	0.12	0.29	(0.05)
Weighted average shares outstanding, basic (thousands)	209,467	191,331	209,013	191,331
Weighted average shares outstanding, diluted (thousands)	219,642	194,194	216,401	191,331
Shares outstanding at end of the period (thousands)	209,889	191,331	209,889	191,331

Copper Mountain Mining Corporation
Condensed Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2021 \$	2020 \$	2021 \$	2020 \$
Cash flows from operating activities				
Net income (loss) for the period	38,662	31,933	90,780	(11,525)
Adjustments for:				
Depreciation	6,331	5,964	14,115	12,096
Unrealized foreign exchange (gain) loss	(4,502)	(7,791)	(6,446)	11,933
Loss on derivatives	1,915	76	1,915	1,018
Deferred income tax expense	23,810	6,617	55,221	1,019
Finance expense	10,469	4,133	13,400	7,432
Share based compensation	4,532	575	10,491	1,203
	81,217	41,507	179,476	23,176
Net changes in working capital items	13,357	(25,822)	(5,309)	8,849
Net cash from operating activities	94,574	15,685	174,167	32,025
Cash flows from investing activities				
Purchase of copper puts	(3,397)	-	(3,397)	-
Reclamation bonds	3	(415)	(246)	(415)
Deferred stripping activities	(7,147)	-	(15,188)	(7,437)
Purchase of property, plant and equipment	(33,744)	(9,657)	(49,479)	(15,792)
Net cash used in investing activities	(44,285)	(10,072)	(68,310)	(23,644)
Cash flows from financing activities				
Net proceeds from issuance of bonds	287,785	-	287,785	-
Proceeds on exercise of options	1,229	-	1,720	-
Increase in restricted cash	(45,615)	-	(45,615)	-
Advances from non-controlling interest	-	-	20,393	24,223
Payments made to non-controlling interest	(178,310)	-	(178,310)	-
Loan principal paid	(93,868)	(6,057)	(113,988)	(28,756)
Interest paid	(7,193)	(3,299)	(8,260)	(5,031)
Finance lease payments	(6,470)	(2,128)	(9,175)	(2,993)
Net cash used in financing activities	(42,442)	(11,484)	(45,450)	(12,557)
Effect of foreign exchange rate changes on cash and cash equivalents	(450)	(1,349)	(1,516)	1,053
Increase (decrease) in cash and cash equivalents	7,397	(7,220)	58,891	(3,123)
Cash and cash equivalents - Beginning of period	137,065	36,223	85,571	32,126
Cash and cash equivalents - End of period	144,462	29,003	144,462	29,003