THIRD QUARTER REPORT

Financial Statements and MD&A

September 30, 2018

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Copper Mountain Mining Corporation

Condensed Consolidated Interim Financial Statements
For the Nine Months Ended September 30, 2018
(Unaudited)

Copper Mountain Mining Corporation

Condensed Consolidated Interim Statements of Financial Position
(Unaudited in thousands of Canadian dollars)

	September 30, 2018 $	December 31, 2017 $
Assets		
Current assets		
Cash and cash equivalents	41,690	45,133
Accounts receivable and prepaid expenses (note 4)	26,130	29,314
Inventory (note 5)	58,034	68,135
	125,854	142,582
Deferred acquisition costs	-	1,121
Reclamation bonds (note 9)	8,744	8,228
Deferred tax assets	14,097	10,956
Property, plant and equipment (note 6)	446,591	414,041
Low grade stockpile (note 5)	105,860	91,021
	701,146	**667,949**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	27,313	42,122
Amounts payable to related parties (note 14)	67,751	43,633
Current portion of long-term debt (note 8)	55,127	48,649
Current tax liability	13	1,285
	150,204	135,689
Provisions (note 9)	6,540	6,521
Interest rate swap liability (note 8)	696	2,081
Long-term debt (note 8)	223,755	258,373
	381,195	402,664
Equity		
Attributable to shareholders of the Company:		
Share capital	262,622	195,670
Contributed surplus	16,918	15,724
Accumulated other comprehensive loss	(3,219)	-
Accumulated deficit	(33,044)	(25,693)
	243,277	185,701
Non-controlling interest	76,674	79,584
Total equity	319,951	265,285
	701,146	**667,949**

Approved on behalf of the Board of Directors

(signed) Jim O'Rourke Director   (signed) Bruce Aunger Director

Copper Mountain Mining Corporation

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
For the Three and Nine Months Ended September 30,
(Unaudited in thousands of Canadian dollars, except for earnings per share)

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Revenue (note 11)	60,720	77,151	222,870	218,393
Cost of sales (note 12)	(70,294)	(57,601)	(205,460)	(179,311)
Gross profit (loss)	(9,574)	19,550	17,410	39,082
Other income and expenses				
General and administration (note 12)	(2,160)	(1,307)	(8,225)	(5,647)
Exploration and evaluation	-	-	-	(35)
Share based compensation (note 10)	(387)	(349)	(1,274)	(1,122)
Operating income (loss)	(12,121)	17,894	7,911	32,278
Finance income	134	4	476	360
Finance expense (note 13)	(3,602)	(2,968)	(10,963)	(9,702)
Unrealized gain (loss) on interest rate swap	195	77	1,197	(697)
Foreign exchange gain (loss)	5,419	12,353	(9,042)	22,820
Income (loss) before tax	**(9,975)**	**27,360**	**(10,421)**	**45,059**
Current resource tax recovery (expense)	59	(787)	(608)	(1,258)
Deferred income and resource tax recovery	4,850	-	3,135	-
Net income (loss)	**(5,066)**	**26,573**	**(7,894)**	**43,801**
Other comprehensive loss				
Foreign currency translation adjustment	(2,684)	-	(3,219)	-
Total comprehensive income (loss)	**(7,750)**	**26,573**	**(11,113)**	**43,801**
Net income (loss) attributable to:				
Shareholders of the Company	(4,289)	19,538	(7,351)	31,484
Non-controlling interest	(777)	7,035	(543)	12,317
	(5,066)	**26,573**	**(7,894)**	**43,801**
Earnings (loss) per share:				
Basic	(0.02)	0.15	(0.04)	0.24
Diluted	(0.02)	0.14	(0.04)	0.23
Weighted average shares outstanding, basic (thousands)	188,116	133,298	166,939	133,070
Weighted average shares outstanding, diluted (thousands)	191,435	136,853	170,796	133,307
Shares outstanding at end of the period (thousands)	188,170	133,629	188,170	133,629

Copper Mountain Mining Corporation

Condensed Consolidated Interim Statements of Cash Flows
For the Three and Nine Months Ended September 30,
(Unaudited in thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2018 **$**	**2017** **$**	**2018** **$**	**2017** **$**
Cash flows from operating activities				
Net income (loss) for the period	(5,066)	26,573	(7,894)	43,801
Adjustments for:				
Gain on disposal of fixed assets	-	(4)	-	(25)
Depreciation	13,389	12,610	40,853	36,538
Unrealized foreign exchange (gain) loss	(6,079)	(10,849)	6,447	(20,636)
Unrealized (gain) loss on interest rate swap	(195)	(77)	(1,197)	697
Deferred income and resource tax expense	(4,849)	-	(3,141)	-
Finance expense	3,602	2,968	10,963	9,702
Share based compensation	387	349	995	1,122
	1,189	31,570	47,026	71,199
Net changes in working capital items (note 15)	(20,839)	(20,461)	(24,537)	(31,370)
Net cash (used in) from operating activities	(19,650)	11,109	22,489	39,829
Cash flows from investing activities				
Cash acquired in acquisition of Altona	-	-	29,115	-
Transaction costs	(54)	-	(2,291)	-
Share issue costs	-	-	(364)	-
Deferred stripping activities	(3,092)	-	(15,555)	(1,485)
Purchase of property, plant and equipment	(4,216)	(1,073)	(16,087)	(2,760)
(Purchase) refund of reclamation bond	(387)	-	(387)	-
Proceeds on disposal of fixed assets	-	-	-	52
Net cash used in investing activities	(7,749)	(1,073)	(5,569)	(4,193)
Cash flows from financing activities				
Proceeds on exercise of options and warrants	26	387	224	691
Advances from non-controlling interest	14,383	13,574	28,412	21,618
Payments made to non-controlling interest	(899)	-	(2,367)	-
Loan principal paid	(12,427)	(11,981)	(34,320)	(29,064)
Interest paid	(2,275)	(1,944)	(8,057)	(8,441)
Finance lease payments	(1,277)	(2,195)	(5,266)	(6,232)
Net cash used in financing activities	(2,469)	(2,159)	(21,374)	(21,428)
Effect of foreign exchange rate changes on cash and cash equivalents	(532)	(1,336)	1,011	(1,972)
Increase (decrease) in cash and cash equivalents	(30,400)	6,541	(3,443)	12,236
Cash and cash equivalents - Beginning of period	72,090	37,104	45,133	31,409
Cash and cash equivalents - End of period	41,690	43,645	41,690	43,645

Supplementary cash flow disclosures (note 15)

Copper Mountain Mining Corporation

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited in thousands of Canadian dollars, except for number of shares)

Attributable to equity owners of the company

	Number of Shares	Amount $	Contributed surplus $	Accumulated other comprehensive loss	Deficit $	Total $	Non-controlling interest $	Total equity $
Balance January 1, 2017	132,650,927	194,208	14,773	-	(73,656)	135,325	60,208	195,533
Shares issued on exercise of options	140,765	63	-	-	-	63	-	63
Shares issued on exercise of warrants	837,500	629	-	-	-	629	-	629
Fair value of options exercised	-	33	(33)	-	-	-	-	-
Fair value of warrants exercised	-	138	(138)	-	-	-	-	-
Share based compensation	-	-	1,013	-	-	1,013	-	1,013
Income for the period	-	-	-	-	31,484	31,484	12,317	43,801
Balance September 30, 2017	**133,629,192**	**195,071**	**15,615**	**-**	**(42,172)**	**168,514**	**72,525**	**241,039**
Balance January 1, 2018	134,285,192	195,670	15,724	-	(25,693)	185,701	79,584	265,285
Shares issued on acquisition of Altona	53,538,984	66,650	-	-	-	66,650	-	66,650
Shares issued on exercise of options	156,183	82	-	-	-	82	-	82
Shares issued on exercise of warrants	190,000	143	-	-	-	143	-	143
Fair value of options exercised	-	46	(46)	-	-	-	-	-
Fair value of warrants exercised	-	31	(31)	-	-	-	-	-
Share based compensation	-	-	1,271	-	-	1,271	-	1,271
Payments to non-controlling interests	-	-	-	-	-	-	(2,367)	(2,367)
Loss for the period	-	-	-	-	(7,351)	(7,351)	(543)	(7,894)
Foreign currency translation	-	-	-	(3,219)	-	(3,219)	-	(3,219)
Balance September 30, 2018	**188,170,359**	**262,622**	**16,918**	**(3,219)**	**(33,044)**	**243,277**	**76,674**	**319,951**

1 General information and liquidity

Copper Mountain Mining Corporation ("the Company") was incorporated under the provisions of the British Columbia Business Corporations Act on April 20, 2006 and maintains its head office at Suite 1700 – 700 West Pender Street, Vancouver, British Columbia. The Company is engaged in the production and sale of metals at the Copper Mountain Mine through a subsidiary owned 75% by the Company and 25% by Mitsubishi Materials Corporation ("MMC"); while also being engaged in the exploration and development of mining properties located in British Columbia, Canada and Queensland, Australia.

