



10 NOVEMBER 2020

PRELIMINARY SHORT FORM PROSPECTUS C\$15,000,002 MILLION BOUGHT DEAL OFFERING OF COMMON SHARES

Copper Mountain Mining Corporation (TSX: CMMC | ASX: C6C) (the "Company") refers to its announcement to ASX dated 10 November 2020, in relation to the agreement to purchase on a bought deal basis an aggregate of 13,043,480 common shares (the "Offered Shares") of the Company at a price of C\$1.15 per Offered Share, for aggregate gross proceeds of C\$15,000,002 ("Offering").

Attached is the preliminary short form prospectus ("Prospectus") for the Offering that has been filed with the securities regulatory authorities in Canada. The Offering did not extend to Australian investors.

The Prospectus does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy, any Offered Shares to any person in Australia. The Prospectus has not been, and will not be, and no other disclosure document in relation to the Offering will be lodged with the Australian Securities and Investments Commission ("ASIC") or any other regulatory authority in Australia. The Prospectus is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or 7.9 of the *Corporations Act 2001* (Cth). It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied.

The Company provides the following information as required by ASX Listing Rule 5.23 in connection with the Prospectus. In relation to the:

1. Mineral Resource estimate for the Eva Copper Project please refer to the Company's announcement titled "Copper Mountain Mining Announces Improved Feasibility Study Update Results for Eva Copper, Improves NPV and Increases Total Production by 57%" and released to ASX on 7 May 2020; and
2. Mineral Resource estimate for the Copper Mountain Properties please refer to the Company's announcement titled "Copper Mountain Announces New Integrated Mine Plan, Increases Copper and Gold Annual Production, Extends Mine Life and Lowers Cash Costs" and released to ASX on 25 February 2019.

(together, the "Original Announcements").

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Original Announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant Original Announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Original Announcements.

COPPER MOUNTAIN MINING CORPORATION

"Rod Shier"

Rod Shier

Chief Financial Officer

Website: www.CuMtn.com

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, other than Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been and will not be registered under the United States Securities Act of 1933 (the “U.S. Securities Act”), as amended, or the securities laws of any state of the United States. Accordingly these securities may not be offered or sold in the United States except in accordance with the Underwriting Agreement (as defined herein) and pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.

This preliminary short form prospectus does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy, these securities to any person in Australia. This preliminary short form prospectus has not been, and will not be, and no other disclosure document in relation to these securities will be lodged with the Australian Securities and Investments Commission or any other regulatory authority in Australia and this preliminary short form prospectus is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or 7.9 of the Corporations Act 2001 (Cth) (“Australian Corporations Act”). It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. It is not to be provided to any 'retail client' as defined in section 761G of the Australian Corporations Act. The Company is not licensed in Australia to provide financial product advice in respect of these securities. Australian cooling-off rights do not apply to the acquisition of these securities.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Copper Mountain Mining Corporation at Suite 1700, 700 West Pender Street, Vancouver, BC V6C 1G8, Telephone: (604) 682-2992 and are also available electronically on SEDAR at www.sedar.com.

Preliminary Short Form Prospectus



New Issue

November 10, 2020

\$15,000,002

13,043,480 Common Shares

This short form prospectus hereby qualifies the distribution in each of the provinces and territories of Canada (other than the province of Québec) (the “**Offering**”) of an aggregate of 13,043,480 common shares (the “**Shares**”, as modified below) in the capital of Copper Mountain Mining Corporation (“**Copper Mountain**” or the “**Company**”) at an offering price of \$1.15 per Share (the “**Offering Price**”). The Shares will be sold pursuant to an underwriting agreement dated November 10, 2020 (the “**Underwriting Agreement**”) among the Company, Industrial Alliance Securities Inc. (the “**Lead Underwriter**”), Cormark Securities Inc., National Bank Financial Inc., BMO Capital Markets and Haywood Securities Inc. (collectively, the “**Underwriters**”). The Offering Price was determined by arm’s length negotiation between the Underwriters and the Company with reference to the prevailing market price of the common shares. See “**Plan of Distribution**”.

The outstanding common shares of the Company are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**CMMC**” and on the Australian Securities Exchange (“**ASX**”), as CHESS Depositary Interests (“**CDIs**”) (each CDI representing a common share of the Company), under the trading symbol “**C6C**”. On November 6, 2020, the last full trading day prior to the announcement of the Offering, the closing price of the common shares on the TSX was \$1.27. On November 9, 2020 the last trading day prior to the date of this short form prospectus, the closing price of the common shares on the TSX was \$1.21. **The Company has applied to the TSX for conditional approval to the listing of the Shares issuable under this short form prospectus (including the**

Shares issuable on the exercise of the Over-Allotment Option (as defined herein)), on the TSX. Listing will be subject to Copper Mountain fulfilling all of the requirements of the TSX.

Price: \$1.15 per Share

	Price to Public	Underwriters' Fee⁽¹⁾	Net Proceeds to the Company⁽²⁾⁽³⁾⁽⁴⁾
Per Share	\$1.15	\$0.06325	\$1.08675
Total ⁽³⁾⁽⁴⁾	\$15,000,002	\$825,000	\$14,175,002

- (1) Pursuant to the Underwriting Agreement, the Company will pay a fee to the Underwriters equal to 5.5% of the gross proceeds realized from the sale of the Offering, including the Shares sold under the Over-Allotment Option, provided that the fee payable to the Underwriters in respect of Shares sold to purchasers on a president's list agreed to between the Company and the Underwriters (the "**President's List**") shall equal to 2.75% of the gross proceeds realized from the sale of the Shares to purchasers on the President's List (the "**Underwriters' Fee**").
- (2) After deducting the Underwriters' Fee but before deducting expenses of the Offering, estimated to be \$85,000, which will be paid from the proceeds of the Offering.
- (3) The Company has granted to the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part for a period of 30 days from and including the Closing, to purchase up to an additional 15% of the aggregate gross proceeds of the Shares (the "**Additional Shares**") on the same terms as set forth above to cover over-allotments, if any, and for market stabilization purposes. Pursuant to the terms of the Over-Allotment Option, the Underwriters may elect to exercise the Over-Allotment Option for Shares only at the Offering Price. If the Over-Allotment Option is exercised in full, the total Price to the Public, Underwriters' Fee and Net Proceeds to the Company will be \$17,250,002, \$948,750 and \$16,301,252 (before estimated expenses of \$400,000), respectively. See "*Plan of Distribution*". This short form prospectus qualifies the grant of the Over-Allotment Option. A purchaser who acquires Shares forming part of the Underwriters' over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless the context requires otherwise, all references herein to the "**Shares**" include the Additional Shares. See "*Plan of Distribution*".
- (4) Assuming no exercise of the Over-Allotment Option.

Subscriptions for Shares will be received subject to rejection or allotment in whole or in part and the Underwriters reserves the right to close the subscription books at any time without notice. During the distribution of the Offering, the Underwriters may effect transactions in the Shares in accordance with applicable market stabilization rules. See "*Plan of Distribution*". No certificate evidencing the Shares distributed under this short form prospectus will be issued to purchasers under this short form prospectus, except in certain limited circumstances. The Shares are expected to be deposited electronically with CDS Clearing and Depository Services Inc. ("**CDS**") at the Closing through the non-certificated inventory system of CDS, which is anticipated to be on or about November 26, 2020 or such other date as may be agreed upon between the Company and the Underwriters, but in any event no later than 42 days after the date of the final receipt for this short form prospectus (the "**Closing Date**"). Purchasers of Shares under this short form prospectus will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Shares is purchased. Notwithstanding the foregoing, purchasers in the United States or that are purchasing for the account or benefit of, a person in the United States (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) that are "accredited investors" under Rule 501(a) of Regulation D under the U.S. Securities Act ("**Accredited Investors**") will be issued definitive physical certificates representing the Shares.

The following table sets out the number of additional securities and other compensation securities that may be issued by the Company to the Underwriters pursuant to the Over-Allotment Option:

<u>Underwriters' Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	1,956,522 Additional Shares	Up to 30 days from and including the Closing Date	\$1.15 per Additional Share

The Underwriters, as principal, conditionally offer the Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters relating to the Offering by Farris LLP, on behalf of the Company, and by Peterson McVicar LLP, on behalf of the Underwriters.

Subscriptions for the Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The Underwriters propose to offer the Shares initially at the Offering Price specified above. **After a reasonable effort has been made to sell all of the Shares at the price specified, the Underwriters may offer the Shares at prices lower than stated above.** Notwithstanding any reduction by the Underwriters in the Offering Price specified above, the Company will still receive a price of \$1.15 per Share purchased by the Underwriters under this short form prospectus. *See “Plan of Distribution”.*

You should rely only on the information contained or incorporated by reference in this short form prospectus. The Company and the Underwriters have not authorized anyone to provide purchasers with information different from that contained or incorporated by reference in this short form prospectus. The Underwriters are offering to sell, and seeking offers to buy, the Shares only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted.

An investment in the Shares involves a high degree of risk. It is important for prospective purchasers to consider the risk factors described or referred to in this short form prospectus. See “Forward-Looking Statements” and “Risk Factors”.

