June 23, 2009

Recommendation: SPECULATIVE BUY
Revised 12-Month Target: $3.00
Previous 12-Month Target: $4.40
Risk Rating: ABOVE AVERAGE

COPPER MOUNTAIN MINING CORPORATION (TSX-CUM $0.73)

PROJECT UPDATE – FULL REPORT

- Copper Mountain Mining Corporation ("Copper Mountain", "CMMC" or the "Company") continues to advance its Copper Mountain Project and has commenced construction. The Company has thus far delivered on every objective: (1) it released a feasibility study; (2) exploration success significantly increased resources; and (3) it is advancing negotiations for partnership, financing and off-take with Mitsubishi Metals Corp.
- We rate CMMC's project with a much lower risk profile as compared to many other development stage projects, since it is fully permitted and has significant infrastructure already in place.
- An overhang on the story has been CMMC's inability to convert the MOU with Mitsubishi. Deadlines to complete the deal have twice been extended, the current deadline being July 31, 2009. Provided CMMC closes the deal with Mitsubishi – which we strongly believe it will – we estimate that the Company will need to raise approximately $110 million for its contribution to the expected $440 million Capex project.
- In accordance with the MOU, Mitsubishi would purchase a 25% equity interest in Copper Mountain's 100%-owned subsidiary, Similco Mines Limited, for C$28.75 million, provide C$250 million in project debt financing, and receive an off-take agreement on 100% of the copper concentrate. CMMC also expects to secure $77 million in equipment manufacturer financing.
- Copper Mountain's project is the former producing Similco open pit mine, located in southern British Columbia, approximately 300 km from Vancouver. It was last operated in 1996, when copper was in the US$0.65 to US$0.75 per lb price range.

We have reduced our 12-month target price to C$3.00 per fully diluted fully financed share from C$4.40, primarily on updated financing assumptions to reflect Copper Mountain's recent share price and delays in completing the Mitsubishi deal.

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Company Statistics	
Market Cap Basic	$23.1 Million
Basic Shares O/S	31.6 Million
Fully Diluted Shares O/S	40.9 Million
Projected Fully Diluted Fully Financed Shares	105.6 Million
52-Week Range	$1.99-$0.31
Cash (03/31/2009)	C$4.2 Million
Debt (03/31/2009)	C$15.6 Million
Working Capital (03/31/2009)	C$(13.0) Million
Total Cash Cost, net of by-product credits	US$ 1.25 per lb. Cu Produced

Earnings and Valuation Summary (Fully Financed)				
FYE: Dec.31	2011E	2012E	2013E	2014E
Copper Price Assumption (US$/lb)	$2.08	$2.00	$2.00	$2.00
Gold Price Assumption (US$/oz)	$938	$900	$900	$900
Silver Price Assumption (US$/oz)	$15.63	$15.00	$15.00	$15.00
EPS (FDFF) (C$)	$0.27	$0.28	$0.28	$0.30
CFO PS (FDFF) (C$)	$0.23	$0.50	$0.50	$0.52
P/E (FDFF)	2.7x	2.6x	2.6x	2.4x
P/CFO (FDFF)	3.1x	1.4x	1.4x	1.4x
Project NAV$_{10\%}$ to Similco J.V.				C$269.5 Million
IRR to Copper Mtn. Equity				20.6%
Fully Financed NAV$_{10\%}$ to Copper Mtn. Equity				C$177.9 Million

Copper Mountain Mining Corporation is a Canadian junior mining company engaged in the development and exploration of its Copper Mountain Project. This project is the former Similco Mine, located near Princeton, British Columbia, approximately 300 km from Vancouver. It is scheduled to be in production by mid-2011, is expected to produce over 100 million lbs of copper in concentrate annually, and has gold and silver by-product credits.

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COPPER MOUNTAIN MINING CORPORATION

OVERVIEW

Copper Mountain Mining Corporation (“Copper Mountain”, “CMMC” or the “Company”) is redeveloping the former producing Similco open pit mine that was in operation until 1996. At that time, the open pit operated at a rate of approximately 22,000 tons per day at a grade of 0.45% copper, for annual production of approximately 56 million lbs copper. It was shut down as a result of low copper prices in the US$0.65 to US$0.75 per lb range. The project site is located 15 km southwest of Princeton, approximately 300 km from Vancouver, British Columbia.

The Company filed a feasibility study in July 2008. The redevelopment project calls for the construction of a new 35,000 tpd mill and is expected to produce over 100 million lbs of copper per annum at a cash cost of approximately US$1.25/lb net of by-product credits. By-product credits are expected to include 31,300 oz of gold and 330,000 oz of silver per year. The feasibility study pegs the initial Capex for the project at C$437.4 million. Construction activities are underway and the Company expects to begin production in mid-2011, with a 17-year mine life.

In September 2008, Copper Mountain signed a Memorandum of Understanding (MOU) with Mitsubishi Materials Corporation (“MMC” or “Mitsubishi”) for partnership, financing and off-take. The deal calls for Mitsubishi to take a 25% equity stake in the project and to bring $250 million in debt financing. In return, MMC will receive 100% concentrate off-take. However, after having been delayed until April 30, 2009, once again, signing of the definitive agreement has been put off until July 31, 2009. Details of the MOU are described below. The Company also expects to receive an additional $77 million in manufacturer financing for pit equipment.

Proposed “Super Pit” Outline

Source: Copper Mountain

BACKGROUND

The site was originally a small underground mining operation and from 1927 to 1957, approximately 34 million tons grading approximately 1% copper was mined. Access to the underground orebody was through the side of the Similkameen River Canyon. Mining took place in a high grade core roughly located beneath the current Pit 3. The area beneath Pit 3 has recently been drilled by CMMC and the presence of mineralization grading approximately 1% copper has been confirmed, representing an area for potential pit expansion.

Newmont Mining Corporation (NYSE-NEM) performed the first surface mining operations on the deposit from 1972 until 1988. At that time, mining operations focused on the now-depleted Ingerbelle Pit, on the side of the Similkameen River Canyon, opposite the former underground activities. The original mill was located next to the Ingerbelle Pit which ultimately created a problem for Newmont when surface mining activities began on the other side of the Similkameen River Canyon. An aerial conveyor was used to transport ore from Pits 1, 2 and 3 to the ill-placed concentrator. **This milling facility has since been completely dismantled and CMMC is constructing a new mill adjacent to the new Super Pit**.

Newmont eventually sold to Princeton Mining, who operated the mine from 1988 until its closure in 1996. The property was eventually purchased by Compliance Energy Corporation (TSXV-CEC), who planned to use the site to build a 56 MW power generating station using 100% wood waste as a fuel mixture. The initiative was largely based on the significant wood waste created by the Mountain Pine Beetle infestation in the area. In 2006, Copper Mountain acquired the project from Compliance Energy for 4 million common shares and a payment of $1 million. Copper Mountain and Compliance Energy have some management and directors in common including Jim O'Rourke, John Tapics, Rodney Shier and Eugene Mehr. (See Appendix C for details)

Copper Mountain completed its IPO in June 2007, and immediately started an aggressive exploration program and drilling campaign designed to confirm historical in-pit resources and expand the known resource base. The Company also immediately commissioned a Preliminary Assessment ("PA") on re-starting mining operations.