As at September 30, 2018, the Company had negative working capital of $24.3 million compared to working capital of $6.9 million at December 31, 2017. Included in the negative working capital is $67.4 million due to MMC (Note 14 (c)) and this amount is not expected to be repaid within the next twelve months, however the Company does not have the contractual right to extend payment and therefore has classified the balance due to MMC as a current liability. The Company has no material commitments for capital expenditures as of September 30, 2018.

In the next twelve months the Company has contractual obligations which are due in US dollars including senior credit facility and term loan payments of approximately US$40.2 million, which the Company expects to be able to fund through cash on hand and cash flows from operations. A payment of US$9.6 million was made in August 2018 by MMC to Similco Finance on the Company's behalf.

Management has received an extension of the required funding of the debt service and capex reserve accounts relating to the Company's Senior Credit Facility by providing corporate guarantees. The extension expires June 30, 2019 and although such extensions have been obtained in the past there are no guarantees they will continue to be obtained in the future.

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

2 Statement of compliance

a. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and follow the same accounting policies and methods of application as the Company's most recent annual audited consolidated financial statements which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") , except for new IFRS pronoucements adopted on January 1, 2018 which were disclosed in the Company's interim financial statements for the three months ended March 31, 2018. These condensed consolidated interim financial statements were approved for issue on October 30, 2018 by the Board of Directors.

b. Foreign currency translation

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Foreign currency translation differences are recognized in profit or loss. Exchange differences on the translation of foreign currency entities are recorded in accumulated other comprehensive loss.

c. Principles of consolidation

These consolidated statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control over a subsidiary is defined to exist when the Company is exposed to variable returns from involvement with an investee and has the ability to affect the returns through power over the investee. All intercompany transactions and balances are eliminated on consolidation. Significant subsidiaries of the Company are as follows:

Subsidiary	Location	Ownership Interest	Status	Functional Currency
Copper Mountain Mine (BC) Ltd.	Canada	75%	Consolidated	Canadian dollar
Copper Mountain Operating Company	Canada	100%	Consolidated	Canadian dollar
Princeton GP Ltd.	Canada	75%	Consolidated	Canadian dollar
Similco Finance Ltd.	Canada	75%	Consolidated	US dollar
Copper Mountain (USA) Inc.	United States	100%	Consolidated	US dollar
Copper Mountain Mining Australia Pty Ltd.	Australia	100%	Consolidated	Australian dollar

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

3 Acquisition of Altona Mining Ltd.

On November 19, 2017 the Company announced the intent to acquire all of the issued and outstanding common shares of Altona Mining Limited ("Altona"), a company based in Australia. Under the terms of the transaction, the Company issued 53,538,984 Copper Mountain common shares for 100% of Altona (the "Transaction"). The Transaction closed on April 18, 2018, at which time Altona became a wholly owned subsidiary of the Company.

A preliminary allocation of the purchase, which is subject to final adjustments, is as follow:

	$
53,538,984 common shares of the Company at $1.25 per share	67,015
Transaction costs	3,413
	70,428
Net assets acquired:	
Cash and cash equivalents	29,115
Accounts receivables and prepaids	526
Reclamation bond	121
Property, plant and equipment	45
Exploration and evaluation assets	41,076
Current liabilities	(455)
	70,428

The transaction has been accounted for as an asset acquisition. For the purpose of these consolidated interim financial statements, the purchase consideration has been allocated on a preliminary basis to the fair value of assets acquired and liabilities assumed based on management's best estimates taking into account all available information at the time of acquisition as well as applicable information at the time these consolidated interim financial statements were prepared.

These consolidated interim financial statements include Altona's results from April 18, 2018 to September 30, 2018.

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

4 Accounts receivable and prepaid expenses

	September 30, 2018 $	December 31, 2017 $
Amounts due from concentrate sales	27,940	15,348
Pricing adjustments	(4,848)	10,691
GST and other receivables	1,605	1,890
Prepaid expenses	1,433	1,385
	26,130	**29,314**

5 Inventory

	September 30, 2018 $	December 31, 2017 $
Supplies	18,290	16,971
Ore stockpile	28,718	37,443
Crushed ore stockpile	2,272	2,415
Copper Concentrate	8,754	11,306
	58,034	**68,135**
Low grade stockpile[1]	**105,860**	**91,021**

Inventory expensed during the nine months ended September 30, 2018 totaled $195,136 (2017 – $168,441).

During the nine months ended September 30, 2018, the Company recorded a write-down of $6,293 (2017 - $Nil) to the low grade stockpile. These adjustments were necessary to record the low grade stockpile at net realizable value.

[1] Stockpile of inventory that is not expected to be processed until towards the end of the mine life

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

6 Property, plant and equipment

Cost	**Plant and equipment $**	**Exploration and evaluation asset $**	**Mineral properties and mine development costs $**	**Total $**
As at January 1, 2017	530,515	6,702	159,757	696,974
Additions	9,759	61	1,613	11,433
Disposals	(39)	-	-	(39)
Restoration provision	-	-	43	43
As at December 31, 2017	**540,235**	**6,763**	**161,413**	**708,411**
Additions	12,430	46,800	18,500	77,730
Restoration provision	-	-	45	45
Currency translation adjustment	(303)	(1,922)	-	(2,225)
As at September 30, 2018	**552,362**	**51,641**	**179,958**	**783,961**

Accumulated depreciation	**Plant and equipment $**	**Exploration and evaluation asset $**	**Mineral properties and mine development costs $**	**Total $**
As at January 1, 2017	(170,434)	-	(63,460)	(233,894)
Depreciation charge	(40,746)	-	(19,730)	(60,476)
As at December 31, 2017	(211,180)	-	(83,190)	(294,370)
Depreciation charge	(29,466)	-	(13,534)	(43,000)
As at September 30, 2018	**(240,646)**	**-**	**(96,724)**	**(337,370)**
Net book value				
As at December 31, 2017	329,056	6,763	78,223	414,041
As at September 30, 2018	**311,716**	**51,641**	**83,234**	**446,591**

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

7 Accounts payable and accrued liabilities

	September 30, 2018 $	December 31, 2017 $
Trade accounts payable	11,560	23,882
Accrued liabilities	14,765	16,635
Current portion of interest rate swap liability (note 8(b))	463	1,040
Deferred Share Units liability	200	291
Restricted Share Units liability	325	273
	27,313	**42,122**

8 Long-term debt

	September 30, 2018 $	December 31, 2017 $
Senior credit facility (b) in US$	95,716	102,624
Term loan (c) in US$	103,373	122,222
Total US$ long term debt in US$	199,089	224,846
Total US$ long term debt in CA$	257,721	282,067
Subordinated loan (a)	13,404	12,978
Leases (d)	7,757	11,977
Total	278,882	307,022
Less: current portion	(55,127)	(48,649)
	223,755	**258,373**

a) Subordinated loan

In April 2010, the Company entered into a loan agreement with a subsidiary of MMC for $9,600. The loan bears interest at a fixed rate of 4.8%. The loan principal and accumulated interest matures on June 30, 2023 and is pre-payable at any time without penalty. The loan and accumulated interest is subordinate to the senior credit facility.

b) Senior credit facility

The Company has a senior credit facility ("the SCF") with a consortium of Japanese banks.

The maximum amount available under the SCF was US$162 million which was fully drawn in 2011. The SCF carries a variable interest rate of LIBOR plus 2% and matures on June 15, 2023. The SCF is repayable in twenty four semi-annual instalments which commenced December 15, 2011, with 40% of the principal balance due in the final two years before maturity. The instalments are payable on a fixed schedule, subject to mandatory prepayment based on cash flows relating to the Copper Mountain Mine. As at September 30, 2018 the Company has repaid a total of US$64.0 million in principal and US$23.9 million in interest on the SCF.

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

Under the terms of the SCF, the Company was required to maintain certain balances up to a total of US $12 million in the debt service reserve account ("DSRA") and the capex reserve account ("CXRA") by June 30, 2012. Since this date, the Company and MMC have jointly guaranteed to September 30, 2018 the amounts owing to the DSRA and the CXRA, as a result no funds were required to be placed on deposit in either of the accounts.

As at September 30, 2018 the SCF has a principal amount outstanding of $126,874 (US$98 million). The outstanding amount of $123,904 is net of issue costs of $2,970.