Gilmour Clausen and Peter Sullivan, each a director of the Company, reside outside of Canada and have each appointed the Company at its head office set forth below as their agent for service of process in Canada. Alistair Kent, Stuart Collins and Roland Bartsch, certain authors of the Copper Mountain Technical Report (defined below) and the Eva Copper Technical Report (defined below) also reside outside of Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the person has appointed an agent for service of process.

The Company’s head office is located at Suite 1700, 700 West Pender Street, Vancouver, BC V6C 1G8 and its registered office is located at 25th Floor, 700 West Georgia Street, Vancouver, BC V7Y 1B3.

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FORWARD-LOOKING STATEMENTS

This short form prospectus contains certain “forward-looking information” (also referred to as “forward-looking statements”), which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company, the Copper Mountain Mine (defined below) and the Eva Copper Project (defined below), the completion of the Offering, the future price of gold, copper or other metal prices, the estimation of mineral reserves and resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration and requirements for additional capital. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Information inferred from the interpretation of drilling results and information concerning mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

In making the forward-looking statements in this short form prospectus, the Company has made certain assumptions, including, but not limited to, the assumption that: (1) market fundamentals will result in sustained copper, gold and silver demand and prices; (2) no event of default occurring under the Senior Credit Facility (defined below) or Subordinated Loan Agreement (defined below); (3) there is no renegotiation of the Concentrates Sale and Purchase Agreement (defined below) other than negotiations related to the treatment and refining charges; and (4) the mineral reserve and resource estimates are accurate and will be supported by the production experience; and (5) that the COVID-19 outbreak will not materially impact or delay the Company's operations. Other assumptions are discussed throughout this short form prospectus; in particular, under the heading “*Risk Factors*” herein and on page 27 (under the heading “*Risk Factors*”) of the AIF incorporated herein by reference.

Forward-looking statements involve known and unknown risks and uncertainties and other factors, including those described under the heading “*Risk Factors*” in this short form prospectus and in the documents incorporated by reference herein, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- the timing of obtaining regulatory approvals and completion of the Offering;
- the general business, economic, competitive, political and social uncertainties;
- metal price fluctuations;
- fluctuations in the value of the Canadian dollar relative to the United States dollar and the Australian dollar;
- changes in project parameters as plans continue to be refined;
- failure of equipment or processes to operate as anticipated;
- maintenance of employee relationships;
- changes in labor costs and other costs and availability of equipment or processes to operate as anticipated;

- accidents, labour disputes and other risks of the mining industry, including, but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses, detrimental events that interfere with transportation of concentrate or the smelters ability to accept concentrate, including declaration of force majeure events, insurrection or war;
- delays in obtaining governmental approvals or revocation of governmental approvals;
- title risks and Aboriginal land claims;
- being subject to extensive environmental, health and safety regulations;
- obtaining and maintaining permits and approvals;
- actual results of reclamation activities;
- failure to comply with restrictions and covenants in senior loan agreements;
- potential of suspended production;
- renegotiation of aspects of the Concentrates Sale and Purchase Agreement (defined below);
- accuracy of mineral reserve and mineral resource estimates;
- replacement of depleted mineral reserves and resources;
- production and operating risks;
- unanticipated transportation costs;
- accuracy of production and cost estimates;
- actual results of current exploration and mining activities;
- conclusions of economic evaluations;
- market price volatility;
- volatility in the Company's publicly traded securities; and
- the impacts of the COVID-19 pandemic.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, subject to compliance with applicable securities laws.

Specific reference is made to “*Risk Factors*” herein and Risk Factors in the Company’s AIF incorporated by reference herein and in the MD&A incorporated by reference herein for a discussion of the factors underlying forward-looking statements. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list is not exhaustive. Investors and others who make decisions based in whole or in part on the Company’s forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this short form prospectus and the documents incorporated by reference herein are expressly qualified by this cautionary statement.**

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed by the Company with the securities commissions and similar regulatory authorities in all of the provinces and territories of Canada, except the province of Québec, are specifically incorporated by reference in, and form an integral part of, this short form prospectus:

1. the revised annual information form (the “**AIF**”) of the Company for the financial year ended December 31, 2019 dated November 10, 2020;
2. the annual audited consolidated financial statements and the notes therein of the Company as at and for the years ended December 31, 2019 and 2018, together with the auditors’ report thereon;
3. the management’s discussion and analysis (“**MD&A**”) of financial condition and the results of operations of the Company for the financial year ended December 31, 2019 dated February 14, 2020;

4. the management information circular dated as of August 5, 2020 with respect to the annual meeting of the shareholders of the Company held on September 9, 2020;
5. the unaudited condensed consolidated interim financial statements (the “**Interim Financial Statements**”) of the Company as at and for the nine months ended September 30, 2020, together with the notes thereto;
6. the management’s discussion and analysis of financial condition and results of operations (the “**Interim MD&A**”) of the Company for the nine months ended September 30, 2020 dated October 29, 2020; and
7. the “template version” of the indicative term sheet dated November 9, 2020 in connection with the Offering (the “**Marketing Materials**”).

Any document of the type referred to in section 11.1 of Form 44-101F1 Short Form Prospectus, if filed by the Company after the date of this short form prospectus and prior to the termination of the Offering, will be deemed to be incorporated by reference in this short form prospectus.

Any statements contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained in this short form prospectus or in any subsequently filed document that also is incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this short form prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded the prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Copies of documents incorporated by reference herein may be obtained upon request without charge from the Company’s Chief Financial Officer at Suite 1700, 700 West Pender Street, Vancouver, BC V6C 1G8, Telephone: (604) 682-2992. Copies of the documents are also available for downloading from the internet at www.sedar.com under the Company’s name.

In this short form prospectus, unless the context otherwise indicates, the terms “**we**”, “**us**”, “**our**”, and similar terms as well as references to “**Copper Mountain**” or the “**Company**” refer to Copper Mountain Mining Corporation together with its subsidiaries.

MARKETING MATERIALS

The Marketing Materials are not part of this short form prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus. Any “template version” of “marketing materials” (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed on SEDAR after the date of this short form prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) will be deemed to be incorporated into this short form prospectus.

THE COMPANY

Name and Incorporation

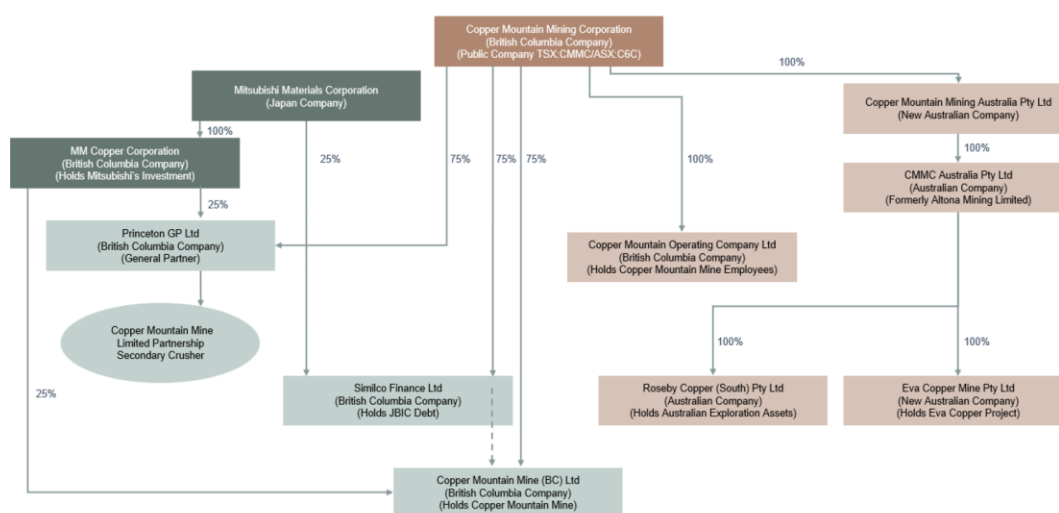
Copper Mountain Mining Corporation was incorporated by Certificate of Incorporation and Notice of Articles pursuant to the provisions of the *Business Corporations Act* (British Columbia) on April 20, 2006.

The head office of the Company is located at Suite 1700, 700 West Pender Street, Vancouver, British Columbia V6C 1G8 and the registered office of the Company is located at 25th Floor, 700 West Georgia Street, Vancouver, British Columbia V7Y 1B3.

