

Copper Mountain Mining Announces Q4 2020 Financial Results, Achieves All-in Cost Guidance and Exceeds Production Guidance

Vancouver, British Columbia – February 16, 2021 – Copper Mountain Mining Corporation (TSX: CMMC | ASX:C6C) (the “Company” or “Copper Mountain”) announces strong fourth quarter and full year 2020 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 Discussion & Analysis (“MD&A”) are available at www.CuMtn.com and www.sedar.com.

HIGHLIGHTS

- Record quarterly production in Q4 2020 of 29.1 million pounds of copper equivalent (comprised of 23.1 million pounds of copper, 8,959 ounces of gold, and 144,934 ounces of silver).
- Full year 2020 production was 77.6 million pounds of copper, exceeding guidance of 70 to 75 million pounds.
- C1 cash cost in Q4 2020 was US\$1.43/lb copper produced, all-in sustaining cost (AISC) was US\$1.58/lb copper and all-in cost (AIC) was US\$1.82/lb copper.
- Full year 2020 C1 cash cost was \$1.53/lb copper, AISC was US\$1.69/copper, and AIC was US\$1.90 per pound, meeting the mid-point of improved and revised AIC guidance of US\$1.80 to US\$2.00/lb.
- Revenue for Q4 2020 was \$106.1 million and for the full year was \$341.7 million.
- Earnings per share for Q4 2020 was \$0.10 and for the full year was \$0.18.
- Cash flow from operations for Q4 2020 was \$50.9 million and for the full year was \$121.6 million.
- Cash and cash equivalents at the end of 2020 was \$85.6 million, an increase of \$32.0 million from the end of the third quarter of 2020 and a \$53.4 million increase from December 31, 2019.
- In Q4 2020, restarted the Ball Mill 3 Expansion Project to 45,000 tonnes per day, which is expected to be completed in Q3 2021.
- In Q4 2020, a new life of mine plan was announced for the Copper Mountain Mine that includes a further mill expansion to 65,000 tonnes per day, demonstrating increased annual production, lower costs and a significantly higher net present value, when compared to the previous 2019 Technical Report.

“We continued to post another strong quarter with record quarterly production for copper, gold and silver.” commented Gil Clausen, Copper Mountain’s President and CEO. “We finished the year exceeding our annual production guidance and meeting our reduced AIC guidance. Our operating team did an exceptional job in 2020 navigating an uncertain and changing environment. We expect our low cost profile to remain in 2021 and for production to increase by up to 22% to the range of 85 to 95 million pounds of copper this year. Increased production will be driven by higher grades, as already experienced in the fourth quarter of 2020, and increased throughput and recovery following the commissioning of the 45,000 tonnes per day mill expansion planned for completion in the third quarter of 2021. We remain focused on advancing our organic growth pipeline, which includes the further mill

expansion to 65,000 tonnes per day at the Copper Mountain Mine and the Eva Copper Project, while maximizing cash flow to continue to build on our healthy cash position.”

SUMMARY OF OPERATING RESULTS

Mine Production Information

	2020	2019	2020	2019
Copper Mountain Mine (100% Basis)	Q4	Q4	Annual	Annual
Mine				
Total tonnes mined (000s)	15,499	14,571	55,045	62,129
Ore tonnes mined (000s)	3,785	3,914	14,173	12,496
Waste tonnes (000s)	11,713	10,657	40,872	49,633
Stripping ratio	3.09	2.72	2.88	3.97
Mill				
Tonnes milled (000s)	3,408	3,733	14,336	14,643
Feed Grade (Cu%)	0.40	0.31	0.32	0.29
Recovery (%)	77.3	73.0	78.0	77.8
Operating time (%)	94.1	93.1	92.4	93.2
Tonnes milled (TPD)	37,043	40,576	39,169	40,118
Production				
Copper (000s lb)	23,053	18,588	77,551	71,950
Gold (oz)	8,959	6,200	29,227	26,747
Silver (oz)	144,934	86,623	392,494	271,835
Sales				
Copper (000s lb)	18,712	17,598	73,277	71,898
Gold (oz)	7,253	6,008	26,137	26,478
Silver (oz)	96,509	76,847	323,276	254,541
C1 cash cost per pound of copper produced (US\$) ⁽¹⁾	1.43	2.06	1.53	1.92
AISC per pound of copper produced (US\$) ⁽¹⁾	1.58	2.27	1.69	2.06
AIC per pound of copper produced (US\$) ⁽¹⁾	1.82	2.31	1.90	2.44
Average realized copper price (US\$/lb)	3.35	2.67	2.84	2.73

(1) Non-GAAP performance measure. See MD&A for details.

