FORM 51-102F1
COPPER MOUNTAIN MINING CORPORATION
(The "Company")

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A") OF FINANCIAL CONDITION & THE RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2010

March 29, 2011

Introduction

Management's discussion and analysis ("MD&A") focuses on significant factors that affected Copper Mountain Mining Corporation's performance and factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the audited consolidated financial statements of the Company's and the notes thereto for the year ended December 31, 2010. The Company reports its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Company's significant accounting policies are set out in Note 2 of the consolidated financial statements for the year ended December 31, 2010. The Company's financial statements and the management's discussion and analysis are presented in Canadian dollars and are intended to provide a reasonable basis for the investor to evaluate the Company's development and financial situation.

Forward-Looking Statements

The MD&A contains certain statements that may be deemed "forward-looking statements." All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities, and events or developments that the Company expects to occur, are forward-looking statements. Estimates regarding the anticipated timing, amount and cost of mining at the Copper Mountain Project are based on assumptions underlying mineral reserve and mineral resource estimates and the probability of realizing such estimates are set out in the Updated Feasibility Study on the Copper Mountain Project. Capital and operating cost estimates are based on extensive research by the Company, recent estimates of construction and mining costs and other factors that are set out herein and in the Updated Feasibility Study. Production estimates are based on mine plans and production schedules, which have been developed by the Company's personnel and independent consultants. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "targets" and similar expressions , or that events or conditions "will", "would", "may" , "could", or "should" occur. Information inferred from the interpretation of drilling results and information concerning mineral 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. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, but are not limited to: general business, economic, competitive, political and social uncertainties; the limited operating history of the Company; actual results of reclamation activities; conclusions of economic evaluations; fluctuations in the value of the Canadian dollar relative to the United States dollar; changes in project parameters as plans continue to be refined; failure of equipment or process to operate as anticipated; changes in labor costs and other costs and availability of equipment or processes to operate as anticipated; accidents, labor 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 unfavorable 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; delays or unavailability in financing or in the completion of development or construction activities; failure to comply with restrictions and covenants in senior loan agreements, actual results of current exploration activities; volatility in Company's publicly traded securities; and the factors discussed in the section entitled "Risk Factors" in the Company's annual information form and in the Company's continuous disclosure filings available under its profile on SEDAR at www.sedar.com. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources. This discussion Uses the terms "measured resources" and "indicated resources". The Company advises investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves."**

1.2 Overview

Copper Mountain Mining Corporation was incorporated under the provisions of the British Columbia *Company Act* on April 20, 2006. On December 22, 2006, the Company acquired all of the issued and outstanding common shares of Similco Mines Ltd. ("Similco"), a private company also incorporated under the provisions of the British Columbia *Company Act,* which owns the Copper Mountain Project. On August 19, 2009, Mitsubishi Materials Corporation ("MMC") acquired 25% of Similco and agreed to use commercially reasonable efforts to arrange or provide the debt financing for the Project. The project debt financing of US $322 million was completed in the summer of 2010, which finalized the $438 million funding requirements for the Copper Mountain Project.

The Copper Mountain Project involves the development of an open pit mine and the construction of a new 35,000 tonne per day concentrator and associated facilities for the production of approximately 105 million pounds of copper per year, in a copper concentrate with gold and silver credits. The Project is in the final stages of construction and preproduction mining began in the fall of 2010. *Completion of the construction is on track and testing of major process equipment is planned for May 2011*. (Forward-looking statement italicized).

During the year ended December 31, 2010, the Company continued to focus on the development of the Copper Mountain Project and as of December 31, 2010, the Company had spent $311 million on the project, in addition the Company had committed an additional $93 million in expenditures out of a planned $438 million for the development of the Copper Mountain Project.

The project is currently forecasted to be completed on budget and on schedule to meet the planned June 2011 production start (Forward-looking statement italicized). The Company trades on the Toronto Stock Exchange under the trading symbol CUM.