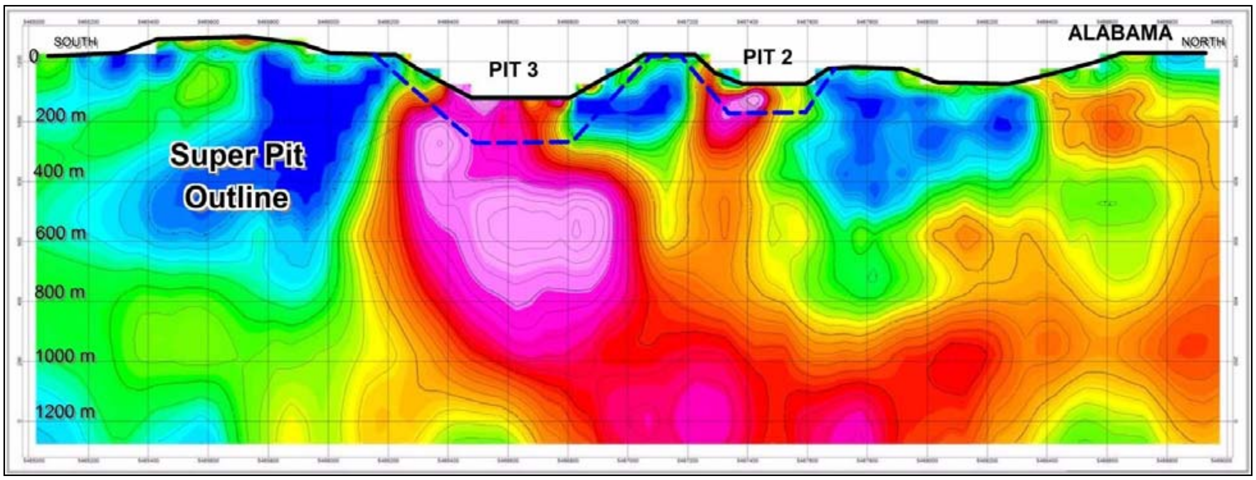
Significant Milestones Achieved

- June 2007: Commenced trading on the Toronto Venture Exchange
- July 2007: Commenced 44,000 metre drill program, ultimately expanded to 51,000 metres
- September 2007: Interim resource of 318.0 million tons grading 0.31% copper
- November 2007: Preliminary Assessment report recommends feasibility study
- March 2008: Commences 30,000 metre drill program ultimately expanded to 60,000 metres
- July 2008: Positive Feasibility Study delivered
- September 2008: Commenced trading on the Toronto Exchange
- September 2008: MOU signed with Mitsubishi Materials Corporation for financing and off-take
- October 2008: Signed contract for the supply of crusher and mill equipment (SAG mill and two ball mills)
- December 2008: Mitsubishi advanced $28.75 million for the Copper Mountain Project

EXPLORATION UPSIDE

One of the main strategies of CMMC has been to fully explore the mineral potential in and around the proposed Super Pit. This is evidenced by the 51,000 metre drill program in 2007 and the 60,000 metre program in 2008. These programs have been guided by a state-of-the-art “Titan 24” 3D chargeability survey. This geophysical method highlights zones of disseminated sulphide mineralization typical of Copper Mountain’s ore.

2D Section through Titan 24 3D Chargeability Model



Source: Copper Mountain

The warmer colours indicate higher chargeability which is known to correlate with more intense disseminated sulphide mineralization. Since the copper mineralization occurs as sulphide minerals, the inference is that the “hotter” areas are more likely to have higher grades of copper.

The figure above depicts the current profile of Pits 2 and 3 as well as the proposed profile of the Super Pit. At this time, the most significant chargeability anomaly lies below the proposed bottom of the Super Pit beneath Pit 3. However, that could easily change as more drilling beneath the pit is completed. By way of example, referring to the left hand scale on the figure, the pit bottom of the nearby Highland Valley Copper Mine (owned by Teck Resources Limited TSX-TCK.B; BUY; C$20.00 target) is at approximately 700 metres depth, which would encompass the bulk of this anomaly. It is possible, therefore, that the ultimate depth of the Super Pit be extended.

Drilling in the 2007 season was largely aimed at increasing the confidence of the historical resources for completion of the Preliminary Assessment (2007) and the Feasibility Study (2008). The drilling program in 2008 was largely aimed at increasing the size of the resource, using the Titan 24 geophysical survey as a guide for finding previously undrilled, high grade mineralization.

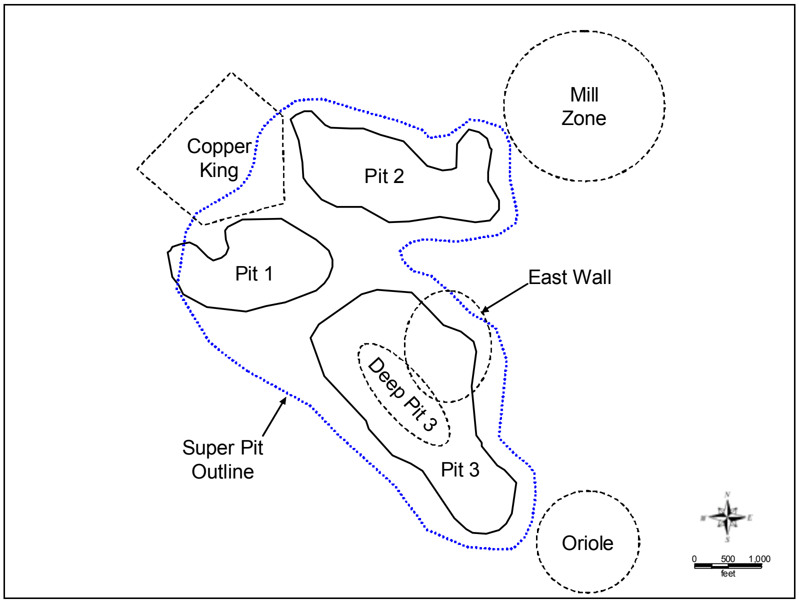
Mineral Inventory Growth

Resource Update, April-09 (from 2008 drilling)						
	Tons (Millions)	**Tonnes** (Millions)	**Copper** (%)	**Gold** g/tonne	**Silver** g/tonne	**Contained Copper** (Million lbs)
P&P	232.8	211.2	0.36%	0.10	1.2	1,676.1
M&I	285.9	259.3	0.27%			1,543.6
R+R	518.7	470.5	0.31%			3,219.7
Inf	390.7	354.4	0.23%			1,797.2
Total	**909.4**	**824.9**	**0.28%**			**5,017.0**
Feasibility Study, July-08 (from 2007 drilling)						
	Tons (Millions)	**Tonnes** (Millions)	**Copper** (%)	**Gold** g/tonne	**Silver** g/tonne	**Contained Copper** (Million lbs)
P&P	194.6	176.5	0.33%			1,284.1
M&I	171.4	155.5	0.27%			940.7
R+R	365.9	332.0	0.30%			2,224.8
Inf	299.5	271.7	0.24%			1,419.5
Total	**665.4**	**603.6**	**0.27%**			**3,644.3**
Preliminary Assessment, Sept-07 (from historical drilling)						
	Tons (Millions)	**Tonnes** (Millions)	**Copper** (%)	**Gold** g/tonne	**Silver** g/tonne	**Contained Copper** (Million lbs)
P&P						
M&I	318.0	288.5	0.31%			1,971.6
R+R	318.0	288.5	0.31%			1,971.6
Inf	341.6	309.9	0.25%			1,708.0
Total	**659.6**	**598.4**	**0.28%**			**3,679.6**

Source: JCI from Company Documents

Over the last two years, the Company has released many notable drill results. The following figure depicts the new discoveries in and around the proposed Super Pit, with the Company's naming conventions for these new zones.

Schematic Diagram Showing Newly Discovered Zones



Source: JCI

Mineralization discovered in Oriole, Copper King and the Mill Zone has the potential to greatly alter the ultimate shape of the Super Pit outline. Mineralization at the bottom and in the East Wall of Pit 3 generally contains higher grades.

Returning for a moment to the depiction of the chargeability model at the top of this section, one can see that the “hot spot” beneath Pit 3 corresponds nicely with the drilling success labelled as “Deep Pit 3”.

PROJECT STATUS AND PROJECT PLAN

Current Status:

- Feasibility study has been completed.
- Supply contract for gyratory crusher, SAG mill and two ball mills has been placed and is scheduled for delivery in August 2010.
- Site office and warehouse complex fully functional.
- Excavation for the new mill location has begun.
- Detailed engineering progressing according to schedule.

Project Plan:

- Sign definitive agreement with Mitsubishi Materials Corporation by July 31, 2009.
- Project financing via combination of sale of gold-silver royalty stream and equity financing over the next 12 to 18 months.
- Project construction.
- Initial production mid-2011.

