

Copper Mountain Announces Positive Feasibility Study Results for Eva Copper Project

Vancouver, B.C., October 4, 2018 – Copper Mountain Mining Corporation (TSX:CMMC | ASX:C6C) (“Copper Mountain” or the “Company”) is pleased to announce positive results from its Feasibility Study (“Feasibility Study”) on its 100% owned Eva Copper Project (“Eva” or “the Project”), which is located in Queensland, Australia.

The Eva Copper Project was acquired by the Company as part of the acquisition of Altona Mining Limited (“Altona”) in April 2018. This Feasibility Study has been completed to provide an update status of the Project which consolidates and integrates all technical work of prior studies since the initial DFS in May 2012 and the update to the DFS in March 2014 and August 2017.

Highlights from the Eva Feasibility Study are summarized below. All costs and values use bank consensus metal prices with long-term metal prices of \$3.08 per pound of copper and \$1,310 per ounce of gold. The Australian Dollar to U.S. Dollar exchange rates used for years 1 to 3 are 1.40:1 (spot), 1.38:1 and 1.36:1, followed by 1.35:1 long term. *All dollars are in U.S. dollars unless otherwise indicated.*

| | |
|--|----------|
| After-tax Net Present Value (NPV) (8%) | \$256M |
| After-tax Internal Rate of Return (IRR) | 28% |
| Annual copper equivalent (CuEq) production first two full years ⁽¹⁾ | 129M lbs |
| Annual copper equivalent (CuEq) production ⁽¹⁾ (full years 1-9) | 98M lbs |
| Annual copper production first two years | 121M lbs |
| Annual copper production (full years 1-9) | 90M lbs |
| Mine life | 12 years |
| C1 cash cost (per lb of copper produced) ^(1,2) | \$1.74 |
| Initial capital cost | \$350M |

(1) Assumes an Australian Dollar to U.S. Dollar exchange rate of 1.35:1 and bank consensus long-term metal prices of US\$3.08 per lb of copper and US\$1,310 per oz of gold. CuEq is calculated using recoveries of 93% Cu and 78% Au.

(2) Net of by-product credits.

“The results of the Eva Feasibility Study clearly demonstrate the quality and size of this asset,” commented Gil Clausen, Copper Mountain’s President and CEO. “Eva has the potential to add significant cashflow to our operating base, at one of the lowest capital intensities for near-term greenfield projects anywhere, in the best mining jurisdiction in the world.”

Mr. Clausen added, “Our intention is to finance the capital spend in a non-dilutive manner through restructuring our current debt and internal cash flow. We are currently in advanced discussions on debt options and are evaluating the best alternative for shareholders. Until we have a definitive full funding solution in place, which we expect in the coming months, we will not commence construction nor incur large project costs. Our objective is to provide low risk, high value development options to our

shareholders and we will be conservative in financing our growth plans. The organic growth pipeline at Copper Mountain is impressive, and we believe it will be largely financed internally."

Mr. Clausen continued, "In addition, this Feasibility Study assumes no benefit from resources in the oxide cap which are treated as waste material. The Company believes that the oxide copper at Eva may be recoverable economically based on preliminary leaching testwork. A metallurgical testwork program is currently underway and we expect to complete our evaluation in early 2019."

Mining and Processing

The Eva Copper Project is designed as a moderate sized truck/shovel copper-gold open pit mining operation. The pit designs for the five deposits that comprise the Eva Copper Project, Little Eva, Turkey Creek, Bedford, Lady Clayre and Ivy Ann, were based on a Lerchs-Grossmann optimization at US\$2.75 per pound copper price, generated using Measured and Indicated Mineral Resources only. Mining costs are based on a first-principles model based on locally-sourced costs for major inputs. Little Eva is comprised of six pushback phases while Turkey Creek and Bedford are each based on two phases. Lady Clayre and Ivy Ann are each single-phase pit developments. Pit designs followed geotechnical constraints, with haul road design widths sufficient for the proposed haulage equipment. The Little Eva pit is mined during the Project's 9-year active mining plan, with Turkey Creek and the smaller satellite pits mining being distributed into the schedule concurrently. The Little Eva and Turkey Creek pits represent approximately 91% of the Project's Mineral Reserves. Mid- and low- grade stockpiles are processed during the last three years of the mine life.

The mine plan is based solely on reserves and includes production of 334 million tonnes of ore and waste from five deposits over a minimum mine life of 12 years. Total ore mined is expected to be 117 million tonnes and total waste is expected to be 217 million tonnes, for a waste to ore strip ratio of 1.86 to 1. With an overall sulfide copper recovery of 93% and gold recovery of 78%, the Project's average annual production is expected to be approximately 90 million pounds of copper and 19,000 ounces of gold, which is equal to 98 million copper equivalent pounds, based on base case metal prices and estimated recoveries. Total copper produced is estimated to be 959 million pounds. Ore will be mined using conventional earth-moving equipment and will be transported to a processing plant via haulage roads.

The process plan calls for an average throughput of 28,000 tonnes per day (tpd) for the first five years and 25,500 tpd for the remaining life of mine based on the hardness variability incorporated into the geo-metallurgical model of the deposit. The processing plant and tailings management facility will be constructed on site. The flowsheet consists of primary crushing, primary and secondary grinding using a SAG-Ball Mill circuit, followed by flotation process to recover copper and gold in concentrate form. The flotation concentrate will be thickened, filtered and stockpiled for shipping to the Mt. Isa Smelter. Full transportation, smelting and refining costs were based on the Company's existing long-term contract with Glencore's Mt. Isa Smelter, which is located approximately 195 kilometres west of Eva.

The Project is near existing infrastructure with power available through a 220 kV powerline. Water for the operations will be supplied through a well field located near the processing facility, pit dewatering and from water reclaimed from the tailings storage facility located on Company property. The well field has been drilled, pump tested and verified by independent hydrologists as sufficient for the Project's water consumption needs.

A summary of mining and production parameters is provided below. A more detailed life of mine production schedule is available in appendix 1. Production Table is based solely on Reserves.

| | |
|--|------------|
| Total ore mined (kt) | 117,041 |
| Total waste (including 14,074 kt of oxide material) (kt) | 217,161 |
| Waste to ore strip ratio | 1.86:1 |
| Total ore processed (kt) | 117,041 |
| Plant capacity | 28,000 tpd |
| Total copper production (klbs) | 959,263 |
| Annual copper production (full years 1-9) (klbs) | 90,400 |
| Total gold production (oz) | 203,000 |
| Annual gold production (full years 1-9) (oz) | 18,800 |
| Average copper recovery | 93% |
| Average gold recovery | 78% |
| Average copper feed grade (full years 1-9) | 0.45% |
| Average gold feed grade (full years 1-9) | 0.08 g/t |
| Mine life | 12 years |

The Measured and Indicated Oxide Mineral Resource, which will be stockpiled separately, represents a significant potential to increase future production and/or extend the mine life at Eva. Total Measured and Indicated oxide resource is 14 million tonnes grading 0.40% copper for 123 million pounds of copper. The Company is currently evaluating the Mineral Resource oxide potential, and the oxide Mineral Resource is not included in the current mineral production schedule. This material has been treated as waste.

Capital and Operating Costs

The total initial capital cost for the development of the Eva Copper Project is estimated to be approximately \$350 million, which includes a contingency of \$31 million. The capital estimate includes the mining equipment fleet, as the operation is planned to be owner operated. A breakdown of modelled initial development capital is provided below:

| Development Capital (US\$M) | |
|-----------------------------|--------------|
| Mining | \$54 |
| Processing | \$136 |
| Infrastructure | \$60 |
| Ancillaries | \$10 |
| EPCM | \$23 |
| Indirect Costs | \$23 |
| Owner's Costs | \$13 |
| Sub-total | \$319 |
| Contingency | \$31 |
| Total Capital | \$350 |

Sustaining capital for the life of mine is estimated to be approximately \$27 million.

Average C1 cash cost, net of by product credits, is approximately \$1.74 per pound of copper. Total operating costs are estimated to be \$14.53 per tonne milled. Total mining costs are estimated to be \$4.11 per tonne milled and \$1.44 per tonne mined.

| | |
|---|----------------|
| Cash operating cost (US\$ per tonne milled) | |
| Mining | \$4.11 |
| Processing | \$7.35 |
| G&A | \$0.65 |
| Transportation | \$1.13 |
| Royalty | \$1.29 |
| Total | \$14.53 |

Project Economics

The after-tax NPV assuming an 8% discount rate is \$256 million and the after-tax IRR is 28%. The economics use bank consensus metal prices with long-term metal prices of copper price of \$3.08 per pound and gold price of \$1,310 per ounce. The Australian Dollar to U.S. Dollar exchange rates used for years 1 to 3 are 1.40:1 (spot), 1.38:1 and 1.36:1, followed by 1.35:1 long term. A sensitivity analysis on varying copper prices and other variables was completed on the after-tax NPV (8%) and the results are summarized below.

| | |
|------------------------------|--------------------|
| Copper Price (per lb) | After-tax NPV (8%) |
| \$2.75 | \$121M |
| \$3.08 (long-term consensus) | \$256M |
| \$3.50 | \$404M |

| | |
|---------------|--------------------|
| Capital Costs | After-tax NPV (8%) |
| -10% | \$287M |
| Base Case | \$256M |
| +10% | \$225M |

| | |
|-----------------|--------------------|
| Operating Costs | After-tax NPV (8%) |
| -10% | \$259M |
| Base Case | \$256M |
| +10% | \$231M |

| | |
|---|--------------------|
| Australian to U.S. Dollar Exchange Rate | After-tax NPV (8%) |
| -10% | \$212M |
| Base Case | \$256M |
| +10% | \$292M |

Mineral Reserves and Mineral Resources

The Eva Mineral Reserve is included in the Eva Mineral Resource and the effective date of the Mineral Reserve and Mineral Resource is September 15, 2018. The Mineral Resource is based on all drilling up to July 15, 2018. A summary of the Mineral Reserve and Mineral Resource is provided below.