1.2.1 Copper Mountain Project

The Copper Mountain Project is situated 20 km south of Princeton, British Columbia and 300 km east of the port of Vancouver. Prior to 1996, the mine operated as an open pit copper mine. The Company has conducted an extensive exploration drill program on the property and confirmed the continuity of mineralization between three of the previously mined open pits. The Company made a development decision for the project in the fall of 2008 and construction commenced in the fall of 2009. The development consists of the construction of a 35,000 tonne per day concentrator and is designed to produce on average 105 million pounds of copper per year in the first 12 years. Based on present reserves, the mine has a life of 17 years. The property consists of 135 Crown granted mineral claims, 176 located mineral claims, 14 mining leases, and 12 fee simple properties covering an area of 6,702.1 hectares or 67 square kilometers.

Concentrator building foundation concrete work was completed in the first quarter of 2010 and steel erection of the concentrator building began immediately thereafter. The building was fully enclosed by the end of October 2010 and interior work is well underway. The Sag Mill and two Ball Mills have been installed and are being prepared for commissioning early in Q2-2011. Work remaining in the concentrator area at year end included equipment installations and piping and electrical connections which are on schedule and expected to be completed for equipment testing by April 2011.

The new primary crusher is mechanically complete in March 2011 and responsibility for it has been handed over to the commissioning team. The new truck shop was operational in November 2010 and is being utilized in supporting the maintenance activities for preproduction mining. The Company's new mining fleet consists of two PC 8000 hydraulic shovels, 13 – 240 ton haul trucks, a WA 1200 loader, two D375 dozers, and two 16G graders. All equipment is on site and more than half has been assembled. The Company currently has one PC 8000 hydraulic shovel in operation and the second shovel is expected to be in operation by the end of April 2011. Nine of the 13-240 ton haul trucks are assembled and in operation, with the remainder expected to be commissioned over the next four weeks. Pre production mining is proceeding as scheduled at a rate of 93,000 tonnes per day. The office and warehouse complex has been refurbished and is being used by mine and construction personnel.

A total of $87 million of expenditures on the Project were made during the quarter ending December 31, 2010, bringing the total Project expenditures to $311 million. Of this, $110 million has been spent on payments for the Sag and Ball Mills and other concentrator equipment, $29 million on engineering and construction management, $84 million on concentrator construction activities and other items, $10 million for power line construction and, $42 million on mobile mining fleet instalments. The balance of $36 million was for various support activities on site.

The Company currently has approximately 180 employees and 377 contractor employees engaged at the site. The Project will provide employment for 272 full time positions when at full production.

1.3 Selected Annual Information

The following table represents selected annual financial information derived from the Company's financial statements and should be read in conjunction with the consolidated financial statements.

	Dec 31 2010	Dec 31 2009	Dec 31 2008
Gross revenue	Nil	Nil	Nil
Net income (loss)	$2,953,360	$(1,267,747)	$1,058,786
Basic and diluted loss per share	$0.03	$(0.03)	$0.04
Total assets	$524,420,225	$141,500,165	$51,787,090
Long term debt	$309,226,766	$168,754	Nil
Cash dividends per share	Nil	Nil	Nil

The increase in income during the current year from the prior year is a result of a foreign exchange gain of $12.2 million related to the US debt and currency held by the Company.

The progressive increase in total assets over the years is a result of the Company deferring all of the costs associated with the advancement of the Copper Mountain Project. In order to move the Copper Mountain Project forward, the Company issued approximately $116 million in share capital since incorporation in April 2006, and sold 25% of the Copper Mountain Project to MMC in 2009 for $28.75 million. As a result of the Company determining that the Company's subsidiary, Similco Mines Ltd is a variable interest entity, 100% of the assets of Similco are consolidated.

