



COPPER MOUNTAIN
MINING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2008, AND 2007
(UNAUDITED)**

**Suite 550 – 800 Pender Street
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COPPER MOUNTAIN MINING CORPORATION
CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 2008	(Audited) December 31, 2007
CURRENT ASSETS		
Cash	\$ 4,936,401	\$ 6,132,345
Accounts Receivable	317,293	305,053
Prepaid Expenses	59,361	200,875
Due from related party (Note 6)	627,538	600,000
	5,940,593	7,238,273
Reclamation Bonding	2,046,500	2,046,500
Fixed Assets (Note 3)	1,058,733	1,190,345
Resource Property (Note 4)	28,710,840	8,468,953
TOTAL ASSETS	\$ 37,756,666	\$ 18,944,071
 LIABILITIES:		
Accounts Payable	1,300,569	369,307
Current portion of capital leases	273,550	353,764
	1,574,119	723,071
Long-term debt	31,892	101,315
Accrued site reclamation cost	2,189,000	2,189,000
Shareholder's Equity:		
Share Capital (Note 5)	31,747,952	15,492,498
Contributed surplus	1,726,269	1,512,340
Retained earnings (deficit)	487,434	(1,074,153)
	33,961,656	15,930,685
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	37,756,666	18,944,071

Approved by:

"James O'Rourke" Director
James O'Rourke

"John Tapics" Director
John Tapics Director

The accompanying notes are an integral part of this financial statement

COPPER MOUNTAIN MINING CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

	(Unaudited) Three-months ended September 30, 2008	(Unaudited) Three-months ended September 30, 2007	(Unaudited) Nine-months ended September 30, 2008	(Unaudited) Nine-months ended September 30, 2007
EXPENSES				
Amortization	\$ 3,394	\$3,017	\$ 10,067	\$ 14,155
Advertising & Promotion	26,769	16,284	58,103	30,310
Bank Charges & Interest	6,928	3,294	21,492	6,981
Consulting Fees	49,120	45,635	194,321	90,953
Meals and Entertainment	3,690	4,612	13,660	8,567
General and Administration	33,057	29,829	186,112	135,144
Professional Fees	48,877	22,703	125,178	65,022
Shareholder Communications	15,734	59,534	68,962	56,022
Stock-based Compensation	168,242	33,525	218,764	936,318
Transfer Agent	3,607	6,339	10,892	6,339
Travel Expenses	26,274	8,499	60,873	32,454
Wages and Salaries	45,106	46,340	161,957	84,076
Loss before other items	(377,260)	(279,611)	(1,130,381)	(1,466,341)
OTHER ITEMS:				
Future income tax recovery	-	-	2,461,758	1,624,112
Interest and other income	48,125	44,741	230,210	116,541
Total other items	48,125	44,741	2,691,968	1,740,653
INCOME (LOSS) FOR THE PERIOD	(329,135)	(234,870)	1,561,587	271,312
RETAINED EARNINGS (DEFICIT), BEGINNING OF THE PERIOD	816,569	272,589	(1,074,153)	(236,593)
RETAINED EARNINGS, END OF THE PERIOD	487,434	37,719	\$ 487,434	\$ 37,719
INCOME (LOSS) PER SHARE, BASIC	\$(0.01)	\$(0.01)	\$0.07	\$0.02
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC	31,595,669	19,587,710	21,151,405	16,412,128