| Eva Mineral Reserves (Sulfide Only) | | | | | |
|-------------------------------------|-------------------|---------------------|---------------------|-----------------------------|----------------------------|
| | Tonnes (t 000) | Copper Grade (%) | Gold Grade (g/t) | Contained Copper (M lbs) | Contained Gold (oz 000) |
| Proven | 61,144 | 0.41 | 0.07 | 556 | 131 |

| | | | | | |
|----------------------------|----------------|-------------|-------------|--------------|------------|
| Probable | 55,893 | 0.39 | 0.07 | 475 | 129 |
| Proven and Probable | 117,037 | 0.40 | 0.07 | 1,031 | 260 |

Mineral Reserve Notes:

1. CIM Definition Standards were followed for Mineral Reserves.
2. Mineral Reserves were generated using the August 31, 2018 mining surface.
3. Mineral Reserves are reported at an NSR cut-off value of US\$8.95/t for Little Eva and Turkey Creek, US\$9.35/t for the Bedford pits, US\$10.32/t for Lady Clayre pits, and US\$11.44/t for Ivy Ann.
4. Mineral Reserves are reported using long-term copper and gold prices of US\$2.75/lb and US\$1,250/oz, respectively.
5. An average copper process recovery of 93%, and gold process recovery of 78% were used for all deposit areas.
6. Little Eva, Turkey Creek, Bedford, and Lady Clayre have an equivalent 5.3% NSR royalty. Ivy Ann has an equivalent 5.8% royalty.
7. Average bulk density is 2.7 t/m3.
8. Totals may not add due to rounding.

| Eva Mineral Resources | | | | | |
|-------------------------------|---------------------------|-----------------------------|-----------------------------|---|------------------------------------|
| Sulfide | | | | | |
| | Tonnes (t 000) | Copper Grade (%) | Gold Grade (g/t) | Contained Copper (M lbs) | Contained Gold (oz 000) |
| Measured | 69,829 | 0.40 | 0.07 | 621 | 160 |
| Indicated | 81,292 | 0.36 | 0.07 | 639 | 172 |
| Measured and Indicated | 151,121 | 0.38 | 0.07 | 1,259 | 330 |
| Inferred | 22,368 | 0.35 | 0.07 | 174 | 53 |
| Oxide | | | | | |
| | Tonnes (t 000) | Copper Grade (%) | Gold Grade (g/t) | Contained Copper (M lbs) | Contained Gold (oz 000) |
| Measured | 7,255 | 0.38 | 0.07 | 61 | 16 |
| Indicated | 6,818 | 0.42 | 0.06 | 59 | 13 |
| Measured and Indicated | 14,074 | 0.40 | 0.07 | 123 | 30 |
| Inferred | 2,998 | 0.40 | 0.05 | 26 | 5 |

Mineral Resource Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are reported at a cut-off grade of 0.17% Cu for copper.
3. Mineral Resources are inclusive of Mineral Reserves.
4. Mineral Resources are estimated using a copper price of US\$3.52/lb, and a gold price of US\$1,600 per ounce. An US\$/AU\$ exchange rate of AU\$1.35 = US\$1.00.
5. Bulk density ranges from 2.4 t/m3 to 3.00 t/m3.
6. Numbers may not add due to rounding.

Technical Report

A technical report for the Eva Copper Feasibility Study will be filed on SEDAR within 45 days of the date of this news release in accordance with NI 43-101 regulations.

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Holbek, B.Sc (Hons), M.Sc. P. Geo. Mr. Holbek is a full time employee of the Company and has sufficient experience which is relevant to the

style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Holbek does consent to the inclusion in this news release of the matters based on their information in the form and context in which it appears.

Qualified Persons

The Mineral Resource estimate for the Eva Copper Project was prepared by Copper Mountain Mining Corporation in accordance with standards as defined by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "CIM Definition Standards-For Mineral Resources and Mineral Reserves", adopted by CIM Council on May 10, 2014. Messrs. Gerry Schwab, P.Eng., Andre de Ruijter, P.Eng., Alistair Kent, P.Eng., Peter Holbek, B.Sc (Hons), M.Sc. P. Geo, and Stuart Collins, P.E., serve as Qualified Persons as defined by National Instrument 43-101 for the Technical Report related to the Eva Copper Project. Mr. Stuart Collins, who is independent of the Company, is the Qualified Person for the Mining and Mineral Reserve. Mr. Peter Holbek is the Qualified Person for the related Mineral Resource. Mr. Andre de Ruijter, who is independent of the Company, is the Qualified Person for the Ore Processing. Mr. Alistair Kent, who is independent of the Company, is the Qualified Person for the Development Capital Estimate. Mr. Gerry Schwab, Mr. Andre de Ruijter, Mr. Alistair Kent, Mr. Peter Holbek and Mr. Stuart Collins have reviewed and verified that the technical information related to the Eva Copper Project in this news release is accurate.

About Copper Mountain Mining Corporation:

Copper Mountain's flagship asset is the 75% owned Copper Mountain mine located in southern British Columbia near the town of Princeton. The Copper Mountain mine produces about 90 million pounds of copper equivalent per year with a large resource that remains open laterally and at depth. Copper Mountain also has the permitted, development stage Eva Copper Project in Queensland, Australia and an extensive 397,000 hectare highly prospective land package in the Mount Isa area. Copper Mountain trades on the Toronto Stock Exchange under the symbol "CMMC" and Australian Stock Exchange under the symbol "C6C".

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

On behalf of the Board of

COPPER MOUNTAIN MINING CORPORATION

"Gil Clausen"

Gil Clausen, P.Eng.
Chief Executive Officer

For further information, please contact:

Letitia Wong, Vice President Corporate Development & Investor Relations

604-682-2992 Email: letitia.wong@cumtn.com or

Dan Gibbons, Investor Relations 604-682-2992 ext. 238 Email: Dan@CuMtn.com

Website: www.CuMtn.com

Note: This release contains forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents, filed by the Company on SEDAR at www.sedar.com, specifically the

most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. The Company undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statement.

APPENDIX A: EVA PRODUCTION PLAN

| Production Years | | | | | | | | | | | | |
|----------------------------------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Material Mined (kt) | 36,038 | 31,703 | 34,436 | 32,622 | 34,042 | 37,563 | 36,121 | 35,074 | 28,426 | 2,833 | - | - |
| Ore Mined (kt) | 12,723 | 12,694 | 9,757 | 10,397 | 8,231 | 12,156 | 13,415 | 13,249 | 16,964 | 2,146 | - | - |
| Waste (kt) | 23,315 | 19,010 | 24,680 | 22,225 | 25,812 | 25,407 | 22,706 | 21,825 | 11,462 | 687 | - | - |
| Ore Processed (kt) | 10,220 | 10,220 | 10,220 | 10,220 | 10,220 | 9,308 | 9,308 | 9,308 | 9,308 | 9,308 | 9,308 | 8,819 |
| Cu Feed Grade (%) | 0.57% | 0.58% | 0.43% | 0.42% | 0.38% | 0.40% | 0.42% | 0.42% | 0.40% | 0.28% | 0.24% | 0.20% |
| Au Feed Grade (g/t) | 0.07 | 0.07 | 0.08 | 0.08 | 0.10 | 0.08 | 0.08 | 0.05 | 0.06 | 0.05 | 0.05 | 0.04 |
| Copper Production (kilbs) | 119,670 | 122,242 | 90,150 | 87,328 | 80,208 | 76,263 | 80,846 | 79,994 | 77,257 | 52,538 | 45,345 | 35,769 |
| Gold Production (oz) | 19,159 | 18,065 | 21,128 | 20,313 | 26,525 | 18,517 | 19,528 | 11,428 | 14,329 | 11,885 | 10,944 | 8,950 |

EVA COPPER PROJECT JORC TABLE 1 FOR FEASIBILITY STUDY

October 2018

JORC Table 1

Copper Mountain Mining Corporation

1.1. Key Information

| Mineral Resources and Mineral Reserves* | Tonnes (million) | Copper (%) | Gold (g/t) |
|---|---------------------|-----------------|---------------|
| Project Resources (MII) Included in Study | 151..1 | 0.38 | 0.07 |
| Contained metal in Study Resources | | 1.26 billion lb | 330 koz |
| Total Mineral Reserves | 117.0 | 0.40 | 0.07 |
| Contained metal in Mineral Reserves | | 1.03 billion lb | 260 koz |

| Production Summary | | |
|---|--|-----------|
| Project life | | 12 years |
| Project pit strip ratio | | 1.86:1 |
| Nominal annual processing rate (tonnes) | | 9,500,000 |
| Copper recovery | | 93% |
| Gold recovery | | 78% |
| Milled tonnes (million tonnes) | | 117 |
| Recovered copper, life of mine (million pounds - Mlb) | | 959.3 |
| Recovered gold, life of mine (ounces) | | 203,000 |
| Copper in concentrate for first five years (million pounds per annum) | | 90.4 |
| Gold in concentrate for first five years (ounces per annum) | | 19,000 |

| Costs | |
|---|-------------|
| Capital cost (US\$ million) | 350 |
| Operating costs per tonne | US\$14.53/t |
| Operating (C1) cash cost per pound copper after credits | US\$1.74/lb |
| Life of mine sustaining capital | US\$0.03/lb |
| Royalties | US\$0.16/lb |

| Project Economics | US\$ (million) |
|--|----------------|
| After-tax Net Present Value (NPV) (8%) | \$256M |
| After-tax Internal Rate of Return (IRR) | 28% |
| Annual copper equivalent (CuEq) production first two full years ⁽¹⁾ | 129M lbs |
| Annual copper equivalent (CuEq) production ⁽¹⁾ (full years 1-9) | 98M lbs |
| Annual copper production first two years | 121M lbs |
| Annual copper production (full years 1-9) | 90M lbs |
| Mine life | 12 years |
| C1 cash cost (per lb of copper produced) ^(1,2) | \$1.74 |
| Initial capital cost | \$350M |

*Mineral Resources are inclusive of Mineral Reserves. ** The production target is based on Mineral Reserves (100% of production) with no Inferred Resources in mine plan.