The increase in long term debt is a result of the Company drawing down on its US $322 million debt facilities. As at March 18, 2011 the Company has an additional US $9.1 million that could be drawn down under the senior credit facility.

As at March 25, 2011 the Company had 98,001,033 common shares outstanding.

1.4 Results of Operations

	Three months ended		Year ended	
	Dec 31, 2010	Dec 31, 2009	Dec 31, 2010	Dec 31, 2009
EXPENSES				
Accretion of asset retirement obligation	$ 32,658	$ -	$ 130,632	$ -
Amortization	12,349	3,448	42,471	17,025
General and administration	621,724	156,069	2,022,850	683,826
Stock-based compensation	1,167,915	116,296	1,978,601	285,354
Wages and salaries	192,052	168,543	903,944	451,980
Loss before other items	**2,026,698**	**444,356**	**5,078,498**	**1,438,185**
OTHER ITEMS				
Interest and other income	245,894	108,270	587,754	199,517
Gain (loss) on derivative	(2,269,250)	-	(2,269,250)	-
Foreign exchange gain	9,105,255	-	12,201,906	-
Net income (loss) before tax and non-controlling interest	5,055,201	(336,086)	5,441,912	(1,238,668)
Non-controlling interest	(1,685,386)	(13,423)	(2,488,552)	(29,079)
Net income (loss) and comprehensive income (loss) for the period	**$ 3,369,815**	**$ (349,509)**	**$ 2,953,360**	**$ (1,267,747)**

For the Three Months Ended December 31, 2010

The Company reported income of $1,763,483 or $0.02 per share for the three months ended December 31, 2010, compared to a loss of $349,509 or $0.01 per share for the three months ended December 31, 2009. The income primarily resulted from an unrealized foreign exchange gain of $9,105,255 for the three months ended December 31, 2010, compared to nil for the three month period ended December 31, 2009. The foreign exchange gain for the quarter was a result of the unrealized gain on the Company's project loan and outstanding US payables, offset in part by an unrealized loss on US dollar cash balances held at the end of the quarter. *Once the mine enters production, the Company will be generating US dollar revenues and there will be a natural hedge of the US dollar loans* (Forward-looking statement italicized).

General and administration expenses for the three months ended December 31, 2010, were $621,724 compared to $156,069 for the three months ended December 31, 2009; the increase is primarily due to the increased activities of the Company in relation to Copper Mountain Project development. Wages and salaries were $192,052 for the three months ended December 31, 2010, compared to $168,543 for the three months ended December 31, 2009. The increase in wages and salaries is a result of additional staff being hired at the head office to deal with corporate matters and an increase in salaries for senior level executives to bring them to industry standards.

Stock-based compensation expense was $1,167,915 for the three months ended December 31, 2010, compared to $116,296 for the three month period ended December 31, 2009; as a result of additional options being granted in 2010.

Other items include interest income which was $245,894 for the three months ended December 31, 2010, compared to $108,270 for the three months ended December 31, 2009. This increase is a result of the Company holding larger average cash balances during the fourth quarter of 2010. The Company also recorded a loss of $2,269,250 on the mark to mark of the required project debt interest rate swap hedge and recorded a non-controlling interest of $3,291,718 which represents MMC's share of the income of Similco for the quarter, compared to a loss of $13,423 for the three months ended December 31, 2009.

For the Year Ended December 31, 2010

The Company reported net income $2,953,360 or $0.03 per share for the year ended December 31, 2010, compared to a loss of $1,267,747 or $0.03 per share for the year ended December 31, 2009. The income primarily resulted from an unrealized foreign exchange gain of $12,201,906 for the year ended December 31, 2010, compared to nil for the year ended December 31, 2009. The foreign exchange gain for the year was a result of the unrealized gain on the Company's project loan and outstanding US payables, offset in part by an unrealized loss on US dollar cash balances. This was partially offset by a loss of $2,269,250 on the mark to mark of the required project debt interest rate swap hedge.

