COPPER MOUNTAIN
MINING CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended

September 30, 2010

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COPPER MOUNTAIN
MINING CORPORATION

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

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A") OF FINANCIAL CONDITION & THE RESULTS OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 2010

November 4, 2010

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 unaudited consolidated financial statements of the Company's and the notes thereto for the nine months ended September 30, 2010, and with the audited consolidated financial statements of the Company's with the related notes contained therein for the year ended December 31, 2009. 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, 2009. 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. 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 market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, government policy decisions, market or business conditions. 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.

1.2 Overview

The Company was incorporated under the provisions of the British Columbia *Company Act* on April 20, 2006, as Copper Mountain Mining Corporation. 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 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 currently under construction and preproduction mining activities are scheduled to start 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 quarter ended September 30, 2010, the Company continued to focus on the development of the Copper Mountain Project and as of September 30, 2010, the Company had spent and committed $367 million on the project. These expenditures included progress payments on the Sag Mill and Ball Mills, detailed engineering, mobile equipment, earth-works, and work on the concentrator and truck shop.

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 is fully enclosed and interior work is well underway. The Sag Mill and two Ball Mills have been delivered to the site and installation has begun. Construction of the concentrator is expected to be completed to the equipment testing stage by April 2011.

Concrete foundations for the new primary crusher and new truck shop are completed. The Company is utilizing part of its new mining fleet, including the mine loader and some of the 240 ton capacity haul trucks to assist with backfilling around the primary crusher area. The truck shop building is fully enclosed and interior work is underway with the shop expecting to be operational before year end. The office and warehouse complex has been refurbished and is being used by mine and construction personnel.

A total of $76 million of expenditures on the Project were made during the quarter ending September 30, 2010, bringing the total Project expenditures to $221 million. Of this, $74 million has been spent on instalment payments for the Sag and Ball Mills and other concentrator equipment, $25 million on engineering, $43 million on concentrator construction activities and other payments on key equipment items, $7 million for power line construction and, $34 million on mobile mining fleet instalments. The balance of $38 million was for various support activities on site.

The Company currently has approximately 140 employees and 340 contractor employees engaged at the site. It is estimated that the Project will provide employment for 258 full time positions when at full production.

1.4 Results of Operations

	Three months ended		Nine months ended	
	Sept 30, 2010	Sept 30, 2009	Sept 30, 2010	Sept 30, 2009
EXPENSES				
Accretion of asset retirement obligation	$ 32,658	$ -	$ 97,974	$ -
Amortization	10,971	5,240	30,122	13,577
General and administration	599,758	121,452	1,401,126	649,319
Stock-based compensation	636,685	84,529	810,686	169,058
Wages and salaries	377,452	187,259	711,892	161,876
Loss before other items	**1,657,525**	**398,480**	**3,051,800**	**993,830**
OTHER ITEMS				
Interest and other income	144,946	6,869	341,860	91,247
Foreign exchange gain	4,986,010	-	3,096,651	-
Net income (loss) before tax and non-controlling interest	3,473,431	(391,611)	386,711	(902,583)
Non-controlling interest	(1,294,025)	(15,656)	(803,166)	(15,656)
Net income (loss) and comprehensive income (loss) for the period	**$ 2,179,406**	**$ (407,267)**	**$ (416,455)**	**$ (918,239)**

<u>For the Three Months Ended September 30, 2010</u>

The Company reported income of $2,179,406 or $0.02 per share for the three months ended September 30, 2010, compared to a loss of $407,267 or $0.01 per share for the three months ended September 30, 2009. The income primarily resulted from an unrealized foreign exchange gain of $4,986,010 for the three months ended September 30, 2010, compared to nil for the three month period ended September 30, 2009. The foreign exchange gain for the quarter was made up of an unrealized gain of $6,875,369 on the 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 of $1,889,359. *As the Company will be producing US dollar revenues, there is a natural hedge for the US dollar loans* (Forward-looking statement italicized).