1.1 *Project Overview*

The Eva Copper Project ("Project"), formerly known as the Cloncurry Copper Project is proposed as a large, low-risk, copper-gold open pit mining operation and processing plant like other current and former operations in the Mt Isa - Cloncurry area in Queensland. The Project comprises the large Little Eva open pit and four smaller satellite pits which will deliver sulphide ore to a processing plant situated adjacent to the Little Eva and Turkey Creek pits. The plant through-put is planned at 28,000 tonnes per day (10.2Mt/year) for the first five years, with an planned reduction in the subsequent years. The Little Eva deposit is a typical Iron Oxide Copper Gold ("IOCG") type, similar to the Ernest Henry and Osborne deposits.

The Eva Copper Project (the Project) is 100% owned by Copper Mountain Mining Corporation (CMMC) through a wholly owned subsidiary and is situated in northwest Queensland approximately 70 kilometres north-west of Cloncurry and 100 kilometres north-east of Mount Isa.

The Eva Copper Project is anticipated to mine 117 million tonnes of ore and 217 million tonnes of waste, including oxide cap, from five deposits, with a minimum projected mine life of twelve years. Ore will be mined using conventional earth-moving equipment and will be hauled to a processing plant via haul roads from each pit. Waste material will be stacked in waste dumps adjacent to each pit except for material re-purposed for the construction of the tailings management facility (TMF).

Infrastructure located on the Project site itself is minor and includes dirt tracks for exploration and grazing, water points for stock, fences and yards for grazing purposes and drill pads/holes. A water pipeline that runs from Lake Julius to the Ernest Henry Mine traverses the southern portion of the Project site. A power line installed by MMG's Dugald River mine is 11km south of the Project.

Major infrastructure required to be developed for the Project includes:

- An 11km 220kV Power line from the Dugald River mine,
- Water wells approximately 2 km north of the Little Eva Pit and a Water well at the accommodation village,
- An employee accommodation village to house 300 personnel,
- Processing plant, workshops, laboratory, security, training and administration offices,
- New intersections from the Burke Developmental Road, 8km Site access road and Haul roads,
- Telecommunications infrastructure, and
- Tailings Management Facility.

The Little Eva deposit was the subject of a major drill programme in 2010 to 2012 and consequently the contained Mineral Resources more than doubled. The enlarged Little Eva deposit was the focus of a Definitive Feasibility Study ("DFS"), that was completed in May 2012, describing the mining and treatment of copper-gold sulphide ore. The November 2011 costs from that study were updated by GR Engineering Services Limited ("GRES") in a 2014 update of that study. The large Turkey Creek deposit was then delineated subsequent to that update.

This report has been completed to provide an up to date evaluation and development plan for the Project. It consolidates and integrates all technical work of prior studies together with a number of significant developments that have an impact on costs and revenues post the August 2017 DFS completed by Altona.

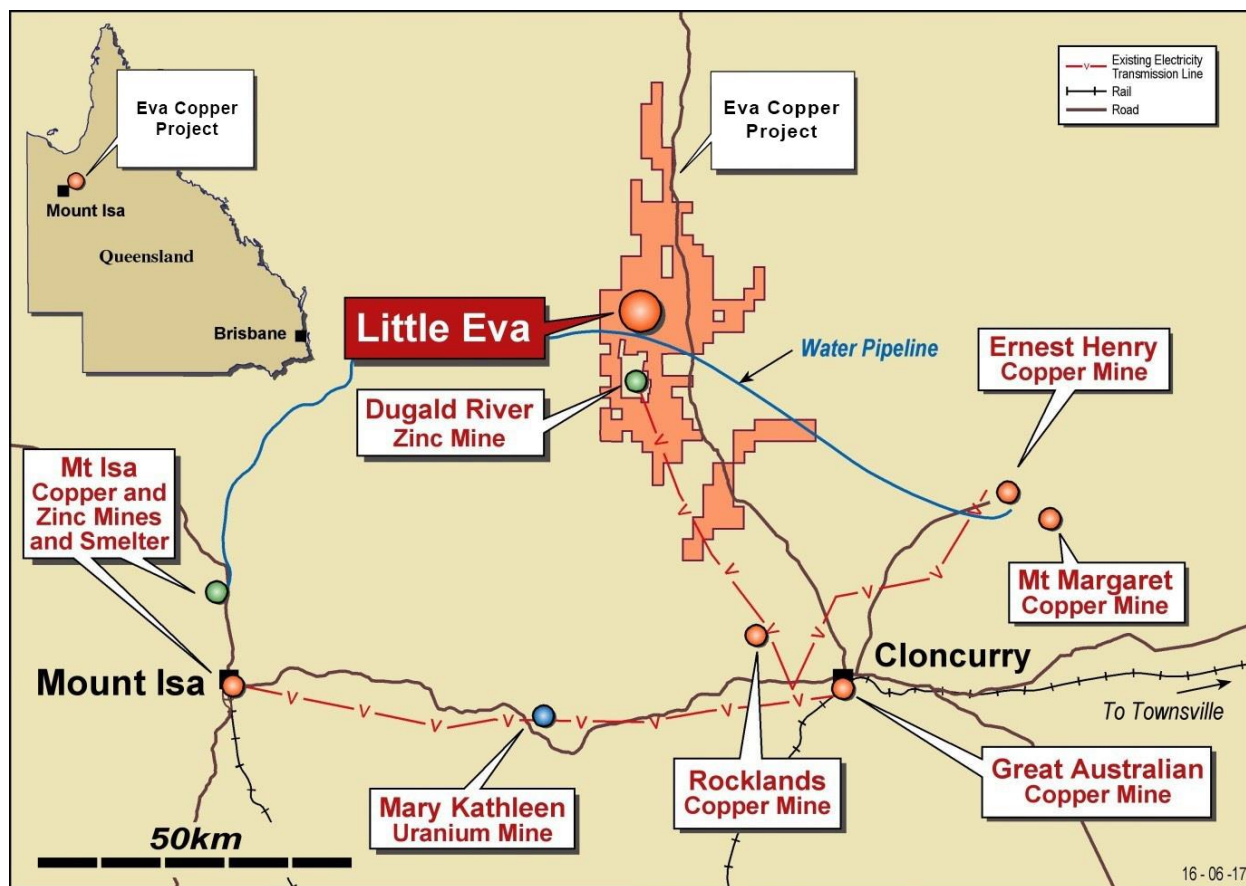


Figure 0-1: Location of the Eva Copper Project (formerly Cloncurry Copper) tenure, the Eva Copper Project plant and regional infrastructure

The Little Eva deposit has been included in feasibility studies in the past (2005 and 2008) where it was envisaged to be mined in conjunction with two copper-only deposits; Blackard and Scanlan. The earlier studies indicated that the processing characteristics and metal recoveries of sulphide ore from Little Eva and satellite deposits were far superior to the copper-only deposits which, as a result, the copper-only deposits were excluded from Altona studies. The copper-only deposits will be re-evaluated once the Project described here-in, is established.

It is estimated that over 27 years, a total of A\$60 million has been expended on exploration, resource development, metallurgical and engineering studies, compensation payments and government fees and charges by Altona's predecessor, Universal Resources Limited ("Universal"), Universal's partners and by parties who held the Project prior to Universal. Altona has expended some A\$25 million from February 2010 to 31 December 2016.

In late April 2018, Copper Mountain Mining Corporation acquired Altona Mining Limited. As a result of the acquisition, Copper Mountain added to the Copper Mountain "Group" 100% of Altona's assets which includes the Eva Copper Project, a permitted development project in Queensland, Australia.

In December 2017, Hatch Ltd., a global engineering consulting firm, was commissioned to redesign and redevelop the process plant layout requirements and particular equipment selection, including the Primary Gyratory Crusher, Ball and SAG mills, and to provide coordination services and technical input into the preparation of a NI 43-101 Feasibility Level Technical Report.

The redesigned process plant was designed from extensive metallurgical test work and is in several ways, similar to the Copper Mountain Mining concentrator in operation near Princeton in British Columbia, Canada.

1.2 *Reliance on Other Experts*

The Feasibility study was undertaken by Copper Mountain using Hatch as the principal consultants and a variety of other consultants (some whose work was completed while the project was owned and managed by Altona Mining Limited). Inputs are attributed as follows:

| | |
|---------------------------------------|------------------------------------|
| Mineral Resources: | CMMC |
| Geotechnical: | George, Orr and Associates |
| Tailings Management Facility ("TMF"): | Knight Piésold |
| Mine costing: | CMMC |
| Mine design and Mineral Reserves: | CMMC / S. Collins |
| Hydrology: | KH Morgan & Associates / Rockwater |
| Process design: | Hatch / CMMC |
| Metallurgical test work: | GRES / ALS Ammtec Laboratories |
| Plant and infrastructure: | Hatch / CMMC / Merit |
| Environment: | MBS Environmental |

All Competent and Qualified Persons have conducted site inspections.

For the September 2018 FS; construction, plant and processing costs were reviewed and updated by Merit Consultants and mining costs were updated by CMMC. Macro-economic assumptions were updated by CMMC. Significant changes made since the 2014 and 2017 studies include:

- New Resource Estimate and geotechnical model for the Little Eva deposit (CMMC 2018)
- New Resource and Reserve Estimates for Bedford, Lady Clayre and Ivy Ann deposits (CMMC 2018)
- New Mineral Resource and Mineral Reserve Estimates for the Turkey Creek deposit (CMMC 2018)
- Redesign of waste dumps for the Environmental Authority ("EA") (CMMC 2018)
- Redesign and relocation of infrastructure impacted by Turkey Creek pit development (Knight Piésold / CMMC / Hatch)
- An increase in engineering and construction costs based on estimate review (Merit/Knight Piésold/Hatch/CMMC)
- Provision for project power supply increased by ~20%
- Changes to the macro-economic assumptions (CMMC)
- Updated mining cost estimates from market enquiry (CMMC 2018)
- Development of a detailed implementation plan.