General and administration expenses for the year ended December 31, 2010, were $2,022,850 compared to $683,826 for the year ended December 31, 2009, an increase of $1,339,024 as a result of the Company increasing activities in all head office areas as a result of the development of the Copper Mountain Project.

Wages and salaries were $903,944 for the year ended December 31, 2010, as compared to $451,980 for the year ended December 31, 2009. The increase in wages and salaries is a result of additional staff being hired at the head office to deal with corporate matters and an increase in salaries for senior level executives to bring them to industry standards.

Stock-based compensation expense was $1,978,601 for the year ended December 31, 2010, compared to $285,354 for the year ended December 31, 2009, as a result of additional options being granted in 2010.

Other items include interest income which was $587,754 for the year ended December 31, 2010, compared to $199,517 for the year ended December 31, 2009. This increase is a result of the Company holding larger average cash balances during 2010. The Company also recorded a non-controlling interest of $2,488,552 which represents MMC's share of the income of Similco for the year, compared to loss of $29,079 for the year ended December 31, 2009.

1.5 Summary of Quarterly Results

The following table contains selected quarterly financial information derived from the Company's financial statements and should be read in conjunction with the consolidated quarterly financial statements.

Quarter	Revenue	Net Income (Loss)	Income (Loss) per Share Basic and Diluted
December 31, 2010	-	$3,369,815	$0.03
September 30, 2010	-	$2,179,406	$0.02
June 30, 2010	-	($2,085,385)	($0.03)
March 31, 2010	-	($510,476)	($0.01)
December 31, 2009	-	($349,508)	($0.01)
September 30, 2009	-	($407,267)	($0.01)
June 30, 2009		($306,917)	($0.01)
March 31, 2009	-	($204,055)	($0.01)

1.6 Liquidity

As at December 31, 2010, the Company had working capital of $136.7 million (comprised of $154 million in cash, prepaid expenses and accounts receivable of $20.9 million, and inventory of $1.1 million, offset in part by $39.3 million in accounts payable and accrued liabilities) compared with working capital of $38.7 million at December 31, 2009, (comprised of $50.4 million in cash, prepaid expenses and accounts receivable of $1.0 million, offset in part by $12.7 million in accounts payable); the increase in working capital is a result of the Company making cash draw downs of long term debt.

The Company holds its excess cash in interest bearing accounts or in cashable Guaranteed Investment Certificates at major Canadian or United States banks.

As at December 31, 2010, the Company had commitments of $93 million for the development of the Copper Mountain Project. These commitments primarily relate to acquiring major pieces of equipment, detailed engineering, construction management, general construction activities and commitments for the project. The Company is also required to deposit with the British Columbia Minister of Finance additional security in the amount of $500,000 by June 30, 2011, and a further $3,500,000 by June 30, 2012. As at December 31, 2010, the company had the following contractual obligations:

	Payment Due By Period				
Contractual Obligation	Total	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Long Term Debt	308,855,678	$5,322,602	$32,288,694	$22,615,712	$248,228,670
Capital lease obligations	$1,095,009	$323,922	$771,088	-	-
Purchase obligations	$93,000,000	$93,000,000	-	-	-
Reclamation security	$4,000,000	$500,000	$3,500,000	-	-
Asset retirement obligations	$2,387,507	-	-	-	$2,387,507

Cash to meet the Company's future cash commitments will come from existing cash resource on hand, plus further cash draws against the project financing.

1.7 Capital Resources

Other than those obligations disclosed in the notes to its financial statements for the year ended December 31, 2010, and the year ended December 31, 2009, the Company had no material commitments for capital expenditures as of December 31, 2010.