General and administration expenses for the three months ended September 30, 2010, were $599,758 compared to $121,452 for the three months ended September 30, 2009; the increase is primarily due to the Company accruing $465,000 for lawsuit described in note 13 to the financial statements. Wages and salaries were $377,452 for the three months ended September 30, 2010, compared to $187,259 for the three months ended September 30, 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 $636,685 for the three months ended September 30, 2010, compared to $84,529 for the three month period ended September 30, 2009; as a result of additional options being granted in 2010.

Other items include interest income which was $144,946 for the three months ended September 30, 2010, compared to $6,869 for the three months ended September 30, 2009. This increase is a result of the Company holding larger average cash balances during the third quarter of 2010. The Company also recorded a non-controlling interest of $1,294,025 which represents MMC's share of the income of Similco for the quarter, compared to $15,656 of income for the three months ended September 30, 2009.

For the Nine Months Ended September 30, 2010

The Company reported a loss of $416,455 or $0.00 per share for the nine months ended September 30, 2010, compared to a loss of $918,239 or $0.03 per share for the nine months ended September 30, 2009. The loss primarily resulted from the Company accruing $465,000 for legal expense in the nine months ended September 30, 2010, compared to nil for the nine month period ended September 30, 2009.

General and administration expenses for the nine months ended September 30, 2010, were $1,401,126 compared to $649,319 for the nine months ended September 30, 2009, an increase of $751,807 as a result of the Company accruing $465,000 for lawsuit described in note 13 to the financial statements, as well as increased activity at head office.

Wages and salaries were $711,892 for the nine months ended September 30, 2010, as compared to $161,876 for the nine months ended September 30, 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 $810,686 for the nine months ended September 30, 2010, compared to $169,058 for the nine month period ended September 30, 2009, as a result of additional options being granted in 2010.

Other items include interest income which was $341,860 for the nine months ended September 30, 2010, compared to $91,247 for the nine months ended September 30, 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 $803,166 which represents MMC's share of the income of Similco for the quarter, compared to $15,656 of income for the three months ended September 30, 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
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
December 31, 2008	-	$277,693	$0.01

1.6 Liquidity

As at September 30, 2010, the Company had working capital of $173.6 million (comprised of $182.3 million in cash, prepaid expenses and accounts receivable of $9.9 million, offset in part by $18.6 million in accounts payable) 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 September 30, 2010, the Company had commitments of $143 million for the development of the Copper Mountain Project. These commitments primarily relate to acquiring major pieces of equipment, detailed engineering, and 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 September 30, 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	258,705,159	$ -	$23,026,680	$10,143,440	$225,535,039
Capital lease obligations	$221,003	$123,543	$96,048	$1,412	-
Purchase obligations	$143,000,000	$143,000,000	-	-	-
Reclamation security	$4,000,000	$500,000	$3,500,000	-	-

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 nine months ended September 30, 2010, and the year ended December 31, 2009, the Company had no material commitments for capital expenditures as of September 30, 2010.

Total costs of the Copper Mountain Project, are estimated at $438 million (including a contingency amount of $25 million). Approximately $110 million in equity has been funded by the partners according to their ownership interests. As at September 30, 2010, the Company had $182.3 million in cash, of which $142 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 quarter. The other loan agreement is for US$162 million under a senior credit facility provided by a consortium of Japanese banks. As at September 30, 2010, the Company had drawn US$92.4 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 three months ended September 30, 2010, the Company paid three of its officers consulting, management and geological fees aggregating $149,077 (September 2009 - $59,091).

- During the three months ended September 30, 2010, the Company paid $15,000 (September 2009 – $17,250) 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 three months ended September 30, 2010, the Company paid $34,479 (September 2009 – Nil) in office rent to Kobex Minerals Inc. Kobex Minerals Inc. is related to the Company by a common director.

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 has begun the process of transitioning from GAAP to IFRS. 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 and work has begun on the second phase. 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 is expected to be complete 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 2010 and is expected to be completed during the fourth quarter of 2010, at which time management has engaged the Company's auditors to review the opening balance sheet information as well as quarterly comparatives. 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 complete the quantification of financial statement impacts by the middle of the fourth quarter of 2010.

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 is currently reviewing its accounting policy for Similco to determine 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. For the purpose of accounting for share-based payment transactions an individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

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.