The SCF is collateralized by all the assets of the Copper Mountain Mine and is insured by Nippon Export and Investment Insurance.

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

Minimum annual payments from September 30	**US$ '000**
2018	14,580
2019	8,910
2020	9,720
2021 – 2023	64,800
	98,010

Under the terms of the SCF, the Company was required to complete an interest rate swap on 70% of the principal amount of the facility. The Company swapped a LIBOR variable rate interest payment stream for a 3.565% fixed rate interest payment stream on US$69 million of the principal. The interest rate swaps mature on December 15, 2020.

As at September 30, 2018 the swap had an unrealized fair value of $1,160 (2017 - $4,974). The current portion of $464 is included in accounts payable and accrued liabilities.

As at September 30, 2018 the Company is in compliance with all covenants which may result in the event of default of the senior credit facility.

c) Term loan

In July 2010, the Company entered into a term loan ("the Term Loan") with the Japan Bank for International Cooperation.

The maximum amount available under the Term Loan was US$160 million which was fully drawn in 2011. The Term Loan carries a variable interest rate of LIBOR plus 0.551% and matures on February 15, 2022. As at September 30, 2018 the Term Loan has a principal amount outstanding of $136,699 (US$106 million). The outstanding amount of $133,816 is net of issue costs of $2,883. The Term Loan is guaranteed by MMC in exchange for a fee of 0.2% per annum.

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

The Term Loan is unsecured and repayable in increasing instalments every six months commencing February 2013, with the majority of the loan falling due in the last six instalments. As at September 30, 2018 the Company has repaid a total of US$54.4 million in principal and US$13.7 million in interest on the Term Loan.

Principal repayment amounts outstanding under the Term Loan are as follows:

Minimum annual payments from September 30	US$
2018	25,600
2019	32,000
2020	32,000
2021 - 2022	16,000
	105,600

The Company is subject to certain debt covenants on the Term Loan. As at September 30, 2018 the Company is in compliance with all covenants.

d) Leases

Gross finance lease liability and minimum lease payments	September 30, 2018 $	December 31, 2017 $
Within one year	3,855	6,799
Between two and four years	4,352	5,863
	8,207	12,663
Future interest	(450)	(685)
Finance lease liability	**7,757**	**11,977**

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

9 Provisions

	Decomissioning and restoration provision $	Share-based payment obligations $	Total $
Balance, January 1, 2018	6,260	825	7,085
Share-based payment expense	-	4	4
Changes in estimate costs and timing	46	-	46
Unwinding of discount on restoration provision	209	-	209
Payments during the period	-	(279)	(279)
Balance, September 30, 2018	**6,515**	**550**	**7,065**
Less: Current portion of share-based payment obligations included within accounts payable (Note 7)	-	(525)	(525)
Total provision – Non-current	**6,515**	**25**	**6,540**

Balance, January 1, 2017	6,312	116	6,428
Share-based payment expense	-	916	916
Changes in estimate costs and timing	(95)	-	(95)
Unwinding of discount on restoration provision	43	-	43
Payments during the year	-	(207)	(207)
Balance, December 31, 2017	**6,260**	**825**	**7,085**
Less: Current portion of share-based payment obligations included within accounts payable (Note 7)	-	(564)	(564)
Total provision – Non-current	**6,260**	**261**	**6,521**

The Company has a liability for remediation of current and past disturbances associated with mining activities at the Copper Mountain property. At September 30, 2018 the Company used an inflation rate of 1.70% (2017 – 0.90%) and a discount rate of 2.41% (2017 – 2.47%) in calculating the estimated obligation. The decommissioning obligations will be accreted as a finance expense over the life of the mine. The liability for retirement and remediation on an undiscounted basis is $7,005 (2017 - $6,954). The expected timing of payment of the cash flows commences in 2028.

The Company has on deposit $8,217 with the Government of British Columbia in support of reclamation liabilities at the Copper Mountain mine site. The Company receives interest on these bonds.

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

10 Share based compensation

a. Stock options

The Company has a stock option plan whereby it can grant up to 17.8 million stock options exercisable for a period of up to ten years from the grant date. As at September 30, 2018, the Company had 10,888,469 options outstanding as follows:

	Number of options	Weighted average exercise price $
Outstanding, December 31, 2017	7,964,235	1.23
Granted	4,140,000	1.21
Forfeited	(1,059,583)	1.39
Exercised	(156,183)	0.52
Outstanding, September 30, 2018	**10,888,469**	**1.22**

Date of stock option grant	Number of options	Exercise price $	Weighted average exercise price $	Expiry date
Feb. 20, 2014	2,850,000	1.92	1.92	Feb. 20, 2019
Sep. 18, 2015	520,000	0.59	0.59	Sep. 18, 2020
Jan. 26, 2016	1,826,802	0.39	0.39	Jan. 26, 2021
June 30, 2016	66,667	0.50	0.50	June 30, 2021
Jan. 25, 2017	1,600,000	1.18	1.18	Jan. 13, 2022
Apr. 24, 2017	35,000	0.93	0.93	Apr. 24, 2022
June 30, 2017	120,000	1.05	1.05	Apr. 6, 2022
Feb. 22, 2018	1,940,000	1.28	1.28	Feb. 22, 2023
April 26, 2018	100,000	1.37	1.37	April 26, 2023
June 1, 2018	1,000,000	1.07	1.07	June 1, 2023
June 7, 2018	100,000	1.26	1.26	June 7, 2023
June 20, 2018	100,000	1.26	1.26	June 20, 2023
August 13, 2018	750,000	1.14	1.14	August 13, 2023
	10,888,469		**1.23**	

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

As at September 30, 2018 the following options were both outstanding and exercisable:

Date of stock option grant	Number of options	Exercise price $	Weighted average exercise price $	Expiry date
Feb. 20, 2014	2,850,000	1.92	1.92	Feb. 20, 2019
Sep. 18, 2015	520,000	0.59	0.59	Sep. 18, 2020
Jan. 26, 2016	1,186,733	0.39	0.39	Jan. 26, 2021
June 30, 2016	33,334	0.50	0.50	June 20, 2021
Jan. 25, 2017	800,000	1.18	1.18	Jan. 13, 2022
Apr. 24, 2017	17,500	0.93	0.93	Apr. 24, 2022
Feb. 22, 2018	485,000	1.28	1.28	Feb. 22, 2023
April 26, 2018	25,000	1.37	1.37	April 26, 2023
June 7, 2018	25,000	1.26	1.26	June 7, 2023
June 20, 2018	25,000	1.26	1.26	June 20, 2023
	5,967,567		**1.33**	

During the period ended September 30, 2018, the total fair value of stock options vesting was $1,303 (2017 – $1,050) with a weighted average grant-date fair value of $0.51 (2017 – $0.76) per option. The fair values of the stock options granted were estimated on the grant date using the Black-Scholes option pricing model. Volatility was determined using a historical daily volatility over the expected life of the options.

Weighted average assumptions used in calculating the fair value of options granted during the period are as follows:

	September 30, 2018	September 30, 2017
Risk free interest rate	2.12%	1.16%
Expected dividend yield	Nil	Nil
Expected share price volatility	64.8%	65.7%
Expected forfeiture rate	3.3%	3.3%
Expected life	5.0 years	4.8 years

b. Deferred Share Unit and Restricted Share Unit Plans

The Company has other share-based compensation plans in the form of Deferred Share Units (“DSU”), and Restricted Share Units (“RSU”). Units granted under these share-based compensation plans are recorded at fair value on the grant date and are adjusted for changes in fair value each reporting period and until settled. The expense, and any changes which arise from fluctuations in the fair value of the grants, is recognized in share-based compensation in the statement of earnings with the corresponding liability recorded on the balance sheet in provisions (Note 9).

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

The continuity of deferred share units granted and outstanding is as follows:

	DSUs	RSUs
Outstanding, January 1, 2017	4,611,985	512,500
Granted	-	235,000
Forfeited	-	(25,000)
Settled	-	(195,000)
Outstanding, December 31, 2017	4,611,985	527,500
Expired	(925,000)	-
Forfeited	(250,000)	(10,000)
Settled	(62,819)	(195,000)
Outstanding, September 30, 2018	**3,374,166**	**322,500**

During the period ended September 30, 2018, the Company recorded share-based compensation expense of $4 (2017 – $107) related to DSUs and RSUs.

During the period ended September 30, 2018, the total fair value of DSUs and RSUs granted was $Nil (2017 - $378) and had a weighted average grant date fair value of $Nil (2017 - $1.12) per unit.