Total costs of the Copper Mountain Project, are estimated at $438 million. Approximately $110 million in equity has been funded by the partners according to their ownership interests. As at December 31, 2010, the Company had $154 million in cash, of which $115 million is earmarked for use on the Project. In addition the Company has US$322 million in project financing under two long term loan agreements. One loan agreement is for US$160 million under a term loan arrangement provided by the Japan Bank for International Cooperation. This term loan was fully drawn at the end of the year. The other loan agreement is for US$162 million under a senior credit facility provided by a consortium of Japanese banks. As at December 31, 2010, the Company had drawn US$152.9 million under this facility. *The Company does not anticipate requiring any additional funds other than cash on hand and additional project loan drawdowns to fund the Project.* (Forward-looking statement italicized).

1.8 Off-Balance Sheet Arrangements

None

1.9 Transactions with Related Parties

All transactions with related parties have occurred in the normal course of the Company's operations and have been measured at their fair value as determined by management.

- During the year ended December 31, 2010, the Company paid three of its officers consulting, management and geological fees aggregating $691,199 (December 2009 - $436,749).
- During the year ended December 31, 2010, the Company paid $68,698 (December 2009 – $69,821) in rent to Compliance Energy Corporation ("Compliance") for office space. Compliance is a public company, listed on the TSX Venture Exchange and related by common directors.
- During the year ended December 31, 2010, the Company paid $126,427 (December 2009 – Nil) in office rent to Kobex Minerals Inc. Kobex Minerals Inc. is related to the Company by a common director.
- During the year ended December 31, 2010, the Company incurred a guarantee fee to MMC of $173,249 relating to the Term Loan.

1.11 Proposed Transactions

None

1.12 Critical Accounting Estimates

The Company's significant accounting policies are presented in note 2 of the audited consolidated financial statements for the year ended December 31, 2009. The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the consolidated financial statements. These estimates include:

- mineral resources and reserves,
- the carrying value of mineral properties,
- the carrying value of property, plant and equipment,
- rates of amortization of property, plant and equipment,
- the valuation allowances for future income taxes
- the assumptions used in determining the reclamation obligation, and
- the valuation of stock-based compensation expense.

Actual amounts could differ from the estimates used and, accordingly, affect the results of operations once the mine is in production.

1.13 Change in Accounting Policies, Including Initial Adoption

Effective January 1, 2011, Canadian publicly listed entities will be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS"), instead of current Canadian GAAP. This mandate is first applicable to interim reporting periods in 2011 and includes the requirement to present comparative financial information for the 2010 year, also based on IFRS. Accordingly, although we will first report our result under IFRS in 2011, the underlying conversion will be based on an effective transition date of January 1, 2010.

The Company began the process of transitioning from GAAP to IFRS during 2009. It has established a formal project plan, allocated internal resources monitored by management to manage the transition from GAAP to IFRS reporting. Management updates the Audit Committee and the Board of Directors with the progress of the convergence project.

In mid 2009, management began reviewing IFRS material as the first step in developing an IFRS conversion plan for the transition from Canadian GAAP to IFRS. Management has initially identified four phases to a potential conversion: scoping and planning, detailed assessment, implementation and post implementation.

The scoping and planning phase involves establishing a project team and organizational structure, including oversight of the process by the audit committee; this phase also entails an initial assessment of the key areas where IFRS transition may have a significant impact and present significant challenges. This scoping and planning phase has been completed. The second phase, detailed assessment, involves in-depth technical analysis that will result in understanding potential impacts, decisions on accounting policy choices and the drafting of accounting policies and preparing a detailed transition plan, as well as identifying any potential IT system requirements. This phase was completed in the fourth quarter of 2010. During the implementation phase, management will identify and carry out the implementation requirements to effect management's accounting choices, develop sample financial statements, implement business and internal control requirements, calculate the opening balance sheet at January 1, 2010, and other transitional reconciliations and disclosure requirements. The implementation phase of the conversion will continue through 2011 and management completed most of this phase during the fourth quarter of 2010. Management has engaged the Company's auditors to review the opening balance sheet information as well as quarterly comparatives which will be completed early in 2011. The last phase will involve continuous monitoring through 2011 of changes in IFRS during the implementation process.