FEASIBILITY STUDY

The following table lists some of the key parameters included in the Company’s feasibility study completed by Hatch Ltd. and publicly released on July 28, 2008.

Summary of Key Results from the Copper Mountain Feasibility Study

Capital cost including contingency	$437.4 million
Tonnes milled per day	35,000
Annual production:	
Copper	95 million lbs
Gold	27,600 oz
SIlver	300,000 oz
Mine life (1)	15 years
Total operating cost net of by product credits (2)	US$1.27/lb Cu
Stripping Ratio (waste:ore)	1.8
Metallurgical Recoveries	
Copper	89%
Gold	65%
SIlver	49%

Notes:
(1) does not reflect increased reserves 2009.04.16
(2) using US$675/oz Au and US$12 oz Ag

Source: JCI from Company documents

We have closely followed the feasibility study in the construction of our DCF model. However, we have made certain adjustments to some of these parameters with respect to costs and scheduling to reflect our biases and experience as well as using our own forecast for metal prices and exchange rates.

STRATEGIC CONSIDERATIONS

There are many strategic advantages inherent in the Copper Mountain project as compared to similar projects. Many of these comparables are presented in a subsequent section of this report.

Infrastructure

Because it is the site of a former producing mine, the Copper Mountain project benefits from considerable infrastructure already in place:

- **Townsite:** The project is located 15 km from Princeton, BC (pop. 2,687), which will provide a source of labour, perhaps many of whom worked at the Similco Mine prior to its closing.
- **Outbuildings:** An office and numerous outbuildings remain on the project site, available for use by the future mining operation. The former office building has been refurbished and is being used as the project site office and warehouse.
- **Public Road Access:** There is paved government road access to the mine gates suitable for use by heavy transport.
- **Concentrate Haulage:** As was the case with the previous operation, the project plan calls for highway haulage of concentrate to the port of Vancouver, 300 km away.
- **Tailings:** The tailings impoundment facilities at the site remain in place from the prior operation and the Waste Management Permit authorizing discharge of tailings to the impoundment remains in good standing. Initial estimates confirm there is sufficient capacity for tailings from future operations. Water for previous operations was pumped from the Similkameen River, and the Water Licence authorizing such use remains in good standing and is sufficient to support higher tonnage than the previous operation.
- **Power:** Electricity is presently delivered to the site on the provincial power grid via a 138kV transmission line that currently terminates at the old concentrator building. According to the Feasibility Study, the power line is capable of providing in excess of 50 MW, which is more than enough to support the new mining operation. At 4¢/kwh, BC also has some of the cheapest electricity rates available, which gives the Copper Mountain Project a competitive advantage on an operating cost basis.

Permits

Many of the environmental considerations confronting new developments have already been addressed and covered off under the existing mine permit. The Company reports that all necessary permits required to reopen the mine are in place. Mill tailings are considered to be non-acid generating.

Timing

- Timing for initial production from Copper Mountain is excellent. The area was ravaged by the Mountain Pine Beetle, essentially eliminating all logging and forestry activities. This region traditionally has been a major source of employment. Local and Provincial governments appear very supportive of this development for its economic benefits.
- Timing is also very good for securing a financing deal with Mitsubishi, who currently has an off-take agreement with Imperial Metals' Huckleberry Mine. The Huckleberry Mine is scheduled to

close in 2010, at which time Mitsubishi will be motivated to secure a future source of copper concentrate.

MOU WITH MITSUBISHI

In September 2008, Copper Mountain signed an MOU with Mitsubishi for partnership, financing and off-take. The deal calls for Mitsubishi to take a 25% equity stake in the project and to provide $250 million in debt financing. In return, MMC receives an off-take agreement on 100% of the copper concentrate.

Completion of the proposed deal has been delayed twice. It was first extended to April 30, 2009, and then postponed until July 31, 2009. We believe this has weighed on the stock; however, we do expect the deal to be completed. First, Mitsubishi will be losing a significant source of concentrate when the Huckleberry mine closes in 2010. Second, Copper Mountain's CEO Jim O'Rourke remains a special advisor to Mitsubishi dating back to his prior involvement with the Huckleberry mine. We believe that this personal relationship will be very important in getting the deal completed.

Of course, this transaction would be beneficial for Mitsubishi—securing a long-term supply of concentrate, would effectively reduce its dependence on the spot market. It would also lock-in TC/RCs at a respectable US$80/tonne and US$0.08/lb and would be renegotiable after five years. Current TC/RCs are approximately half this amount. Finally, Mitsubishi is familiar with this concentrate, having purchased it the last time this mine operated, and there would be no surprises in the quality of the concentrate.

As described in the announcement of the MOU:

1. MMC has agreed to purchase a 25% equity stake in Copper Mountain's wholly-owned subsidiary, Similco Mines Limited, for $28.75 million. Similco's only asset is the Copper Mountain Project.
2. MMC will arrange for $250 million of debt financing for the project, which we assume to be 100% of the debt requirement (approximately 57% of initial Capex). The Company has said that interest will be on a "LIBOR plus" basis and will have a 10-year term.
3. Each company will fund its pro-rata share of the remaining Capex on the project.
4. For its contribution to the project, MMC secures 100% of the concentrate off-take for life of mine.

The agreement is still at the MOU stage and a deadline of July 31, 2009 has been set for signing a definitive agreement. Additional details may become available once a definitive agreement has been finalized.

BALANCE SHEET AND RECENT FINANCINGS

At the end of the first quarter, March 31, 2009, CMMC had cash of C$4.2 million, debt of C$15.6 million (including C$13.6 million drawn against the MMC loan) and negative working capital of C$13.0 million.

Since its IPO, CMMC has undertaken the following equity and debt financings:

- December 2008: $28.75 million loan from Mitsubishi Materials Corporation with respect to the current MOU in effect.
- June 2008: Prospectus offering of 9.5 million units (one common share plus one-half warrant with $2.50 strike for one year) at $2.10 per unit, for gross proceeds of $20 million
- December 2007: Non-brokered private placement of 881,000 flow through shares at $2.50 per share, for gross proceeds of $2.2 million

- December 2007: Non-brokered private placement of 1,200,000 flow through shares at $2.50 per share, for gross proceeds of $3 million
- June 2007: (IPO) 3.45 million units (one common share plus one-half warrant with a $2.00 strike until December 28, 2008) at a price of $1.45 per unit, and 1.15 million flow through shares at $1.75, for gross proceeds of $7 million

VALUATION AND RECOMMENDATION

We continue to rate Copper Mountain Mining Corporation a **SPECULATIVE BUY**; however, we have **decreased our 12-month price target to $3.00** per fully diluted, fully financed (FDFF) share, down from C$4.40, primarily on the back of our financing assumptions.

NAV Model Inputs and Assumptions

Item		Input / Assumption Current Note	Previous Note (10/09/2008)
Production Rate		35,000 tonnes/day	35,000 tonnes/day
Initial Capital Cost (+ 20% contingency)		C$400.8 million	C$400.3 million
Pit Equipment Lease (additional to Initial Capex)		C$75.4 million	C$75.4 million
Sustaining CAPEX		C$2.0 million per yr	C$2.0 million per yr
2009 Equity Finance		C$5.0 million at $0.75	C$20.8 million at $2.10
2010 Equity Finance (Copper Mtn.'s Contribution)		C$44.2 million at $1.50	C$54.2 million at $3.50
2011 Equity Finance (Copper Mtn.'s Contribution)		C$68.5 million at $2.00	-
Debt Financing of Capex (J.V. project)		C$250.5 MM at 8.0%	C$250.5 million at 8.0%
Commodity Prices - Long-term	Copper	US$2.00 per lb	US$2.00 per lb
	Gold	US$900 per oz	US$900 per oz
	Silver	US$15.00 per oz	US$16.00 per oz
Recovery	Copper	89.0%	89.0%
	Gold	65.0%	65.0%
	Silver	49.0%	49.0%
C$ to US$ Exchange		0.92	0.96

Source: JCI

We have adjusted our assumptions and revised our model to reflect the aforementioned changes and arrived at a FDFF **$NAV_{10\%}$ of cash flow to equity of C$177.9 million or C$2.56 per FDFF share**. Since our last published note (October 9, 2008) CMMC has significantly increased the resources at the Copper Mountain Project. We have modelled 100% of Proven and Probable reserves, 100% of Measured and Indicated resources and 50% of Inferred resources outlined.