The accompanying notes are an integral part of this financial statement

COPPER MOUNTAIN MINING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	(Unaudited) Three-months ended September 30, 2008	(Unaudited) Three-months ended September 30, 2007	(Unaudited) Nine-months ended September 30, 2008	(Unaudited) Nine-months ended September 30, 2007
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net Income (loss) for the period	\$ (329,135)	\$ (234,870)	\$ 1,561,587	\$ 274,312
Net changes in working capital items:				
Accounts receivable	38,556	85,421	(12,240)	2,342
Prepaid expenses	40,639	(100,000)	141,514	(150,875)
Accounts payable	(2,073,005)	(47,529)	(147,121)	312,261
Due from related party	(10,418)	-	(27,538)	-
Current portion of capital leases	(24,411)	-	(80,213)	-
Non-cash expenses:				
Amortization	3,394	3,017	10,067	14,155
Future income tax recovery	-	-	(2,461,758)	(1,624,112)
Stock-based compensation	168,242	33,525	218,764	936,318
	(2,186,138)	(260,436)	(796,938)	(235,599)
INVESTING ACTIVITIES				
Purchase of reclamation bonding	-	-	-	(7,500)
Purchase of property, plant and equipment	(62,029)	(1,147,066)	(201,148)	(1,238,812)
Mineral property costs	(10,730,325)	(1,111,860)	(18,840,812)	(4,379,369)
	(10,792,354)	(2,258,926)	(19,041,960)	(5,625,681)
FINANCING ACTIVITY				
Issue of share capital, net of issue costs	(137,385)	14,310	18,712,377	6,737,972
Long-Term Debt	(23,448)	328,007	(69,423)	328,007
	(160,833)	342,317	18,642,954	7,065,979
CHANGE IN CASH	(13,139,325)	(2,177,045)	(1,195,944)	1,204,699
CASH – BEGINNING OF PERIOD	18,075,726	6,951,072	6,132,345	3,569,328
CASH - END OF PERIOD	\$ 4,936,401	\$ 4,774,027	\$ 4,936,401	\$ 4,774,027

Supplementary cash flow information

During the nine months ended September 30, 2008, the Company deferred \$261,793 of amortization costs on vehicles and mining equipment. Also during the nine months ended September 30, 2008 the Company paid \$15,497 in interest costs on leased mining equipment and vehicles. As at September 30, 2008, there was \$1,078,382 in accounts payable that related to mineral properties.

During the nine months ended September 30, 2007 the Company deferred \$60,841 of amortization costs on vehicles and mining equipment

The accompanying notes are an integral part of this financial statement

COPPER MOUNTAIN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (UNAUDITED)

1. NATURE AND CONTINUANCE OF OPERATIONS

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*.

These consolidated financial statements include all of the accounts of the Company and its wholly-owned legal subsidiary Similco. All significant intercompany balances and transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared on a going concern basis, which assumes the ongoing capacity of the Company to realize on its assets and discharge of liabilities in the normal course of business. The Company's status as a going concern is dependent on its ability to generate future profitable operations and to receive continued financial support from its lenders and shareholders. Management is of the opinion that sufficient working capital will be obtained from operations and external financing to meet the Company's liabilities as they come due. Should this going-concern assumption not be appropriate, and values and classifications of assets and liabilities would change and those changes could be material. It is not possible to predict the outcome of those matters at this time.

2. SIGNIFICANT ACCOUNTING POLICIES

Consolidation

These consolidated financial statements include the accounts of the company and its wholly owned subsidiary, Similco Mines Ltd. All significant intercompany transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from those estimates.

Earnings per Share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year.

Mineral Properties

The Company records its interests in mineral properties and all direct expenditures incurred on them at cost. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production or charged to operations in the year of abandonment or sale. Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of the property sold.

COPPER MOUNTAIN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Mineral Properties *(continued)*

The recorded cost of mineral exploration interests is based on cash paid, the value of any common share consideration issued and exploration costs incurred. The recorded amount may not reflect recoverable value as this will be dependent on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Property, Plant and Equipment

Equipment and building are recorded at a cost and amortized over their estimated useful economic lives on the straight-line basis. The estimated economic lives are 5 years for automobiles, equipment and furniture and 25 years for buildings.

Financial Instruments

The Company's financial instruments consist of current assets and liabilities, the fair values of which approximate their carrying values due to the short-term nature of the items. The Company's reclamation bond is a term deposit lodged with a bank to secure the Company's accrued site reclamation costs.

Flow-through shares

The Company may issue securities referred to as flow-through shares, whereby the investor may claim the tax deductions arising from the expenditure of the proceeds. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate), and share capital is reduced. Previously unrecognized tax assets may then offset or eliminate the liability recorded.

Income taxes

The Company accounts for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net assets are recognized. Such an allowance has been applied to all potential income tax assets of the Company.

Share Capital

Common shares issued for non-monetary consideration are recorded at their fair market value on the date of the agreement to issue the shares.

Stock-based Compensation

The Company measures and records compensation expense in connection with stock options granted using the fair value method, and records the expense when the options vest with the recipients. Any consideration paid on the exercise of stock options is credited to share capital.

Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized on an undiscounted cash flow basis when a reasonable estimate of the fair value of the obligation can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the long-lived asset. Subsequently, the asset retirement cost is allocated to expense using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and from revisions to expected payment dates of the obligation amount.