11 Revenue

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Copper concentrate	55,539	72,490	208,238	202,073
Gold metal sales	9,540	9,069	28,975	29,663
Silver metal sales	976	1,241	3,685	4,175
Treatment and refining charges	(5,335)	(5,649)	(18,027)	(17,518)
	60,720	**77,151**	**222,870**	**218,393**

Revenues recognized in the reporting period include the following mark-to-market provisional pricing changes on concentrate sales not yet finalized at the period end.

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	$	**$**	**$**
Copper in concentrate	(2,112)	4,381	(5,251)	6,624
Gold in concentrate	(106)	(73)	(153)	(87)
Silver in concentrate	(152)	(175)	147	(250)
	(2,370)	**4,133**	**(5,257)**	**6,287**

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

12 Expenses by nature

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
	$	$	$	$
Cost of sales				
Direct mining and milling costs	43,159	31,725	121,726	101,317
Employee compensation and benefits	10,381	9,574	32,557	30,586
Depreciation	13,389	12,610	40,853	36,538
Transportation costs	3,365	3,692	10,324	10,870
	70,294	**57,601**	**205,460**	**179,311**
General and administration				
Corporate employee compensation and benefits	1,149	580	4,257	2,757
Corporate administrative and office expenses	1,011	727	3,968	2,890
	2,160	1,307	8,225	5,647
	72,454	**58,908**	**213,685**	**184,958**

13 Finance expense

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
	$	$	$	$
Interest on loans	3,171	2,535	9,503	8,527
Amortization of financing fees	344	332	1,023	1,033
Loan guarantee fee	73	83	227	260
Unwinding of discount on restoration provision	14	18	210	(118)
	3,602	**2,968**	**10,963**	**9,702**

14 Related party transactions

All transactions with related parties have occurred in the normal course of the Company’s operations.

a. During the nine months ended September 30, 2018 the Company sold copper concentrates to MMC with revenues totalling $222,870 (2017 – $218,393) including pricing adjustments.

b. During the nine months ended September 30, 2018 the Company accrued interest on the subordinated loan with MMC totalling $349 (2017 - $349).

c. As at September 30, 2018 the Company accrued to MMC a guarantee fee related to the Term Loan of $226 (2017 - $253). The Company has also received aggregate funding advances from MMC totalling $62,416

(Unaudited in thousands of Canadian dollars, except where otherwise stated)

(2017 - $38,832) since 2012. These advances bear interest at rates of 2.88% to 4.80% with total interest during the nine months ended September 30, 2018 of $1,186 (2017 - $546).

d. A company controlled by a director of the Company agreed to purchase 642 acres of land adjoining the mine site for future expansion opportunities. Under the terms of the put/ call agreement the Company has the irrevocable right to call the land from the company controlled by the director at any time for the same price as the company controlled by the director paid for the land. Similarly, the company controlled by the director has the irrevocable right to put the land to the Company at any time after January 16, 2016. The Company completed the purchase of the land for a total of $1.72 million inclusive of interest and out of pocket expenses in the period ended September 30, 2018.

e. Compensation of key management:

Key management includes the company's directors and officers. Compensation awarded to key management includes:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Salaries and short-term employee benefits	655	390	3,168	2,103
Share based compensation	487	263	1,218	832
	1,142	**653**	**4,386**	**2,935**

15 Supplementary cash flow disclosures

a. As at September 30, 2018, cash and cash equivalents consists of guaranteed investment certificates of $81 (2017 – $2,658) and $41,610 in cash (2017 - $41,288) held in bank accounts.

b. A reconciliation of net changes in working capital items is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Change in accounts receivable and prepaid expenses	(10,207)	(3,502)	3,470	5,311
Change in inventory	(3,024)	(7,304)	(5,535)	(22,145)
Change in tax liability	(355)	625	(1,271)	(162)
Change in accounts payable and accrued liabilities	(7,253)	(10,280)	(21,201)	(14,374)
	(20,839)	**(20,461)**	**(24,537)**	**(31,370)**

16 Financial instruments

The fair values of financial asset and financial liabilities approximate their carrying amounts in the condensed consolidated interim statement of financial position.

Fair Value hierarchy
The following table classifies financial assets and liabilities that are recognized on the balance sheet at fair value in a hierarchy that is based on significance of the inputs used in making the measurements.
The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at September 30, 2018:

	Level 1 $	Level 2 $	Level 3 $	Total fair value $
Financial assets				
Pricing adjustments (note 4 and 11)	-	(4,848)	-	(4,848)
Financial liabilities				
Interest rate swap liability	-	1,160	-	1,160

Financial risks factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and commodity price risk), credit risk and liquidity risk. Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks in co-operation with the company's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Company's overall risk management program seeks to minimize potential adverse effects on the company's financial performance.

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, 2018

October 30, 2018

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 consolidated financial statements for the period ended September 30, 2018. The Company reports its financial statements in accordance with International Financial Reporting Standards ("IFRS"). The Company's significant accounting policies are set out in Note 3 of audited consolidated financial statements for the year ended December 31, 2017. The Company's financial statements and the MD&A 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 mine 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 Mine. 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."**

OVERVIEW

Copper Mountain Mining Corporation is a mid-tier copper-gold producing company that was incorporated under the provisions of the British Columbia *Company Act* on April 20, 2006. The Company owns 75% of the Copper Mountain mine through a subsidiary and Mitsubishi Materials Corporation ("MMC") owns the remaining 25%.

The Copper Mountain mine is situated 20 km south of Princeton, British Columbia and 300 km east of the port of Vancouver. Production of copper concentrate from the Copper Mountain Mine commenced during the third quarter of 2011. The property consists of 135 Crown granted mineral claims, 156 located mineral claims, 14 mining leases, and 12 fee simple properties covering an area of 6,702.1 hectares or 67 square kilometers.

The mine is a conventional open pit, truck and shovel operation that has an overall strip ratio of 2.9:1. The mill is comprised of one SAG mill, two ball mills, a rougher flotation circuit, regrind mill, a cleaner flotation circuit, a concentrate thickener, and a pressure filter. The mill throughput is approximately 14.6 million tonnes per year. Copper concentrate from the mine is trucked to the port of Vancouver where it is placed in a storage shed for loading onto ocean going vessels for transportation to Japan.

In November 2017 the Company announced the intent to acquire Altona Mining Limited ("Altona") an Australian exploration company. On April 18, 2018 the transaction closed and the Company issued 53,538,984 Copper Mountain common shares for 100% of Altona (the "Transaction"), at which time Altona became a wholly owned subsidiary of the Company. As a result of the acquisition, Copper Mountain added to the Copper Mountain Group, 100% of Altona's assets which includes: $29 million in cash, a permitted development copper-gold project in Queensland, Australia named the Eva Copper Project, and an extensive 397,000 hectare highly prospective land package within the Mount Isa area.

The Company trades on the Toronto Stock Exchange under the trading symbol "CMMC" and on the Australian Stock Exchange under the trading symbol "C6C".

THIRD QUARTER HIGHLIGHTS

- Announced robust preliminary economic assessment (PEA) results for New Ingerbelle, which includes an after-tax Net Present Value (NPV) of US$394 million at an 8% discount rate and 768 million pounds of total copper production over a 12 year mine life.
- Announced positive feasibility study results for the Eva Copper Project, which includes an NPV of US$256 million at an 8% discount rate and 959 million pounds of total copper production over a 12 year mine life.
- Increased mineral reserves at the Copper Mountain Mine to 210 million tonnes grading 0.26% copper, 0.08 grams per tonne gold, and 0.89 grams per tonne silver for 1.2 billion pounds of copper, 504,000 ounces of gold and 6.0 million ounces of silver.
- Production for the third quarter 2018 at the Copper Mountain Mine was 18.3 million pounds of copper, 7,500 ounces of gold and 64,900 ounces of silver and in-line with expectations.
- Revenue for the third quarter 2018 was $60.7 million, from the sale of 17.6 million pounds of copper, 6,300 ounces of gold, and 62,500 ounces of silver, net of pricing adjustments.