We continue to apply a 6.0x multiple to our CFO forecast (attributable to Copper Mountain); however, we have revised the period to 2012-2014 from 2011-2014, to reflect the push-back in the anticipated start-up and commercial production now not likely to be declared until the beginning of 2012. Discounting and applying equal weighting to each year **suggests a target of C$3.47 per FDFF share.**

Continuing to applying a 10.0x multiple to our EPS forecast (attributable to Copper Mountain) over the 2012-2014 period, discounting and applying equal weighting to each year, **suggests a target of C$3.24 per FDFF share.**

Equally weighting each valuation method arithmetically, we arrive at C$3.09 per FDFF share and therefore have decreased our 12-month price target to C$3.00 per FDFF share.

Sensitivity Analysis

The following tables indicate the sensitivity of our modelling to copper and gold prices for 2012, the anticipated first year of full commercial production. The long-term prices indicated have been flat lined over the life of mine.

2012 EBITDA C$ Million

Gold Price US$/oz	Copper Price US$/lb								
	1.40	1.55	1.70	1.85	2.00	2.15	2.30	2.45	2.60
700	40.1	56.5	72.8	89.2	105.5	121.9	138.2	154.6	170.9
750	41.6	57.9	74.3	90.6	107.0	123.3	139.7	156.0	172.4
800	43.0	59.4	75.7	92.1	108.4	124.8	141.1	157.5	173.8
850	44.5	60.8	77.2	93.5	109.9	126.2	142.6	158.9	175.3
900	46.0	62.3	78.7	95.0	**111.3**	127.7	144.0	160.4	176.7
950	47.4	63.8	80.1	96.5	112.8	129.2	145.5	161.9	178.2
1,000	48.9	65.2	81.6	97.9	114.3	130.6	147.0	163.3	179.7
1,050	50.3	66.7	83.0	99.4	115.7	132.1	148.4	164.8	181.1
1,100	51.8	68.1	84.5	100.8	117.2	133.5	149.9	166.2	182.6

2012 Operating Cash Flow C$ Million (Before Changes in Non-Cash Working Capital)

Gold Price US$/oz	Copper Price US$/lb								
	1.40	1.55	1.70	1.85	2.00	2.15	2.30	2.45	2.60
700	20.1	36.4	45.5	56.3	67.1	77.8	88.6	99.4	110.2
750	21.5	37.9	46.4	57.2	68.0	78.8	89.6	100.4	111.2
800	23.0	38.9	47.4	58.2	69.0	79.8	90.6	101.3	112.1
850	24.5	39.4	48.4	59.2	69.9	80.7	91.5	102.3	113.1
900	25.9	39.8	49.3	60.1	**70.9**	81.7	92.5	103.3	114.1
950	27.4	40.3	50.3	61.1	71.9	82.7	93.4	104.2	115.0
1,000	28.8	40.7	51.3	62.0	72.8	83.6	94.4	105.2	116.0
1,050	30.3	41.4	52.2	63.0	73.8	84.6	95.4	106.2	116.9
1,100	31.7	42.4	53.2	64.0	74.8	85.5	96.3	107.1	117.9

2012 Net Income C$ Million

Gold Price US$/oz	Copper Price US$/lb 1.40	1.55	1.70	1.85	2.00	2.15	2.30	2.45	2.60
700	(11.2)	5.1	14.2	25.0	35.7	46.5	57.3	68.1	78.9
750	(9.8)	6.6	15.1	25.9	36.7	47.5	58.3	69.1	79.9
800	(8.3)	7.6	16.1	26.9	37.7	48.5	59.2	70.0	80.8
850	(6.9)	8.0	17.1	27.8	38.6	49.4	60.2	71.0	81.8
900	(5.4)	8.5	18.0	28.8	**39.6**	50.4	61.2	72.0	82.7
950	(3.9)	9.0	19.0	29.8	40.6	51.3	62.1	72.9	83.7
1,000	(2.5)	9.4	19.9	30.7	41.5	52.3	63.1	73.9	84.7
1,050	(1.0)	10.1	20.9	31.7	42.5	53.3	64.0	74.8	85.6
1,100	0.4	11.1	21.9	32.6	43.4	54.2	65.0	75.8	86.6

$NAV_{10\%}$ C$/Fully Diluted Share

Gold Price US$/oz	Copper Price US$/lb 1.40	1.55	1.70	1.85	2.00	2.15	2.30	2.45	2.60
700	0.40	0.97	1.43	1.89	2.36	2.83	3.30	3.77	4.24
750	0.46	1.01	1.47	1.94	2.41	2.88	3.35	3.81	4.28
800	0.52	1.06	1.52	1.99	2.45	2.92	3.39	3.86	4.33
850	0.58	1.10	1.56	2.03	2.50	2.97	3.44	3.91	4.37
900	0.64	1.14	1.61	2.08	**2.55**	3.01	3.48	3.95	4.42
950	0.70	1.19	1.66	2.12	2.59	3.06	3.53	4.00	4.47
1,000	0.76	1.23	1.70	2.17	2.64	3.11	3.57	4.04	4.51
1,050	0.80	1.28	1.75	2.22	2.68	3.15	3.62	4.09	4.56
1,100	0.85	1.32	1.79	2.26	2.73	3.20	3.67	4.13	4.60

Target Price C$/Fully Diluted Fully Financed Share

Gold Price US$/lb	Copper Price US$/lb 1.40	1.55	1.70	1.85	2.00	2.15	2.30	2.45	2.60
700	0.20	1.05	1.62	2.24	2.86	3.48	4.10	4.72	5.34
750	0.29	1.10	1.68	2.30	2.92	3.53	4.15	4.77	5.39
800	0.37	1.15	1.73	2.35	2.97	3.59	4.21	4.83	5.45
850	0.45	1.20	1.79	2.41	3.03	3.65	4.27	4.89	5.51
900	0.54	1.25	1.85	2.47	**3.09**	3.70	4.32	4.94	5.56
950	0.62	1.30	1.90	2.52	3.14	3.76	4.38	5.00	5.62
1,000	0.70	1.35	1.96	2.58	3.20	3.82	4.44	5.06	5.67
1,050	0.78	1.40	2.02	2.64	3.25	3.87	4.49	5.11	5.73
1,100	0.86	1.45	2.07	2.69	3.31	3.93	4.55	5.17	5.79

Source: JCI

Comparable Projects and Companies

The following table shows how the Copper Mountain project compares to similar copper development projects. On this basis, the project compares favourably in all regards, despite the fact that it is at a more advanced stage than most, expects to be in production before most and is situated in a much better geographic location. We would have expected the project to otherwise compare less favourably considering these factors.