In addition, the Company will evaluate its internal and disclosure control processes as a result of its conversion to IFRS, assess the impacts of adopting IFRS on its contractual arrangements to identify any material compliance issues such as its debt covenants and other commitments and consider the effects the transition will have on its internal planning process and compensation arrangements. The Company expects to complete this evaluation by the middle of the fourth quarter of 2010.

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

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

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. Management, including the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures and the internal controls over financial reporting ("ICFR"). There has been no material change in the Company's internal controls during the quarter ended on September 30, 2010, that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

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

Subsequent Events

On October 15, 2010, the Company was found liable by the Supreme Court of British Columbia for approximately $465,000 in damages suffered by a waste disposal company that was hired to dispose of an old transformer located on the Company's mine site. The cooling oil in the transformer contained a high concentration of Polychlorinated Biphenyl (PCBs). The waste disposal company claimed they were not advised of the high concentration of PCBs contained in the transformer oil and, as a result, mixed it with other materials collected in the course of its waste disposal business. In consequence, the waste disposal company claimed they incurred approximately $775,000 of extra costs to dispose of the PCB contaminated materials. The Company was found to be 60% responsible for those additional costs. The Company has accrued this liability and is presently reviewing the judgment with counsel to determine if an appeal is warranted.

COPPER MOUNTAIN MINING CORPORATION
Interim Consolidated Balance Sheets
As at September 30, 2010 and December 31, 2009
(Unaudited)

	September 30, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 182,325,323	$ 50,428,303
Accounts receivable	9,920,955	908,358
Prepaid expenses	25,145	24,320
	192,271,423	51,360,981
Long term assets		
Reclamation security (note 3)	4,008,000	3,539,000
Deferred financing costs	-	860,362
Property, plant, and equipment (note 4)	221,074,671	60,328,857
Resource property (note 5)	25,274,892	25,410,965
	$ 442,628,986	$ 141,500,165
LIABILITIES		
Current liabilities		
Accounts payable (note 13)	18,588,913	$ 12,644,698
Current portion of capital lease obligations (note 6)	123,543	120,375
	18,712,456	12,765,073
Long term liabilities		
Asset retirement obligation (note 3)	1,343,474	1,245,500
Capital lease obligations (note 6)	97,460	168,754
Long term debt (note 7)	258,705,159	-
	278,858,549	14,179,327
Non-controlling interest (note 8)	47,482,245	44,929,079
SHAREHOLDERS' EQUITY		
Share capital (note 9)	115,216,820	81,421,380
Contributed surplus	2,770,941	2,253,493
Deficit	(1,699,569)	(1,283,114)
	116,288,192	82,391,759
	$ 442,628,986	$ 141,500,165

Nature of operations (note 1)
Commitments (note 11)
Subsequent events (note13)

Approved on behalf of the Board of Directors:

"John Graf"	**Director**	**"Jim O'Rourke"**	**Director**
John Graf		**Jim O'Rourke**	**Director**

COPPER MOUNTAIN MINING CORPORATION
Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit
For the three and nine months ended September 30, 2010 and 2009
(Unaudited)

	Three months ended September 30		Nine months ended September 30	
	2010	**2009**	**2010**	**2009**
EXPENSES				
Accretion of asset retirement obligation	$ 32,658	$ -	$ 97,974	$ -
Amortization	10,971	5,240	30,122	13,577
General and administration	599,758	121,452	1,401,126	649,319
Stock-based compensation	636,685	84,529	810,686	169,058
Wages and salaries	377,453	187,259	711,892	161,876
Loss before other items	1,657,525	398,480	3,051,800	993,830
OTHER ITEMS:				
Interest and other income	144,946	6,869	341,860	91,247
Foreign exchange gain	4,986,010	-	3,096,651	-
Net income (loss) before tax and non-controlling interest	3,473,431	(391,611)	386,711	(902,583)
Non-controlling interest (note 8)	(1,294,025)	(15,656)	(803,166)	(15,656)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**$ 2,179,406**	**$ (407,267)**	**$ (416,455)**	**$ (918,239)**
DEFICIT – BEGINNING OF PERIOD	(3,878,975)	(526,339)	(1,283,114)	(15,367)
DEFICIT – END OF PERIOD	**$ (1,699,569)**	**$ (933,606)**	**$ (1,699,569)**	**$ (933,606)**
Earnings (loss) per share, basic and diluted	$ 0.02	$ (0.01)	$ 0.00	$ (0.03)
Weighted average number of common shares outstanding	89,813,531	38,717,393	84,788,098	29,877,679