Intercorporate Relationships

The Company has several subsidiaries. One subsidiary, Copper Mountain Mine (BC) Ltd. (“CMM”), through which the Company owns a 75% interest in the Copper Mountain Mine (defined below). Mitsubishi Materials Corporation (“MMC”) owns the other 25% ownership in the Copper Mountain Mine through its wholly owned subsidiary MM Copper Corporation (“MM Copper”). CMM was created pursuant to the laws of the Province of British Columbia on November 1, 1996, pursuant to the amalgamation of Similco Mines Ltd. (incorporated in British Columbia on April 20, 1988) and Similco Resources Ltd. (incorporated in British Columbia on September 8, 1994). Another subsidiary is Similco Finance Ltd. (“SFL”) and is owned 75% by the Company and was created solely for the purpose of facilitating the financing of the Copper Mountain Mine. SFL was created pursuant to the laws of the Province of British Columbia on January 7, 2010. Another subsidiary is Princeton GP Ltd. (“PGP”) and is owned 75% by the Company and was created solely to act as the general partner for Copper Mountain Mine Limited Partnership (the “CMM-LP Partnership”) that holds the assets of the secondary crusher facility constructed in 2014. The Company owns 75% of the CMM-LP Partnership and MM Copper owns the remaining 25%. PGP was created pursuant to the laws of the Province of British Columbia on April 11, 2014. Copper Mountain Operating Company Ltd. (“CMOC”) which is owned 100% by the Company and was created solely for facilitating the development of the Copper Mountain Mine. CMOC was created pursuant to the laws of the Province of British Columbia on May 1, 2010. Two other subsidiaries were formed in early 2018 to facilitate the acquisition of Altona Mining Limited (“Altona”), they are Copper Mountain Mining Australia Pty Ltd and CMMC Australia Pty Ltd. Altona was renamed Copper Mountain Mining Pty Ltd (“Copper Mountain Australia”) and holds through some subsidiaries the Australian assets purchased with the Altona acquisition. Below is a schematic of the corporate structure:

Copper Mountain Mining Corporation Organizational Chart



Principal Shareholder

As of the date hereof, to the knowledge of the directors and senior officers of the Company, there are no persons or companies who beneficially own directly or indirectly or exercise control or direction over common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company except: (i) ICM Ltd., who, according to information filed under the Company's corporate profile on SEDAR, holds an aggregate of 37,639,647 common shares, representing approximately 19.65% of the common shares of the Company; and (ii) Mackenzie Financial Corporation, who, according to information filed under the Company's corporate profile on SEDAR, holds an aggregate of 19,170,796 common shares, representing approximately 9.96% of the common shares of the Company.

Business of the Company

Copper Mountain Mine

The Company was incorporated in April 2006 for the purpose of conducting the business of mineral exploration and development and the operation of large mineral deposits primarily in the province of British Columbia. The Company's main property, held through CMM, is the Copper Mountain mining property situated near Princeton, British Columbia which consists of 138 Crown granted mineral claims, 145 located mineral claims, 14 mining leases, and 12 fee simple properties covering an area of 6,702.1 hectares or 67 square kilometres, and includes the former Similco mine (collectively, the "**Copper Mountain Mine**").

The Copper Mountain Mine is a conventional open pit, truck and shovel operation, producing copper concentrates which includes gold and silver credits. The mill is a conventional semi-autogenous grinding ("**SAG**") mill, ball mill and flotation design producing clean copper concentrates. The mill throughput is approximately 14.6 million tonnes per year. Copper concentrate from the mine is trucked to the port of Vancouver and shipped to Japan.

The Copper Mountain Mine commenced production in July, 2011 and has been shipping copper concentrates from the mine from September, 2011 to date. In 2019, the Copper Mountain Mine produced 86.8 million pounds of copper equivalent, consisting of 71.9 million pounds of copper, 26,747 ounces of gold, and 271,835 ounces of silver making it the fourth largest copper mine in Canada. Early in 2019, the Company announced a new integrated life of mine plan (the "**Integrated Production Plan**") for the Copper Mountain Mine. The Integrated Production Plan included a modest expansion of the existing Copper Mountain Mine mill to 45,000 tonnes per day and integrated production from an adjacent deposit named New Ingerbelle. The results included a 102% increase in Mineral Reserves, a 27% increase in average annual copper equivalent production to 116 million pounds (over the first ten years), a 12-year extension in mine life to 26 years and a decrease in C1 cash costs to US\$1.74 per pound produced (over the first ten years), when compared to the previous Copper Mountain Mine production plan included in the Company's 2018 NI 43-101 Technical Report for the Copper Mountain Mine, filed in November 2018.

The Integrated Production Plan outlined a phased approach to the investments in the mill expansion and New Ingerbelle development. The first phase would be the plant expansion, which requires the installation of a third ball mill, which requires capital of about US\$25 million. The second phase would be for the development of New Ingerbelle, which requires capital of about US\$23 million for installation of a highway bridge to access the New Ingerbelle area on the west side of the property. The after-tax net present value ("**NPV**") (8%) of the Integrated Production Plan for the Copper Mountain Mine, including both phases, is approximately US\$619 million on a 100% basis.

The Company implemented a revised operating plan for 2020 in reaction to the global COVID-19 pandemic and the resulting lower copper price environment. The revised operating plan was focused on maintaining positive margins and cash flow, which resulted in the deferral of capital related to the installation of Ball Mill #3, resequencing short term production to lower cost mining phases in order to reduce operating costs, and rescheduling the higher grade ore in pit #3 scheduled for mining in 2020 to 2021 in order to preserve the higher grade to better match higher metal prices. During the second quarter of 2020 the Company continued to operate on this revised plan, with results exceeding expectations.

Despite the global impact of the COVID-19 virus, for the three months ending September 30, 2020 the Copper Mountain Mine produced 23.8 million pounds of copper equivalent (comprising 18.9 million pounds of copper, 6,630 ounces of gold, and 81,418 ounces of silver) at C1 cash cost of US\$1.27 per pound of copper produced and all-in cost of US\$1.68 per pound of copper produced. The SAG mill averaged 90.8% operating time for the third quarter of 2020 and milled a total of 3.725 million tonnes.

For additional information with respect to the Copper Mountain Mine reference is made to the Company's AIF, MD&A, Interim MD&A and Interim Financial Statements, all of which are incorporated herein by reference.

Eva Copper Project

The Company also owns the development-ready copper-gold project in Queensland, Australia and an extensive 244,300 hectare highly prospective land packaged within the Mount Isa area (the "**Eva Copper Project**").

Early in 2018, the Company closed on its acquisition of Altona Limited, an Australian listed company whose main asset was the Eva Copper Project, found within an approximately 4,000 km² land package in a highly prospective mineralized belt. As part of the acquisition, the Company issued 0.0974 of a Copper Mountain share for each Altona ordinary share, resulting in a total of 53,538,984 Copper Mountain common shares being issued.

In early May 2020, the Company filed an updated feasibility study on the Eva Copper Project, which estimated average annual production of 100 million pounds of copper (over the life of mine) and C1 cash cost of US\$1.44 per pound over 15 year mine life. The updated feasibility study estimated an after-tax NPV (8%) of US\$437 million.

Copper Mountain Mine - Investment by Mitsubishi

MMC, through its wholly-owned subsidiary MM Copper, holds 25% of the issued and outstanding common shares of CMM.

The Company, CMM and MM Copper are parties to a shareholders' agreement dated July 31, 2009 (the "**Shareholders' Agreement**") with respect to the Company's and MM Copper's holdings of common shares of CMM. The Shareholders' Agreement sets forth the governance provisions for CMM, including the size and method of appointment of the board of directors and the approval levels necessary for various matters.

The Shareholders' Agreement provides either shareholder with a right of first refusal on the common shares of CMM held by the other and piggyback rights to participate in a sale of CMM common shares if either shareholder proposes to sell 70% or more of the common shares of CMM held by it. MMC and the Company have also agreed to indemnify each other under the Shareholders' Agreement in certain circumstances.

The Company and CMM entered into a management agreement (the "**Management Agreement**") dated July 31, 2009 whereby the Company agreed to provide all management services to CMM for a fee currently equal to \$788,000 per annum which is increased annually by the consumer price index for Vancouver, British Columbia. On March 31, 2010, the Company and CMM entered into an amendment and restatement of the Management Agreement, which permitted the Company to provide certain of the employee services required to be provided to CMM through CMOC. The amended and restated Management Agreement continues until terminated as provided therein.

CMM and MMC have entered into a concentrates sale and purchase agreement dated July 31, 2009 as amended (the "**Concentrates Sale and Purchase Agreement**") whereby MMC agreed to purchase all concentrates produced from the Copper Mountain Mine during the life of the mine at prices based on the metal content and quantity of the concentrates shipped, determined by reference to the London Metal Exchange Copper Grade A Settlement Prices for copper, the average of the London initial and final prices for gold, and the London Spot US Dollar Equivalent silver price for silver, all as quoted by Platt's Metal Week and as averaged as required over a specified quotation period. CMM is obligated to pay refining costs for the concentrates at an agreed rate. Copper pricing is fixed based on the average price of the London Metal Exchange, either one month or three months following the month of arrival of the concentrate at the smelter, depending on which period was declared by MMC at the start of the year. During 2019, MMC elected to fix copper pricing three months after the month of arrival. CMM is obligated to pay refining costs for the concentrates at an agreed rate. Certain provisions of the Concentrates Sale and Purchase Agreement relating to treatment and refining charges are subject to review every year. The Concentrates Sale and Purchase Agreement may be terminated by the parties if MMC no longer holds at least 12.5% of the issued and outstanding common shares in CMM.

The Company and MMC are shareholders in Princeton GP and are partners in CMM-LP holding a 75% and a 25% interest respectively in each entity. Princeton GP holds a 0.001% interest in CMM-LP. CMM-LP was established in order to fund the construction of, and own, the secondary crusher. A total of \$40 million was spent on the construction of the secondary crusher which was funded 75% by the Company and 25% by MMC.

CMM-LP entered into a use and tolling agreement dated May 26, 2014 pursuant to which CMM-LP granted CMM the right to use the secondary crusher in exchange for the payment of rent equal to \$1 for every tonne of ore processed through the SAG mill, for a period of 5 years, subject to extension to reflect any extended period of non-operation. The interest in the secondary crusher will be transferred to CMM upon payment to CMM-LP of the depreciated tax cost of the secondary crusher as shown on the books of CMM-LP. The rent received by CMM-LP as tolling fees are distributed 75% to the Company and 25% to MMC.