Comparable Copper Development Projects

							Capex		MM lbs	Capex	Reserves + Resources		
Company	**Pct**	**Project**	**Location**	**Stage**	**By Prod**	**Start-up**	**($MM)**	**tpd**	**Cu pa**	**per ann lb**	**Tonnes**	**Cu%**	**Cu lbs**
Augusta	100%	Rosemont	Arizona	Feas	Mo, Ag, Au	2012-Q1	$897.2	75,000	200	$4.49	592,610,000	0.42%	5,543,700,000
Chariot	70%	Marcona Copper	Peru	Feas	Au, Ag	2010-Q2	$576.0	45,000	250	$2.30	331,600,000	0.76%	5,555,900,000
Continental Minerals	100%	Xietongmen	Tibet	Feas	Au, Ag	2012-Q2	$476.2	40,000	115	$4.14	182,100,000	0.45%	1,806,600,000
Corriente	90%	Mirador	Ecuador	PreProd	Au, Ag	2009-Q2	$418.0	30,000	135	$3.10	608,670,000	0.58%	7,769,400,000
Imperial Metals	100%	Red Chris	BC	Feas	Au	unk	$177.7	30,000	110	$1.62	492,600,000	0.35%	3,753,500,000
Inca Pacific	100%	Magistral	Peru	Feas	Mo, Ag	2011-Q1	$402.0	20,000	75	$5.36	195,500,000	0.51%	2,198,700,000
Marengo	100%	Yandera	PNG	Feas	Mo, Au, Ag	2013-Q2	$942.0	70,000	275	$3.43	410,500,000	0.31%	2,813,600,000
Norsemont	100%	Constancia	Peru	Feas	Au, Ag, Mo	2012-Q2	$605.6	60,000	200	$3.03	256,300,000	0.50%	2,825,200,000
Pacific Booker	100%	Morrison	BC	Feas	Au, Mo	unk	$450.0	30,000	65	$6.92	224,251,000	0.33%	1,631,500,000
Stingray	100%	El Pilar	Mexico	Feas	none	unk	$196.5	45,000	75	$2.62	344,907,000	0.29%	2,179,400,000
Taseko	100%	Prosperity	BC	Feas	Au, Ag	2012-Q2	$713.5	70,000	110	$6.49	1,010,500,000	0.24%	5,396,500,000
Terrane	100%	Mount Milligan	BC	Feas	Au	2012-Q4	$825.0	60,000	100	$8.25	590,800,000	0.19%	2,514,600,000
AVERAGES							$556.6	47,917	143	$4.31	436,694,833	0.38%	3,665,716,667
Copper Mountain	**75%**	**Copper Mountain**	**BC**	**PreProd**	**Au, Ag**	**2011-Q2**	**$435.5**	**35,000**	**100**	**$4.36**	**470,470,834**	**0.31%**	**3,225,700,000**

Source: JCI, MEG MineSearch, Company Documents

Not all of these companies are directly comparable to CMMC since some, like Taseko Mines Limited (TSX-TKO; BUY; C$2.30 12-month target) and Imperial Metals Corporation (TSX-III), have other producing operations. Excluding companies from the above table that are not comparable for one reason or another, results in the following table of comparable companies.

Comparable Copper Development Companies

			M/C									Attributable lbs Cu		
Company	**Sym**	**S/O (000)**	**($MM)**	**52-wk Hi**	**52-wk Lo**	**Last**	**Project Name**	**By Prod**	**Stage**	**Location**	**Startup**	**R + R**	**Cu%**	**MC/lb**
Augusta	AZC.TO	92,151	$182	$6.96	$0.43	$1.98	Rosemont	Mo, Ag, Au	Feas	Arizona	2012-Q1	5,543,700,000	0.42%	$0.033
Chariot	CHD.TO	328,695	$76	$1.07	$0.06	$0.23	Marcona Copper	Au, Ag	Feas	Peru	2010-Q2	3,889,130,000	0.76%	$0.020
Continental Minerals	KMK.V	129,053	$145	$1.28	$0.30	$1.12	Xietongmen	Au, Ag	Feas	Tibet	2012-Q2	1,806,600,000	0.45%	$0.080
Inca Pacific	IPR.V	56,622	$13	$1.75	$0.12	$0.24	Magistral	Mo, Ag	Feas	Peru	2011-Q1	2,198,700,000	0.51%	$0.006
Marengo	MRN.TO	268,016	$15	$0.30	$0.05	$0.06	Yandera	Mo, Au, Ag	Feas	PNG	2013-Q2	2,813,600,000	0.31%	$0.005
Norsemont	NOM.TO	60,263	$92	$4.10	$1.07	$1.52	Constancia	Au, Ag, Mo	Feas	Peru	2012-Q2	2,825,200,000	0.50%	$0.033
Pacific Booker	BKM.V	11,400	$59	$8.60	$2.56	$5.15	Morrison	Au, Mo	Feas	BC	unk	1,631,500,000	0.33%	$0.036
Stingray	SRY.TO	58,725	$26	$0.73	$0.13	$0.44	El Pilar	none	Feas	Mexico	unk	2,179,400,000	0.29%	$0.012
Terrane	TRX.V	123,198	$39	$0.45	$0.10	$0.32	Mount Milligan	Au	Feas	BC	2012-Q4	2,514,600,000	0.19%	$0.016
AVERAGES			$72									2,822,492,222	0.42%	0.027
Copper Mountain	**CUM.TO**	**31,625**	**$24**	**$1.99**	**$0.31**	**$0.76**	**Copper Mountain**	**Au, Ag**	**PreProd**	**BC**	**2011-Q2**	**2,419,275,000**	**0.31%**	**$0.010**

Source: JCI, MEG MineSearch, Company Documents

The most striking metric in this table is that Copper Mountain has the smallest market capitalization per pound of copper in reserves plus resources: 1¢/lb versus the average of 2.7¢/lb. This is indeed surprising given the stage, location and expected start-up date of its project, as well as its MOU with Mitsubishi.

INVESTMENT RISKS

Political Risk – LOW: We have assigned a low political risk rating to the project. British Columbia and the provincial government are considered to have stable political and socioeconomic environments. For most new mining projects in British Columbia, native land title and permitting can add significantly to risk and uncertainty. The Copper Mountain project appears to suffer neither of these conditions, primarily due to the fact that it was a past producer and was in operation throughout most of the 1970s, 1980s and 1990s. There are no outstanding native land title issues of which we are aware, and two important permits from the previous operation remain in good standing (i.e. mining and waste management permits).

Project Risk – LOW: Our view is that, because the Company will be mining within an established mining and geology environment, most of the technical variances are well understood. The risk associated with mining and processing are low because many of the operational characteristics of the mine are well understood from the previous operation. The mine was previously operated continuously from 1972 to 1996, and many millions of tons have been mined and processed into concentrate. Clearly, there are very few technical processing risks that need to be overcome. Previous milling flowsheets and metal recoveries are well-known and few, if any, problems are expected to be encountered. Based on many years of historical mining and processing, no significant processing risks are expected.

Exploration Risk – LOW: At this stage in the development of the project, we consider exploration risk to be minimal. We have already described in the “Exploration Upside” section above, how the Company has upgraded resources to the “Proven” and “Probable” category and has also significantly increased the total resource to 5 billion lbs Cu from 3.6 billion lbs in less than two years. With the Titan 24 survey, the Company believes it is well positioned to discover even more resources.

Financial Risk – MODERATE: In addition to risk associated with financial assumptions in our DCF model, there is risk that Copper Mountain will not be able to obtain adequate capital to fund the project. As the Company does not yet generate cash flow, it is entirely dependent upon financial markets to raise funds. The Company’s ability to obtain financing and at what cost will depend greatly upon the capital markets. A short time ago, we may have chosen to rate this risk as “LOW”, but the recent disintegration of credit markets has certainly increased financing risk. There are a great many mining projects competing for financing, and we believe that not all of them will be adequately financed due to credit market conditions. However, we believe that the Copper Mountain Project represents a high quality, low risk project that will be successfully debt financed. The Company has an MOU with Mitsubishi Materials Corporation for $250 million of debt financing, although a final agreement has yet to be completed.

Forecast Risk – MODERATE: Forecasting for future cash flow in our DCF model depends, to a great extent, on future commodity prices and currency exchange rates. As the price of copper has increased substantially in recent years, and despite using what we believe to be indicative of future pricing, significant price declines over the life of the project could cause further development to become impractical. Commercial shipment of copper concentrate is anticipated for mid-2011. In the intervening time frame, we have input assumptions made from the best available information and estimates, which ultimately, may be subject to shocks that could significantly affect our DCF model and thus our forecast.