COPPER MOUNTAIN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Capital Risk Disclosure

The Company's objective in managing its capital, which is comprised of cash and instruments which are capable of being converted to cash, is to safeguard all cash resources by investing in government or bank instruments which can be liquidated promptly and which yield acceptable rate of return, and to issue from its treasury, shares, warrants and options which can be converted to cash. Treasury issuances of shares and warrants are part of the Company's capital raising process and are issued when cash is required, ideally under favourable market conditions, and with regard to dilution of the Company's capital structure. The exercise of warrants and options are not under the control of the Company's management. All capital transactions are subject to approval of the Company's directors. The Company is not subject to any regulatory capital requirements.

Financial Risk

The Company's financial instruments are comprised of cash, amounts receivable and payables. The Company does not have any currency risk as all of its operations are in Canada, credit risk is minimized by keeping all cash in Canadian Banks, and liquidity risk is minimized by maintaining all instruments in short term paper.

Accounting Policies Not Yet Adopted

The following pronouncements recently issued by the Canadian Institute of Chartered Accountants ("CICA") will likely impact the Company's future accounting policies:

(i) *Goodwill and intangible assets:*

In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Asset effective for interim and annual periods on or after October 1, 2008. Section 3064, which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research & Development Costs, establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets, including internally generated intangible assets, are equivalent to the corresponding provisions of IFRS IAS 38, Intangible Assets. This new standard is effective for the Company's interim and annual financial statements commencing on October 1, 2008. The Company is assessing the impact of the new standard on its financial statements.

(ii) *International Financial Reporting Standards ("IFRS")*

In February 2008 the Canadian Accounting Standards Board announced 2011 as the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2008			December 31, 2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Automobiles	\$ 118,801	\$ (17,696)	\$ 101,105	\$ 58,934	\$ (5,862)	\$ 53,072
Buildings & Equipment	107,867	(26,870)	80,997	104,115	(16,804)	87,331
Computer equipment	96,197	(35,537)	60,660	94,874	(21,173)	73,701
Mining equipment	1,070,007	(267,382)	802,625	1,067,155	(107,035)	960,120
Other equipment	18,632	(5,286)	13,346	18,632	(2,491)	16,141
	<u>\$1,411,504</u>	<u>\$ (352,771)</u>	<u>\$ 1,058,733</u>	<u>\$ 1,343,710</u>	<u>\$ (153,365)</u>	<u>\$ 1,190,345</u>

COPPER MOUNTAIN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (UNAUDITED)

4. RESOURCE PROPERTY

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

	September 30, 2008	December 31, 2007
Property acquisition costs	\$ 1,111,526	\$ 1,111,526
Property holding costs	897,516	584,703
Exploration expenditures:		
Amortization	261,793	134,420
Assays	536,823	274,451
Claim fees	8,493	8,276
Consulting	107,493	87,298
Core cutting	247,588	137,841
Data recovery	7,008	7,008
Drilling	12,486,603	4,650,864
Equipment rental	54,594	38,925
Feasibility study	2,690,973	151,629
Geological consulting	766,118	399,455
House rental	20,075	9,650
Liability insurance	17,395	17,395
Mapping	12,344	10,844
Miscellaneous	99,812	70,544
Permits	15,576	-
Salaries & wages	478,770	270,212
Scoping study	121,423	121,423
Surveying	346,576	315,893
Travel	134,829	62,747
Utilities	10,588	3,849
Total Exploration Costs	18,424,874	\$ 6,772,724
Copper Mountain Project Development Costs	8,276,924	-
Total Resource Property	<u>28,710,840</u>	<u>\$8,468,953</u>

b) During the period, the Company announced that Mitsubishi Materials Corporation will join the Company in developing the Copper Mountain Project ("Project") located near Princeton, BC. Effective September 30, 2008, the Company and MMC have signed a Memorandum of Understanding ("MOU"). Under the terms of the MOU, subject to several conditions, including approval of the board of directors of MMC, MMC has agreed to: purchase a 25 percent equity interest in the Project for \$28.75 million, arrange a \$250 million project loan, and contract to purchase all the copper concentrate (approximately 150,000 dry metric tonnes per annum for the first 10 years) from the mine.