Quarter Results & Highlights (100%)	**Three months ended September 30,**		**Nine months ended September 30,**	
	2018	**2017**	**2018**	**2017**
(In thousands of CDN$, other than per share and per pound amounts)	**$**	**$**	**$**	**$**
Revenue	60,720	77,151	222,870	218,393
Cash flow from operations before working capital changes	1,189	31,570	47,026	71,199
Gross profit (loss)	(9,574)	19,550	17,410	39,082
EBITDA[1]	6,882	42,934	40,919	90,939
Adjusted earnings (loss)[2]	(8,310)	11,051	5,208	15,412
Adjusted earnings (loss) per share[3]	(0.04)	0.08	0.03	0.12
Cash and cash equivalents			41,690	43,645
Accounts receivable			26,130	20,336
Total cash and cash equivalents and accounts receivable			67,820	63,981
Equity			319,951	241,039
Total pounds of copper sold (000's lbs)	17,600	19,300	59,200	55,900
Total ounces of gold sold (oz)	6,300	6,500	19,100	18,800
Total ounces of silver sold (oz)	62,500	72,700	213,100	199,400
Site cash costs per pound of copper produced (net of precious metal credits) (US$)	1.78	1.25	1.53	1.31
Total cash costs per pound of copper sold (net of precious metal credits) (US$)	2.25	1.62	1.96	1.74
Average realized copper price (US$)	2.77	2.91	3.03	2.72

[1] Earnings before interest, taxes, depreciation and amortization. Refer to the Non-GAAP Performance measures section of this MD&A.
[2] Adjusted earnings (loss) is a non-GAAP financial measure which removes unrealized gains/losses on interest rate swaps, pricing adjustments on concentrate metal sales and foreign currency gains/losses.
[3] Calculated by dividing the total adjusted earnings by the weighted average number of shares outstanding under the basic method.

CORPORATE UPDATE

On April 18, 2018, the Company completed the acquisition of Altona. As part of the transaction, the Company acquired all issued and outstanding commons shares of Altona by way of a scheme of arrangement. Pursuant to the arrangement, the shareholders of Altona received 53,538,984 common shares of the Company for total consideration of $67 million.

The acquisition has been accounted for as an asset acquisition. For accounting purposes, the third quarter consolidated financial statements include Altona's operating results for the period from April 18, 2018 to September 30, 2018. For more information please read Note 3 of our unaudited interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2018.

RESULTS OF OPERATIONS

Mine Production Information	**Three months ended September 30,**		**Nine months ended September 30,**	
Copper Mountain Mine (100% Basis)	**2018**	**2017**	**2018**	**2017**
Mine:				
Total tonnes mined (000's[4])	18,503	17,431	54,606	53,600
Ore tonnes mined (000's)	5,612	6,843	16,159	18,835
Waste tonnes (000's)	12,891	10,587	38,446	34,765
Stripping ratio	2.30	1.55	2.38	1.87
Mill:				
Tonnes milled (000's)	3,802	3,787	10,661	10,394
Feed Grade (Cu%)	0.28	0.32	0.31	0.31
Recovery (%)	79.1	77.3	79.4	77.9
Operating time (%)	92.7	93.5	91.5	89.3
Tonnes milled (TPD[5])	41,300	41,200	39,100	38,100
Production:				
Copper production (000's lbs)	18,300	20,900	58,200	56,200
Gold production (oz)	7,500	6,700	20,100	18,500
Silver production (oz)	64,900	79,300	211,200	206,800
Site cash costs per pound of copper produced (net of precious metal credits) (US$)	1.78	1.25	1.53	1.31
Total cash costs per pound of copper sold (net of precious metal credits) (US$)	2.25	1.62	1.96	1.74

Production

The Copper Mountain Mine produced 18.3 million pounds of copper, 7,500 ounces of gold and 64,900 ounces of silver during Q3 2018. Lower copper production in Q3 2018 was as forecast and within expectations of the 2018 production plan. Gold production was 15% higher quarter-over-quarter and 12% year-over-year on higher gold grades and improved recoveries after installation of a flash floatation circuit in the concentrator.

[4] Excludes ore re-handle from stockpile
[5] Tonnes per calendar day

Mining activities were mainly focused in the West (#2, #3, and #1) areas for the third quarter of 2018. During the quarter a total of 18.5 million tonnes of material was mined, including 5.6 million tonnes of ore and 12.9 million tonnes of waste for a strip ratio of 2.3:1. The increased strip ratio was planned as the next pushback on Pit #2 West began in Q2. A total of 201,000 tonnes per day moved was achieved during the quarter.

During the quarter the mill processed a total of 3.8 million tonnes of ore grading 0.28% copper. The lower head grades in the quarter were in line with expectations for the quarter and are expected to increase in the fourth quarter of 2018. Third quarter copper recoveries were 79% and mill operating time averaged 93%. The mill achieved an average throughput rate of 41,300 tpd.

The Company sold 17.6 million pounds of copper, 6,300 ounces of gold, and 62,500 ounces of silver in Q3 2018, compared to 19.3 million pounds of copper, 6,500 ounces of gold, and 72,700 ounces of silver in Q3 2017. Lower sales figures were a result of a shipping delay at the Port of Vancouver over the quarter-end which resulted in 1.1 million pounds of copper, 440 ounces of gold, and 4,000 ounces of silver not being recorded in Q3 2018. These sales will be recognized in Q4 2018.

Costs

Site cash costs for Q3 2018 were US$1.78 per pound of copper produced, net of precious metal credits, and total cash costs were US$2.25 per pound sold, net of precious metal credits; compared to Q3 2017 site cash costs of US$1.25 and total cash costs of US$1.62. Site cash costs were higher primarily due to lower copper production as a result of lower head grades in the quarter, as planned and a $5.3 million inventory adjustment to the low-grade stockpile. Total cash costs were higher as a result of lower head grades resulting in lower copper sales and the $5.3 million inventory adjustment. The Company also experienced a shipping delay at the Port of Vancouver resulting in some concentrate not being loaded onto the ship until October 1, 2018 and decreasing metal sales by 1.1 million pounds of copper, 440 ounces of gold, and 4,000 ounces of silver and not being recognized in the quarter. These amounts will contribute to Q4 2018 metal sales and revenue. As production and sales are expected to be higher in the fourth quarter of 2018, site cash costs and total cash costs are expected to decrease.

Outlook

The Company is on track to meet full year guidance for copper production as year-to-date production has been in-line with the plan and production is expected to be strong in the fourth quarter. The Company maintains 2018 annual production guidance of 80 million pounds of copper (+/- 5%).

DEVELOPMENT ACTIVITY

Copper Mountain Mine, Canada

The Company released an updated Mineral Reserve and Mineral Resource estimate for the Copper Mountain Mine, which demonstrated significantly increased mineral reserves when compared to the December 31, 2017 Mineral Reserve. The updated Mineral reserve for the Copper Mountain Mine are 210 million tonnes grading 0.26% copper, 0.08 grams per tonne gold, and 0.89 grams per tonne silver for 1.2 billion pounds of copper, 504,000 ounces of gold and 6.0 million ounces of silver.

The Company believes that potential exists to increase production by converting Copper Mountain Mine Resources to Reserves, increasing resources through exploration in addition to the contribution of potential production from New Ingerbelle, which could thereby extend its mine life far beyond current Reserves.

Eva Copper Project, Australia

The Company recently announced positive Feasibility Study results for the Eva Copper Project. The Feasibility Study results for the Eva Copper Project include an after-tax NPV of US$256 million at an 8% discount rate and 959 million pounds of total copper production over a 12 year mine life. Over the first two years of production the

Eva Copper Project is expected to produce over 120 million pounds of copper. The Company intends to finance the capital required to build the Eva Copper Project through debt and internal cash flow. Advanced discussions on debt options are currently underway.

New Ingerbelle, Canada

During the quarter the Company announced a Mineral Resource and a base case PEA for New Ingerbelle.. The PEA results for New Ingerbelle includes an after-tax NPV of US$394 million at an 8% discount rate and 768 million pounds of total copper production over a 12 year mine life. Work is currently under way to evaluate various operational alternatives for New Ingerbelle which include incorporating New Ingerbelle into the Copper Mountain mine plan using the existing mill and study expanding the mill at Copper Mountain to increase the combined annual production. New Ingerbelle provides for low risk, low cost production flexibility.

EXPLORATION ACTIVITY

New Ingerbelle, Canada

Phase 2 of the drilling program on the New Ingerbelle deposit was completed and drilling results reported during the quarter. A total of 10,616 metres were drilled in 29 holes. A new resource estimate was completed with Measured and Indicated Resources exceeding 150Mt grading 0.29% Cu and 0.18g/t gold based on a 0.16% copper cut-off grade, which was the target for the end of Phase 3, and therefore, no further drilling at New Ingerbelle is contemplated for this year. A Base Case PEA was also completed which includes incorporating New Ingerbelle into the Copper Mountain mine plan using the existing mill at Copper Mountain Mine. The PEA indicated favourable economics and option studies to determine the optimal timing and method of integration of New Ingerbelle into the long-term Copper Mountain mine plan is currently underway. These studies are expected to be included in a pre-feasibility study, which the Company plans on completing in the first quarter of 2019.