Appendix A - Projected Income Statement of Copper Mountain Project (Attributable - 75% Copper Mountain, 25% Mitsubishi)

Copper Mountain Mining Corporation
Copper Mountain Project (75% Copper Mtn., 25% Mitsubishi)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Production																
Material Mined (tonne)		12,600,000	39,060,000	39,060,000	39,060,000	39,060,000	39,060,000	35,280,000	28,980,000	28,980,000	28,980,000	28,980,000	35,280,000	35,280,000	35,280,000	35,280,000
Strip Ratio		2.2	2.1	2.1	2.1	2.1	2.1	1.8	1.3	1.3	1.3	1.3	1.8	1.8	1.8	1.8
Waste Material (tonne)		8,662,500	26,460,000	26,460,000	26,460,000	26,460,000	26,460,000	22,680,000	16,380,000	16,380,000	16,380,000	16,380,000	22,680,000	22,680,000	22,680,000	22,680,000
Ore Mined (tonne)		3,937,500	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000
Ore Milled (tonne)		3,937,500	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000
Contained Metal																
Cu Content (000's lbs)		36,459	116,669	116,669	116,669	116,669	116,669	116,669	116,669	116,669	116,669	116,669	73,346	73,346	73,346	73,346
Au Content (oz)		12,659	40,510	40,510	40,510	40,510	40,510	40,510	40,510	40,510	40,510	40,510	40,510	40,510	40,510	40,510
Ag Content (oz)		151,912	486,119	486,119	486,119	486,119	486,119	486,119	486,119	486,119	486,119	486,119	486,119	486,119	486,119	486,119
Cu Concentrate																
Cu Recovery (%)		89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%
Cu Produced (000's lbs)		32,448	103,835	103,835	103,835	103,835	103,835	103,835	103,835	103,835	103,835	103,835	65,278	65,278	65,278	65,278
Conc. Cu Grade (%)		27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
Cu Conc. Produced (DMT)		54,513	174,440	174,440	174,440	174,440	174,440	174,440	174,440	174,440	174,440	174,440	109,665	109,665	109,665	109,665
Cu lbs per DMT Cu Conc.		595	595	595	595	595	595	595	595	595	595	595	595	595	595	595
Au Recovery (%)		66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%
Au Produced (oz)		8,355	26,737	26,737	26,737	26,737	26,737	26,737	26,737	26,737	26,737	26,737	26,737	26,737	26,737	26,737
Au oz per DMT Cu Conc.		0.153	0.153	0.153	0.153	0.153	0.153	0.153	0.153	0.153	0.153	0.153	0.244	0.244	0.244	0.244
Ag Recovery (%)		49.0%	49.0%	49.0%	49.0%	49.0%	49.0%	49.0%	49.0%	49.0%	49.0%	49.0%	49.0%	49.0%	49.0%	49.0%
Ag Produced (oz)		74,437	238,198	238,198	238,198	238,198	238,198	238,198	238,198	238,198	238,198	238,198	238,198	238,198	238,198	238,198
Ag oz per DMT Cu Conc.		1.366	1.366	1.366	1.366	1.366	1.366	1.366	1.366	1.366	1.366	1.366	2.172	2.172	2.172	2.172
Revenue																
Cu Price (US$/lb)		2.08	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Cu Gross Value in Conc. (US$/DMT)		1,235.14	1,190.50	1,190.50	1,190.50	1,190.50	1,190.50	1,190.50	1,190.50	1,190.50	1,190.50	1,190.50	1,190.50	1,190.50	1,190.50	1,190.50
Deduction - 1 Unit		45.75	44.09	44.09	44.09	44.09	44.09	44.09	44.09	44.09	44.09	44.09	44.09	44.09	44.09	44.09
Treatment Charge (USD/DMT)		80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
Refining Charge (USD/DMT)		45.86	45.86	45.86	45.86	45.86	45.86	45.86	45.86	45.86	45.86	45.86	45.86	45.86	45.86	45.86
Cu Net Invoice Amount (US$ 000's)		57,976	178,024	178,024	178,024	178,024	178,024	178,024	178,024	178,024	178,024	178,024	111,918	111,918	111,918	111,918
Au Price (US$/oz)		937.50	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00
Au Gross Value in Conc. (US$/DMT)		143.69	137.94	137.94	137.94	137.94	137.94	137.94	137.94	137.94	137.94	137.94	219.42	219.42	219.42	219.42
Deduction - 5%		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Refining and Treatment Charge		0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	1.46	1.46	1.46	1.46
Au Net Invoice Amount (US$ 000's)		7,782	23,901	23,901	23,901	23,901	23,901	23,901	23,901	23,901	23,901	23,901	23,901	23,901	23,901	23,901
Ag Price (US$/oz)		15.63	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Ag Gross Value in Conc. (US$/DMT)		21.34	20.48	20.48	20.48	20.48	20.48	20.48	20.48	20.48	20.48	20.48	32.58	32.58	32.58	32.58
Deduction - 10%		0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.22	0.22	0.22	0.22
Refining and Treatment Charge		0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.98	0.98	0.98	0.98
Ag Net Invoice Amount (US$ 000's)		1,123	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442
Total Net Invoice Amount (US$M)		66.88	205.37	205.37	205.37	205.37	205.37	205.37	205.37	205.37	205.37	205.37	139.26	139.26	139.26	139.26
C$/US$ Exchange		0.90	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
Net Smelter Return (C$M)		**74.24**	**223.85**	**223.85**	**223.85**	**223.85**	**223.85**	**223.85**	**223.85**	**223.85**	**223.85**	**223.85**	**151.79**	**151.79**	**151.79**	**151.79**
Transportation Cost (C$M)		6.04	19.32	19.32	19.32	19.32	19.32	19.32	19.32	19.32	19.32	19.32	12.15	12.15	12.15	12.15
Net Sales Revenue (C$M)		**68.20**	**204.53**	**204.53**	**204.53**	**204.53**	**204.53**	**204.53**	**204.53**	**204.53**	**204.53**	**204.53**	**139.65**	**139.65**	**139.65**	**139.65**
Operating Costs (C$M)																
Mining		15.12	46.87	46.87	46.87	46.87	46.87	42.34	34.78	34.78	34.78	34.78	42.34	42.34	42.34	42.34
Processing		12.09	38.68	38.68	38.68	38.68	38.68	38.68	38.68	38.68	38.68	38.68	38.68	38.68	38.68	38.68
G&A		1.81	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80
Offsite Costs		0.58	1.83	1.83	1.83	1.83	1.83	1.74	1.59	1.59	1.59	1.59	1.74	1.74	1.74	1.74
EBITDA		**38.60**	**111.35**	**111.35**	**111.35**	**111.35**	**111.35**	**115.98**	**123.69**	**123.69**	**123.69**	**123.69**	**51.10**	**51.10**	**51.10**	**51.10**
Depreciation		7.00	31.32	31.47	31.64	31.83	32.03	30.06	28.15	26.30	24.51	22.79	13.28	12.33	11.46	10.66
EBIT		**31.60**	**80.03**	**79.88**	**79.71**	**79.52**	**79.32**	**85.92**	**95.54**	**97.39**	**99.18**	**100.90**	**37.81**	**38.77**	**39.64**	**40.43**
Interest			**20.04**	**20.04**	**16.04**	**6.02**										
Income Taxes Owing		**5.75**	**20.40**	**20.35**	**21.65**	**25.00**	**26.98**	**29.22**	**32.49**	**33.12**	**33.73**	**34.32**	**12.86**	**13.18**	**13.48**	**13.75**
Net Income		**25.85**	**39.59**	**39.49**	**42.01**	**48.50**	**52.34**	**56.70**	**63.05**	**64.27**	**65.45**	**66.58**	**24.95**	**25.58**	**26.16**	**26.68**

Source: JCI

APPENDIX B – PROJECT DETAILS

The Copper Mountain Project dates back to the 1930s, when it was operated as an underground mine. Approximately 34 million tons were mined, at an average grade of ~1% copper. The mine was eventually developed and operated as an open pit by Newmont, from 1972 to 1988. For most of its life as an open pit, the mine was operated at the rate of approximately 22,000 tons per day, at a grade of 0.45% copper, producing approximately 56 million lbs copper per year. In 1988, Newmont sold the operation to Similco Mines, who operated the mine until it was closed in 1996. At that time, the price of copper had declined to the US$0.65 to US$0.75 per lb price range, which was inadequate to cover prime operating costs. The mine was shuttered, and mine and mill equipment was salvaged. It remained dormant until it was acquired by Compliance Energy, who then spun off the asset into Copper Mountain Mining Corporation.