COPPER MOUNTAIN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (UNAUDITED)

4. RESOURCE PROPERTY (continued)

Also during the year, the Company entered into a letter of intent to purchase lands known as the Smelter Tailings area which is located within the Company's Copper Mountain Property, inclusive of a reclamation bond in the amount of \$1,350,000 for \$5,200,000. The \$5,200,000 is due as follows: \$200,000 upon execution of a purchase agreement; \$3,000,000 on closing and granting a mortgage securing a \$2,000,000 payment due one year from the date of closing. The vendor can continue to operate a biosolids waste management business on the lands until the Company requires the lands, and if the Company has not: (1) made a production decision by December 31, 2011; (2) made the \$2,000,000 payment on or before June 30, 2009 or (3) incurred not less than \$20 million of expenditures (excluding expenditures on mobile equipment) in the development of the Project site on or before December 31, 2014 the vendor can repurchase the lands from the Company for \$1.

5. CAPITAL STOCK

(a) Authorized
 Unlimited Common shares without par value

(b) Issued:

	Common Shares	Amount	Contributed Surplus
Issued at December 31, 2006	14,338,500	\$ 4,807,622	170,625
Shares issued for cash:			
Private placements	7,181,000	\$12,717,500	-
Options exercised	6,250	6,250	-
Warrants exercised	143,000	192,625	-
Share issue costs	-	(1,261,583)	-
Non-cash items:			
Shares issued for finder's fee	84,160	154,960	-
Stock-based compensation	-	-	1,154,286
Options exercised	-	2,427	(2,427)
Broker warrants granted	-	(208,967)	208,967
Broker warrants exercised	-	19,111	(19,111)
Flow-through renounced	-	(937,447)	-
Issued at December 31, 2007	21,752,910	\$15,492,498	1,512,340
Shares issued for cash:			
Public equity placement	9,523,808	19,999,997	-
Options exercised	12,450	\$12,450	-
Warrants exercised	335,834	493,437	-
Share issue costs	-	(1,921,997)	-
Non-cash items:			
Options exercised	-	4,835	(4,835)
Stock-based compensation	-	-	218,764
Flow-through renounced	-	(2,461,758)	-
Broker warrants granted	-	157,310	-
Broker warrants exercised	-	(28,820)	-
Issued at September 30, 2008	31,625,002	31,747,952	1,762,269

COPPER MOUNTAIN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (UNAUDITED)

5. CAPITAL STOCK (Continued)

(c) Stock Options

The Company has a stock option plan whereby it can issue up to 4,000,000 options exercisable for a period of up to five years from the grant date. The Company has issued 3,801,300 options exercisable at prices ranging from \$1.00 to \$2.30 per share for a period of three to five years commencing on June 29, 2007.

The fair value of options granted are estimated on the date of grant using the Black-Scholes Option Pricing Model using the following assumptions: a risk free interest rate of 4.50%, an expected life of 5 years; an expected volatility of 30% to 40%, and no expectation for the payments of dividends.

	September 30, 2008		December 31, 2007	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Stock options outstanding				
Beginning of period	2,623,750	\$ 1.17	-	\$ -
Granted during period	1,190,000	1.29	2,630,000	1.17
Exercised during period	(12,450)	1.00	(6,250)	1.00
End of period	<u>3,801,300</u>	<u>\$ 0.94</u>	<u>2,623,750</u>	<u>\$ 1.17</u>

(d) Warrants

As at September 30, 2008, 7,218,404 warrants are outstanding entitling the holders to acquire shares of the Company as follows:

Date of Warrant Grant	Number of warrants	Exercise Price	Expiry Date
December 22, 2006	639,000	\$1.10	December 22, 2008
February 14, 2007	250,000	\$1.10	February 14, 2009
June 30, 2007	1,567,500	\$2.00	December 28, 2008
June 30, 2008	4,761,904	\$2.50	June 30, 2009
Total	<u>7,218,404</u>		

Warrants outstanding	September 30, 2008		December 31, 2007	
	Number of warrants	Weighted average exercise price Cdn.	Number of warrants	Weighted average exercise price Cdn.
Beginning of period	2,714,500	\$ 1.66	795,500	\$ 1.10
Granted during the period	4,761,904	2.50	1,975,000	1.89
Exercised in the period	(258,000)	1.52	(56,000)	1.72
End of period	<u>7,218,404</u>	<u>\$ 2.22</u>	<u>2,714,500</u>	<u>\$ 1.66</u>

COPPER MOUNTAIN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (UNAUDITED)