All information pertaining to mineral resources, reserves, ore composition and operating costs were provided to Hatch via a combination input from CMMC (including employees formerly with Altona Mining Limited (Altona)), Merit Consultants International (Merit), Sedgman Canada Limited (Sedgman), Knight Piesold (KP), MBS Environmental (MBS) and Rockwater Consultants (RW). This report, as input for its analysis, site and process plant design, and material take-offs (MTO's) relies entirely on these sources of data:

- The Cloncurry Copper Project Definitive Feasibility Study Status Report, Altona Mining Limited, August 2017.
- Tailings Storage Facility Preliminary Design Report, Knight Piesold, February 2016 and an Update in July 2018, following their geotechnical drilling, confirmation and results.

- Cloncurry Copper Project Business Case Analysis, CMMC, Sedgman and Merit, October 2017.
- Cabbage Tree Creek Inundation Study and Little Eva Pit Diversion, KP, February 2016
- Water Supply Investigation for the Eva Copper Project, Rockwater Hydrogeological Consultants, July 2018
- Amendment of Environmental Authority EPML00899613, Queensland Department of Environment and Heritage Protection, July 2016
- Process Plant and Facilities Layout Drawings, Hatch Limited, June 2018
- Detailed Metallurgical Review Cloncurry Copper Project, George Ross (Altona), October 2017.
- Review of the Equipment Selection for the Comminution Circuit of the Cloncurry Project, CITIC SMCC Process Technology, January 2018

1.3 *Property Description*

The Eva Project is located 76 kilometres by road north-northwest of Cloncurry and 194 kilometres by road from Mt Isa, a regional mining centre. Access to the Project is via the sealed Burke Developmental Road from Cloncurry. This road passes 8 kilometres to the east of the proposed plant site. The site is also 11 kilometres north of the major operating Dugald River zinc mine.

The Project is 100% owned by CMMC through its subsidiaries. The planned pits and Mineral Resources sit within five granted Mining Lease (MLs) except for the Ivy Ann pit which sits within Exploration Permit for Minerals (EPM) 25760 (King). The MLs total 143 square kilometres in area and are situated across two pastoral lease holdings and within one native title grant. Two freehold Lots granted in the late 1800's and owned 100% by the Company sit within the MLs: one sits over part of the Little Eva deposit, the second, over part of the Longamundi deposit.

Necessary agreements are secured with the pastoral lease holders and native title party (Kalkadoon People) that set out conduct and compensation terms for the planned mining activities to proceed. Additional third-party agreements and consents have been secured that are required for the Project access road from the Burke Developmental Road. Variations are required to two agreements to permit the realignment of the access road proposed in the current design.

Numerous royalties apply to the Project. Royalties on minerals are payable annually to the Queensland State Government on an ad valorem basis with various costs being permitted as a deduction from sales revenue. Copper and gold royalty rates vary between 2.50% and 5.00% of value, depending on average metal prices as per Schedule 3 of the Mineral Resources Regulation of 2003. No state royalty on copper is applicable to the two freehold lots owned by the company. It has not been confirmed if a royalty on gold is payable to the State on these freehold titles. A number of royalties also apply to the Project from purchase agreements and are payable to several parties variably across sectors of the Project area. These apply to all the deposits in the Project mine plan, a total 1.5% NSR royalty is applicable to the Little Eva, Bedford, Lady Clayre and Turkey Creek deposits. A total 2% NSR royalty is applicable to the Ivy Ann deposit. A royalty provision also applies as compensation for the effects of mining activities on the native title of the Kalkadoon People of 0.22% of NSR; subject to various conditions.

In addition to the granted MLs; the key environmental and permitting consideration for a mining project in Queensland, is the approved Environmental Authority (EA) from the Department of Environment and Science (DES) that regulates the environmental management of the project. The EA sets out key environmental management conditions. The current EA is based on the previous 2016 mine layout; changes to the mine layout set out by this FS revision will require submission of an Amendment. These are normal procedural requirements taking 1 to 3.5 months.

Key EA regulatory management issues and particularly in the mine development period, are:

- 1) Plan of Operations ("PoO") - contains an action program for implementing commitments made within the EMP and for complying with conditions of the EA;
- 2) Financial Assurance ("FA") - required to be lodged with DES prior to commencement of any activities, amount directly related to the activities set-out in the PoO;
- 3) Design Plan for Cabbage Tree Creek - final plans to be formally submitted and approved prior to commencement of construction; and,
- 4) Environmental Offset Requirements - triggered due to disturbance of specific ecosystems, particularly resulting from the disturbance of Cabbage Tree Creek, with offsets in the form of a financial settlement or approved conservation work programs.

1.4 *Geology and Mineral Resources*

Copper-gold mineralisation is predominantly hosted by multiple fracture sets largely constrained within the dacitic to intermediate feldspar porphyry. Mineralising fluids flooded the available fractures in the porphyry but the adjacent calc-silicate wall-rocks are only weakly or irregularly mineralised. Change in mineralization habit and intensity is attributed to the differential rheology of the rock types, with the calc-silicates being less brittle and therefore less brecciated than the porphyritic volcanic rocks.

Mineralisation is predominately chalcopyrite, with lesser bornite, occurring as disseminations, fracture-fill and/or veinlets and micro-veinlets, commonly polyphase and related to magnetite-haematite-albite alteration and localized hydro-brecciation. The sulphide mineralisation is coarsely crystalline and contains some gold. No deleterious elements are present in the trial flotation concentrates.

Copper-gold resource grades vary within the porphyry from low grade background values averaging 0.1 - 0.3 % copper to areas of intense fracturing, where breccias and networks of veins contain much higher grades of mineralisation.

Mineral Resource estimates were prepared by Copper Mountain personnel based on all drilling up to July 15th, 2018. The Effective Date of the resource estimates is September 15th, 2018.

Resource estimates were previously prepared and published in a Definitive Feasibility study by Altona Mining Limited on August 2, 2017. All resources have been re-estimated using methods and block sizes felt to be more suitable to the use of larger scale mining equipment. Only the Little Eva deposit has new data which is limited to two diamond drill holes which were completed to obtain material for metallurgical testing and for verification of grades and resource modelling. In addition to the Little Eva deposit, resource estimates were prepared for Turkey Creek, Bedford, Lady Clayre and Ivy Ann deposits. The resource estimates were made using methods and block sizes deemed appropriate for anticipated mining methods, mining equipment and grade control methods described in this report.

The Resource estimate for the Little Eva deposit is based on 8,350m of diamond drilling in 44 holes and 59,200m of reverse circulation drilling in 390 holes. The deposit has been drilled with approximate 25m spaced drill-holes along 50m spaced sections; with numerous holes between sections and at various orientations. Drill-holes are sampled on 1 or 2m intervals and samples were composited to 2.5m prior to interpolation into 5m blocks by ordinary kriging (OK). The Eva deposit was divided into 4 domains based on bounding faults and different directions of mineralization continuity in each domain. The "search ellipses" for the interpolations were set to values that were fractions of the variogram ranges but sufficient to "capture" composite values from multiple drill-holes on at least two sections. Interpolations strategies, as described, invariably incorporate a proportion of low-

grade or waste material thereby producing “diluted” grades. The amount of dilution is estimated by comparing a nearest neighbor interpolation, where block grades reflect the grades of only the nearest composites, to the OK estimate, and ranges from 15 to more than 20%, depending upon the deposit. Resources are classified into the Measured, Indicated and Inferred categories based on the number of drill-holes and composites that are used to inform the grade estimate when using three expanding searches. Grade and tonnage estimates are verified by several statistical, geostatistical and “common-sense” methods. The satellite deposits were estimated similarly with subdivision into domains based on directions of mineralization continuity where necessary. Cut-off grades for the resource tables (below) are calculated values based on metal prices and costs used in this report to allow a mining strategy using stockpiling of low-grade and mid-grade material. Resources for all categories have been constrained by Whittle Pit Shells that are generated using metal prices of US\$3.50 Cu and US1,250 Au, ensuring a reasonable probability of extraction for inferred resources.

Mineral Resources for Eva Copper Project (inclusive of reserves)

| Deposit | Cut-off grade | tonnes (000's) | Grades | | Contained metal | |
|------------------|---------------|----------------|-------------|-------------|-------------------|---------------|
| | | | Cu% | Au g/t | Cu lbs (millions) | Au oz (000's) |
| Little Eva M+I | 0.30 | 54,785 | 0.52 | 0.09 | 623 | 156 |
| | 0.24 | 77,946 | 0.44 | 0.08 | 761 | 197 |
| | 0.17 | 113,617 | 0.37 | 0.07 | 922 | 247 |
| | Inferred | | | | | |
| | 0.17 | 3,764 | 0.31 | 0.07 | 26 | 9 |
| Turkey Creek M+I | 0.30 | 12,019 | 0.53 | - | 140 | |
| | 0.24 | 14,377 | 0.49 | - | 155 | |
| | 0.17 | 16,937 | 0.45 | - | 167 | |
| | Inferred | | | | | |
| | 0.17 | 12,897 | 0.40 | - | 113 | |
| Bedford M+I | 0.3 | 2,010 | 0.69 | 0.18 | 30 | 12 |
| | 0.24 | 2,425 | 0.62 | 0.16 | 33 | 13 |
| | 0.17 | 3,002 | 0.54 | 0.14 | 36 | 14 |
| | Inferred | | | | | |
| | 0.17 | 792 | 0.42 | 0.14 | 7 | 3 |
| Lady Clayre M+I | 0.30 | 3,912 | 0.57 | 0.25 | 49 | 31 |
| | 0.24 | 5,198 | 0.50 | 0.21 | 57 | 35 |
| | 0.17 | 7,341 | 0.41 | 0.17 | 66 | 41 |
| | inferred | | | | | |
| | 0.17 | 4,964 | 0.36 | 0.15 | 40 | 23 |
| Ivy Ann | 0.30 | 2,980 | 0.45 | 0.09 | 30 | 9 |
| | 0.24 | 3,890 | 0.41 | 0.09 | 35 | 11 |
| | 0.17 | 5,144 | 0.36 | 0.08 | 41 | 12 |
| | Inferred | | | | | |
| | 0.17 | 961 | 0.32 | 0.07 | 7 | 2.00 |
| | | | | | | |
| | 0.30 | 75,706 | 0.52 | 0.09 | 868 | 209 |
| Total M+I | 0.24 | 103,836 | 0.45 | 0.08 | 1,029 | 257 |

| | | | | | | |
|------------------|-------------|----------------|-------------|-------------|--------------|------------|
| | 0.17 | 151,121 | 0.38 | 0.07 | 1,259 | 330 |
| Total Inf | 0.17 | 22,368 | 0.35 | 0.07 | 174 | 53 |