Location and Climate

Topography is gentle to moderate over most of the plateau area of Copper Mountain, where elevations range from 1,050 m to 1,300 m, but it becomes rugged in the Similkameen River Canyon. The Copper Mountain area has a relatively dry climate, typical of the southern interior of British Columbia. Summers are typically warm and dry, whereas winters are cool with minor precipitation. Most of the precipitation during the winter months falls as snow, with total snow fall of approximately 200 cm, resulting in accumulated (compacted) snow depths of approximately 60 cm to 70 cm on the ground. Temperatures range from an average annual high of 35 degrees Celsius to an average annual low of -29 degrees Celsius, with the annual mean temperature being 6 degrees Celsius. Total annual precipitation varies widely, ranging from a low of 253 mm to a high of 790 mm, with the average being 400 mm.

Alkalic Porphyry Copper Deposits of British Columbia

The Copper Mountain deposit is classified as an alkalic porphyry copper deposit with associated gold and silver credits. The alkalic deposits of British Columbia are spatially and genetically associated with the Upper Triassic Nicola-Takla-Stuhini volcanic assemblages and co-magmatic plutons. The plutons have chemistry similar to their volcanic host rocks and are commonly emplaced along regional scale, linear structures, and are typically small and complex. The alkalic mineral deposits occur in zones of intense faulting, fracturing, brecciation and hydrothermal alteration. Hypogene sulphide minerals that formed contemporaneously with the hydrothermal alteration of host rocks include pyrite, chalcopyrite, bornite, chalcocite and pyrrhotite, in decreasing order of abundance. Molybdenite may be present in trace amounts, but gold and silver are usually economically significant.

The most common porphyry copper deposits are of the calc-alkalic type—cylindrical, stock-like composite bodies having elongate outcrops 1.5 x 2 km in diameter and containing an outer shell of medium to coarse-grained equigranular rock with a porphyritic core of similar composition. The most common ore hosts are quartz monzonite to granodiorite felsic plutonic rocks. In addition, a second population of deposits occurs in more mafic intrusive rocks of syenitic to dioritic composition.

Copper Mountain Mineralization

As a broad simplification, mineralization at Copper Mountain consists of structurally controlled, multi-directional veins and vein stockworks subdivided into four mineralization types:

1. disseminated and stockwork chalcopyrite, bornite, chalcocite and pyrite in altered Nicola and LHIC rocks;
2. hematite-magnetite-chalcopyrite replacements and/or veins;

3. bornite-chalcocite-chalcopyrite associated with pegmatite type veins; and
4. magnetite breccias.

Each mineralization type can be found in all pit areas, but each pit is unique with respect to the relative quantities and character of mineralization type. The alteration that is associated with each mineralization type has some degree of variation as well. Each pit area also has distinctive Cu:Ag:Au ratios.

Pit 3 was excavated in the area of the old Granby underground workings and hosted the largest amount of mineralization. Descriptions of this mineralization combined with underground stope plans indicate that much of the underground mineralization occurred as large, downward pointing, cone shaped stockwork vein and breccia zones centred on fault intersections. Dimensions of the cones were approximately 100 m to 180 m in diameter, near their tops, at or near surface, with a vertical extent of approximately 350 m. Originally referred to as “bornite ore”, remnants of this material found in collapsed material while open-pit mining, were observed to contain considerable quantities of hypogene chalcocite. Veins, veinlets and disseminated sulphide mineralization surrounded the breccia cones and provided most of the mineralization subsequently mined by open-pit in this area.

The Pit 2 area is geologically more complex than Pit 3. A more pronounced structural control is evident with chalcopyrite mineralization occurring in east and northeast trending veins, vein stockworks and fracture fillings. Some disseminated mineralization is present peripheral to syenite dikes of the Lost Horse Intrusive Complex (LHIC) and in a magnetite breccia that occupied the north central part of the pit area.

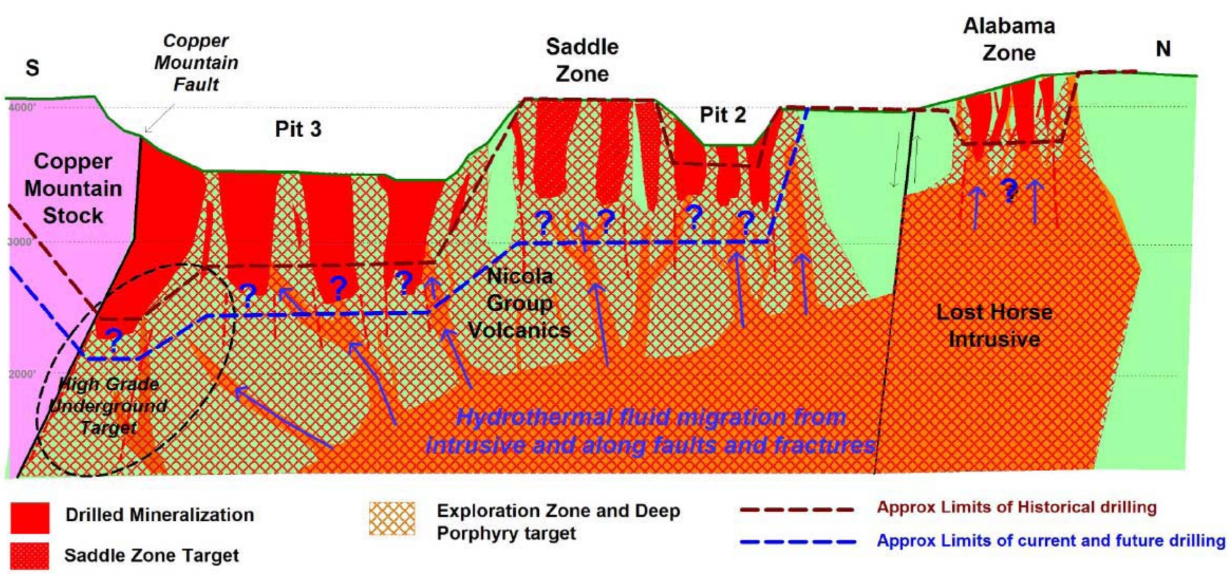
A large variety of alteration types, commonly overlapping, occur throughout the Copper Mountain Camp. Alteration can be classified according to its occurrence: either pervasive or structurally controlled, and its predominant mineral assemblage. The typical alteration assemblages associated with porphyry copper models propyllphyllic, argillic, advanced argillic and potassic, and their zonal or spatial organization arcentral intrusion, are not present at Copper Mountain.

Numerous veins, vein envelopes and fracture-filling mineral assemblages and textures cross-cut or occur within the pervasive alteration types, but the more prominent ones are described below:

- Magnetite veins: with or without copper sulphide minerals, of variable size from fine fracture filling to vein stockworks to sheeted vein swarms to 3 m - 4 m thick veins. These veins are not abundant in the Pit 3 area, but are significant in Pit 2 and comprise much of the ore within areas north of Pit 2 and east of Ingerbelle.
- Pegmatite veins: coarse grained potassium feldspar, biotite, epidote and calcite (+/- albite, apatite, garnet, and quartz). These veins are distinctive and occur with or without sulphide minerals. The veins are of variable size (up to 2 m thick) and orientation and occur in dilatant zones throughout the camp.
- Potassium feldspar veins: these veins range in thickness from 1 mm to 1 m and are generally barren; filling fractures within dilatant zones across the camp.
- Chlorite veins: these veins are fine, 1 mm -10 mm, discontinuous, late and occur throughout the camp.