COPPER MOUNTAIN MINING CORPORATION
Interim Consolidated Statements of Cash Flows
For the three and nine months ended September 30, 2010 and 2009
(Unaudited)

	Three months ended September 30		Nine months ended September 30	
	2010	**2009**	**2010**	**2009**
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net income (loss) for the year	$ 2,179,406	$ (407,267)	$ (416,455)	$ (918,239)
Non-cash expenses:				
Accretion of asset retirement obligation	32,658	-	97,974	-
Amortization	10,971	5,240	30,122	13,577
Non-controlling interest	1,294,025	15,656	803,166	15,656
Unrealized foreign exchange gain	(4,986,010)	-	(3,096,651)	-
Stock-based compensation	636,685	84,529	810,686	169,058
Net changes in working capital items:	(21,078,028)	72,323	(22,063,241)	(857,919)
	(21,910,293)	(229,519)	(23,834,399)	(1,577,867)
INVESTING ACTIVITIES				
Reclamation security	-	(100,000)	(469,000)	(100,000)
Purchase of property, plant and equipment	(51,982,752)	(5,257,686)	(142,075,140)	(21,266,958)
Exploration expenses	(202,521)	-	136,073	-
Resource property costs	-	(9,074)	-	(133,112)
	(52,185,273)	(5,366,760)	(142,408,067)	(21,500,070)
FINANCING ACTIVITIES				
Issue of share capital, net of issue costs	215,120	47,374,538	33,795,440	47,374,538
Other assets	-	-	860,362	-
Contributions from non-controlling interest	-	32,400,000	1,750,000	32,400,000
Short term loan repayment	-	(24,643,436)	-	(14,010,796)
Capital lease obligations	(31,150)	(80,454)	(68,126)	217,932
Long term debt	135,224,023	-	261,801,810	-
	135,407,993	55,050,648	298,139,486	65,981,674
CHANGE IN CASH	61,312,427	49,454,369	131,897,020	42,903,737
CASH – BEGINNING OF PERIOD	121,012,896	4,705,077	50,428,303	11,255,709
CASH – END OF PERIOD	$ 182,325,323	$ 54,159,446	$ 182,325,323	$ 54,159,446

Supplemental disclosure with respect to cash flows (note 12)

COPPER MOUNTAIN MINING CORPORATION
Interim Consolidated Statements of Changes in Equity
As at September 30, 2010
(Unaudited)

	Share Capital		Contributed Surplus	Deficit	Total
	Number of Shares	Amount			
Balance as at January 1, 2009	31,625,002	$ 31,806,566	$ 1,984,726	$ (15,367)	$ 33,775,925
Shares issued for cash	45,675,000	52,526,250	-	-	52,526,250
Options exercised	42,000	41,787	(16,587)	-	25,200
Brokers warrants exercised	228,375	262,630	-	-	262,630
Share issue costs	-	(3,215,853)	-	-	(3,215,853)
Stock-based compensation	-	-	285,354	-	285,354
Loss for the period	-	-	-	(1,267,747)	(1,267,747)
Balance as at December 31, 2009	77,570,377	$ 81,421,380	$ 2,253,493	$ (1,283,114)	$ 82,391,759
Options exercised	445,000	579,995	(162,495)	-	417,500
Brokers warrants exercised	622,125	715,443	-	-	715,443
Share issued for cash	11,327,500	34,548,875	-	-	34,548,875
Share issue costs	-	(2,048,873)	-	-	(2,048,873)
Stock-based compensation	-	-	679,943	-	679,943
Loss for the period	-	-	-	(416,455)	(416,455)
Balance as at Sept 30, 2010	**89,965,002**	**$ 115,216,820**	**2,770,941**	**$ (1,699,569)**	**$ 116,288,192**