A timetable has been prepared to manage the transition and to monitor the progress of the transition project. At the date of preparing this MD&A, management has presented the project plan and its initial scoping and impact assessment to the Audit Committee. We expect to report the quantification of financial statement impacts to the Audit Committee once the Company's auditors to review is completed in early 2011.

Impact of Adoption of IFRS on Financial Reporting
While GAAP is in many respects similar to IFRS, conversion will result in differences in recognition, measurement, and disclosure in the financial statements. Based on a high-level scoping assessment, the following financial statement areas are expected to be significantly impacted:

First Time Adoption of IFRS
IFRS 1, *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), sets forth guidance for the initial adoption of IFRS. Starting January 01, 2011, the Company will restate its comparative fiscal 2010 financial statements for annual and interim periods to be consistent with IFRS. In addition, the Company will reconcile equity and net earnings for fiscal 2010 GAAP amounts to the restated 2010 IFRS amounts. IFRS 1 generally requires that first-time adopters retrospectively apply all IFRS standards and interpretations in effect as at the first annual reporting date. IFRS 1 also provides for certain mandatory exceptions and optional exemptions to this general principle.

Changes to estimates previously made are not permitted. The estimates previously made by the Company under GAAP will not be revised for application of IFRS except where necessary to reflect any changes resulting from differences in accounting policies.

Basis of Consolidation

The Company holds 75% of the outstanding shares of Similco. Under GAAP, the Company accounts for Similco Mines Ltd "Similco" as a variable interest entity ("VIE") and therefore consolidates 100% of Similco's assets and operations and recognizes a non-controlling shareholders interest, to reflect MMC's 25% ownership of Similco.

IFRS does not include the concept of a variable interest entity. IFRS requires the Company to consolidate entities including Special Purpose Entities only where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under IFRS, the Company can elect to use either the equity method or proportionate consolidation method to account for its interest in Similco. The Company has determined that the proportionate consolidation method is the appropriate accounting treatment for the conversion to IFRS.

Property, Plant and Equipment (PP&E)

Under IAS 16, *Property, Plant and Equipment,* are recognized initially at cost if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Costs include all expenditures directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. There is no specific guidance in IFRS relating to deferred stripping costs during the production phase. However, these types of costs do meet the definition of an asset under IAS 16 given that the Company's current accounting policy is to capitalize these costs since it provides a probable future economic benefit or a betterment (which implies future economic benefit). Under IAS 16, each part of an item of PP&E with a cost that is significant in relation to the total cost of the item shall be depreciated separately. In order to meet this requirement, componentization is generally required. Componentization would be required only to the extent that different depreciation methods or rates are appropriate and those components are material. In addition major inspections or overhaul costs are identified and accounted for as a separate component under IFRS if that component is used for more than one period. The Company does not currently have a policy for major overhaul costs.

Income Taxes

IAS 12, *Income Taxes*, requires the recognition of deferred tax assets or liabilities for all deductible and taxable temporary differences except for temporary differences created in a transaction that is:
(a) not a business combination and
(b) at the time of the transaction, affects neither accounting profit nor taxable profit.

Under GAAP, the Company recognizes a deferred tax liability on temporary differences arising on the initial recognition.

Impairment of Assets

IAS 36, *Impairment of Assets*, states that an entity shall assess at the end of each reporting period whether there is any indication that an carrying value of the asset may be impaired. If any such indication exists, the entity should estimate the recoverable amount of the asset. The indicators of impairment are generally consistent with those of GAAP. An asset should be written down to its recoverable amount if the recoverable amount is less than its carrying value. The recoverable amount is equal to the higher of the fair value less cost to sell and its value in use. It is not necessary to determine both if one indicates no impairment exists. The value in use is based on a discounted cash flow model. This approach is different than GAAP (i.e. one step model under IFRS compared to two step model under GAAP).