Copper Mountain Mine, Canada

Drilling was also carried out in Pit 3 at the Copper Mountain Mine, which included two geotechnical holes and four exploration holes in the east wall. The geotechnical holes are required for final pit design and the exploration holes were to improve confidence in resource estimates within that area of the pit.

Eva Copper Project, Australia

The company completed geotechnical investigations required for the final design of the Tailings Management Facility as well as drilling for additional metallurgical test samples from the starter pit area of the Little Eva deposit. Large diameter wells and flow testing were completed and indicated that sufficient water for mine and mill operations is available from a bore field that can be established proximal to the selected mill site.

Cameron Copper Project, Australia

The regional exploration in Australia is nearing completion. Deep penetration, 3-D induced polarization, geophysical surveys were completed on three targets in the Cameron Project and appears to be an effective exploration tool. Over 22,000 soil samples have been collected and analyzed with a portable XRF analyzer; this data complements an already large regional, geochemical database and has outlined some new target areas. A total of 3,800m in 41 holes of exploratory drilling on regional targets have been completed. Laboratory analysis of the drill samples is in progress and is expected to be announced in the fourth quarter.

For 2018, the Company budgeted $5 million in exploration expenditures for Australian projects, of which $3.8 million has been incurred as of September 30, 2018.

FINANCIAL RESULTS

(In thousands of CDN$, other than per share amounts)	Three months ended September 30, 2018 $	2017 $	Nine months ended September 30, 2018 $	2017 $
Revenue	60,720	77,151	222,870	218,393
Cost of sales[7]	(70,294)	(57,601)	(205,460)	(179,311)
Gross profit (loss)	**(9,574)**	19,550	**17,410**	39,082
Other income and expenses				
General and administration	(2,160)	(1,307)	(8,225)	(5,647)
Exploration and evaluation	-	-	-	(35)
Share based compensation	(387)	(349)	(1,274)	(1,122)
Operating income (loss)	**(12,121)**	17,894	**7,911**	32,278
Pricing adjustments on concentrate and metal sales	2,370	(3,092)	5,257	(6,287)
Finance income	134	4	476	360
Finance expense	(3,602)	(2,968)	(10,963)	(9,702)
Income tax recovery (expense)	59	(787)	(608)	(1,258)
Deferred income and resource tax expense	4,850	-	3,135	-
Adjusted earnings (loss)[8]	**(8,310)**	**11,051**	**5,208**	**15,412**
Pricing adjustments on concentrate and metal sales	(2,370)	3,092	(5,257)	6,287
Unrealized gain (loss) on interest rate swap	195	77	1,197	(697)
Unrealized gain (loss) on foreign exchange	5,419	12,353	(9,042)	22,820
Net income (loss) and comprehensive income (loss) for the period	**(5,066)**	**26,573**	**(7,894)**	**43,801**
Net income (loss) and comprehensive income (loss) attributable to:				
Shareholders of the company	(4,289)	19,538	(7,351)	31,484
Non-controlling interest	(777)	7,035	(543)	12,317
	(5,066)	**26,573**	**(7,894)**	**43,801**
Earnings (loss) per share	**(0.02)**	**0.15**	**(0.04)**	**0.24**
Adjusted earnings (loss) per share	**(0.04)**	**0.08**	**0.03**	**0.12**

Financial Results – Three Months Ended September 30, 2018

Revenue

The Company recognized revenue of $60.7 million in Q3 2018 (Q3 2017 - $77.2 million) on the sale of copper concentrates net of treatment charges. Third quarter revenue was impacted by a shipping delay at the Port of Vancouver over the quarter-end which resulted in 1.1 million pounds of copper, 440 ounces of gold, and 4,000 ounces of silver not being recorded in Q3 2018. This revenue will be recognized in Q4 2018. The decrease in revenue in the third quarter was also the result of lower realized copper prices, lower quantities of metal sold and negative provisional pricing adjustments. Pricing adjustments totaled negative $2.4 million (Q3 2017 - positive

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[7] Cost of sales consists of direct mining and milling costs (which include mine site employee compensation and benefits, mine site general and administrative costs, non-capitalized stripping costs, maintenance and repair costs, operating supplies and external services), depreciation and offsite transportation and concentrate treatment costs.

[8] Adjusted earnings (loss) is a non-GAAP financial measure which excludes unrealized gains/losses on derivative instruments, changes in fair value of financial instruments, foreign currency gains/losses, pricing adjustments related to metal sales and non-recurring transactions.

$4.1 million) and reflects a weakening of copper prices during the quarter and resulted in downward adjustments for shipments not yet finalized at the period end. This decrease was partly offset by a higher gold grade and recovery with production of 7,500 ounces (Q3 2017 - 6,700) and higher gold in concentrates sold.

The following table reflects the metal prices realized by the Company and the quantities of metal sold during the period:

	Realized Metal Prices Three months ended September 30,		Quantities of Metal Sold Three months ended September 30,	
	2018	**2017**	**2018**	**2017**
Copper[(1)] – klbs	$2.77	$2.91	17,600	19,300
Gold[(1)] – oz	$1,214	$1,286	6,300	6,500
Silver[(1)] – oz	$14.90	$17.05	62,500	72,700

(1) Metal prices stated as US dollars per ounce for gold and silver and US dollars per pound for copper.

Operating Costs

The Company recorded higher Q3 2018 operating costs as a result of increased cost of sales of $70.3 million (Q3 2017 - $57.6 million). The increase is largely due to a $5.3 million (Q3 2017 - Nil) inventory adjustment to the low-grade stockpile. This adjustment was necessary to record the low-grade stockpile at net realizable value. Additionally, Q3 2018 operating costs reflect increases mainly associated with timing of planned major mine maintenance, fuel unit costs, and other consumable unit costs as compared to Q3 2017.

Depreciation and Depletion

The Company recorded Q3 2018 depreciation costs through cost of sales of $13.4 million (Q3 2017 - $12.6 million). The increase of $0.8 million is as expected as depreciation is primarily calculated using the units-of-production method for both mine and mill equipment. The slight increase in mining rates and throughput over Q3 2017 resulted in higher depreciation in the quarter.

General and Administrative

The Company recorded Q3 2018 general and administrative costs of $2.2 million (Q3 2017 - $1.3 million). The increase of $0.9 million is attributable to the increased corporate activity within the Company.

Finance Expense

The Company recorded Q3 2018 finance expense of $3.6 million (Q3 2017 - $3.0 million). Finance expense primarily consists of interest on loans and the amortization of loan related financing fees. The increase of $0.6 million is attributable to the increase in borrowing rates and specifically LIBOR which the Company's long-term variable interest rates are based on. The increase in borrowing rates marginally offsets the impact of the decrease in long-term debt from ongoing debt payments made by the Company.

Foreign Exchange

The Company recorded Q3 2018 foreign exchange gain of $5.4 million (Q3 2017 - $12.4 million). Foreign exchange is primarily related to the Company's project debt which is denominated in U.S. dollars. The decrease in the current period is a result of a change in the U.S. to Canadian foreign exchange rate from 1.32 to 1.29 as compared to a change from 1.30 to 1.25 in the prior year.

Cash Flow from Operations

In Q3 2018, the Company recognized cash outflows used in operations of $19.7 million (Q3 2017 - inflows $11.1 million). The outflow of cash is primarily attributable to a shipping delay at the Port of Vancouver over the quarter-end for which the Company did not receive payment of $19.2 million from the September shipment until October 3, 2018, shortly after the quarter. This cash, if received in the quarter, would have offset the outflows.

Financial Results – Nine Months Ended September 30, 2018

Revenues

Revenues recognized for the nine months ended September 30, 2018 were $222.9 million (September 30, 2017 - $218.4 million) on the sale of copper concentrates net of treatment charges. The increase in revenues of $4.5 million is a result of higher realized copper prices and higher quantities of metal sold. This increase is offset by negative provisional pricing adjustments of $5.3 million (September 30, 2017 - positive $6.3 million).

The following table reflects the metal prices realized by the Company and the quantities of metal sold during the period:

	Realized Metal Prices Nine months ended September 30,		Quantities of Metal Sold Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Copper[(1)] – klbs	$3.03	$2.72	59,200	55,900
Gold[(1)] – oz	$1,281	$1,253	19,100	18,800
Silver[(1)] – oz	$16.12	$17.25	213,100	199,400

(1) Metal prices stated as US dollars per ounce for gold and silver and US dollars per pound for copper.

Operating Costs

The Company recognized operating costs through cost of sales for the nine months ended September 30, 2018 of $205.5 million (September 30, 2017 - $179.3 million). The increase is partly due to $6.3 million (2017 - Nil) in inventory adjustments to the low-grade stockpile. These adjustments are necessary to record the low-grade stockpile at a net realizable amount. The nine months ended September 30, 2018 has also produced marginally increased mining and milling rates along with increased costs in planned maintenance, fuel, power, and other input costs as compared to the nine months ended September 30, 2017 and contributing to the increase over the prior period.