1. NATURE OF OPERATIONS

Copper Mountain Mining Corporation ("the Company" or "CMMC"), was incorporated under the provisions of the British Columbia *Business Corporations Act* on April 20, 2006, and is a mining exploration and development company. On December 22, 2006, the Company acquired all of the issued common shares of Similco Mines Ltd. ("Similco"), a private company incorporated under a predecessor Act to the British Columbia *Business Corporations Act*. On August 19, 2009, Mitsubishi Materials Corporation ("MMC") acquired a 25% interest in Similco.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These interim unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial information, and include the accounts of the Company and its subsidiaries. These interim unaudited financial statements do not include all the information and note disclosure required by GAAP for annual financial statements and therefore should be read in conjunction with the most recent annual audited financial statements.

All significant intercompany transactions have been eliminated

New Accounting Standards Not Yet Adopted

Section 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements 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.

3. ASSET RETIREMENT OBLIGATION

(a) Reclamation Security

As at September 30, 2010, the Company has on deposit $4.0 million (December 31, 2009 - $3.5) million with the Government of British Columbia in support of mine permit M-29. The Company is required to deposit additional security in the amount of $500,000 by June 30, 2011, and a further $3,500,000 by June 30, 2012.

(b) Asset Retirement Obligation

The Company has an obligation for remediation of current and past disturbances associated with mining activities at the Copper Mountain property.

3. ASSET RETIREMENT OBLIGATION *(Continued)*

Asset retirement obligation changes are as follows:

	September 30, 2010	December 31, 2009
Balance of obligation at the beginning of the period	$ 1,245,500	$ 2,189,000
Obligation assumed during the period	-	1,450,000
Change in valuation of obligation	-	(2,393,500)
Accretion	97,974	-
Balance of obligation at the end of the period	$ 1,343,474	$ 1,245,500

4. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2010			December 31, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Buildings	$ 50,000	$ (9,420)	$ 40,580	$ 50,000	$ (7,920)	$ 42,080
Licensed vehicles	526,547	(125,983)	400,564	278,561	(55,381)	223,180
Mining equipment	5,614,332	(1,312,153)	4,302,179	1,689,392	(635,778)	1,053,614
Office equipment	603,886	(186,681)	417,205	281,299	(113,904)	167,395
Project costs	215,914,143	-	215,914,143	58,842,588	-	58,842,588
	$ 222,708,908	$ (1,634,237)	$ 221,074,671	$ 61,141,840	$ (812,983)	$ 60,328,857

Project costs consist of the deferred construction in progress costs and equipment costs for the Copper Mountain Project. Included in project costs at September 30, 2010 are the following:

	September 30, 2010	December 31, 2009
Construction facilities	$ 3,942,439	$ 1,659,410
Engineering and construction management	25,140,826	11,430,946
Mobile mining equipment	34,072,688	3,413,810
Mill concentrator equipment	74,067,473	26,373,694
Mill concentrator site work	43,878,688	10,601,498
Other deferred project expenditures	23,086,148	4,763,643
Power line and infrastructure	7,400,072	599,587
Warehouse, maintenance and office building	4,325,809	-
	$ 215,914,143	$ 58,842,588

During the nine months ended September 30, 2010, the Company capitalized and included in project costs $1,865,147 of interest expense (December 31, 2009 - $1,008,938).

5. RESOURCE PROPERTY

Copper Mountain Project, Princeton, British Columbia

The details of the carrying amount of the Company's resource property costs are as follows:

	September 30, 2010	December 31, 2009
Exploration and feasibility study expenses	$ 20,708,563	$ 20,503,466
Exploration tax credit	(341,170)	-
Property acquisition costs	4,024,849	4,024,849
Property holding costs	882,650	882,650
	$ 25,274,892	$ 25,410,965

6. CAPITAL LEASE OBLIGATIONS

Included in property, plant and equipment is mining and office equipment that the Company acquired pursuant to a capital lease agreement.