5. CAPITAL STOCK (Continued)

(e) Broker Warrants

As at September 30, 2008, 1,188,676 broker warrants are outstanding entitling the holders to acquire shares of the Company as follows:

Date of Broker Warrant Grant	Number of warrants	Exercise Price	Expiry Date
December 19, 2006	187,750	\$1.10	December 22, 2008
January 2, 2007	104,048	\$1.10	January 2, 2009
June 30, 2007	325,450	\$2.00	December 28, 2008
June 30, 2008	571,428	\$2.50	June 30, 2009
Total	1,188,676		

Broker Warrants outstanding	September 30, 2008		December 31, 2007	
	Number of warrants	Weighted average exercise price Cdn.	Number of warrants	Weighted average exercise price Cdn.
Beginning of period	655,582	\$ 1.57	379,102	\$ 1.10
Granted during the period	571,428	2.50	363,480	1.95
Exercised in the period	(38,334)	1.54	(87,000)	1.11
End of period	1,188,676	\$ 2.05	655,582	\$ 1.57

6. 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. The balances payable are non-interest bearing and have no fixed terms for repayment.

- During the period ended September 30, 2008, the Company advanced \$600,000 to Compliance Energy Corporation ("Compliance") as a demand loan secured by the equivalent value of common shares of the Company owned by Compliance, with the loan bearing an interest rate of prime plus 1%. This is in addition to the \$600,000 advanced to Compliance in 2007. On March 13, 2008 Compliance repaid \$600,000 of the demand loan. Compliance is a public company, listed on the TSX Venture Exchange and related by certain common directors and officers. As at September 30, 2008 a total of \$627,538 is due from Compliance.
- During the period, the Company paid three of its officers consulting, management and geological fees aggregating \$281,947.(2007-\$196,460)

COPPER MOUNTAIN MINING CORPORATION
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7. COMMITMENTS

Procurement and down-payment on long lead time items has commenced for the development of the Copper Mountain Project. As at September 30, 2008, the Company has committed to the purchase of \$110 million in critical equipment needed to maintain the production start-up date of December 2010. Major items ordered include critical loading and hauling mobile equipment and the Sag Mill and Ball Mill needed to establish design and layout for crushing and grinding in the mill process. To date the Company has spent a total of \$4.1 million in progress payments. Approximately 20% of these commitments fall due within 12 months subsequent to the quarter end. However, of this approximately \$70 million of these orders are cancellable with no termination fee and are subject to financing being obtained, and approximately \$40 million of these orders have a termination provision that equates to the vendor's actual out of pocket costs incurred plus a reasonable allowance for overhead calculated at 10% of such out of pocket costs.

8. SUBSEQUENT EVENT

Subsequent to the end of the quarter, the Company announced that effective September 30, 2008, the Company and Mitsubishi Materials Corporation ("MMC") have signed a Memorandum of Understanding ("MOU") whereby MMC has agreed to: purchase a 25 percent equity interest in the Project for \$28.75 million, arrange a \$250 million project loan, and contract to purchase all the copper concentrate (approximately 150,000 dry metric tonnes per annum for the first 10 years) from the mine. The MOU is subject to several conditions, including approval of the board of directors of MMC.

COPPER MOUNTAIN MINING CORPORATION
(“Copper Mountain” or the “Company”)

**MANAGEMENT'S DISCUSSION & ANALYSIS (“MD&A”) OF FINANCIAL
CONDITION & THE RESULTS OF OPERATIONS FOR THE THREE AND NINE
MONTHS ENDED SEPTEMBER 30, 2008**

November 14, 2008

Introduction

Management’s discussion and analysis (“MD&A”) focuses on significant factors that affected Copper Mountain Mining Corporation’s performance and such 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 for the six months ended September 30, 2008 and the Company’s 2007 audited consolidated financial statements and the related notes contained therein. 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 audited consolidated financial statements for the year ended December 31, 2007. The Company’s financial statements and the management’s discussion and analysis are intended to provide a reasonable base for the investor to evaluate the Company’s exploration results and financial situation. Additional information on the Company is available and can be found at www.sedar.com or www.CuMtn.com . Copper Mountain Mining Corporation’s shares currently trade on the TSX Exchange under the symbol CUM.

Overview – September 30, 2008

In order to better understand Copper Mountain Mining Corporation’s financial results for the nine months ended September 30, 2008, it is important to read the financial statements and gain an understanding of the stage of development of the Company’s only asset, the Copper Mountain Project.