Eva Copper Project – Offtake Agreement with Glencore

Pursuant to an agreement dated effective November 30, 2017, among Glencore International AG (“**Glencore**”), Copper Mountain Australia and Roseby Copper Pty Limited, a wholly-owned subsidiary of Copper Mountain Australia, upon the successful completion of the scheme of arrangement between Copper Mountain and Copper Mountain Australia, Glencore has agreed to purchase 100% of the concentrate from the Eva Copper Project for the first five years that the Eva Copper Project is in production, which term may be extended by a further 5-year period upon mutual agreement between Copper Mountain Australia and Glencore. The parties agreed on certain price parameters and other standard terms that are customary in long-term concentrate agreements.

Project Financing Loans

The Senior Credit Facility (defined below) and the Subordinated Loan Agreement (defined below) are the “**Project Financing Loans**” referred to in the Shareholders’ Agreement and the Concentrates Sale and Purchase Agreement. The following summaries of the Senior Credit Facility and the Subordinated Loan Agreement are qualified by reference to the terms and conditions of those agreements, copies of which are available at www.sedar.com.

Senior Credit Facility

On May 28, 2010, CMM entered into a credit agreement with the MUFG Bank Ltd. (formerly the Bank of Tokyo-Mitsubishi UFJ. Ltd.) (“**MUFG**”) and Mizuho Corporate Bank Ltd. as mandated lead lenders with MUFG, as Nippon Export and Investment Insurance (“**NEXI**”) facility agent, Union Bank, N.A. as collateral agent, and such other institutions that become senior lenders thereunder (collectively, the “**Senior Lenders**”) whereby the Senior Lenders provided US\$162,000,000 (the “**Senior Credit Facility**”) to finance the construction of the Copper Mountain Mine. NEXI provided export credit insurance to the Senior Lenders. The Senior Credit Facility carries a variable interest rate of LIBOR plus 2% and matures on June 15, 2023. It is repayable in 24 semi-annual instalments commencing December 15, 2011, with 40% of the principal balance due in the final two years before maturity. As required under the Senior Credit Facility, CMM granted a first charge on all of its present and future acquired property including an assignment of all material agreements, insurance proceeds and related collateral. Under the terms of the Senior Credit Facility, CMM was required to complete an interest rate swap on 70% of the principal amount of the facility. The Company swapped a LIBOR variable rate interest payment stream for a 3.565% fixed rate interest payment stream on US\$74 million of the principal. The interest rate swaps mature on December 15, 2020.

CMM has given a series of affirmative and negative covenants to the Senior Lenders in respect of the Senior Credit Facility including, but not limited to (and subject to certain exceptions): furnishing to the NEXI facility agent notice of certain occurrences; providing to the Senior Lenders certain documents and reports, including: operating reports and budgets, permits, etc.; observing and performing all material obligations, covenants, terms and conditions under any material project agreement; maintaining specified insurance coverage; protecting and maintaining the security granted under the Senior Credit Facility; procuring that MMC purchases all of the Copper Mountain Mine’s annual copper concentrate production pursuant to the Concentrates Sale and Purchase Agreement on terms that are no less favourable to CMM than comparable arm’s-length contracts; maintaining a minimum ratio of (a) cash available for debt service to (b) the sum of interest and principal scheduled to become due; not creating any indebtedness other than specific permitted debt (including subordinated debt as described below); not creating or incurring any lien other than certain permitted liens; not disposing of any assets other than as expressly permitted; not amending the project agreements or constitutional documents or allowing any variation or change order to any construction contract; not entering into any consolidation, amalgamation, demerger, merger, reconstruction, partnership, profit sharing or any analogous agreement; not agreeing to any hedging agreements; not making any investments except to acquire and hold permitted investments; not making any loans or advances other than as expressly permitted; not forming, owning or having any subsidiaries (other than as agreed); not incurring operating expenses in excess of 115% as set out in the then applicable operating budget; not incurring capital expenditures other than as expressly permitted other than as set out in a Support Agreement dated May 28, 2010 (the “**Support Agreement**”); not issuing any equity interests or other convertible securities other than to existing shareholders; and not making any restricted payments other than as expressly permitted.

The Senior Credit Facility currently provides the following as events of default: CMM failing to pay when due any amount payable by it under the Senior Credit Facility; any representation, warranty or certification made or deemed

to be made under certain stated finance documents being materially incorrect or misleading; a party (other than the Senior Lenders) pursuant to the Senior Credit Facility breaching or failing to perform or observing, in any material respect, any obligation, covenant or provision of the Senior Credit Facility; an event of bankruptcy (involuntary or voluntary) occurring; expropriation, nationalization or seizure of any material assets in respect of the Copper Mountain Mine; all or substantially all of the Copper Mountain Mine facilities being destroyed or declared a total loss by insurers; a material breach of any material project agreements and such breach not being remedied within a specified grace period; any material project agreement being repudiated, revoked, cancelled, suspended or terminated; CMM defaulting in the payment of any principal or interest due; a final judgment against CMM being made that exceeds certain monetary thresholds; the liens under the security documents ceasing to constitute valid and fully perfected first priority security interests; any finance document being terminated, repudiated or found to be invalid; any equity interests being directly or indirectly transferred in contravention of the Support Agreement; there being a shortfall in available funding; there being a failure to maintain insurance policies; the NEXI insurance policy ceasing to be in full force and effect; the production of copper concentrate by the Copper Mountain Mine falling below 75% from that projected in the initial mine plan for more than 12 months; or an event of force majeure considered to have a material adverse effect occurring for longer than 180 consecutive days.

Under the terms of the Senior Credit Facility, CMM is required to maintain a debt service coverage ratio (“**DSCR**”) of greater than 1.25:1. CMM was in compliance with the DSCR at the last reporting date of June 15, 2020, being the most recent repayment date of the Senior Credit Facility.

Subordinated Loan Agreement

On May 28, 2010, SFL entered into a loan agreement (the “**Subordinated Loan Agreement**”) with Japan Bank for International Co-operation (“**JBIC**”), the international arm of Japan Finance Corporation, pursuant to which it provided a loan to SFL of US\$160,000,000 for construction of the Copper Mountain Mine. SFL is 75% owned by the Company and 25% owned by MMC through MM Copper. The loan under the Subordinated Loan Agreement bears interest at LIBOR plus 0.551% and matures on February 15, 2022. The loan is repayable in 21 semi-annual instalments commencing February 15, 2012, with the majority of the loan falling due on the last six instalment dates. The loan under the Subordinated Loan Agreement is subordinated to the Senior Credit Facility and is unsecured. MMC has guaranteed the obligations of SFL under the Subordinated Loan Agreement and is paid a guarantee fee of 0.2% per annum. This fee has not been paid but is being accrued to MMC. Pursuant to the Subordinated Loan Agreement, SFL has provided certain customary covenants, including, but not limited to (and subject to certain exceptions): causing CMM to implement, complete and operate the Copper Mountain Mine with due diligence and efficiency; consulting with JBIC and providing certain documents and reports; not creating or assuming any encumbrance other than as expressly permitted; paying due attention to the protection and conservation of the environment and ecology; and immediately obtaining additional or a substitute guarantee upon the request of JBIC.

Certain events of default under the Subordinated Loan Agreement include: SFL failing to pay when due any amount payable by it under the Subordinated Loan Agreement or being in breach of or in default under any other term, condition or provision of the Subordinated Loan Agreement; any representation or warranty made or given by SFL proving to be incorrect or untrue in any material respect; third party indebtedness exceeding certain thresholds not being paid by SFL, CMM or MMC when due or being accelerated or otherwise becoming due and payable; a specific insolvency event occurring with respect to CMM, SFL or MMC and any of such parties ceasing, or threatening to cease, to carry on its business; any license, consent, approval or authorization of, or any filing or registration with, any governmental authority or agency necessary or advisable for the validity or enforceability of the Subordinated Loan Agreement being revoked; the Subordinated Loan Agreement ceasing to be a valid and binding obligation of SFL; the guarantee of MMC ceasing to be in full force and effect or MMC breaching any provision of the guarantee; MMC ceasing to own and control at least 25% of SFL or CMM; or any situation arising or event occurring or, failing to arise or occur, which, in the reasonable judgment of JBIC, may prevent or interfere with the successful implementation, completion or operation of the Copper Mountain Mine or with the performance by SFL of its respective obligations.

As of the date hereof, CMM is in compliance with its covenants under the Subordinated Loan Agreement.

RECENT DEVELOPMENTS

Additional Board Member

On October 30, 2020, the Company announced the appointment of Peter Sullivan to its Board of Directors. Mr. Sullivan has over 25 years experience in corporate strategy and finance, predominately in the resources sector in Australia, and extensive experience as a company director having served as a director on numerous ASX listed mining company boards.

Resignation of Board Member

On November 5, 2020, the Company announced the resignation of Alistair Cowden from the Board of Directors.

CAPITALIZATION

There have been no material changes in the share and loan capital of the Company, on a consolidated basis, since the date of the most recently filed financial statements of the Company for the nine months ended September 30, 2020 other than the completion of the Offering.