Mineral Resource Notes:

1. JORC and CIM definitions were followed for Mineral Resources.
2. Mineral Resources are inclusive of Mineral Reserves.
3. Mineral Resources are constrained within a Whittle pit shell generated with a copper price of US\$3.50/lb, a gold price of US\$1,250/oz and an exchange rate of AU\$1.35 = US\$1.00.
4. Density measurements were applied (ranges from 2.4 t/m3 to 3.00 t/m3)
5. Significant figures have been reduced to reflect uncertainty of estimations and therefore numbers may not add due to rounding.

Oxide Mineral Resources for Eva Copper Project

| Deposit | Cut-off grade | tonnes (000's) | Grades | | Contained metal | |
|-----------------------|---------------|----------------|----------|--------|--------------------|---------------|
| | | | Cu% | Au g/t | Cu lbs (000,000's) | Au oz (000's) |
| Little Eva | 0.24 | 4,767 | 0.44 | 0.08 | 46 | 12 |
| | 0.17 | 7,108 | 0.36 | 0.08 | 56 | 18 |
| | | | Inferred | | | |
| | 0.17 | 31 | 0.41 | 0.03 | 0.3 | 0 |
| Turkey Creek | 0.24 | 2,985 | 0.51 | 0 | 34 | |
| | 0.17 | 3,398 | 0.47 | 0 | 53 | 0 |
| | | | Inferred | | | |
| | 0.17 | 1,301 | 0.51 | 0 | 15 | 0 |
| Bedford | 0.24 | 602 | 0.72 | 0.18 | 10 | 3 |
| | 0.17 | 775 | 0.61 | 0.15 | 10 | 4 |
| | | | Inferred | | | |
| | 0.17 | 384 | 0.49 | 0.15 | 4 | 2 |
| Lady Clayre | 0.24 | 1,138 | 0.42 | 0.14 | 10 | 5 |
| | 0.17 | 1,598 | 0.35 | 0.12 | 12 | 6 |
| | | | Inferred | | | |
| | 0.17 | 911 | 0.27 | 0.09 | 6 | 3 |
| Ivy Ann | 0.24 | 714 | 0.39 | 0.08 | 6 | 2 |
| | 0.17 | 1,195 | 0.31 | 0.06 | 8 | 2 |
| | | | Inferred | | | |
| | 0.17 | 371 | 0.26 | 0.05 | 2 | 0.62 |
| Total M+I | 0.17 | 14,074 | 0.40 | 0.07 | 123 | 30 |
| Total Inferred | 0.17 | 2,998 | 0.40 | 0.05 | 26 | 5 |

Mineral Resource Notes:

1. JORC and CIM definitions were followed for Mineral Resources.
2. Mineral Resources are inclusive of Mineral Reserves.
3. Mineral Resources are constrained within a Whittle pit shell generated with a copper price of US\$3.50/lb, a gold price of US\$1,250/oz and an exchange rate of AU\$1.35 = US\$1.00.
4. Density measurements were applied (ranges from 2.4 t/m3 to 3.00 t/m3).

5. Significant figures have been reduced to reflect uncertainty of estimations and therefore numbers may not add due to rounding.

1.5 *Mining*

Mine Design

The Little Eva pit contains more than 83% of the total Mineral Reserve. The design for the Little Eva pit has an initial two-year starter pit with and additional two subsequent stages. George, Orr & Associates conducted a full stability analysis of the planned Little Eva pit based on geotechnical analysis of 21 oriented diamond drill-holes covering both an earlier starter-pit design and the final pit design utilised in this study. The north-west portion of the Little Eva deposit has poor to moderate ground conditions, however, for most of the planned pit ground conditions are good to moderate. Overall slope angles of 43 degrees, inclusive of pit ramps, have been recommended and are used in the Little Eva pit design. The eastern pit wall has the best ground conditions and therefore all access ramps have been placed on this wall.

Pit optimisation was completed by CMMC and reviewed by Mr. Collins. The parameters used to generate the optimised pit designs were based on mining costs obtained from comparable CMMC mining costs and were checked with a first principles mining study. The metallurgical recoveries used in optimisation were derived by GRES, OZMET, Hatch, and CMMC from all pre-existing test work, test work carried out by ALS Ammttec in 2011 and 2012, and recent test work by ALS Ammttec on behalf of CMMC. Economic and other assumptions were current in 2018 and were supplied by CMMC. These optimisations formed the basis of pit designs and the Project's Mineral Reserves.

The Little Eva mine design includes a 22-m wide dual lane in-pit haul road at a 10% gradient on the eastern wall of the final pit. The pit is approximately 1,500 metres long, 700 metres wide and 240 metres deep.

The degree of selectivity in mining is relatively low and varies in differing domains of the deposit. Reserve modelling is based upon a minimum mining unit of 5-m x 5-m x 5-m. Ore is classified in grade control either as run of mine (ROM) feed to be sent directly to the mill or low ore to be sent to a stockpile for later treatment. Mine equipment has been scaled to permit selective mining of the mining units. The opportunity exists to implement detailed grade control practices to improve grade selectivity and thus reduce unit costs.

The Turkey Creek pit was previously optimised and designed by Orelogy in 2016 using similar parameters to Little Eva. CMMC updated the Turkey Creek Mineral Resource model and applied new economic parameters for the Turkey Creek pit optimisation.

Optimisation of the Bedford, Lady Clayre and Ivy Ann deposits was completed utilising the same late 2018 inputs as used at Little Eva and were designed to the same level of detail as Little Eva and Turkey Creek pits even though their contribution is small (9% of Mineral Reserves). Geotechnical studies will be finalised for the satellite pits before mining commences; however, it was assumed that fixed costs were covered by the Little Eva mine and the cost of ore haulage to the mill was added. Metallurgical test work on these deposits indicate that metallurgical characteristics and recoveries are not materially different from the Little Eva pit. Scheduling of ore extraction from the satellite deposits varies per year, and the size of the pits and the rate of bench advance were considered

during scheduling. Marginal ore from the satellite pits is assumed treated as waste, and not transported to the Little Eva mill.

| Summary of Mineral Reserves for Eva Copper Project | | | | | |
|--|--------------------|------------------------|-------------------|------------------------|--------------------------|
| Category | Tonnage (000 t) | Cu Grade (% CuT) | Au Grade (g/t) | Cu Pounds (M lb) | Au Ounces (000 oz) |
| Proven | | | | | |
| Little Eva | 53,907 | 0.40 | 0.07 | 480 | 126 |
| Turkey Creek | 6,151 | 0.49 | - | 66 | - |
| Bedford | 33 | 0.34 | 0.18 | 0.2 | 0.2 |
| Lady Clayre | 1,049 | 0.41 | 0.15 | 10 | 5 |
| Ivy Ann | 4 | 0.41 | 0.06 | 0 | 0 |
| Total Proven | 61,144 | 0.41 | 0.07 | 556 | 131 |
| Probable | | | | | |
| Little Eva | 43,805 | 0.36 | 0.06 | 348 | 91 |
| Turkey Creek | 4,544 | 0.45 | - | 45 | - |
| Bedford | 2,694 | 0.56 | 0.16 | 33 | 13 |
| Lady Clayre | 2,572 | 0.47 | 0.21 | 27 | 18 |
| Ivy Ann | 2,279 | 0.43 | 0.09 | 22 | 7 |
| Total Probable | 55,893 | 0.39 | 0.07 | 475 | 129 |
| Proven + Probable | | | | | |
| Little Eva | 97,712 | 0.38 | 0.07 | 828 | 217 |
| Turkey Creek | 10,695 | 0.47 | - | 112 | - |
| Bedford | 2,727 | 0.56 | 0.16 | 34 | 14 |
| Lady Clayre | 3,621 | 0.45 | 0.19 | 36 | 23 |
| Ivy Ann | 2,282 | 0.43 | 0.09 | 22 | 7 |
| Eva Copper Project Total | 117,037 | 0.40 | 0.07 | 1,031 | 260 |

Mineral Reserve Notes:

9. JORC and CIM Definitions were followed for Mineral Reserves.
10. Mineral Reserves were generated using the August 31, 2018 fully ramped pit design.
11. Mineral Reserves are reported at an NSR cut-off value of US\$8.95/t for Little Eva and Turkey Creek, US\$9.35/t for the Bedford pits, US\$10.32/t for Lady Clayre pits, and US\$11.44/t for Ivy Ann.
12. Mineral Reserves are reported using long-term copper and gold prices of US\$2.75 and US\$1,250/oz, respectively.
13. An average copper process recovery of 93%, and gold process recovery of 78% were used for all deposit areas.
14. Little Eva, Turkey Creek, Bedford, and Lady Clayre have an equivalent 5.3% NSR royalty. Ivy Ann has an equivalent 5.8% royalty.
15. Average bulk density is 2.7 t/m³.
16. Totals may not add due to rounding.