During the third quarter, Copper Mountain continued to focus on advancing its’ 100% owned Copper Mountain Project located 15 km south of the town of Princeton in southern British Columbia, Canada. During the quarter Copper Mountain recorded net income of \$1,561,587 or \$0.07 per share for the nine months ended September 30, 2008.

During the quarter the Hatch Ltd. completed an independent feasibility study for the Company that confirmed the viability of restarting this past open pit copper and precious metal producer. Development of the Project is based on the construction of a new 35,000 tonne per day concentrator to produce approximately 100 million pounds of copper per year in a copper concentrate with gold and silver credits by the end of 2010. The mine resource includes; a Measured and Indicated Mineral Resource of 186 million tons averaging 0.411% Cu containing 1.5 billion lbs copper and an Inferred Resource of 92 million tons averaging 0.344% Cu containing 0.6 billion lbs copper (see press release July 28, 2008). A copy of the Independent 43-101 Technical Report pertaining to the interim resource estimate and a video presentation on the Copper Mountain Project may be found on the company’s website.

Subsequent to the end of the quarter, the Company announced that effective September 30, 2008, Copper Mountain and Mitsubishi Materials Corporation (“MMC”) signed a Memorandum of Understanding (“MOU”) whereby MMC has agreed to: purchase a 25 percent equity interest in the Project for \$28.75 million, arrange a \$250 million project loan, and contract to purchase all the copper concentrate (approximately 150,000 dry metric tonnes per annum for the first 10 years) from the mine. The MOU is subject to several conditions, including approval of the board of directors of MMC.

During the period, the Company continued to conduct an extensive exploration drill program on the property where results continue to add to, and upgrade resources. Successful drill results during the year encouraged the Company to expand the 2008 drill program to 60,000 meters (197,000 feet), making it one of the largest drill exploration programs in BC for the year. A summary of the intersections from drill-holes announced have been posted on the Company’s web site.

Basis of Presentation

The accompanying financial statements of Copper Mountain Mining Corporation have been prepared by management in accordance with GAAP.

Forward Looking Statements

The MD&A contains forward-looking information which involves risk and uncertainties including but not limited to changes in exchange rates, commodity prices, interest rates and operating uncertainties encountered in the mining business. Forward looking information typically contain statements with the words such as “expect”, “believe”, “plan”, “forecast”, “intend”, “targets”, “budgets” or similar words suggesting future outcomes. Because of these risks and uncertainties, the actual results could be materially different than those currently anticipated by the Company.

Critical Accounting Policies

A summary of significant accounting policies is presented in Note 2 to the consolidated financial statements for the year ended December 31, 2007 and for the nine months ended September 30, 2008.

Critical Accounting Estimates

Preparing financial statements in accordance with GAAP requires management to make certain judgments and estimates. Changes to these judgments and estimates could have a material effect on the Issuer’s financial statements and financial position.

The carrying value of expenditures incurred in a development stage company like Copper Mountain is subject to an impairment evaluation. All of the expenditures incurred to date on the Copper Mountain Project have been capitalized. It is management’s opinion that the estimated cash flows expected to result from the future use of the property and its eventual disposition will exceed its carrying amount.

Results of Operations

Three Months Ended September 30, 2008

The Company recorded a loss of \$390,666 or \$0.01 per share for the three months ended September 30, 2008 as compared to a loss of \$234,870 or \$0.01 per share for the three months ended September 30, 2007. As the Company is currently in the development stage of the Copper Mountain Project, it has no significant cash revenues at this time and all direct costs associated with the Copper Mountain Project have been deferred. Interest income for the three months ended September 30, 2008 was \$48,125 as compared to \$44,741 for the three months ended September 30, 2007. Expenses on the income statement for the three months ended September 30, 2008 totalled \$438,791 and are administrative in nature, compared with total expenses of \$279,611 for the three months ended September 30, 2007. During the quarter the company incurred Advertising and promotion expenses of \$26,769 as compared to \$16,284 for the three months ended September 30, 2007. The Company incurred consulting fees and general and administration fees of \$49,120 and \$33,057 respectively for the three months ended September 30, 2008 as compared to \$45,635 and \$29,829 respectively for the three months ended September 30, 2007. The Company incurred \$48,877 in professional fees during the quarter ended September 30, 2008 as compared to \$22,703 for the three months ended September 30, 2007. The increase in professional fees is a result of increased legal fees associated with graduating to the TSX exchange and legal work associated with the acquisition of the tailings area of the project. Shareholder communications totalled \$15,734 during the quarter as compared to \$59,534 for the comparative three months ended September 30, 2008. During the period the Company issued 940,000 stock options to directors, officers, and employee of the Company. These options have been valued using the Black-Scholes Option Pricing Model. This together with the vesting of previously granted options resulted in a charge of \$168,242 to stock compensation expense as required under the fair value method of accounting for stock options. This compares to \$33,525 for the three month period ended September 30, 2008. Any consideration paid by directors and employees on the exercise of stock options is credited to share capital.