Future minimum lease payments for the twelve month periods ended September 30, are as follows:

	Mining equipment	Office equipment	Total
2011	$ 120,374	$ 5,916	$ 126,290
2012	78,474	5,916	84,390
2013	-	5,916	5,916
2014	-	5,916	5,916
2015		1,476	1,476
Total minimum lease payments	198,848	25,140	223,988
Less: interest portion	-	(2,985)	(2,985)
Present value of capital lease obligations	198,848	22,155	221,003
Current portion	(120,374)	(3,169)	(123,543)
Non-current portion	$ 78,474	$ 18,986	$ 97,460

7. LONG TERM DEBT

Details of long term debt are as follows:

	September 30, 2010	December 31, 2009
Subordinated loan	$ 8,868,878	$ -
Senior credit facility	89,991,553	-
Term loan	159,844,728	-
	$ 258,705,159	$ -

Long term debt is recorded net of issue costs, which are amortized over the life of the loan.

7. LONG TERM DEBT *(continued)*

(a) **Subordinated loan agreement**

On April 23, 2010, the Company entered into an unsecured loan agreement with a subsidiary of MMC providing for a total loan of $9.6 million ($8.9 million net of issue costs). Interest at 4.80% is payable semi-annually on February 20th and August 20th. The loan is payable in full on June 30, 2023, and is prepayable at any time without penalty. The loan is subordinated to the project finance agreements described in paragraph 6(b) following. As at September 30, 2010, the Company accrued $199,680 in interest payable.

(b) **Project finance agreements for US$322 Million**

In May 2010 the Company, completed project finance agreements for the development of the Copper Mountain Project in the amount of US$322 Million. The project financing consists of two tranches: (1) a Senior Credit Facility for US$162 Million provided by a consortium of Japanese banks and (2) a Term Loan of US$160 Million provided by the Japan Bank for International Cooperation.

(i) Senior Credit Facility

The maximum available under the senior credit facility (“SCF”) is US$162 Million. The SCF carries a variable interest rate of LIBOR plus 2% and matures on June 15, 2023.

The SCF principal is repayable in 24 semi-annual instalments commencing December 15, 2011, with 40% of the principal balance due in the final two years before maturity.

The SCF is secured by all the assets of Similco and is insured by Nippon Export and Investment Insurance. In addition, the Company and MMC have guaranteed the SCF until commercial production is achieved.

Minimum principal repayments of the amounts outstanding on the SCF are as follows:

	Amounts ($US)
2011	$ 3,234,000
2012	6,006,000
2013	5,544,000
2014	3,234,000
2015	924,000
2016 - 2023	73,458,000
	$ 92,400,000

Under the terms of the SCF the Company was required to enter into an interest rate swap covering 70% of the principal amount. This was completed during the quarter ended September 30, 2010. The Company has swapped a LIBOR plus 2% variable rate interest payment stream for a 3.565% fixed rate interest payment stream on US $113.4 million of the SCF. The interest rate swap arrangement matches the maturity of the SCF. The interest rate swap is recorded at fair value, the amount is nominal at the end of the quarter. As at September 30, 2010 the SCF has a principal amount outstanding of US $92,400,000 (Canadian $95,121,925).

7. LONG TERM DEBT *(continued)*

(ii) Term Loan

The maximum available under the term loan ("Term Loan") is US$160 Million. The Term Loan carries a variable interest rate of LIBOR plus 0.551% and matures on February 15, 2022. As at September 30, 2010 the company had drawn US$160 Million (Canadian $164,911,763).

The Term Loan is unsecured and is repayable in 21 semi-annual instalments commencing February 2012, with the majority of the loan falling due on the last six instalment dates.