The following table sets forth the consolidated capitalization of the Company as at September 30, 2020 and as at September 30, 2020 after giving effect to the Offering. This table should be read in conjunction with the Interim Financial Statements, including the notes thereto, incorporated by reference into this short form prospectus. There have not been any material changes in the share and loan capital of the Company since September 30, 2020.

	September 30, 2020 (unaudited) (in thousands of Canadian dollars)	September 30, 2020 after completion of the Offering ⁽⁴⁾ (in thousands of Canadian dollars)
Share Capital.....	\$267,399	\$281,174 ⁽¹⁾⁽²⁾
Number of common shares (thousands) (authorized: unlimited) ⁽¹⁾⁽⁴⁾	192,301	205,344
Contributed surplus.....	\$19,494	\$19,494
Deficit.....	(\$55,057)	(\$55,057)
Long term debt ⁽³⁾	\$161,661	\$161,661

- (1) Excludes the proceeds that may be received with respect to the 12,886,579 common shares reserved for issuance upon the exercise of options and 637,660 deferred and restricted share units granted to certain of the Company's executive officers, directors, employees and consultants and the number to be so issued.
- (2) After deduction of the Underwriters' Fee and including estimated expenses of the Offering. If the Over-Allotment Option is exercised in full, the share capital as at September 30, 2020 after giving effect to the Offering will be \$283,300,252.
- (3) Being the balance under the Subordinated Loan Agreement and the Senior Credit Facility and other long-term liabilities. See – "Project Financing Loans".
- (4) Excludes common shares issued pursuant to the Over-Allotment Option.

USE OF PROCEEDS

The net proceeds of the Offering, after deducting the Underwriters' Fee of \$825,000 and including the estimated expenses of the Offering of \$400,000, will be approximately \$13,775,002 (\$15,986,252 if the Over-Allotment Option is exercised in full).

The Company's business objective is to provide shareholder growth through the continued development of the Copper Mountain Mine and the advancement of the Eva Copper Project in Australia, and through exploration of the Company's large land holdings both in Canada and Australia.

The Company currently intends to use approximately one-third of the net proceeds of this Offering towards advancing exploration of the Company's property holdings, excluding the Copper Mountain Mine and the Eva Copper Project, over the next two years, with work being staged and dependent upon exploration success. Another one-third of the net proceeds of this Offering will be spent on advancing project activities, including project financing, for the Eva Copper Project and other related corporate strategic initiatives. While the remaining one-third will be allocated to general administrative expenses and working capital, as set out below. The Company believes that the net proceeds of the Offering, when combined with its other funds on hand, will position the Company with sufficient resources to accomplish its business objectives.

The Company intends to use the net proceeds of the Offering as follows:

To fund exploration in Australia and Canada	\$4,592,000
To fund the advancement of the Eva Copper Project and other corporate strategic initiatives	\$4,592,000
General and administrative expenses and working capital	<u>\$4,591,002</u>
Total	\$13,775,002

Peter Holbek, Vice President of Exploration for the Company, is the "qualified person" responsible for designing, budgeting and recommending the proposed exploration and development programs at the Eva Copper Project and has supervised the preparation of the above use of proceeds.

There is no assurance that the foregoing goals and objectives will be achieved. The exploration, development and construction of mineral projects are subject to a number of risks and uncertainties. See "*Risk Factors*".

The above noted allocation and anticipated timing represents the Company's current intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the net proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan. While actual expenditures may differ from the above amounts and allocations, the net proceeds will be used by the Company in furtherance of, and for activities at, the Eva Copper Project, for corporate development and for general corporate and working capital purposes. See "*Risk Factors – Use of Proceeds*".

In the event that the Over-Allotment Option is exercised, any additional net proceeds will be allocated to general working capital and may be used to further fund exploration, development, capital and corporate development expenditures in the future.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Common Shares

The Company's authorized capital consists of one class of common shares without par value. The Company is authorized to issue an unlimited number of common shares. Each common share is entitled to one vote. As at November 10, 2020, prior to giving effect to the Offering including pursuant to the Over-Allotment Option, 192,501,053 common shares were issued and outstanding.

All of the common shares are of the same class and rank equally as to voting rights, dividends and participation in assets of the Company on winding-up or dissolution. There are no pre-emptive rights or conversion rights, and no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds, except that the Company's articles provide that the Company may, if authorized by a resolution of the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution and subject to the *Business Corporations Act* (British Columbia). Provisions as to creation, modification, amendment or variation of such rights or such provisions are contained in the *Business Corporations Act* (British Columbia).

Subject to the provisions of the *Business Corporations Act* (British Columbia), the board of directors of the Company may declare dividends payable to the Company's shareholders according to their respective rights and interest in the Company. Dividends may be paid in money or property or by issuing fully paid common shares. See "Dividend Policy".

TRADING PRICE AND VOLUME

The common shares trade on the TSX under the symbol "CMMC" and on the ASX, as CDIs (each CDI representing a common share of the Company), under the trading symbol "C6C". The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of our Common Shares on the TSX (as reported by TMX Money, at www.tmxmoney.com) and our CDIs on the ASX (as reported at finance.yahoo.com).

	<u>TSX</u>			<u>ASX</u>		
	<u>Price (\$)</u>		<u>Traded Volume</u>	<u>Price (AUS\$)</u>		<u>Traded Volume</u>
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>	
<u>2019</u>						
November 2019	\$0.69	\$0.53	6,544,935	AUS\$0.74	AUS\$0.58	467,592
December 2019	\$0.73	\$0.56	4,834,059	AUS\$0.77	AUS\$0.60	408,926
<u>2020</u>						
January 2020	\$0.87	\$0.66	7,274,952	AUS\$0.93	AUS\$0.74	476,788
February 2020	\$0.73	\$0.45	5,467,408	AUS\$0.77	AUS\$0.58	381,530
March 2020	\$0.55	\$0.28	10,450,750	AUS\$0.60	AUS\$0.34	331,685
April 2020	\$0.54	\$0.33	4,871,703	AUS\$0.54	AUS\$0.38	499,016
May 2020	\$0.53	\$0.44	3,152,139	AUS\$0.56	AUS\$0.47	130,909
June 2020	\$0.67	\$0.47	5,944,127	AUS\$0.65	AUS\$0.49	183,293
July 2020	\$0.80	\$0.61	7,307,647	AUS\$0.77	AUS\$0.60	289,458
August 2020	\$0.90	\$0.71	6,173,082	AUS\$0.91	AUS\$0.69	227,010
September 2020	\$1.19	\$0.80	13,684,052	AUS\$1.22	AUS\$0.84	809,947
October 2020	\$1.18	\$0.94	7,394,292	AUS\$1.23	AUS\$0.97	612,006
November 1 – 9, 2020	\$1.32	\$1.10	8,543,806	AUS\$1.32	AUS\$1.10	590,316

PRIOR SALES

The Company has not issued any common shares (or securities convertible into common shares) for the 12 months prior to the date of this short form prospectus.

DIVIDEND POLICY

The Company has never paid a dividend and has no present intention of paying dividends on the common shares. The Company anticipates that it will retain all future earnings and other cash resources for the future operation and development of its business. Payment of any future dividends will be at the discretion of the Company's board of directors, after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement dated November 10, 2020 among the Company and the Underwriters, the Company has agreed to sell and the Underwriters have agreed to purchase or arrange for the purchase, on the Closing Date, an aggregate of 13,043,480 Shares at the Offering Price for gross proceeds of \$15,000,002 payable in cash to the Company against delivery of the Shares, subject to the terms and conditions of the Underwriting

Agreement. The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion on the basis of “disaster out”, “material change out” and “breach out” provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all of the Shares if any of the Shares are purchased under the Underwriting Agreement.

The Company has also granted the Underwriters the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriters for a period of 30 days from and including the Closing Date, to purchase up to 1,956,522 Additional Shares, to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercisable by the Underwriters to acquire Additional Shares at the Offering Price. If the Over-Allotment Option is exercised in full for Additional Shares, the total price to the public will be \$17,250,002, the total Underwriters’ Fee will be \$948,750, and the net proceeds to the Company, before deducting the estimated expenses of the Offering, will be \$16,301,252. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Shares to be issued upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriters’ over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services provided by the Underwriters in connection with the Offering and pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters the Underwriters’ Fee, equal to 5.5% of the aggregate gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option) realized from the sale of the Shares to purchasers not on the President’s List and to 2.75% of the aggregate gross proceeds of the Offering realized from the sale of the Shares to purchasers on the President’s List.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay certain expenses incurred by the Underwriters in connection with the Offering and has also agreed to indemnify the Underwriters, their affiliates and their respective partners, directors, officers and employees against certain liabilities and expenses and to contribute to payments that the Underwriters may be required to make in respect thereof.

The Underwriters propose to offer the Shares to the public initially at the Offering Price. Without affecting the firm obligation of the Underwriters to purchase the Shares in accordance with the Underwriting Agreement, the Underwriters may decrease the Offering Price of the Shares which they sell under this short form prospectus after they have made a reasonable effort to sell all such Shares at the Offering Price. The sale by the Underwriters of Shares at a price of less than the Offering Price will have the effect of reducing the compensation realized by the Underwriters by the amount that the aggregate price paid by the purchasers for the Shares is less than the gross proceeds paid by the Underwriters for the Shares.