All Inferred Mineral Resources were treated as waste. It is recognized that the Oxide Mineral Resources may be treatable, however, the Oxide Mineral Resources were also treated as waste for all pits. Studies are on-going to determine if copper can be profitably extracted from the Oxide Mineral Resources.

Future pit optimisations and designs will be completed utilising current mining rates as additional geotechnical models and/or revision of metal price forecasts occur.

Mining Strategy

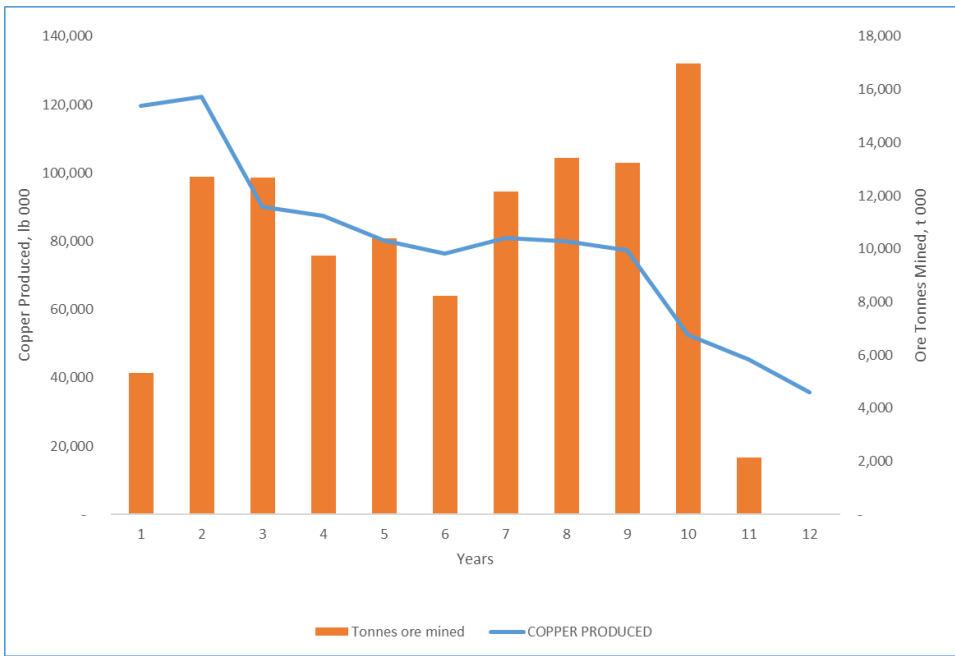
The mining strategy involves an approximate 10.5 Mt pre-stripping of a starter-pit at the Little Eva deposit. The overall strip ratio is 1.86:1. To sustain a 10.2 Mt per annum (Mtpa) production rate, stripping is planned to continue at elevated rates for several months after the commencement of production. The pit requires a pushback towards the end of mine life to reach its design depth of 310 metres. Little Eva and Turkey Creek represent 91% of the Mineral Reserves.

Mining will be carried out using conventional drill and blast (“D&B”) drills with front shovel and backhoe excavation being undertaken by diesel excavators and rear-dump truck haulage. The main mining fleet consists of two PC4000 400-t excavators matched to ten, Komatsu HD1500 141-t trucks. This fleet is supplemented by two, WA900 front end loaders and a variety of other support equipment including track dozers, graders, water trucks and so forth.

Mine waste will be transported to a waste dump adjacent to the pits, and to construct the TSF. Waste will also be used to construct an engineered flood protection bund around the Little Eva pit. The bund will re-direct wet season water flows in Cabbage Tree Creek away from the Little Eva pit.

The run of mine (ROM) ore will be delivered to the ROM pad where there is also the capability to direct feed from mine trucks to a gyratory crusher.

Mining Schedule and Copper Production Eva Copper Project



Eva Copper Project Production plan

| | Production Year | | | | | | | | | | | |
|--------------------------|-----------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Material Mined (kt) | 36,038 | 31,703 | 34,436 | 32,622 | 34,042 | 37,563 | 36,121 | 35,074 | 28,426 | 2,833 | - | - |
| Ore Mined (kt) | 12,723 | 12,694 | 9,757 | 10,397 | 8,231 | 12,156 | 13,415 | 13,249 | 16,964 | 2,146 | - | - |
| Waste (kt) | 23,315 | 19,010 | 24,680 | 22,225 | 25,812 | 25,407 | 22,706 | 21,825 | 11,462 | 687 | - | - |
| Ore Processed (kt) | 10,220 | 10,220 | 10,220 | 10,220 | 10,220 | 9,308 | 9,308 | 9,308 | 9,308 | 9,308 | 9,308 | 8,819 |
| Ore Grade Cu(%) | 0.57 | 0.58 | 0.43 | 0.42 | 0.38 | 0.40 | 0.42 | 0.42 | 0.40 | 0.28 | 0.24 | 0.20 |
| Ore Grade Au(g/t) | 0.07 | 0.07 | 0.08 | 0.08 | 0.10 | 0.08 | 0.08 | 0.05 | 0.06 | 0.05 | 0.05 | 0.04 |
| Copper Production (klbs) | 119,670 | 122,242 | 90,150 | 87,328 | 80,208 | 76,263 | 80,846 | 79,994 | 77,257 | 52,538 | 45,345 | 35,769 |
| Gold Production (oz) | 19,159 | 18,065 | 21,128 | 20,313 | 26,525 | 18,517 | 19,528 | 11,428 | 14,329 | 11,885 | 10,944 | 8,950 |

Mining of ore from the Turkey Creek and Bedford pits is scheduled to commence shortly after to process plant commissioning and will initially supplement Little Eva ore feed. The current mining schedule then prioritises the mining of ore sequentially from Ivy Ann then Lady Clayre with mining. The proximity of Turkey Creek to the mill may make it preferable to mine it earlier in the mining schedule, however, preliminary investigation indicates that some of the lower grade material will have a lower priority for processing. Further investigation and rescheduling will be carried out prior to Project commencement.

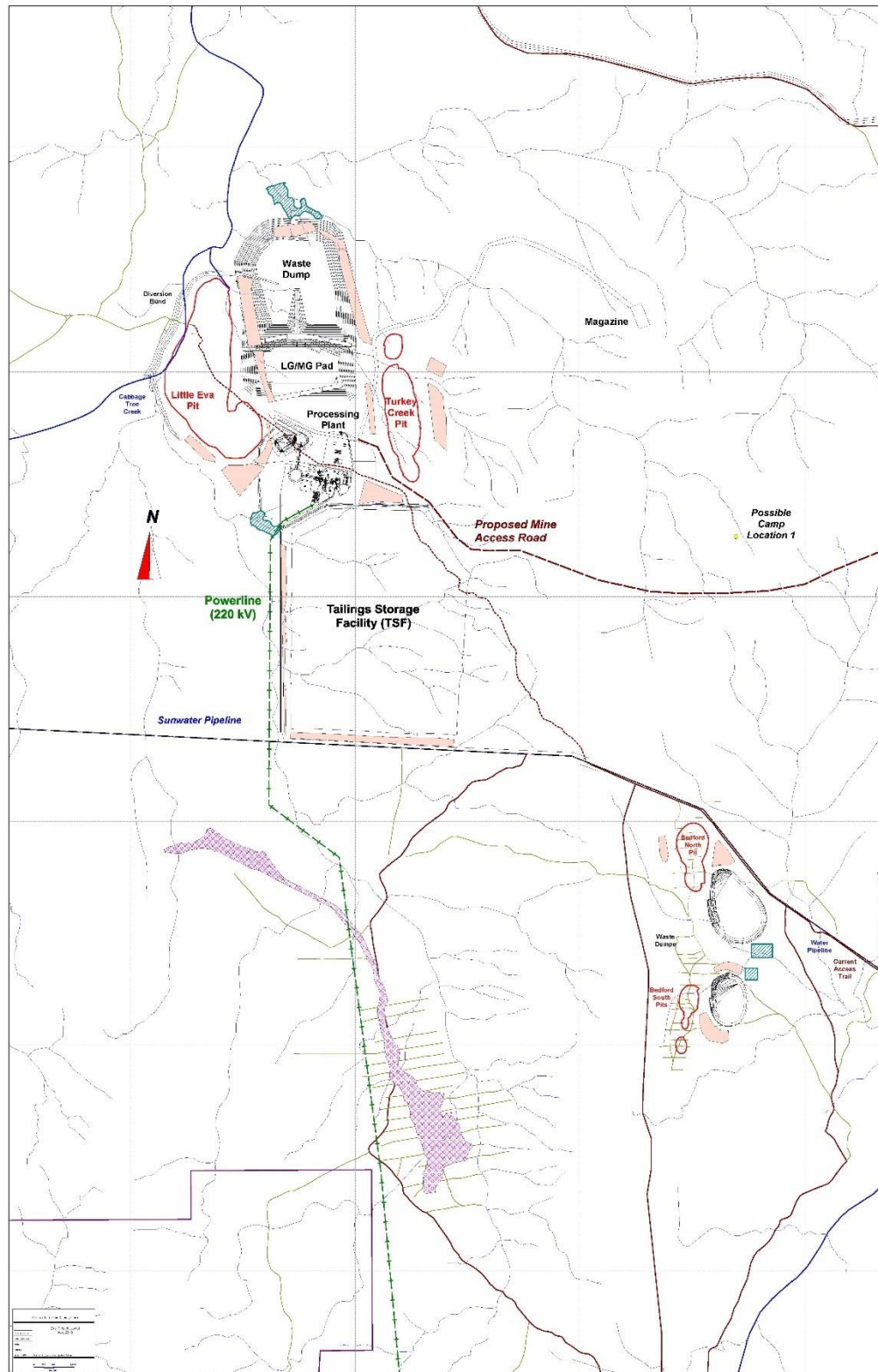
Mining Costs

For this study, CMMC mining costs and a first principles study were used to estimate the mining costs. Mining costs include drill and blast, explosives, truck operating and haulage profiles. Current mining rates are on par with those obtained in late 2011 for the 2012 DFS.