To the extent possible, individual assets should be tested for impairment. However, if it is not possible to determine the recoverable amount of an individual asset, an entity should determine the recoverable amount of the Cash Generating Unit (“CGU”) to which the asset belongs. The definition of a CGU is different from the Canadian definition of an Asset Group.

In addition, if the Company has in the past written down mineral properties, the Company would be required, under IAS 36, to reconsider these write downs. The Company has not had a past write down.

Asset Retirement Obligations (“ARO”)
Under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, an ARO is recognized when there is a legal or constructive obligation to restore a site for damage that has already occurred, it is probable a restoration expense will be incurred and the cost can be estimated reliably. This is different than GAAP where only legal obligations are considered.

Under IFRS, the amount recognized as a provision shall be the best estimate of the expenditures required to settle the present obligation. This is significantly different from GAAP where third party costs are required. Under IAS 37, the provision would be based on management’s best estimate. This estimate could be a third party cost if it is management’s intention to hire a third party to complete the work or an internal estimate of the cost if the Company intends to use its own equipment and resources to do this work.

Where the effect of the time value of money is material, the amount of the provision should be the present value of the expenditures expected to be required to settle the obligation. This is consistent with GAAP. However, the discount rate used would be a pre-tax rate specific to the liability rather than the Company's credit adjusted risk free rate and should not reflect risks for which the future cash flow estimates have been adjusted. Unwinding of the discount (i.e. accretion) is included in finance costs. The ARO provision should be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Changes may result from changes in the amount or timing of the cash outflows or changes in discount rates. This is different from GAAP where changes in discount rates alone would not result in a change in the ARO. Accordingly, the Company will need to assess the discount rate applicable to the ARO on an ongoing basis.

Share-Based Payments
Currently, the Company measures stock-based compensation related to stock options at the fair value of the options granted using the Black-Scholes option pricing formula and recognizes this expense over the vesting period of the options. The fair value of the options granted to employees is measured on the date of grant. The fair value of options granted to contractors and consultants are measured on the date the services are completed. Forfeitures are recognized as they occur.

IFRS 2, similar to GAAP, requires the Company to measure stock-based compensation related to stock-options granted to employees at the fair value of the options on the date of grant and to recognize such expense over the vesting period of the options. However, for options granted to non-employees, IFRS requires that stock-based compensation be measured at the fair value of the services received unless the fair value cannot be reliably measured.

Any adjustments resulting from the adoption of the IFRS rules for share-based payment will be calculated only for unvested options issued and outstanding as of and after January 1, 2010, (conversion date). As a result, contributed surplus and deficit may be affected at the transition date.

IFRS Impact on Our Organization
The conversion to IFRS will impact the way the Company presents its financial results. The first financial statements prepared using IFRS (i.e. interim financial statements for the three months ended March 31, 2011) will be required to include numerous notes disclosing extensive transitional information and full disclosure of all new IFRS accounting policies.

The Company has obtained an understanding of IFRS from training of its finance personnel. Further, our finance personnel include an employee who has prepared financial statements under IFRS previously. The Company recently installed a new accounting system and does not believe that the conversion to IFRS will have a significant impact on the Company's new accounting system.

It should be noted that the standard-setting bodies that determine Canadian GAAP and IFRS have significant ongoing projects that could impact the differences between Canadian GAAP and IFRS and their impact on our financial statements. We also note that the International Accounting Standards Board is currently working on an extractive industries project, which could significantly impact our financial statements primarily in the areas of capitalization of exploration costs and related note disclosure. The IFRS Interpretations Committee ("IFRIC") has added the topic of accounting for production stripping costs to its agenda for review and has since issued Staff Papers on "Accounting for Stripping Costs in the Production Phase – Attribution of the Stripping Cost Asset" and "Accounting for Stripping Costs in the Production Phase – Costs of Waste Removal and the Associated Benefit." These IFRIC Staff Papers may lead to the development of an IFRIC Interpretation that could impact our financial statements. We have processes in place to ensure that potential changes are monitored and evaluated. The impact of any new IFRSs and IFRIC Interpretations will be evaluated as they are drafted and published.