Fourth Quarter 2020

In Q4 2020, the Copper Mountain Mine produced a record 23.1 million pounds of copper, 8,959 ounces of gold, and 144,934 ounces of silver. Average mill feed grade increased to 0.40% Cu during the quarter, and 0.44% during

the last two months, as compared to average feed grade of 0.31% Cu in Q4 2019. Mill feed grade increased through the quarter as the mill began to process higher grade Phase 3 ore. The higher-grade ore and improved recoveries were the primary reason for record production in Q4 2020.

The mill processed a total of 3.4 million tonnes of ore in Q4 2020 as compared to 3.7 million tonnes in Q4 2019. Mill tonnage was reduced during the last two months of the year to adjust the mill operation to handle an approximate 40% increase in mill feed head grade. Copper recovery was 77.3% in Q4 2020, as compared to copper recovery of 73.0% in Q4 2019, and mill availability averaged 94.1% for Q4 2020 as compared to 93.1% in Q4 2019.

C1 cash cost per pound of copper produced, net of by-product credits, for Q4 2020 decreased 31% to US\$1.43 when compared to Q4 2019. The decrease in cost per pound in Q4 2020 was the result of increased production and higher by-product credits, driven by higher gold and silver prices and increased gold and silver production as compared to Q4 2019.

All-in sustaining cost per pound of copper produced (AISC) was US\$1.58 in Q4 2020, 30% lower than Q4 2019. The low AISC carries forward from the low C1 cost per pound with addition of lower sustaining capital, lease and applicable administration expenditures of \$4.7 million in Q4 2020 as compared to \$5.2 million in Q4 2019.

All-in cost per pound of copper produced (AIC) for Q4 2020 improved by 21% to US\$1.82 compared to Q4 2019. The low AIC carries forward from the low AISC with the addition of \$7.2 million in deferred stripping and \$nil of low-grade stockpile mining costs incurred in Q4 2020 as compared to \$nil of deferred stripping and \$0.8 million of low-grade stockpile costs in Q4 2019.

The significant decrease in C1, AISC, and AIC recognized in Q4 2020 as compared to past quarters was a result of the Company's strong copper production, cost savings initiatives and operating efficiencies at the Copper Mountain mine, supplemented by an increase in precious metals prices and production for Q4 2020.

Full year 2020

For the full year of 2020, Copper Mountain Mine produced 77.6 million pounds of copper, exceeding 2020 production guidance. Gold and silver production for 2020 was 29,227 ounces of gold and 392,494 ounces of silver. This compares to 72.0 million pounds of copper, 26,747 ounces of gold, and 271,835 ounces of silver produced in 2019. Production was higher in 2020 as a result of processing higher grade ore from Phase 3 in the fourth quarter of 2020.

During the year, the mine processed a total of 14.2 million tonnes of ore at an average feed grade of 0.32% Cu and with a copper recovery of 78.0%. Mill availability averaged 92.4% in 2020 as compared to 93.2% in 2019, the difference being attributable to the maintenance schedule differences between the periods. The new ball mill transformers and SAG mill screen installed in 2019 performed reliably during 2020.

C1 cash cost per pound of copper produced, net of by-product credits, in 2020 decreased by 20% to US\$1.53 when compared to 2019. Cash costs have decreased significantly as a result of the revised operating plan announced in Q2 2020 that reduced operating costs by re-sequencing short term production to lower cost mine phases. In addition, stronger precious metal prices experienced in 2020 that resulted in higher by-product credits contributed to lower C1 cash cost.

All-in sustaining costs per pound of copper produced (AISC) in 2020 decreased by 18% to US\$1.69 as compared to 2019, driven by the lower C1 cash cost per pound. AISC includes \$16.6 million in sustaining capital, lease and applicable administration expenditures, which compares to \$13.6 million for 2019.