In order to maximise cost effectiveness, CMMC intends to purchase the majority of the mine equipment, and to use a contractor for blasting services. The fleet will be operated and maintained by CMMC.

Current mining cost estimations were used to generate new pit optimisations to test the potential impact of the footprint of enlarged pits on infrastructure layout. These optimisations indicate a substantial opportunity to increase the Mineral Reserves and will be examined as a part of a future project review and optimisation.

Mining will deliver 10.2 Mtpa of approximately 0.44% copper ROM feed to the processing plant over the first five years, while stockpiling lower grade material for later treatment.



Infrastructure and layout of the Eva Copper Project mine and mill

1.6 *Processing*

The unit processes selected were based on the results of metallurgical test work programs conducted between 1996 and 2016. The treatment plant will consist of crushing, grinding using a SAG-Ball Mill circuit, followed by the flotation process to recover and upgrade the copper from the plant feed material. The flotation concentrate will be thickened and filtered and stockpiled prior to shipping to smelters. The final flotation tailings will be disposed of using thickened slurry deposition into a tailings management facility (TMF).

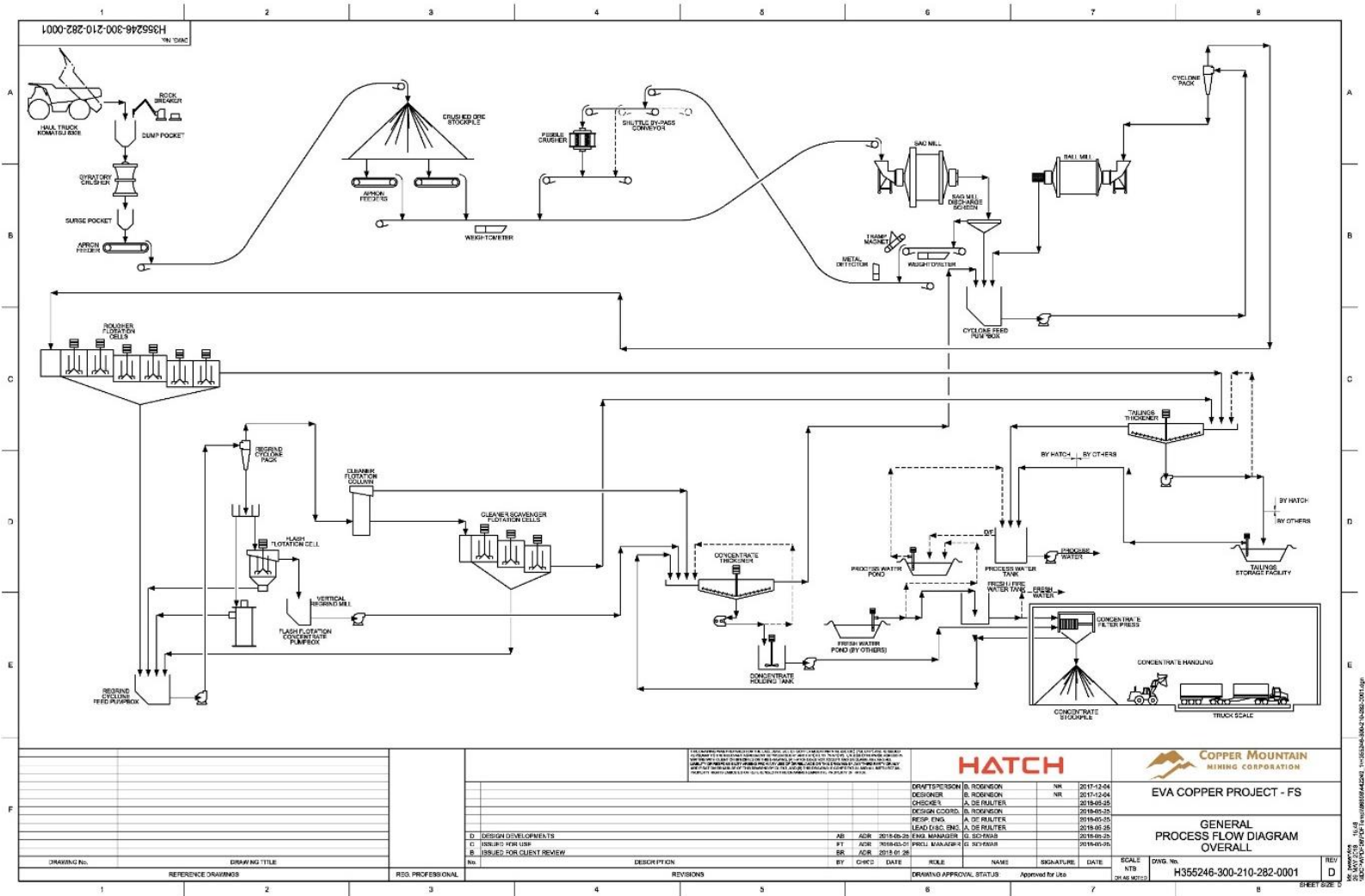
Process water will be recycled from the tailings thickener overflow and will be supplemented with process water recovered from the tailings management facility, while overflow solution from the concentrate thickener will be re-used in the grinding circuit. Make-up water will be provided from water wells at site. Fresh water will be used for gland service for the slurry pumps and for reagent preparation.

The mill feed schedule presently indicates mining operations of the deposit commencing from the northern part of the pit, then gradually moving southwards. The design of the concentrator is specific to the treatment of Little Eva ore and is based on the results of test work undertaken to date on sample material from the Little Eva deposit. However, preliminary test work to date on sulphidic copper-bearing ores from the satellite deposits indicate that these ores are also amenable to processing using the Eva process plant design. The current mine plan includes supplementing the ore from the Little Eva deposit with ore from the satellite deposits starting in year two of operations.

The process plant will consist of the following unit operations and facilities:

- Run-of-mine ore primary crushing
- Crushed ore stockpile
- Crushed ore stockpile reclaim system
- SAG-Ball Mill grinding circuit incorporating cyclones for classification and a pebble crusher for treating oversize SAG mill material
- Rougher flotation circuit
- Rougher concentrate regrinding circuit incorporating cyclones for classification and a flash flotation unit producing a final grade concentrate
- Cleaner flotation stage using a single column flotation cell
- Cleaner-scavenger flotation with the concentrate returning to the concentrate regrind circuit and the tailings discharged to the final tailings thickener
- Copper concentrate thickening, filtration and dispatch sections
- Tailings thickening and disposal to the TSF
- TSF water reclaim system
- Process water circuit
- Fresh water circuit
- Reagent preparation section.

Simplified process flowsheet



The main design items which have changed from the earlier DFS process design proposals are the following:

- The SAG-Ball mill grinding circuit availability is similar to that of the DFS level, but the crusher availability has been revised downwards to reflect a more typical industry availability of 75% with crusher units of the capacity used in the design
- The SAG mill feed surge bin has been replaced with a coarse-ore stockpile with a live capacity of 30,000 t (equivalent to slightly in excess of the throughput for one day) which is typical for the industry
- A pebble crusher has been included in the comminution circuit to crush the SAG mill oversize pebbles which may build up during the treatment of the harder ores
- The conveyor belts have been designed for the throughput rate.
- A centrifugal gravity concentrator has been excluded from the plant design
- Reagent conditioning tanks ahead of flotation have been excluded
- The flotation process incorporates a rougher circuit, a cleaner stage, and a cleaner-scavenger circuit. A flash flotation unit has been relocated to the rougher concentrate regrind circuit (originally installed in the primary grind circuit). The cleaner circuit consists of a single cleaner stage using a column cell, and a cleaner-scavenger stage.
- Copper and gold recoveries for the Eva Project have been reduced from the 96% and 85% values per the original study, to 93% and 78% respectively for this FS.

1.7 Project Infrastructure

The Eva Copper mine, plant, and main Little Eva open pit are located 76 road-kilometers north-west of Cloncurry. The site can be accessed via the sealed Burke Development Road and a site access track of approximately eight kilometers.

Infrastructure required to be installed to support the operation includes:

- Roads - Access and Haul roads
- Overland HV power line from the Dugald substation (11km)
- Water supply and treatment
- Tailings storage facility
- Site sediment management installations
- Creek diversion channel around Little Eva pit and surface water bunding
- Fuel storage and dispensing
- Plant site laboratory
- Administration facilities and car park
- Communication facilities
- Training, Plant Crib and First Aid facilities
- Mining infrastructure
- Truck-shop, Tire pad, wash pad and Warehouse facilities
- Bore-fields (Little Eva pit dewatering wells and West of Cabbage Tree Creek area)
- Explosive bulk storage depot and magazine

- Accommodation village

Power Supply

The plant and infrastructure electrical system will be designed and installed to comply with all relevant standards and statutory requirements, to provide high reliability and ease of maintenance in accordance with Queensland standards. With 40MW of installed drives, the average power draw for the processing plant during operations will be approximately 28MW. Power for the concentrator will be supplied from gas fired generation in Mt Isa at either the Mica Creek power station or the Diamantina power station. Gas supply to these stations is provided by the Carpentaria Gas Pipeline. Power is transmitted along the North West Power System (NWPS) 120km to the Network Operator's 220kV Chumvale substation adjacent to the town of Cloncurry. From Chumvale the power is transmitted along the MMG Dugald River 64 km long 220 kV overhead transmission line terminating at the MMG Dugald River substation. A tap will be installed adjacent to the MMG site and an 11km extension would be constructed to supply power to the 220kV / 11kv step-down substation at the Eva Copper plant site, from which power will be distributed throughout the plant and the site infrastructure.

CMMPL has a commercial understanding for access on the MMG Dugald River 220kV line to the Eva demarcation tap point. In addition, transmission line maintenance costs have been provided for in the Opex power calculations.

For this study, the cost of power at site is US\$0.144/kWhr. On-site diesel generator emergency backup power will be provided to plant essential services and mine-site village services.