Nine Months Ended September 30, 2008

The Company recorded net income of \$1,561,587 or \$0.07 per share for the nine months ended September 30, 2008 as compared to net income of \$271,312 or \$0.02 per share for the nine months ended September 30, 2007. The increase in net income for the period is mainly attributable to the Company renouncing \$7,215,000 in exploration expenditures during the period, which under GAAP is taken into income and resulted in a recovery of future income taxes of \$2,461,758. In addition, the Company had interest and other income of \$230,210 during the nine months ended September 30, 2008, as compared to \$116,541 for the period ended September 30, 2007. This increase in interest and other income is a result of having a larger cash balance on hand during the period ended September 30, 2008 as compared to September 30, 2007.

Expenses on the income statement for the nine months ended September 30, 2008 totalled \$1,130,381 compared with total expenses of \$1,466,341 for the nine months ended September 30, 2007. During the period advertising, shareholder communications, and travel totalled \$58,103, \$68,962, and \$60,873 respectively for the nine months ended September 30, 2008 as compared to \$14,155, \$56,022 and \$32,454 for the period ended September 30, 2007. This increase in advertising and promotion is a direct result of the Company's efforts spent in increasing the Company's profile in the investment community since becoming a public company in June 2007. The Company incurred consulting fees and general and administration fees of \$194,321 and \$186,112 respectively for the nine months ended September 30, 2008 as

compared to \$90,953 and \$135,144 respectively for the nine months ended September 30, 2007. Consulting fees and general and administrative increases is a result of the increased support activity of the Company as the Company continues to advance the Copper Mountain project. The Company incurred \$125,178 in professional fees during the quarter ended September 30, 2008 as compared to \$65,022 for the nine months ended September 30, 2007. This increase in professional fees is a result of increased audit and legal fees as the Company further develops the Copper Mountain Project. Other expenses recorded for the nine months ended September 30, 2008, included wages and salaries of \$161,957, bank charges of \$21,492, meals and entertainment costs of \$13,660 as compared to wages and salaries of \$84,076, bank charges of \$6,981 and meals and entertainment of \$8,567 for the nine months ended September 30, 2007. The increase in wages during the period is a result of the Company hiring additional personnel mid year 2007. The increase in bank charges during the period ended September 30, 2008, is due to financing charges related to leased mining equipment and vehicles. Stock based compensation expense totalled \$218,764 for the nine months ended September 30, 2008 as compared to \$936,318 for the nine month period ended September 30, 2007. These options have been valued using the Black-Scholes Option Pricing Model. The decrease in stock-based compensation is a result of less options being granted during the nine month period ended September 30, 2008 as compared to the nine months ended September 30, 2007.

During the period, \$20,241,887 in expenditures was spent on the property and was deferred. The major components of the property expenditures are split up into three major categories: Property Holding costs, Exploration costs, and Project Development Costs. \$11,652,150 in exploration costs were mainly made up of drilling costs of \$7,835,739, feasibility study costs of \$2,539,344, geological consulting costs of \$366,663, assaying costs of \$262,372, and core cutting costs of \$109,747. In addition the Company incurred property holding costs of \$312,813. Project Development Costs, which relate to the construction of buildings and mining facilities, totalled \$10,276,924.

Project Status

The Company has placed orders and made progress payments for key major equipment and re-established water, sewer and power to the administration /mine dry building that will be used during project construction and operation. Major items ordered include critical loading and hauling mobile equipment and the Sag Mill and Ball Mill needed to establish design and layout for grinding in the mill building to maintain the production start-up date of December 2010. Subsequent to the end of the quarter the Company engaged Hatch Ltd. as project Engineers and engaged Merit Consultants International Inc. as construction manager. In addition, the Company announced that effective September 30, 2008, the Company and Mitsubishi Materials Corporation (“MMC”) have signed a Memorandum of Understanding (“MOU”) whereby MMC, subject to several conditions, including approval of the board of directors of MMC, has agreed to: purchase a 25 percent equity interest in the Project for \$28.75 million, arrange a \$250 million project loan, and contract to purchase all the copper concentrate from the mine. Documentation on this transaction is expected to be completed by the end of the year.