All-in costs per pound of copper produced (AIC), for 2020 decreased 22% to US\$1.90 as compared to 2019. This is a significant decrease from the prior year and demonstrates the ability for the Company to adjust its operating plan to match market conditions to decrease total-all-in costs during the year, while remaining on track with the long-term development plan.

SUMMARY OF FINANCIAL RESULTS

Results and Highlights (100%)	Three months ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
(In thousands of CDN\$, except for per share amounts)	\$	\$	\$	\$
Financial				
Revenue	106,103	73,743	341,748	288,460
Gross profit	47,314	1,613	104,643	25,098
Gross profit before depreciation ⁽¹⁾	52,872	11,279	127,344	52,562
Net income (loss)	28,540	(35,702)	50,264	(25,941)
Income (loss) per share – basic	0.10	(0.14)	0.18	(0.12)
Adjusted earnings ⁽¹⁾	5,502	1,317	20,569	835
Adjusted earnings per share – basic	0.03	0.01	0.11	0.00
EBITDA ⁽¹⁾	57,205	(35,271)	117,836	3,647
Adjusted EBITDA	34,167	1,748	88,141	30,423
Cash flow from operations	50,990	4,339	121,610	51,232
Cash and cash equivalents – end of period			85,571	32,126

(1) Non-GAAP performance measure. See MD&A for details.

Fourth Quarter 2020

In Q4 2020, revenue was \$106.1 million, net of pricing adjustments and treatment charges, compared to \$73.7 million in Q4 2019. Q4 2020 revenue is based on the sale of 18.7 million pounds of copper, 7,253 ounces of gold, and 96,509 ounces of silver. This compares to 17.6 million pounds of copper, 6,008 ounces of gold and 76,847

ounces of silver sold in Q4 2019. As noted above, revenue increased significantly during the quarter as a result of increased sales and higher metal prices, including a positive mark to market and final adjustment on concentrate sales of \$11.9 million as compared to a positive mark to market and final adjustment of \$6.5 million for Q4 2019, a differential of approximately \$5.4 million. Q4 2020 revenue before the mark-to-market adjustment is \$94.2 million as compared to \$67.2 million for Q4 2019.

Cost of sales in Q4 2020 was \$58.8 million as compared to \$72.1 million for Q4 2019. A substantial part of the decrease in cost of sales is a result of the Company's cost savings initiatives resulting from the revised operating plan which included utilizing less equipment. Q4 2020 cost of sales did not include any mining costs being allocated to the low-grade stockpile and the Company allocated \$8.4 million to deferred stripping. This is compared to Q4 2019 cost of sales which was net of only \$0.9 million of deferred stripping and low-grade stockpile costs.

The Company reported net income of \$28.5 million in Q4 2020, or \$0.10 on a per share basis, as compared to a net loss of \$35.7 million, or a loss of \$0.14 per share for Q4 2019. The variance in the higher net income for 2020, as compared to 2019, was primarily a result of several items including:

- Significantly higher revenue as a result of higher realized copper, gold and silver prices of 25%, 26% and 42%, respectively, as compared to Q4 2019.
- The inclusion of a non-cash unrealized foreign exchange gain of \$13.9 million in Q4 2020 as compared to a non-cash unrealized foreign exchange gain of \$5.4 million in Q4 2019, a differential of approximately \$8.4 million, which was primarily related to the Company's debt that is denominated in US dollars.
- Q4 2019 included a one-time non-cash write-down of \$48.8 million on the carrying value of the low-grade stockpile. This write-down was the result of the increased reserves and mine life of the Copper Mountain mine which deferred the milling of the low-grade stockpile to 2038. There was no write-down in Q4 2020.

On adjusted basis, the Company recorded a net income of \$5.5 million in Q4 2020, or \$0.03 on a per share basis, compared to \$1.3 million in Q4 2019, or \$0.01 on a per share basis.

Full Year 2020

Revenue for the full year of 2020 was \$341.7 million, net of pricing adjustments and treatment charges, compared to \$288.5 million in 2019. 2020 revenue is based on the sale of 73.3 million pounds of copper, 26,137 ounces of gold and 323,276 ounces of silver. This compares to 71.9 million pounds of copper, 26,478 ounces of gold and 254,541 ounces of silver sold in the same period 2019. The increase in revenue is primarily the result of higher gold and silver prices during the period as well as a positive mark to market adjustment on concentrate sales of \$25.2 million as compared to \$8.5 million for 2019, a differential of approximately \$16.7 million. Mark to market adjustments are higher during periods of increasing copper prices and explains the increase in mark to market from the prior year.