The figure on the next page represents a schematic cross-section model of mineralization at Copper Mountain, showing the relationships of the intrusions, structures and possible flow paths for hydrothermal fluids. The presence of the “pegmatite veins” and local calc-silicate alteration assemblages can give local areas the appearance of skarn formation. However, the initial calcic minerals are themselves an alteration product, and no carbonate rocks have been recognized within the local stratigraphy. Oxide content of the mill feed can have a deleterious effect on mill recoveries, and blending can be required so as to not have extended periods of low mill recovery. In general, there has been little oxidation of the copper minerals at Copper Mountain.

Cross-Section Model of Mineralization at Copper Mountain



Schematic cross-section model of mineralization at Copper Mountain

Source: Copper Mountain

Permitting

The project is not classified as reviewable under the Reviewable Project Regulation of the BC Environmental Assessment Act, since it meets the following criteria:

- This is an existing mineral mine that is proposed to be reopened;
- The proposed development will lie primarily within previously active mining areas and areas approved for mining activity; and
- The new disturbance area is projected to be less than 750 ha and less than 50% of the existing disturbed area.

Major operating permits, including Mines Act Permit M-29 authorizing the mine plan and reclamation program, Waste Management Act Permit PE-00261 authorizing effluent discharge associated with operation of the mill and the tailings impoundment, and Water Licence C059533 authorizing water withdrawal and use from the Similkameen River, have been kept and remain in good standing. Reclamation security totalling $3.35 million is held under a Safekeeping Agreement with MEMPR, pursuant to the requirements of Mines Act Permit M-29.

The existing permits will form the basis for renewed operations at Copper Mountain. Other minor permits, including those for sewage and refuse disposal have also been kept in good standing. Permits will be amended, as required, to reflect current operations. A new permit is expected to be required for construction of a new sewage treatment plant to service the concentrator, administration offices and related facilities. The proposed relocation and construction of new process facilities on the Copper Mountain site will necessitate re-application for an air emissions permit for the crusher and milling facilities, as well as other minor permits associated with fuel storage, radioisotope usage and special waste handling. The selected explosives contractor will require an explosives factory licence. These permits will be applied for in advance of operations, as information from detailed engineering and planning become available.

Reference and Acknowledgement

Much of the material that appears in this appendix has been abridged from the "Preliminary Assessment Report, Copper Mountain Project", prepared by Merit Consultants International Inc., dated November 16, 2007. This report is available on SEDAR.

Appendix C – Management Officers and Board of Directors

James C. (Jim) O'Rourke, P.Eng., President, CEO, Director

Jim graduated in 1964, with a B.A.Sc. degree in Mining Engineering from the University of British Columbia. He gained valuable mine development and operating experience while involved in the start-up phase of five major mines over 14 years with Placer Development Limited. Jim has more than 30 years of hands-on experience in mine evaluations, financing development, marketing and operations in Canada, the United States, South America and the Philippines. As President of Princeton Mining Corporation (1987-1997), he was responsible for the acquisition of the Similco open pit copper mine; the evaluation, financing and development of the Cassiar underground block cave mine; and the acquisition, evaluation, financing and development the Huckleberry open pit copper mine in northern BC. The Huckleberry project was completed on schedule at its budgeted cost of $140 million.

Currently, Jim is President of Orclann Investments Inc., a private investment company, Chairman of Compliance Energy Corporation, Former President of Huckleberry Mines Limited and a director of numerous public and private companies in mining and property development. Jim has served as a director of the Mining Association of Canada (1987-1990), the Vancouver Board of Trade (1990) and Chairman (1992) and Director (1987-Present) of the British Columbia Mining Association and he was the 2005 recipient of the Edgar A. Scholz Medal for Excellence in Mine Development in British Columbia and the Yukon.

Rodney A. (Rod) Shier, CA, CFO, Director

Rod graduated in 1986, with a Bachelor of Commerce degree from the University of British Columbia and earned his Chartered Accountant designation in 1989. He has extensive experience in all aspects of corporate finance including equity and debt financings, merger and acquisition structuring, negotiation of joint ventures and hedging. Rod has over 15 years' experience with regulatory corporate finance obligations and has participated in the listing of companies in Canada and the United States.

Currently, Rod is also the Chief Financial Officer of Compliance Energy Corporation. He has worked for publicly traded companies as well as a major accounting firm. Rod is a member of the Institute of Chartered Accountants of British Columbia.

Peter Holbeck, BSc. (Hons) M.Sc., P.Geo, VP Exploration

Peter graduated from the University of British Columbia with a BSc (Hons) in 1981, and a Masters of Science in 1988. He has 25 years' experience in mineral exploration and mine development. Prior to joining Copper Mountain Mining, Peter served as Vice President, Exploration for Atna Resources Ltd. for six years and prior to that as Exploration Manager and Mine Geologist for Princeton Mining Ltd. From 1984 to 1993, he was employed as senior exploration geologist for Esso Minerals Canada and then Homestake Canada Ltd.

J. Peter Campbell, BSc., VP Environmental

Peter graduated from the University of British Columbia with a B.Sc. in Marine Biology in 1976, and has over 30 years' experience in environmental and permitting in the mining industry in British Columbia, the Yukon and the Northwest Territories. Prior to joining Copper Mountain Mining, Peter served as Vice President, Environmental, Government and First Nations Affairs with bcMetals Corporation. He was responsible for managing the environmental affairs of the Red Chris Project since the resumption of bcMetal's activities on the property in August 2003. Peter also managed the environmental assessment and permitting process for the Huckleberry Mine, which is a 20,000 tpd open pit copper mine, and the Similco Mine in the early 1990s.

BOARD OF DIRECTORS

James C. (Jim) O'Rourke, P.Eng., President, CEO, Director

Refer to biography above

Rodney A. (Rod) Shier, CA, CFO, Director

Refer to biography above

John Tapics, P.Eng, Director

Mr. Tapics graduated in 1975 with a B.Sc. degree in mining engineering from Queen's University and has over 25 years of mine planning and operation experience. Since November 2005, Mr. Tapics has been President & Chief Executive Officer of Compliance Energy Corporation, a mining company. Mr. Tapics became a director of Compliance Energy Corporation in April 2006. From October 2001 to February 2005, Mr. Tapics held the positions of President and Chief Executive Officer of the Alberta Electric System Operator and the Balancing Pool of Alberta, statutory corporations responsible for operating the electrical system of Alberta and managing certain pooled purchase arrangements on behalf of Albertans.

Marin Katusa, BSc., Director

Mr. Katusa graduated from the University of British Columbia with a Bachelor degree in Science, and then obtained a Degree in Education. His extensive relationships within the Canadian financial community and have assisted a variety of companies with strategic focus and corporate finance in the junior resource sector. Mr. Katusa is the Chief Investment Strategist, Energy Division, for Casey Research, which specializes in finding undervalued companies in the junior resource sector.

Carl L. Renzoni, Director

Mr. Renzoni is a retired investment banker who worked at BMO Nesbitt Burns Inc. from June 1969, and more recently as a Managing Director, up until his retirement in November 2001. Mr. Renzoni brings over 30 years of experience in the securities business, specializing in the mining industry, and has extensive knowledge of all aspects of corporate finance including mergers and acquisitions. Mr. Renzoni was a director of: Meridian Gold Inc. until its takeover by Yamana Gold Inc. in October 2007, and was a Director of Peru Copper until its takeover by the Aluminum Corporation of China for $840 million in June 2007. Mr. Renzoni has been a Director of Yamana Gold Inc. since October 2007 and a Director of International Molybdenum since May 2005. Mr. Renzoni received an Honours Bachelor of Science degree in Geology from Queen's University in Kingston, Ontario in 1963. Mr. Renzoni is a citizen and resident of Canada.

Source: Copper Mountain

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Company	**Ticker**
Copper Mountain Mining Corporation	**TSX-CUM**

I, **Peter Campbell**, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that I have not, am not, and will not receive, directly or indirectly, compensation in exchange for expressing the specific recommendations or views in this report.

Note: *We initiated coverage on* ***Copper Mountain Mining Corporation*** *on April 4, 2008 with a* ***SPECULATIVE BUY*** *recommendation, an ABOVE AVERAGE risk rating and a target price of C$4.40 per share. Share price at that time was $1.90.*

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