Depreciation and Depletion

The Company recognized depreciation costs through cost of sales for the nine months ended September 30, 2018 of $40.9 million (September 30, 2017 - $36.5 million). The increase of $4.4 million is as expected as depreciation is primarily calculated using the units-of-production method for both mine and mill equipment. The slight increase in mining rates and throughput over the nine months ended September 30, 2017 would result in higher depreciation.

General and Administrative

The Company recognized general and administrative costs for the nine months ended September 30, 2018 of $8.2 million (September 30, 2017 - $5.6 million). The increase of $2.6 million is attributable to the increased corporate activity within the Company including the Altona acquisition and payments made in contribution to the retirement of the Company's previously serving CEO.

Finance Expense

The Company recognized finance expense for the nine months ended September 30, 2018 of $11.0 million (September 30, 2017 - $9.7 million). Finance expense primarily consists of interest on loans and the amortization of loan related financing fees. The increase of $1.3 million is attributable to the increase in borrowing rates and specifically LIBOR which the Company's long-term variable interest rates are based on. The increase in borrowing rates marginally offsets the decrease in long-term debt from ongoing debt payments made by the Company.

Foreign Exchange

The Company recognized for the nine months ended September 30, 2018 a foreign exchange loss of $9.0 million (September 30, 2017 - gain $22.8 million). Foreign exchange is primarily related to the Company's project debt which is denominated in U.S. dollars. The loss in the current period is a result of a change in the U.S. to Canadian foreign exchange rate from 1.25 to 1.29 as compared to a change from 1.34 to 1.25 and a gain in the prior year.

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 which are reported under IFRS applicable to interim financial reporting.

Quarter	Revenue[6] $	Net Income (Loss) $	Profit (Loss) Attributable to Shareholders $	Cash flow from operations $	Income (Loss) per Share Basic $	Income (Loss) per Share Diluted $
September 30, 2018	60,720	(5,066)	(4,289)	(19,650)	(0.02)	(0.02)
June 30, 2018	84,204	3,638	2,189	40,121	0.01	0.01
March 31, 2018	77,946	(6,466)	(5,251)	2,018	(0.04)	(0.04)
December 31, 2017	85,687	23,538	16,479	17,445	0.12	0.12
September 30, 2017	77,151	26,573	19,538	11,109	0.15	0.14
June 30, 2017	67,146	10,111	7,223	25,870	0.05	0.05
March 31, 2017	74,096	7,117	4,723	2,850	0.04	0.04
December 31, 2016	84,523	2,881	2,098	22,518	0.01	0.01

Cash flow from operations and Net Income (Loss) and Profit (Loss) attributable to the shareholders varies from period to period primarily as a result of operational performance discussed in the overview section above, and non-cash items such as; changes in foreign exchange rates, share based compensation charges, inventory write-downs and valuation of the interest rate swap related to a portion of the Company's long-term debt denominated in U.S. dollars.

Management of the Company believe that as a result of the Company having U.S. denominated debt, selling Copper, Gold and Silver in U.S. dollars and reporting the financial statements in Canadian dollars, the unrealized foreign exchange loss or gain each quarter can have a significant impact on the results of the Company if the reader of the financial statements is just looking at net income only. Management believe that readers of the financial statements should look to adjusted EBITDA, Adjusted Earnings and Adjusted Earnings per share as an alternative to evaluate the Company's performance during the period. The following table contains selected quarterly non-GAAP financial information derived from the Company's financial statements and should be read in conjunction with the consolidated quarterly financial statements which are reported under IFRS applicable to interim financial reporting.

[6] Net of treatment and refining charges and price adjustments

Quarter	Revenue[6] $	Adjusted EBITDA $	Cash Flow from Operations before working capital changes $	Adjusted (loss) earnings $	Adjusted (loss) earnings per Share Basic $
September 30, 2018	60,720	3,638	1,189	(8,310)	(0.04)
June 30, 2018	84,204	21,830	27,754	2,916	0.02
March 31, 2018	77,946	28,553	18,083	10,602	0.08
December 31, 2017	85,687	28,402	31,597	20,374	0.15
September 30, 2017	77,151	27,412	31,570	11,051	0.08
June 30, 2017	67,146	19,108	18,786	4,033	0.03
March 31, 2017	74,096	16,030	20,843	4,304	0.00
December 31, 2016	84,523	24,969	22,518	7,090	0.06

Liquidity

The Company ended the quarter with $41.7 million in cash and cash equivalents. As at September 30, 2018, the Company had working capital of $43.4 million (excluding the $67.8 million due to MMC which is not expected to be repaid in the next twelve months) compared with working capital of $50.5 million at December 31, 2017 (excluding the $43.6 million due to MMC which is not expected to be repaid in the next twelve months). The Company has no future material commitments for capital expenditures as of September 30, 2018 other than $7.9 in capital expenditures budgeted for the 2018 year at the Copper Mountain Mine, of which $6.5 million has been incurred and $5 million in exploration expenditures for Australian projects, of which $3.8 million has been incurred.

US denominated commodity prices have an impact on the Company's operating results. For the nine months ended September 30, 2018 the Company recorded income from operations of $7.9 million as compared to $32.3 million for the nine months ended September 30, 2017 and recorded cash from operating activities (after working capital changes) of $22.5 million as compared to $39.9 million for the nine months ended September 30, 2017. In the next twelve months the Company has contractual obligations which are due in US dollars including senior credit facility and term loan payments of approximately US$40.2 million, which the Company expects to be able to fund through cash on hand and cash flows generated from operations. However, the current commodity price and exchange rate environment can be volatile and accordingly will have an impact on the Company's cash flows.

The Company continues to review its near term operating plans and continues to take steps to reduce costs and maximize cash flow from operations, while still maintaining copper output levels. The Company remains vigilant for ongoing opportunities to reduce costs and improve net cash generation.

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

As at September 30, 2018 the Company had a total of $8.2 million on deposit with the Government of British Columbia in support of reclamation liabilities at the Copper Mountain Mine. The Company receives interest from these funds on deposit.

As at September 30, 2018, the Company had the following consolidated contractual obligations:

	Contractual Obligation (thousands of CDN$)			
Annual repayments due from September 30,	Long term debt	Lease obligations	Decommissioning & restoration provision	Trade Accounts payable
2018	50,747	3,114	-	27,313
2019	51,691	3,997	-	-
2020	52,740	258	-	-
2021	61,387	271	-	-
2022	41,156	117	-	-
2023 and later	13,404	-	6,515	-
Total	**271,125**	**7,757**	**6,515**	**27,313**

Cash to meet the Company's future cash commitments will come from existing cash on hand and from cash flow from operations. The Company continues to review its near term operating plans and take steps to reduce costs and maximize cash flow from operations, while maintaining copper output levels. The Company manages liquidity by continuously monitoring and forecasting cash flows.

Capital Resources

As at September 30, 2018, the Company had $41.7 million in cash and cash equivalents on hand and $23.1 million in concentrate sales receivables. Cash on hand at any particular point in time is variable depending on timing of shipments and timing of finalization of past shipments.

Off-Balance Sheet Arrangements

None

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 nine months ended September 30, 2018 the Company sold copper concentrates to MMC with revenues totalling $222,870 (2017 - $218,393) including pricing adjustments.

- During the nine months ended September 30, 2018 the Company accrued interest on the subordinated loan with MMC totalling $349 (2017 - $349).

- As at September 30, 2018 the Company accrued to MMC a guarantee fee related to the Term Loan of $226 (2017 - $253). The Company has also received aggregate funding advances from MMC totalling $62,416 (2017 - $38,832). These advances bear interest at rates of 2.88% to 4.80% with total interest during the nine months ended September 30, 2018 of $1,186 (2017 - $546).

- A company controlled by a director of the Company agreed to purchase 642 acres of land adjoining the mine site for future expansion opportunities. Under the terms of the put/ call agreement the Company has the irrevocable right to call the land from the company controlled by the director at any time for the same price as the company controlled by the director paid for the land. Similarly, the company controlled by the director has the irrevocable right to put the land to the Company at any time after

January 16, 2016. The Company completed the purchase of the land for a total of $1.72 million inclusive of interest and out of pocket expenses in the period ended September 30, 2018.