Cost of sales for the full year of 2020 was \$237.1 million as compared to \$263.4 million for 2019. A substantial part of the decrease in cost of sales is a result of the Company's cost savings initiatives resulting from the revised operating plan which included utilizing less equipment. Another contributing factor is lower deferred stripping and low-grade stockpile costs, which were \$21.3 million for 2020 and \$36.1 million for 2019, a difference of \$14.8 million.

The Company reported net income of \$50.3 million in 2020 compared to a net loss of \$25.1 million in 2019. The variance in net income in 2020 was a result of several items including:

- Revenue was higher as a result of higher copper, gold and silver prices of 4.0%, 28.5% and 27.4%, respectively;
- Revenue included a higher positive mark to market adjustment from provisional pricing on concentrate sales of \$16.7 million, compared 2019, as discussed above;
- In 2019, the Company recognized a one-time non-cash write-down of \$48.8 million on the carrying value of the low-grade stockpile. This write-down was the result of the increased reserves and mine life of the Copper Mountain mine which deferred the milling of the low-grade stockpile to 2038. There were no write-downs in 2020.

On adjusted basis, the Company recorded a net income of \$20.6 million in 2020, or \$0.11 on a per share basis, compared to \$0.8 million, or \$0.00 on a per share basis, in 2019.

PROJECT DEVELOPMENT UPDATE

Copper Mountain

Late in 2020, on the strength of stronger metal prices and an increasing cash balance, the Company restarted the second and final stage of the Ball Mill 3 Expansion Project. The Ball Mill 3 Expansion Project is designed to increase mill throughput to 45,000 tonnes per day from 40,000 tonnes per day and improve copper recovery as a result of achieving a finer grind of ore. Demolition has been completed in the area where the third ball mill is to be installed and excavation work for the Ball Mill 3 foundations has commenced. The Ball Mill 3 Expansion Project is on track to complete commissioning by the end of Q3 2021.

On November 30, 2020, the Company announced a new life of mine plan for the Copper Mountain Mine, which included a proposed further mill expansion to 65,000 tonnes per day. The new life of mine plan increased the Copper Mountain Mine's after-tax Net Asset Value (NPV) at an 8% discount rate to US\$1.0 billion. Average annual production is expected to be approximately 106 million pounds of copper and 60,000 ounces of gold at average C1 cash costs of US\$1.19 per pound (over the first ten years). The 65,000 tonnes per day expansion builds upon the 45,000 tonnes per day mill expansion currently underway.

Eva Copper Project

During the fourth quarter the Company advanced a project development alternative analysis for the Eva Copper Project for Board consideration. The Company expects to provide guidance on the project development plan in the second quarter of this year.

OUTLOOK

The Company expects production to increase up to the range of 85 to 95 million pounds of copper in 2021 as a result of higher grade. Similar to 2020, the Company expects production to be stronger in the second half of 2021 as a result of higher head grades and the commissioning of the Ball Mill 3 expansion project in the third quarter of 2021, which will improve recovery and increase throughput to 45,000 tonnes per day.

The Company expects all-in cost (AIC) to remain low in 2021, estimating AIC to be between US\$1.80 to US\$2.00 per pound as a result of higher production and improved grade.

Q4 and Year End 2020 FINANCIAL AND OPERATING RESULTS CONFERENCE CALL AND WEBCAST

Copper Mountain will host a conference call on Tuesday, February 16, 2021 at 7:30 am (Pacific Time) for senior management to discuss fourth quarter and full year 2020 results.

Dial-in information:

Toronto and international: 647-427-7450

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

To participate in the webcast live via computer go to:

https://produceredition.webcasts.com/starthere.jsp?ei=1421305&tp_key=1996d72c1d

Replay Call Information

Toronto and international: 416-849-0833, Passcode: 7194614

North America (toll-free): 1-855-859-2056, Passcode: 7194614

The conference call replay will be available until 8:59 pm (Pacific Time) on February 23, 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, 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.