The Company has applied to the TSX for conditional approval to the listing of the Shares distributed under this short form prospectus. Listing will be subject to the Company fulfilling all of the customary listing requirements of the TSX.

Pursuant to the Underwriting Agreement, the Company has agreed not to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional Common Shares or any securities or other financial instruments convertible or exchangeable into or having the right to acquire Common Shares, other than (i) pursuant to the Offering, (ii) pursuant to the Company’s stock option, RSU, DSU and PSU plans outstanding as of the date hereof as part of the Company’s compensation program or pursuant to the exercise of options, restricted share units (RSU), deferred share units (DSU), or performance share units (PSU) issued pursuant to the Company’s stock option, RSU, DSU and PSU plans outstanding as of the date hereof, (iii) pursuant to other rights or obligations under securities or instruments outstanding as at the date hereof, for a period of 120 days following the Closing Date, without the prior written consent of the Underwriter, such consent not to be unreasonably withheld, or (iv) pursuant to any strategic transaction or investment involving the Company.

The Company has also agreed to use its commercially reasonable efforts to cause each director and executive officer of the Company to enter into lock up agreements in a form satisfactory to the Company and the Lead Underwriter, in both cases acting reasonably, which shall be negotiated in good faith and contain customary provisions, pursuant to which each such person agrees, among other things, to not, for a period of 90 days from the Closing Date, without the prior written consent of the Lead Underwriter, such consent not to be unreasonably withheld, directly or

indirectly, offer, sell, contract to offer or sell, transfer, assign, grant or sell any option or warrant to purchase, lend, hypothecate, secure, pledge or otherwise transfer or dispose of any securities of the Company or any financial instruments convertible into, exercisable or exchangeable for, or that represent the right to receive, securities of the Company, whether through the facilities of a stock exchange, by private placement or otherwise, or make any short sale of, engage in any hedging transaction with respect to, or enter into any swap, forward or other transaction or arrangement that transfers all or a portion of the economic consequences associated with the ownership of such securities (regardless of whether any such transaction or arrangement is to be settled by the delivery of securities of the Company, securities of another person, cash or otherwise), agree to do any of the foregoing or publicly announce any intention to do any of the foregoing, subject to the exceptions negotiated by the Company and the Underwriters. For clarity, the lock-up agreements shall not preclude the holders of management incentive options of the Company expiring on January 26, 2021 from exercising such options of the Company they may hold into the underlying securities of the Company and selling such underlying securities of the Company.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase common shares for their own account or for accounts over which they exercise control or direction. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the common shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a client where the client's order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Underwriters may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the common shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Shares will be offered in all the provinces and territories of Canada other than Québec through the Underwriters or their affiliates who are registered to offer the Shares for sale in such provinces and such other registered dealers as may be designated by the Underwriters.

Subscriptions for the Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is anticipated that the Shares (other than in respect of Shares issued to certain United States purchasers) will be delivered under the book based system through CDS or its nominee and deposited in electronic form with CDS on the Closing Date. A purchaser of Shares will receive only a customer confirmation from the registered dealer, broker, bank or other financial institution (each a **"CDS Participant"**) through which the Shares are purchased. Unless a request for a certificate is made to the Company, no purchaser of Shares will receive a certificate or other instrument from the Company, the Underwriters or CDS evidencing that person's interest in or ownership of any Shares, or will be shown on the records maintained by CDS, except through an agent that is a CDS Participant. Notwithstanding the foregoing, purchasers in the United States or that are purchasing for the account or benefit of, persons in the United States that are Accredited Investors will be issued definitive physical certificates representing the Shares.

The Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and, subject to registration under the U.S. Securities Act and applicable state securities laws or certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, any person in the United States. The Underwriters have agreed that, except as permitted under the Underwriting Agreement, it will not offer, sell, transfer, deliver or otherwise dispose of, directly or indirectly, the Shares at any time within the United States or to, or for the account or benefit of, any person in the United States, except pursuant to an exemption from registration under the U.S. Securities Act.

The Underwriting Agreement permits the Underwriter, acting through their registered United States broker-dealer affiliates, to resale the Shares to "qualified institutional buyers" (as defined in Rule 144A) under Rule 144A and/or Section 4(a)(2) of the U.S. Securities Act or for the Company to sell the Shares to Accredited Investors (as substituted purchasers) in transactions that are exempt from registration under Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act, in each case in compliance with similar exemptions under applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriter will offer and sell the Shares outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Shares that are sold in the United States or to, or for the account or benefit of, a person in the United States will be

“restricted securities” within the meaning of Rule 144 of the U.S. Securities Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Shares in the United States or to, or for the account or benefit of, persons in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act and similar exemptions under applicable state securities laws.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Farris LLP, counsel to the Company, and Peterson McVicar LLP, counsel to the Underwriters, the following is, as of the date of this short form prospectus, a general summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) generally applicable to a holder of Shares acquired pursuant to this Offering (the “**Offered Shares**”). This summary only applies to a holder that, for the purposes of the Tax Act and at all relevant times: (i) acquires and holds such Offered Shares as capital property, and (ii) is not affiliated with and deals at arm’s length with the Company, the Underwriters, and any subsequent purchasers of the Offered Shares held by them (a “**Holder**”). A Share generally will be capital property to a Holder unless it is held in the course of carrying on a business of trading in or dealing in securities, or it has been acquired in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) (“**Tax Proposals**”) before the date of this short form prospectus, and the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”). No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. Except as mentioned above, this summary does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations, is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Offered Shares.

Residents of Canada

The following portion of the summary is generally applicable to a Holder that, at all relevant times for purposes of the Tax Act, is or is deemed to be a resident of Canada (a “**Resident Holder**”).

Resident Holders that might not otherwise be considered to hold their Offered Shares as capital property may, in certain circumstances, be entitled to have their Offered Shares and all other “Canadian securities” (as defined in the Tax Act) owned in the taxation year of the election and all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Resident Holders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

This summary does not apply to a Resident Holder: (i) that is a “financial institution” for purposes of the Tax Act, (ii) that is a “specified financial institution” as defined for purposes of the Tax Act, (iii) that is a corporation that is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Offered Shares, controlled by a non-resident for the purposes of the “foreign affiliate dumping rules” in section 212.3 of the Tax Act, (iv) to which the “functional currency” reporting rules in section 261 of the Tax Act apply, (v) that enters into or has entered into, with respect to the Offered Shares, a “synthetic disposition arrangement” or “derivative forward arrangement”, as such terms are defined in the Tax Act, or (vi) an interest in which is a “tax shelter investment” for purposes of the Tax Act. Such Resident Holders should consult their own tax advisors.

Receipt of Dividends on Offered Shares

Dividends received or deemed to be received on Offered Shares by a Resident Holder that is an individual (other than certain trusts) will be included in computing the individual's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by an individual from a taxable Canadian corporation. Taxable dividends received or deemed to be received by such individual which are designated by the Company as "eligible dividends" in accordance with the Tax Act will be subject to enhanced gross-up and dividend tax credit rules under the Tax Act.

Taxable dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Dividends received or deemed to be received on Offered Shares by a Resident Holder that is a corporation will be included in computing the Company's income and generally will be deductible in computing the taxable income of the Company. In certain circumstances, taxable dividend received by a Resident Holder that is a corporation may be treated as proceeds of disposition or a capital gain pursuant to the rules in subsection 55(2) of the Tax Act. In addition, a Resident Holder that is a "private corporation" or a "subject corporation" for purposes of the Tax Act will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received to the extent such dividends are deductible in computing such Resident Holder's taxable income.

Disposition of Offered Shares

On a disposition or a deemed disposition of an Offered Share (other than to the Company, unless purchased by the Company on the open market in the manner in which shares are normally purchased by any member of the public in the open market), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Offered Share exceed (or are exceeded by) the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. The adjusted cost base to a Resident Holder of Offered Shares acquired under this Offering, the cost of such Offered Shares will be averaged with the adjusted cost base of all other Offered Shares and common shares (as defined in the prospectus) held by the Resident Holder as capital property immediately before that time. The tax treatment of any such capital gain (or capital loss) is described under the heading "*Treatment of Capital Gains and Capital Losses*".

Treatment of Capital Gains and Capital Losses

Generally, one-half of the amount of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in computing the Resident Holder's income in that year, and one-half of the amount of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year generally must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of an Offered Share by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on the Offered Share (or on a share for which such Offered Share has been substituted) to the extent and in the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Offered Shares, directly, or indirectly through a partnership or a trust. Resident Holders to which these rules may be relevant should consult their own tax advisors.

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable for an additional refundable tax on its "aggregate investment income", which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Non-Residents of Canada

The following portion of the summary is generally applicable to a Holder that, at all relevant times for purposes of the Tax Act, is (i) neither a resident nor deemed to be a resident of Canada (including as a consequence of an applicable income tax treaty or convention) and (ii) does not use or hold, and is not deemed to use or hold Offered Shares in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). Special rules which are not discussed in this summary, may apply to a non-resident insurer carrying on business in Canada and elsewhere. Such Holders should consult their own tax advisors.