Principal repayments of the Term Loan are as follows:

	Amounts ($US)
2012	$ 1,600,000
2013	3,200,000
2014	3,200,000
2015	4,800,000
2016 - 2022	147,200,000
	$ 160,000,000

8. NON-CONTROLLING INTEREST

The Company determined that Similco is a variable interest entities ("VIE") and consequently uses the principles of AcG 15 "Consolidation of Variable Interest Entities" to determine the accounting for its ownership interest. Management concluded that the Company is the primary beneficiary, and therefore, consolidates 100% of Similco, with a non-controlling interest representing the 25% MMC ownership of Similco. As at September 30, 2010, the non-controlling interest is made up of the following:

	September 30, 2010	**December 31, 2009**
Beginning balance	$ 44,929,079	$ 44,900,000
Contributions made in the period	1,750,000	-
Share of income	803,166	29,079
Total non-controlling interest	$ 47,482,245	$ 44,929,079

9. SHARE CAPITAL

(a) Authorized – unlimited number of common shares without par value

(b) Stock Options

	Nine Months Ended September 30, 2010			Year Ended December 31, 2009		
Stock options outstanding	**Number of shares**	**Weighted average exercise price**		**Number of shares**	**Weighted average exercise price**	
Beginning of period	3,646,800	$	0.65	3,801,300	$	1.29
Granted	2,095,000		2.39	3,538,800		0.61
Expired	-		-	(3,363,800)		1.27
Forfeited	-		-	(287,500)		2.20
Exercised	(445,000)		0.94	(42,000)		0.60
End of period	5,296,800	$	1.32	3,646,800	$	0.65

The Company has a stock option plan whereby it can issue up to 5,500,000 stock options exercisable for periods of up to five years from the grant date. As at September 30, 2010, the Company has outstanding 5,296,800 options exercisable at prices ranging from $0.60 to $2.55 per share, under the plan:

Date of Stock Option Grant	Number of Options	Exercise Price	Expiry Date
August 1, 2008	25,000	$1.40	August 1, 2013
May 06, 2009	3,001,800	$0.60	May 06, 2014
July 14, 2009	175,000	$0.80	July 14, 2014
January 14, 2010	250,000	$2.26	January 14, 2015
March 01, 2010	50,000	$2.26	March 01, 2015
May 21, 2010	15,000	$2.26	May 21, 2015
June 18, 2010	35,000	$2.47	June 18, 2015
June 25, 2010	1,430,000	$2.39	June 25, 2015
July 19, 2010	70,000	$2.45	July 19, 2015
August 12, 2010	245,000	$2.55	August 12, 2015
	5,296,800		

As at September 30, 2010, there were 4,339,930 options that were fully vested and exercisable.

The fair value of the stock options granted is estimated on the date of grant using the Black-Scholes Option Pricing Model with the following assumptions: a risk free interest rate of 2.41%, expected life of 5 years, an expected volatility of 50%, and no expectation for dividend payments.

	September 30, 2010		December 31, 2009	
Weighted average fair value of options granted	$	1.00	$	0.27
Weighted average remaining life of options outstanding		4.03 years		4.33 years

9. SHARE CAPITAL (*continued*)

(c) Warrants

In conjunction with financing activities, the Company has granted warrants to brokers for financing fees as follows:

Broker Warrants outstanding	Nine Months Ended September 30, 2010 Number of warrants	Nine Months Ended September 30, 2010 Weighted average exercise price	Year Ended December 31, 2009 Number of warrants	Year Ended December 31, 2009 Weighted average exercise price
Beginning of period	2,055,375	$ 1.15	675,476	$ 2.28
Granted	566,374	3.05	2,283,750	1.15
Expired	-	-	(675,476)	2.28
Exercised	(707,081)	1.37	(228,375)	1.15
End of period	1,914,668	$ 2.05	2,055,375	$ 1.15

Date of Broker Warrant Grant	Number of warrants	Exercise Price	Expiry Date
September 23, 2009	1,346,250	$1.15	March 23, 2011
October 01, 2009	87,000	$1.15	March 23, 2011
April 26, 2010	481,418	$3.05	October 26, 2011
	1,914,668		

(d) Deferred Share Unit Plans

(i) Deferred Share Unit Plan For Non-Employee Directors ("DSU-D")

The Company established a deferred share unit ("DSU") plan that allows directors to receive director fees in the form of deferred share units. Directors can elect to receive common shares or cash upon exercise of the DSU and the DSUs may only be exercised when the holder ceases to be a director. Vesting terms of the DSUs are established by the Directors at the time the DSUs are granted.