New Accounting Standards Adopted

None

New Accounting Standards Not Yet Adopted

Section 1582 – Business Combinations, Section 1601 - Consolidations and Section 1602 – Non-controlling Interests – These sections were issued in January 2009, and are harmonized with International Financial Reporting Standards. Section 1582 specifies a number of changes, including: an expanded definition of a business combination, a requirement to measure all business acquisitions at fair value, a requirement to measure non-controlling interests at fair value, and a requirement to recognize acquisition-related costs as expenses. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. These new standards are effective for 2011. Early adoption is permitted.

1.14 Financial Instruments and Other Instruments

Please refer to note 2 of the audited financial statements for the year ended December 31, 2009.

1.15 Other MD&A Requirements

(a) Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.+

(b) The following details the share capital structure as at March 25, 2011, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Expiry Date	Exercise Price	Number	Number
Common shares	-	-	-	98,001,033
Share purchase options	May 6, 2014	$0.60	2,801,300	
	Jan 14, 2015	$2.26	565,000	
	Mar 1, 2015	$2.26	113,000	
	May 21, 2015	$2.26	7,500	
	Jun 18, 2015	$2.47	86,450	
	Jun 25, 2015	$2.39	1,360,000	
	Jul 19, 2015	$2.45	70,000	
	Aug 12, 2015	$2.55	245,000	
	Feb 10, 2016	$7.01	275,000	
Total share purchase options				5,093,800

Internal Controls Over Financial Reporting

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, and evaluating the effectiveness of the Company's internal control over financial reporting as at each fiscal year end. Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of the Company's internal control over financial reporting as at December 31, 2010. Based on this evaluation, management has concluded that during the year ended December 31, 2010, the Company's internal control over financial reporting was not effective due to one weakness noted below.

In January 2011, the company's auditor identified that the Company had previously included $11.9 million of cash outflows in settlement of accounts payable and payment of $9.0 million of input tax credits related to construction of the Copper Mountain project as operating activities on the statement of cash flows. As a result, financial statements for the three and nine months ending September 30, 2010 were restated. Internal controls within the financial close process were not effective in identifying this error prior to disclosure.

The company has increased the depth of financial statement review procedures to ensure the ongoing effectiveness of the financial statement review process in fiscal 2011, subject to testing as part of the Company's annual assessment of the effectiveness of internal control over financial reporting.

Management, including the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the design and operation of the amended disclosure controls and procedures and the internal controls over financial reporting ("ICFR") and concluded that there has been no material change in the Company's internal controls during the year ended on December 31, 2010, that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

Disclosure Controls

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to permit timely discussions regarding public disclosures.

The Company's internet web site is www.CuMtn.com

Risks and Uncertainties

The Company's success depends on a number of factors, most of which are beyond the control of the Company. Typical risk factors include copper, gold and silver price fluctuations, foreign currency fluctuations, and operating uncertainties encountered in the mining business. Future government, legal or regulatory changes could affect any aspect of the Company's business, including, among other things, environmental issues, land claims, permitting and taxation costs all of which could adversely affect the ability of the Company to develop the Copper Mountain Project. These risks and uncertainties are managed by experienced managers, advisors and consultants, by maintaining adequate liquidity, and by cost control initiatives.

Subsequent Events

During February 2011, the Company completed an equity financing issuing 5,680,000 common shares at $7.05 per share for gross proceeds of $40 million. Net proceeds from the financing will be used to fund the Company's share of working capital required for the Copper Mountain Project in British Columbia and for general corporate purposes. The offering includes an overallotment option of 700,000 common shares which has been exercised in full by the brokers at a price of $7.05 per share.