Receipt of Dividends on Offered Shares

Dividends on Offered Shares paid or credited, or deemed to be paid or credited to a Non-Resident Holder will be subject to a non-resident withholding tax under the Tax Act at a rate of 25%, subject to reduction under the provisions of an applicable income tax treaty or convention. Under the Canada-US Tax Convention (1980) as amended (the “**Tax Treaty**”), the withholding tax rate for dividends on the Offered Shares is reduced to 5% for US Non-Resident Holders that are corporations that hold at least 10% of the voting shares of the Company, and reduced to 15% for other US Non-Resident Holders.

Dispositions of Offered Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition of Offered Shares unless the Offered Shares disposed of constitute “taxable Canadian property” of the Non-Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

Generally, an Offered Share will not be “taxable Canadian property” (within the meaning of the Tax Act) of a Non-Resident Holder at a particular time provided the Offered Share is listed on a “designated stock exchange” (which currently includes the TSX) unless, at any time during the 60-month period preceding the particular time, (a) the Offered Share derived more than 50% of its fair market value directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties (as such terms are defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, property described in (i) to (iii), whether or not the property exists; and (b) 25% or more of the issued shares of any class or series of the Company’s shares were owned by one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at “arm’s length” (within the meaning of the Tax Act), and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships.

Non-Resident Holders for which the Offered Shares may constitute “taxable Canadian property” should consult their own tax advisors for advice having regard to their particular circumstances.

ELIGIBILITY FOR INVESTMENT

In the opinion of Farris LLP, counsel to the Company, and Peterson McVicar LLP, counsel to the Underwriters, provided that the Offered Shares are listed on a designated stock exchange under the Tax Act (which currently includes the TSX), the Offered Shares, if issued on the date hereof, would be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (an “**RRSP**”), registered retirement income fund (an “**RRIF**”), registered education savings plan (“**RESP**”), registered disability savings plan (“**RDSP**”), deferred profit sharing plan (“**DPSP**”) and a tax-free savings account (a “**TFSA**”).

Notwithstanding the foregoing, if the Offered Shares are a “prohibited investment” (as defined in the Tax Act) for a particular RRSP, RRIF, RESP, RDSP or TFSA (each a “Registered Plan”), the annuitant of an RRSP or RRIF, holder of a TFSA or RDSP or subscriber of a RESP (each such person referred to as a “**Plan Subscriber**”), as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Offered Shares will not be a “prohibited investment” for a Registered Plan provided that the Plan Subscriber deals at arm’s length with the Company for purposes of the Tax Act and does not have a “significant interest” (within the meaning of the Tax Act for purposes of the prohibited investment rules) in the Company. In addition, the Offered Shares will generally not be a prohibited investment if such securities are “excluded property” as defined in the Tax Act for purposes of the

prohibited investment rules. Plan Subscribers should consult with their own tax advisors as to whether the Offered Shares will be a prohibited investment for such Registered Plans in their particular circumstances.

RISK FACTORS

Investing in securities of the Company involves a significant degree of risk and must be considered speculative due to the high risk nature of the Company's business. Investors should carefully consider the information included or incorporated herein by reference in this short form prospectus and the Company's historical consolidated financial statements and related notes thereto, before making an investment decision concerning the Company's securities. There are various risks, including those discussed in the AIF and under "Risks and Uncertainties" in the MD&A, which are incorporated herein by reference, that could have a material adverse effect on, among other things, the operating results, properties, business and condition (financial or otherwise) of the Company. These risk factors, together with all of the other information included or incorporated by reference in this short form prospectus, including information contained in the section entitled "*Forward-Looking Statements*" should be carefully reviewed and considered before a decision to invest in such securities is made.

In addition to the risk factors as set forth in the AIF and MD&A, the following risk factors should be considered:

Market Price of Common Shares

There can be no assurance that an active market for the common shares will be sustained after the Offering. The market price of the common shares could be subject to significant fluctuations due to various factors and events, including macroeconomics in North America, Australia and globally, any regulatory or economic changes affecting the Company's operations, variations in the Company's operating results, developments in the Company's business or its competitors, changes in the price of copper, gold and silver or to changes in market sentiment towards the common shares. Investors should be aware that the value of the common shares may be volatile and investors may, on disposing of the common shares, realize less than their original investment or may lose their entire investment.

The Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices of the securities listed thereon and which may be unrelated to the Company's operating performance. Any of these events could result in a decline in the market price of the common shares. The common shares may, therefore, not be suitable as a short-term investment. In addition, the market price of the common shares may not reflect the underlying value of the Company's net assets. The price at which the common shares will be traded and the price at which investors may realise their shares will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some which may affect the business sectors in which the Company operates. Such factors could also include the performance of the Company's operations, large purchases or sales of the common shares, liquidity or the absence of liquidity in the common shares, legislative or regulatory changes relating to the business of the Company and general economic conditions.

Dilution

Additional funds raised by the Company through the issuance of equity or convertible debt securities may cause the Company's current shareholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the Company's shareholders. There is no certainty the Company will be able to raise funds in the event it needs to do so.

Uncertainty of Additional Funding

The Company may require additional funding if the price of copper declines or remains low. Any additional cash requirements will depend on the Company's ability to obtain financing through debt, equity, or other means. Following the completion of the Offering, along with cash on hand, the Company believes that it has sufficient funds to continue its operations for the foreseeable future. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining the required financing in the future or that such financing will be available on terms acceptable to the Company. In addition, any future financing may also be dilutive to existing shareholders of the Company.

Use of Proceeds

The Company currently intends to allocate the net proceeds as described under “*Use of Proceeds*”. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds. The failure by management to apply these funds effectively could have a material adverse effect on the Company’s business.

Global Financial Conditions

Global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such volatility and market turmoil continue, the Company’s operations and financial condition could be adversely impacted.

Risk under Senior Credit Facility

The Senior Credit Facility provides for events of default, some of which are beyond the control of the Company or CMM, the occurrence of which could require CMM to pay back immediately all amounts borrowed under the Senior Credit Facility which may result in default and realization or other proceedings and/or insolvency. The Copper Mountain Mine and all agreements and rights related thereto and the Company’s common shares in CMM are security for the Senior Credit Facility and related contracts. Any default under the Senior Credit Facility (including a default under the Subordinated Loan Agreement) could result in the loss of the secured assets.

Suspension of Production

The Company is dependent on the Copper Mountain Mine for revenues. If the Copper Mountain Mine were to cease production for any reason, it would have a material adverse effect on the Company’s results of operations, business and financial position.

Renegotiation of the Concentrates Sale and Purchase Agreement

Certain provisions in the Concentrates Sale and Purchase Agreement relating to pricing and settlement are subject to renegotiation every five years. If the Company cannot renew or renegotiate these provisions on reasonable terms, the Company’s revenue and operating profits could suffer.

Aboriginal Land Claims

Many lands in British Columbia are or could become subject to aboriginal lands claim to title, which could adversely affect the Company’s title to its properties. While the Company actively consults with all groups which may be adversely affected by the Company’s activities, including aboriginal groups, there can be no assurance that satisfactory agreements can be reached. The Company has entered into an impact benefits agreement with respect to the Copper Mountain Mine.

Mineral reserves and resources

The Company’s mineral reserves and mineral resources are estimates reported in accordance with the requirements of applicable Canadian securities regulatory authorities and industry practise, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of copper or any other minerals will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations have been and may continue to be different from those predicted.

Market price fluctuations of copper and certain other metals, as well as increased production and capital costs or reduced recovery rates, may render the Company’s mineral reserves and resources uneconomic. Moreover, short-term operating factors relating to the mineral reserves and resources, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause mineral reserves and resources to be reduced or the Company to be unprofitable in any particular accounting period. Estimated reserves and resources disclosed by the Company must be considered relative to the actual production experience.

Any of these factors may cause the actual mineral reserves and resources to be lower than the published estimates, which could have a negative impact on the Company's financial results. Failure to obtain or maintain necessary permits, government approvals or other access rights or changes to applicable legislation could also negatively impact the actual mineral reserves and resources versus previous estimates. To date, the Company has not achieved the indicated levels of copper recovery assumed in determining mineral reserves and resources and there is also no assurance that the Company will, in the future, achieve indicated levels of copper recovery or obtain the prices assumed in determining such reserves and resources.

Replacement of depleted reserves and resources

The Company must continually replace reserves and resources depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. The Company's exploration plans involve many risks and may be unsuccessful. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves and resources and to construct or adapt mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves and resources will not be offset by discoveries or acquisitions. The mineral base of the Company may decline if reserves are mined without adequate replacement and the Company may not be able to sustain production beyond the current mine life, based on current production rates.

Production and Operating Risks

There are many risks and unknowns inherent in all projects. For example, the economic feasibility of projects is based upon many factors, including: the accuracy of reserve estimates; metallurgical recoveries with respect to copper and other minerals; capital and operating costs of such projects; the timetables for the construction of such projects and any delays or interruptions; the future prices of the relevant minerals; and the ability to secure appropriate financing to develop such projects. For example, the Company's actual grades of copper mined at the Copper Mountain Mine have, and may continue to vary negatively, from that projected in the Copper Mountain Technical Report (defined below), as the Company sequences its mining in areas other than those assumed in the report, and makes other relevant mining decisions.

Although the Company's activities are primarily directed towards mining operations, its activities also include the exploration for and development of mineral deposits. Discovery or acquisition of new mineral deposits is necessary to replace mineral reserves that are mined by operations. Development of new mineral deposits is necessary to sustain and to grow the Company's future operations. There is no certainty that the expenditures made by the Company towards the search for, evaluation of, and development into commercial production of mineral deposits will be successful.