(ii) Deferred Share Unit Program For Employees ("DSU-E")

The Company established a deferred share unit program that allows executive officers to receive incentive compensation in the form of deferred share units. Executive officers can elect to receive common shares upon exercise of the DSU by paying the exercise price or they can elect to receive cash equal to the difference between the exercise price and the market price of the Company's common shares at the time of exercise of the DSU. Vesting terms of the DSUs are established by the Directors at the time the DSUs are granted.

9. SHARE CAPITAL (*continued*)

The table below shows the changes to the deferred share units during the period.

Units	**Nine Months Ended September 30, 2010**	
	DSU-D Units(1)	**DSU-E Units(2)**
Beginning of period	-	-
Granted	33,784	329,646
End of period	33,784	329,646

Liability	**Nine Months Ended September 30, 2010**	
	DSU-D Amount	**DSU-E Amount**
Balance, beginning of period	$ -	$ -
Expense	130,743	-
Exercised	-	-
Balance, end of period	$ 130,743	$ -

(1)As at September 30, 2010, all DSU-Ds had vested.
(2)As at September 30, 2010, none of the DSU-Es had vested.

As at September 30, 2010, the following deferred share units were outstanding:

Date of Grant	**Number of Units**	**Exercise Price**	**Expiry Date**
DSU-D			
September 17, 2010	33,784	n/a	September 17, 2020
DSU-E			
September 17, 2010	329,646	$3.70	September 17, 2020
	363,430		

10. RELATED PARTY TRANSACTIONS

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 period ended September 30, 2010, the Company paid three of its officers consulting, management and geological fees aggregating $428,713 (September 2009 - $306,160).

- During the period ended September 30, 2010, the Company paid $49,377 (September 2009 – $51,750) in rent to Compliance Energy Corporation ("Compliance") for office space under a prior obligation. Compliance is a public company, listed on the TSX Venture Exchange and related by common directors.

- During the period ended September 30, 2010, the Company paid $105,912 (September 2009 – $nil) in office rent to Kobex Minerals Inc ("Kobex"). Kobex is related to the Company by a common director.

11. COMMITMENTS

As at September 30, 2010, the Company had commitments of an additional $143 million in expenditures for the development of the Copper Mountain Project.

12. SUPPLEMENTARY CASH FLOW DISCLOSURES

- During the nine months ended September 30, 2010, the Company deferred $1,634,237 (September 2009 - $201,494) of amortization costs on vehicles and mining equipment.
- During the nine months ended September 30, 2010, the Company accrued $856,209 (September 2009 - $Nil) in interest costs on term loans and leased mining equipment and vehicles.
- As at September 30, 2010, there was $17,544,073 (December 2009 - $780,500) in accounts payable that related to the development of the Copper Mountain Project.
- During the period ended September 30, 2010, the Company paid US$248,201 (Canadian $255,399) in interest and accrued US$264,104 (Canadian $279,565) in interest payable under the term loan agreement.
- During the period ended September 30, 2010, the Company accrued US$41,133 (Canadian $42,325) in interest payable under the senior credit facility agreement.
- Included in cash and cash equivalents at September 30, 2010, is $39,920,317 (December 31, 2009 - $42,520,066) in guaranteed income certificates and $142,368,852 (December 31, 2009 - $7,908,237) held in interest bearing bank accounts.
- Included in accounts receivable are GST and HST credits for $9,841,130 expected to be collected in November 2010.

13. SUBSEQUENT EVENTS

On October 15, 2010, the Company was found liable by the Supreme Court of British Columbia for approximately $465,000 in damages suffered by a waste disposal company that was hired to dispose of an old transformer located on the Company's mine site. The cooling oil in the transformer contained a high concentration of Polychlorinated Biphenyl (PCBs). The waste disposal company claimed they were not advised of the high concentration of PCBs contained in the transformer oil and, as a result, mixed it with other materials collected in the course of its waste disposal business. In consequence, the waste disposal company claimed they incurred approximately $775,000 of extra costs to dispose of the PCB contaminated materials. The Company was found to be 60% responsible for those additional costs. The Company has accrued this liability and is presently reviewing the judgment with counsel to determine if an appeal is warranted.