Exploration – 2008 Drill Program

The Company is very encouraged by the results to date in the 2008 exploration drilling program, where results continue to add to, and upgrade resources. Successful drill results have encouraged the Company to expand the 2008 drill program to 60,000 meters (197,000 feet). The objectives

of the drilling program have been to increase the size and grade of the overall resource; particularly in areas adjacent to and below the designed Super-pit area, and to discover new zones of mineralization. The discovery of new areas of mineralization has been greatly aided by the Titan 24 Geophysical Survey which outlined substantial areas of high-chargeability both near surface and at depth late last year. Results of the drill program will be incorporated into a new resource estimate planned for completion by year end. Complete drill results can be found on the company's website.

Liquidity and Capital Resources

As of September 30, 2008 the Company had working capital of \$2,366,474 (comprised of \$4,936,401 of cash, \$1,004,192 million of receivables, and prepaid expenses offset by \$3,574,119 of current liabilities) as compared to working capital of \$6,515,202 at December 31, 2007 (comprised of \$6,132,345 of cash, \$1,105,928 of receivables, prepaid expenses and offset by \$723,071 of liabilities). The increase in working capital is a result of the Company completing a \$20 million equity financing on June 29, 2008. As the Company continues to advance the Copper Mountain Project it will continue to rely on the equity and debt markets to fund future expenditures. The Company believes that it will continue to be able to access the capital markets over the next year to meet the capital requirements of the Copper Mountain Project.

Other than those obligations disclosed in the notes to its unaudited financial statements for the period ended September 30, 2008 and its audited annual financial statements for the year ended December 31, 2007, the Company has no other long term debt, capital lease obligations, operating leases or any other long term obligations.

Capital Resources

Other than those obligations disclosed in the notes to its unaudited financial statements for the period ended September 30, 2008 and its audited annual financial statements for the year ended December 31, 2007, the Company has no material commitments for material capital expenditures.

Off-Balance Sheet Arrangements

None

Transactions with Related Parties

During the period, except as disclosed elsewhere in this MD&A, 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, the Company paid consulting, management, and geological fees of \$281,947 to three different companies controlled by three officers of the Company (2007 - \$196,460). During the period ended September 30, 2008, the Company advanced \$600,000 to Compliance Energy Corporation ("Compliance") as a demand loan secured by the equivalent value of common shares of the Company owned by Compliance, with the loan bearing an interest rate of prime plus 1%. Compliance is a public company, listed on the TSX Venture Exchange and related by certain common directors and officers.

Selected Quarterly Financial Information

The following table is selected quarterly financial information derived from the Company's financial statements.

Quarter	Revenue	Net Income (Loss)	Basic Income (Loss) per Share	Fully Diluted Income (Loss) Per Share
September 30, 2008	-	(\$329,135)	(0.01)	(\$0.01)
June 30, 2008	-	(\$354,727)	(\$0.01)	(\$0.01)
March 31, 2008	-	\$2,245,449	\$0.10	\$0.08
December 31, 2007	-	(\$829,646)	(\$0.05)	(\$0.05)
September 30, 2007	-	(\$234,870)	(\$0.01)	(\$0.01)
June 30, 2007	-	\$269,837*	\$0.01	\$0.01
March 31, 2007	-	\$239,345*	\$0.02	\$0.02
December 31, 2006	-	(\$63,193)	(\$0.01)	(\$0.01)
September 30, 2006	-	(\$2,692)	\$0.00	\$0.00

* After adjustment for deferred costs during the period

Risks and Uncertainties

The Company's success depends on a number of factors, some of which are beyond the control of the Company. Typical risk factors include copper, gold and silver price fluctuations, 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 permitting and taxation costs and the ability of the Company to develop an open pit copper mine. These risks and uncertainties are managed in part, by experienced managers, advisors and consultants, 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 as of September 30, 2008. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*, are effective to ensure that information required to be disclosed in reports that we file or submit under Canadian securities legislation are recorded, processed and reported within the time period specified in those rules.