Market Price Volatility

Depending on the market price of the relevant metal, the Company may determine that it is not economically feasible to continue commercial production at its operations or the expansion of its current project, as applicable, which would have an adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities, with the result that depleted reserves and resources are not replaced. In addition, the market value of the Company's production inventory may be reduced and existing reserves may be reduced to the extent that ore cannot be mined and processed economically at the prevailing prices.

Production and cost estimates

The Company prepares estimates of future production, cash costs and capital costs of production for the Copper Mountain Mine. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition. The Company's actual production and costs have and may continue to vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore

grades; revisions to mine plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labor shortages or strikes. Costs of production may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade metallurgy, labor costs, and the cost of commodities, general inflationary pressures and currency exchange rates.

Environmental, health and safety regulations; permits

The Company's mining and processing operations, development and exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species.

The Company's ability to obtain and/or maintain permits and approvals and to successfully operate or obtain financing may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety or the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Company's operations, including its ability to explore or develop properties, commence production or continue operations. The Company has made, and expects to make in the future, significant expenditures to comply with such laws and regulations and, to the extent reasonably practicable, create social and economic benefit in the surrounding communities. Future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company's financial condition or results of operations. Failure to comply with applicable environmental and health (including changing laws and regulations as a result of the COVID-19 pandemic) and safety laws and regulations may result in injunctions, fines, suspension or revocation of permits and other penalties. There can be no assurance that the Company has been or will at all times be in full compliance with all such laws and regulations and with its environmental and health and safety permits or that the Company has all required permits. The costs and delays associated with compliance with these laws, regulations and permits could stop the Company from proceeding with the development of its projects or the operation or further development of the Copper Mountain Mine, the Eva Copper Project or increase the costs of exploration, development or production and may materially adversely affect the Company's business, results of operations or financial condition.

The Company may also be held responsible for the costs of addressing contamination at the site of current or former activities or at third party sites. The Company could also be held liable for exposure to hazardous substances. The costs associated with such responsibilities and liabilities may be significant. While the Company has implemented extensive health and safety initiatives at its sites to ensure the health and safety of its employees, contractors and members of the community affected by its operations, there is no guarantee that such measures will eliminate the occurrence of accidents or other incidents which may result in personal injuries or damage to property, and in certain instances such occurrences could give rise to regulatory fines and/or civil liability.

Employee relations

The Company's ability to achieve its future goals and objectives is dependent, in part, on maintaining good relations with its employees and minimizing employee turnover. Work stoppages or other industrial relations events at the Copper Mountain Mine and Eva Copper Project could lead to project delays or increased costs, which could have a material adverse impact on its operations as a whole.

Changes to or breaches of government regulations may adversely affect existing operations and/or development of a mineral property

The Company's operations are subject to extensive laws and regulations governing such matters as environmental protection, health and safety, exploration and development of mines, production and post-closure reclamation, labour, taxation, maintenance of claims, government royalties, management and use of toxic substances and explosives, climate change, and expropriation of property. The costs associated with compliance with these laws and regulations are considerable and the introduction of new laws and regulations or stricter enforcement of or changes to existing laws and regulations could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's current operations and delays in the development of its properties and a heightened degree of responsibility for companies and their officers, directors and employees. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company retains competent and

well trained individuals and consultants and strives to comply with all laws and regulations that govern its business operations, however, even with the application of considerable skill and due diligence, there can be no assurance the Company or its consultants may not inadvertently contravene certain regulations. Such events can lead to financial restatements, fines, penalties, and other material negative impacts on the Company.

Impacts of the COVID-19 pandemic

The COVID-19 pandemic has caused, and is expected to continue to cause, severe disruptions in regional economies and the world economy and financial and commodity markets in general, including a significantly negative impact on copper prices. The transmission of COVID-19 and efforts to contain its spread have resulted in international, national and local border closings, travel restrictions, significant disruptions to business operations, supply chains and customer activity and demand, service cancellations, workforce reductions and other changes, significant challenges in healthcare service provision and delivery, mandated closures and quarantines, as well as considerable general concern and uncertainty, all of which have negatively affected the economic environment and may in the future have further and larger impacts. The full extent of the impact of the pandemic on the economy and commodity prices, including copper prices, is not known at this time and it is not known what measures will be implemented by governmental authorities in the future and how long these measures, or the measures currently in effect, will be in place.

While the impact of the COVID-19 pandemic is not expected to last indefinitely, the circumstances relating to the pandemic are dynamic and its impacts on the Company's business operations, including the timing, duration and extent of the impact on the Company's production at the Copper Mountain Mine and future development and exploration activities at the Eva Copper Project, cannot be reasonably estimated at this time. However, it is expected that the COVID-19 pandemic will have a material adverse impact on the Company's business, results of operations, financial position and cash flows in 2020. As a result of COVID-19, the Company deferred all major capital spend and therefore halted work on the second stage of the ball mill expansion project, which deferred the actual installation of a third ball mill that the Company had already purchased and delivered to the Copper Mountain Mine site. Further, field work at the Eva Copper Project remains deferred until COVID-19 travel restrictions are lifted. As COVID-19 continues to spread and significantly impact the global economies, the Company may face increased credit and liquidity risks as the result of prolonged negative economic conditions, reduced cash flow from operations and volatility in financial markets. The impacts of the COVID-19 pandemic may adversely affect the Company's ability to comply with its covenants under its contracts, including its credit facilities.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is PricewaterhouseCoopers LLP, Chartered Professional Accountants of Suite 1400, 250 Howe Street, Vancouver, British Columbia, V6C 3S7. PricewaterhouseCoopers LLP has confirmed that it is independent of the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

The transfer agent and registrar for the common shares is Computershare Investor Services Inc. of 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

EXPERTS

The matters referred to under "*Eligibility for Investment*" and certain legal matters in connection with this Offering will be passed upon at the date of closing by Farris LLP, counsel to the Company, and by Peterson McVicar LLP, counsel to the Underwriters. As of the date hereof, the "designated professionals" of Farris LLP, as a group and the "designated professionals" of Peterson McVicar LLP, as a group, each beneficially own, control or direct, directly or indirectly, less than 1.0% of the outstanding securities of the Company.

Information relating to the Copper Mountain Mine in this prospectus and the documents incorporated by reference has been derived from the technical report titled "Integrated Life-of-Mine NI 43-101 Technical Report for the Copper Mountain Mine including New Ingerbelle" dated effective January 1, 2019 (the "**Copper Mountain Technical Report**"), which was filed on SEDAR on February 25, 2019. Information relating to the Eva Copper Project in this prospectus and the documents incorporated by reference has been derived from the technical report titled "NI 43-101 Technical Report for the Eva Copper Project – Feasibility Study Update" dated effective January 31, 2020 (the "**Eva Copper Technical Report**"), which was filed on SEDAR on May 7, 2020.

The following ‘qualified persons’ (within the meaning of NI 43-101) participated in the preparation of the Copper Mountain Technical Report: Stuart Collins, Peter Holbek, Michael Westendorf, and Don Strickland and the following ‘qualified persons’ (within the meaning of NI 43-101) participated in the preparation of the Eva Copper Technical Report: Paul Staples, Alistair Kent, David Johns, Peter Holbek, Stuart Collins, Mike Westendorf, Roland Bartsch, and Richard Klue (collectively, the “**Experts**”), and have been included in reliance on such persons’ expertise. None of the Experts have: (i) received a direct or indirect interest in the properties of the Company or of any associate or affiliate of the Company, or (ii) is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associates or affiliates of the Company, with the exception of Peter Holbek, Don Strickland, Roland Bartsch, Richard Klue and Michael Westendorf, who are officers or employees of Copper Mountain, and/or an officer/director or employee of one of more of its associates or affiliates.

As of the date hereof, the aforementioned Experts, as a group, beneficially own, directly or indirectly, less than 1% of the Company’s outstanding securities of any class.

PURCHASER’S STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces and territories, revisions of the price or damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

Dated: November 10, 2020

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces and territories of Canada, other than Québec.

COPPER MOUNTAIN MINING CORPORATION

"Gilmour Clausen"

Gilmour Clausen
President and Chief Executive
Officer and Director

"Rodney Shier"

Rodney Shier
Chief Financial Officer and
Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

"Bruce Aunger"

Bruce Aunger
Director

"Allan Cloke"

Allan Cloke
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: November 10, 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces and territories of Canada, other than Québec.

INDUSTRIAL ALLIANCE SECURITIES INC.

Per: “David M. Beatty”
Name: David M. Beatty
Title: Managing Director Head of Mining and Metals
Investment Banking

CORMARK SECURITIES INC.

Per: “Kevin Carter”
Name: Kevin Carter
Title: Managing
Director Investment
Banking

NATIONAL BANK FINANCIAL INC.

Per: “Darren Grant”
Name: Darren Grant
Title: Director
Investment Banking

BMO NESBITT BURNS INC.

Per: “Jamie Rogers”
Name: Jamie Rogers
Title: Managing
Director, Co-Head
Global Metals &
Mining Investment
Banking

HAYWOOD SECURITIES INC.

Per: “Kevin Campbell”
Name: Kevin Campbell
Title: Managing
Director Investment
Banking