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

	December 31, 2020 \$	December 31, 2019 \$
Assets		
Current assets		
Cash and cash equivalents	85,571	32,126
Accounts receivable and prepaid expenses	30,413	27,947
Inventory	38,038	35,299
	154,022	95,372
Reclamation bonds	4,162	3,740
Deferred tax assets	473	28,088
Property, plant and equipment	552,648	501,663
Low grade stockpile	64,836	64,978
	776,141	693,841
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	44,400	41,366
Amounts payable to related parties	3,644	104,698
Current portion of long-term debt	79,559	60,260
Current tax liability	1,578	1,186
	129,181	207,510
Provisions	18,371	18,104
Due to related parties	145,918	-
Long-term debt	129,153	188,123
Deferred tax liability	4,465	2,203
	427,088	415,940
Equity		
Attributable to shareholders of the Company:		
Share capital (note 10)	283,926	266,663
Contributed surplus	19,611	18,623
Accumulated other comprehensive loss	(520)	(4,158)
Accumulated deficit	(35,153)	(70,516)
	267,864	210,612
Non-controlling interest	81,189	67,289
Total equity	349,053	277,901
	776,141	693,841

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)

	2020 \$	2019 \$
Revenue	341,748	288,460
Cost of sales	(237,105)	(263,362)
Gross profit	104,643	25,098
General and administration	(8,476)	(11,544)
Low-grade stockpile write-down	-	(48,769)
Share based compensation	(5,568)	(2,093)
Income (loss) from operations	90,599	(37,308)
Finance income	632	1,175
Finance expense	(14,221)	(16,476)
Loss on interest rate swap	(1,021)	(464)
Foreign exchange gain	8,424	14,192
Loss on disposal of fixed assets	(2,867)	(237)
Income (loss) before tax	81,546	(39,118)
Current income and resource tax expense	(1,022)	(862)
Deferred income and resource tax (expense) recovery	(30,260)	14,039
Net Income (Loss)	50,264	(25,941)
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net income		
Foreign currency translation adjustment	3,638	(2,503)
Total comprehensive income (loss)	53,902	(28,444)
Net income (loss) and comprehensive income (loss) attributable to:		
Shareholders of the Company	35,363	(22,486)
Non-controlling interest	14,901	(3,455)
	50,264	(25,941)
Earnings (loss) per share:		
Basic	\$0.18	\$(0.12)
Diluted	\$0.18	\$(0.12)
Weighted average shares outstanding, basic	193,118,813	189,529,180
Weighted average shares outstanding, diluted	197,663,540	191,004,336
Shares outstanding at end of the year	207,653,732	191,331,053

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

	2020	2019
	\$	\$
Cash flows from operating activities		
Net income (loss) for the year	50,264	(25,941)
Adjustments for:		
Depreciation	22,745	27,527
Loss on disposal of fixed assets	2,867	237
Low grade stockpile write-down	-	48,769
Unrealized foreign exchange gain	(8,755)	(16,890)
Loss on interest rate swap	1,021	464
Deferred income and resource tax expense (recovery)	30,260	(14,039)
Finance expense	14,071	16,476
Share based compensation	5,568	2,093
	<u>118,041</u>	<u>38,696</u>
Net changes in working capital items	(3,569)	12,536
Net cash from operating activities	<u>121,610</u>	<u>51,232</u>
Cash flows from investing activities		
Deferred stripping costs	(21,031)	(32,608)
Development of property, plant and equipment	(34,859)	(22,578)
(Purchase) refund of reclamation bond	(422)	5,012
Proceeds on disposal of fixed asset	-	2,624
Net cash used in investing activities	<u>(56,312)</u>	<u>(47,550)</u>
Cash flows from financing activities		
Proceeds on the issuance of common shares	16,518	2,311
Contributions from related party	46,536	38,329
Payments made to non-controlling interest	(1,001)	(997)
Secured borrowing proceeds	-	10,345
Loan principal payments	(56,299)	(49,344)
Interest paid	(9,902)	(13,687)
Lease payments	(6,866)	(3,279)
Net cash used in financing activities	<u>(11,014)</u>	<u>(16,322)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	(839)	(1,357)
Increase (decrease) in cash and cash equivalents	53,445	(13,997)
Cash and cash equivalents - Beginning of year	<u>32,126</u>	<u>46,123</u>
Cash and cash equivalents - End of year	<u>85,571</u>	<u>32,126</u>