Water

Water for the Project will be supplied from a bore-field to be established west of Cabbage Tree Creek located approximately two kilometers north of the Little Eva pit. Copper Mountain completed a hydrogeological investigation to define the bore-field capabilities. Following the successful exploration program, three test bores were constructed CTPB01-CTPB03, which will eventually be expanded to form the Cabbage Tree Creek Bore-field. Test pumping conducted at two of the three production bores CTPB02 and CTPB03 confirmed supply a rate of 25 to 50 m³/h each. An additional 12 bores will be added for a total of 15 bores in the Cabbage Tree Creek Bore-field. The bores will be powered by a 11kV distribution line. Each bore has been calculated to produce an average of 6.5 liters per second for a total of 351m³/h. The water then will be pumped into a 1,575kl nominal capacity collection tank at the Western side of the Eva Pit on elevation which will then be either gravitated or pumped via centrifugal transfer pumps to the fresh water/fire water tank 426-TK-1102 which is 14.8m in diameter with a height of 9.2m (1.575kl) as and when required.

Return water from the TMF will also be utilized to supply process water. A system design with a 3 x 75 kW submersible pumps capable of pumping 5443 m³ of reclaim water per day up to 17,136 m³ per day utilizing from one to three pumps. The reclaim water is transferred by a two km long HDPE pipeline to the process water tank.

Tailings Management Facility (TMF)

A single cell TMF will be constructed to the south of the process plant area. The TMF will be constructed using mine waste delivered and placed by the Company's mining fleet. Select fill and non-permeable zones will be conditioned prior to placement by a contractor under the supervision of the geotechnical engineer. A low permeability soil basin liner and low permeability core embankments will be constructed to provide a starter capacity of nine million tonnes of tailings. The basin area will include underdrainage and the embankments will have cut off drains to reduce seepage from the facility and to channel water to the decant tower. Over the LOM the embankment walls will be raised to a height of approximately 43 meters to provide a final design capacity of 117 million tonnes. Supernatant water will be collected and pumped from the

decant tower to the process water pond for reuse in the process plant. The starter TMF covers an area of 198 hectares increasing to a final footprint of 295 hectares at closure.

The TMF has been designed to be constructed in stages with a final capacity adequate to store the LOM tailings produced. However, in the event of an extension to mine life the design is such that a significant increase in capacity (up to a total of 220 million tonnes) could be achieved in the same location by increasing wall embankment heights. The facility has been designed to incorporate an under-drainage system to collect solution from the deposited tailings bed which will be returned to the process plant for reuse along with decanted surface supernatant collected.

The TMF is comprised of a single cell with low permeability core embankments constructed using open-pit mine waste rock. The floor of the basin area is constructed with underdrainage below a low permeability soil liner. The underdrainage system reduces seepage, increases tailings density, and improves the geotechnical stability of the TMF. Tailings liquor is collected via decant, the underdrainage system and cutoff trenches and is directed to a decant tower for pumping back to the process water pond.

Tailings will be discharged into the TMF by sub-aerial deposition methods, using a combination of banks of spigots at regularly spaced intervals from all embankments to direct the supernatant pond to the decant tower. The active tailings beach will be regularly rotated.

There exists an opportunity to reduce tailings disposal costs by early mining of the closer satellite deposits, Turkey Creek and Bedford, and commence in-pit tailings disposal in these voids. This approach would require further Environmental approvals supported by detailed groundwater modelling.

1.8 Community, Permitting and Tenure

The Company has an agreement with the Kalkadoon People who hold a native title area over the Project area. A deed of the type required under the Native Title Act and an ancillary agreement were signed by the Company and appropriate representatives of the Kalkadoon People on 15 June 2006. The State of Queensland executed the Section 31 Deed on 29 June 2006.

An Environmental Impact Study and the Environmental Management Plan (“EMP”) for the Project have been accepted by the Queensland Department of Environment and Heritage Protection (“DEHP”) and an EA has been issued. The mine plan allows for closure and rehabilitation costs and the conditions of the EA include lodgement of a financial security with the authorities. The legislation around financial securities is subject to amendment by the Queensland Parliament. Financial security will be lodged prior to commencement of operations together with a Plan of Operations.

Mining Leases (“MLs”) were granted on 19 November 2012 and total 143 square kilometres and are situated across two pastoral land holdings. Compensation agreements with pastoralists relating to the MLs have been agreed.

The Eva Copper Project also has four granted Exploration Permits for Minerals (“EPMs”) some 703 square kilometres in area that are, in part, contiguous with the MLs.

The Project is expected to directly employ some 300 people during the construction phase reducing to around 280 during operations, a portion of which will commute daily to site.

Most of the construction workforce will be provided by contractors from the north-west Queensland region. During the operations phase, employment will be made up of a mixture of people living in Cloncurry commuting daily to site and fly in / fly out (“FIFO”) or drive in / drive out (“DIDO”) people from the regional centres which already provide personnel to the major mining centres such as Mt Isa and Townsville in north-west Queensland.

1.9 *Capital and Operating Costs*

Capital costs that have been estimated do not include escalations by inflation or exchange rate fluctuations. Most costs are based on firm, supplier pricing or quotations. Summary tables of development capital and operating capital are presented below.

Mining costs have been generated by first principles and comparisons to CMMC costs for capital and operating costs. The scope of the contractors’ supply included blasting operations required to mine multiple pits in accordance with the mining schedule to produce 10.2 million tonnes per annum of ore for processing. The purchase and/or leasing of the major equipment and supply of fuel and explosives is an Owner responsibility.

The bulk of the capital estimate for mining activities related to the capitalisation of the mine operating costs associated with pre-strip of the Little Eva deposit. In deriving construction costs, Merit worked with general regional contractors to establish current market costs to as large a degree as possible. Merit stated the execution strategy to develop the construction costs. As the estimate information was compiled, Merit estimated the direct and indirect man hours and the manpower loading distribution for the capital estimate,

| Development Capital (US\$M) | |
|-----------------------------|--------------|
| Mining | \$54 |
| Processing | \$136 |
| Infrastructure | \$60 |
| Ancillaries | \$10 |
| EPCM | \$23 |
| Indirect Costs | \$23 |
| Owner’s Costs | \$13 |
| Sub-total | \$319 |
| Contingency | \$31 |
| Total Capital | \$350 |

Cash operating cost (US\$ per tonne milled)

| | |
|----------------|----------------|
| Mining | \$4.11 |
| Processing | \$7.35 |
| G&A | \$0.65 |
| Transportation | \$1.13 |
| Royalty | \$1.29 |
| Total | \$14.53 |

1.10 Financial Analysis

Concentrate Marketing

The Eva Mine will produce a copper concentrate with a mine life grade averaging 25% copper, and 5g/dmt gold. The mine is expected to produce between 160,000 and 200,000 wet tonnes per annum of copper concentrate.

The material will be considered a “clean concentrate” with no deleterious elements that would cause smelters to penalize the material.

An offtake agreement has been finalised, with Glencore International AG for a hundred percent (100%) of the mine’s output, with a fixed duration of five years, commencing with the start of production of the mine. The contract may be extended for a further five-year period, by mutual-agreement. The sale of the concentrate was made basis FCA Seller’s mine gate.

Copper Price Forecast

The lack of investment in copper mines and mine expansions have led many analysts to believe that there will be a tighter market for copper concentrates well into the 2020s. The Cobre Panama mine, expected to be in production 2020, is the only major mine project due to enter production in the next three to four years. Additionally, forecasted world copper demand, fueled by Electronic Vehicles and Renewable Energy, is expected to see growth well into the future. The increase in demand and the lack of commitment on the supply side provides support to the copper price selected.

Copper Prices

| | 2018 | 2019 | 2020 | 2021 | Long Term |
|------------------------|------|------|------|------|-----------|
| Copper Prices (USD/lb) | 3.08 | 3.11 | 3.16 | 3.24 | 3.08 |

Source: CIBC Global Mining Group - Consensus Commodity Price Forecasts September 2018.

Precious Metal Prices

| | 2018 | 2019 | 2020 | 2021 | Long Term |
|-----------------|------|------|------|------|-----------|
| Gold US\$/oz | 1302 | 1310 | 1323 | 1324 | 1310 |

Source: CIBC Global Mining Group - Consensus Commodity Price Forecasts September 2018

Taxation and Royalties

It is assumed that the Project will be developed by CMMC. CMMC has tax losses carried forward to later income years providing they are available to it under the current taxation provisions. As at 30 June 2016, the tax losses applicable to the Eva Copper Project are approximately US\$60.4 million.

Royalties of approximately US\$150 million are payable over the life of the mine to the Queensland government and a number of private entities.

Financial Study Summary

Highlights from the Eva Feasibility Study are summarized below. All costs and values use bank consensus metal prices with long-term metal prices of \$3.08 per pound of copper and \$1,310 per ounce of gold. The Australian Dollar to U.S. Dollar exchange rates used for years 1 to 3 are 1.40:1 (spot), 1.38:1 and 1.36:1, followed by 1.35:1 long term

| | |
|--|----------|
| After-tax Net Present Value (NPV) (8%) | \$256M |
| After-tax Internal Rate of Return (IRR) | 28% |
| Annual copper equivalent (CuEq) production first two full years ⁽¹⁾ | 129M lbs |
| Annual copper equivalent (CuEq) production ⁽¹⁾ (full years 1-9) | 98M lbs |
| Annual copper production first two years | 121M lbs |
| Annual copper production (full years 1-9) | 90M lbs |
| Mine life | 12 years |
| C1 cash cost (per lb of copper produced) ^(1,2) | \$1.74 |
| Initial capital cost | \$350M |

- (3) Assumes an Australian Dollar to U.S. Dollar exchange rate of 1.35:1 and bank consensus long-term metal prices of US\$3.08 per lb of copper and US\$1,310 per oz of gold. CuEq is calculated using recoveries of 93% Cu and 78% Au.
- (4) Net of by-product credits.
- (5) *All dollars are in U.S. dollars unless otherwise indicated.*