- Key management includes the Company's directors and officers. Compensation awarded to key management includes:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Salaries and short-term employee benefits	655	390	3,168	2,103
Share based compensation	487	263	1,218	832
	1,142	**653**	**4,386**	**2,935**

Proposed Transactions

None

Critical Accounting Estimates

The Company's significant accounting policies are presented in note 3 of the audited consolidated financial statements for the year ended December 31, 2017. The preparation of consolidated financial statements in accordance with International Financial Reporting Standard 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,
- net realizable value of inventory,
- current and deferred income and resource taxes,
- the assumptions used in determining the decommissioning and restoration provision,

Actual amounts could differ from the estimates used and, accordingly, affect the results of operations.

Change in Accounting Policies, Including Initial Adoption

No changes to accounting policies have been made for the period ended September 30, 2018 with the exception of the adoption of IFRS 9 and IFRS 15. The same accounting policies and methods of application have been applied as the Company's most recent annual audited consolidated financial statements.

New Accounting Standards Adopted

The Company adopted IFRS 9 – Financial Instruments and IRFS 15 – Revenue from contracts with customers effective January 1, 2018. The impact of adoption of these new standards is discussed in the interim financial statements for the three months ended March 31, 2018.

Financial Instruments and Other Instruments

Please refer to note 3(d) of the audited financial statements for the year ended December 31, 2017.

Non-GAAP Performance Measures

This document includes certain non-GAAP performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used and may not be comparable to such measures as reported by, other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance. These measures have been derived from the Company's financial statements and applied on a consistent basis. The following tables below provide a reconciliation of these non-GAAP measures to the most directly comparable IFRS measure.

Cash Costs Per Pound

Cash costs of sales include all costs absorbed into concentrate inventory, as well as precious metal credits, treatment & refining costs and transportation costs, less non-cash items such as depreciation. Total cash cost per pound sold is calculated by dividing the aggregate of the applicable costs by copper pounds sold. Site cash costs of production include all costs absorbed into inventory less non-cash items such as depreciation and non-site charges such as trucking charges capitalized to concentrate inventory. Site cash costs per pound produced are calculated by dividing the aggregate of the applicable costs by copper pounds produced. These measures are calculated on a consistent basis for the periods presented.

Total Cash Cost of Sales Per Pound of Copper Sold	**Three months ended September 30,**		**Nine months ended September 30,**	
	2018	**2017**	**2018**	**2017**
Cost of Sales	**70,294**	**57,601**	**205,460**	**179,311**
Add: Treatment & refining charges	5,335	5,649	18,027	17,517
Less: non-cash items:				
Depreciation	(13,389)	(12,610)	(40,853)	(36,538)
Cash costs of sales	**62,240**	**50,640**	**182,634**	**160,290**
Average foreign exchange rate (CDN$ to US$)	0.7652	0.7984	0.7745	0.7657
Cash costs of sales (US$)	**47,626**	**40,431**	**141,456**	**122,735**
Less: Precious metal credits (US$):	(8,047)	(9,260)	(25,374)	(25,585)
Net cash costs of sales (US$)	**39,579**	**31,171**	**116,082**	**97,150**
Total pounds of contained copper sold (000's)	**17,600**	**19,300**	**59,200**	**55,900**
Total ounces of gold sold	6,300	6,500	19,100	18,800
Total ounces of silver sold	62,500	72,700	213,100	199,400
Cash Cost per pound of copper sold net of precious metal credits (US$)	**2.25**	**1.62**	**1.96**	**1.74**

Site Cash Cost Per Pound of Copper Produced	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Cash Cost of Sales	62,240	50,640	182,634	160,290
Net change in concentrate inventory	879	3,663	(1,782)	292
	63,119	**54,303**	**180,852**	**160,582**
Less: Off-site related costs				
Treatment & refining charges	(5,335)	(5,649)	(18,027)	(17,517)
Transportation costs	(3,365)	(3,692)	(10,323)	(9,866)
Trucking charges	(1,370)	(1,518)	(4,493)	(4,000)
Total Site Cash Costs of Production	**53,049**	**43,444**	**148,009**	**129,199**
Average foreign exchange rate (CDN$ to US$)	0.7652	0.7984	0.7745	0.7657
Total Site Cash Costs of Production (US$)	**40,593**	**34,686**	**114,638**	**98,928**
Less precious metal credits (US$)	(8,047)	(9,260)	(25,374)	(25,585)
	32,546	**25,426**	**89,264**	**73,343**
Total pounds of copper produced	**18,300**	**20,900**	**58,200**	**56,200**
Total ounces of gold produced	7,500	6,700	20,100	18,500
Total ounces of silver produced	64,900	79,300	211,200	206,800
Site cash costs per pound net precious metal credits (US$)	**1.78**	**1.25**	**1.53**	**1.31**

Cash Margin

Cash margin represents the average realized copper price per pound sold less total cash cost per pound sold.

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Average realized copper price for the period (US$ per pound)	$2.77	$2.91	$3.03	$2.72
Less:				
Total cash cost of sales net of precious metal credits (US$ per pound sold)	$2.25	$1.62	$1.96	$1.74
Cash margin (US$ per pound)	**$0.52**	**$1.30**	**$1.19**	**$0.98**

Adjusted Earnings (Loss)

Adjusted earnings (loss) removes the effects of the following transactions from operating income as reported under IFRS:

- Unrealized gains/losses on derivative instruments;
- Changes in fair value of financial instruments;
- Foreign currency translation gains/losses and
- Non-recurring transactions

Management believes that these transactions do not reflect the underlying operational performance of the Company's mining operations and are also not indicative of future operating results.

EBITDA and Adjusted EBITDA

EBITDA represents earnings before interest, income taxes and depreciation. Adjusted EBITDA includes further adjustments for non-recurring items and items not indicative to the future operating performance of the Company. The Company believes EBITDA and adjusted EBITDA are appropriate supplemental measure of debt service capacity and performance of its operations.

Adjusted EBITDA is calculated by removing the following income statement items:

- Unrealized loss/gain on interest rate swaps;
- Foreign exchange loss/gain;
- Pricing adjustments on concentrate and metal sales

EBITDA and Adjusted EBITDA	**Three months ended September 30,**		**Nine months ended September 30,**	
	2018	**2017**	**2018**	**2017**
Net income (loss)	(5,066)	26,573	(7,894)	43,801
Add (Deduct):				
Finance income	(134)	(4)	(476)	(360)
Finance expense	3,602	2,968	10,963	9,702
Depreciation	13,389	12,610	40,853	36,538
Current resource tax (recovery) expense	(59)	787	608	1,258
Deferred income and resource tax recovery	(4,850)	-	(3,135)	-
EBITDA	**6,882**	**42,934**	**40,919**	**90,939**
Add (Deduct):				
Pricing adjustments on concentrate and metal sales	2,370	(3,092)	5,257	(6,287)
Unrealized (gain) loss on interest rate swaps	(195)	(77)	(1,197)	697
Unrealized foreign exchange (gain) loss	(5,419)	(12,353)	9,042	(22,820)
Adjusted EBITDA	**3,638**	**27,412**	**54,021**	**62,530**

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.

The following details the share capital structure as at the date of this MD&A.

	Expiry Date	Exercise Price	Number	Number
Common shares				188,170,359
Share purchase options				
	Feb. 20, 2019	1.92	2,850,000	
	Sep. 18, 2020	0.59	520,000	
	Jan. 26, 2021	0.39	1,826,802	
	June 30, 2021	0.50	66,667	
	Jan. 13, 2022	1.18	1,600,000	
	Apr. 24, 2022	0.93	35,000	
	Apr. 6, 2022	1.05	120,000	
	Feb. 22, 2023	1.28	1,940,000	
	April 26, 2023	1.37	100,000	
	June 1, 2023	1.07	1,000,000	
	June 7, 2023	1.26	100,000	
	June 20, 2023	1.26	100,000	
	August 13, 2023	1.14	750,000	
			10,888,469	
Warrants	August 2, 2019	0.75	**4,906,750**	
Fully diluted shares outstanding				**203,965,578**

Internal Controls Over Financial Reporting and Disclosure Controls and Procedures

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls and procedures. Our internal control system over financial reporting is designed to provide reasonable assurance to management and the Board of Directors regarding the preparation and fair presentation of published financial statements. Internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Our internal control system over disclosure controls and procedures is designed to provide reasonable assurance that material information relating to the Company is made known to management and disclosed to others and information required to be disclosed by the Company in our annual filings, interim filings or other reports filed or submitted by us under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial reporting and disclosure. There have been no changes in our internal control over financial reporting and disclosure controls and procedures during the period ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting and disclosure.

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 mine. These risks and uncertainties are managed by experienced managers, advisors and consultants, by maintaining adequate liquidity, and by cost control initiatives.