



COPPER MOUNTAIN
MINING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
JUNE 30, 2007

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MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A") OF FINANCIAL CONDITION & THE RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2007

August 9, 2007

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 June 30, 2007 and the Company's 2006 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 period from the date on incorporation to December 31, 2006 and are included in the Company's prospectus filed on Sedar. Additional information on the Company is available and can be found at www.sedar.com or www.CuMtn.com.

Basis of Presentation

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

The Company was incorporated under the provisions of the British Columbia Business Corporations 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 incorporated under the provisions of a predecessor to the British Columbia Business Corporations Act.

On June 20, 2007, the Company filed its Initial Public Offering prospectus (the "IPO") The IPO financing consisted of 3.45 million units (each a "Unit") at a price of \$1.45 per Unit and 1.15 million common shares issued on a flow-through basis under the Income Tax Act of Canada (the "Flow-Through Shares") at a purchase price of \$1.75 per Flow-Through Share.

On June 21, 2007, the Company became a reporting issuer upon receipt of filing of the Prospectus from the British Columbia Securities Commission. The Company commenced trading on June 29, 2007, on the TSX Venture Exchange under the trading symbol CUM.

Critical Accounting Policies

A summary of significant accounting policies is presented in Note 1 to the consolidated financial statements for the period from the date of incorporation on April 20, 2006 to December 31, 2006 and for the three months ended March 31, 2007 included in the Company's prospectus filed on Sedar.

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 are subject to an impairment evaluation. All of the expenditures incurred to date on the Issuer's 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.

Overview – June 30, 2007

The Company recorded earnings of \$248,784 or \$0.02 per share for the six months ended June 30, 2007 due to the recording of future income tax recoveries as a result of the renunciation of tax benefits on the issuance of flow-through shares during the period. As the Company was incorporated on April 20, 2006, and there was no material activity during the period ended June 30, 2006 and therefore there is no comparative period for these financial

statements. In order to better understand Copper Mountain's financial results for the six months ended June 30, 2007, it is important to gain an understanding of the stage of development of the Company's only asset, the Copper Mountain Project.

The Company owns 100% of Similco Mines Ltd. and is conducting an extensive drill program on the property. The Company's previously reported drill program continued during the quarter, initially with two drills in the field and by the end of June there were four drills working on the project. Drilling is currently being conducted in three areas: 1) the saddle zone, which is the area between the #1, #2 and #3 open pits, 2) the Pit 2 area, which includes the areas below the pit bottom and north, east and westward extensions to the pit, and 3) the Pit 3 area. Historical resources remaining on the property were last reported by the former owner, Princeton Mining Corporation, in their 1996 annual report to include 142 million tons of resources grading 0.397% Cu.* The Company filed a technical report on Sedar during the quarter and has also engaged an independent consultant to issue a NI 43-101 resource report which is scheduled to be completed in the third quarter of 2007.

* These resource estimates are reported in the Princeton Mining Corporation, December 31, 1996 Annual Report and were reported in the Orequest Technical Report dated June 15, 2007. The Technical Report is filed on Sedar. Historical Resources should not be relied upon; however, they were obtained from reliable sources and are deemed relevant. Peter M. Holbek, P.Geo. is the Qualified Person as defined in NI 43-101 for reporting purposes.

Results of Operations

The Company reported net income of \$248,784 or \$0.02 per share for the six months ended June 30, 2007. As the Company was incorporated April 20, 2006, and there was no material activity during the period ended June 30, 2006, there are no comparative figures. The Company has no income producing assets and has not reported any revenue from operations for any quarters from the date of incorporation on April 20, 2006 to June 30, 2007. However, the Company renounced \$4,760,000 in exploration expenditures during the quarter, which resulted in a recovery of future income taxes of \$1,624,112 (calculated at a 34.12% tax rate), which is taken into income under GAAP. Also, during the period, the Company had interest income of \$75,572.

Professional fees, which consist of accounting, audit, and legal fees, were \$43,578 for the six months ended June 30, 2007. The Company also incurred consulting fees of \$77,590 and utilities fees of \$83,372 that relate mostly to use of electricity at Similco Mines Ltd. Shareholder communications totalled \$102,134 for the six months ended June 30, 2007. These costs were mostly in relation to the IPO and to keeping our shareholders informed. Other expenses recorded for the six months ended June 30, 2007, included salaries and wages of \$94,661, bank charges of \$3,687, meals and entertainment costs of \$4,385, and travel costs of \$10,432.

During the period the Company issued 2.3 million stock options to directors, officers, and employee of the Company. These options have been valued using the Black-Scholes Option Pricing Model and as a result the Company recorded a \$902,793 charge to stock compensation expense as required under the fair value method of accounting for stock options. Any consideration paid by directors and employees on the exercise of stock options is credited to share capital.

General and Administrative expenses were \$116,630 for the six months ended June 30, 2007. General and Administrative were made up of; \$10,255 of equipment rental, \$3,350 of filing fees, \$3,246 in insurance costs, \$15,150 of licence fees, \$29,781 of office expenses, \$1,360 of postage and courier, \$8,076 of printing and stationary, \$14,384, of property taxes, \$21,932 of office rent, and telephone charges of \$9,096.

During the period, \$2,971,907 in exploration expenditures were spent on the property and were deferred. The \$2,971,907 in deferred costs were made up of drilling costs of \$2,278,931, geological consulting costs of \$201,310, core cutting costs of \$72,732, scoping study costs of \$87,253, contract labour costs of \$35,047, assays costs of \$112,736, equipment rental costs of \$19,229, insurance costs of \$17,395, mapping costs of \$10,239, claims fees of \$5,283, salaries of \$43,310, travel and housing of \$37,283, and miscellaneous costs of \$51,159.

Subsequent to the end of the quarter, the Company purchased mobile mining equipment from Compliance Energy Corporation ("Compliance"), a company related by common directors for \$568,500 in cash consideration. The valuation for the major pieces of mining equipment transferred was determined by an independent third party, while the remaining minor pieces of equipment were transferred at negotiated prices between the parties. In addition, the

Company assumed \$523,359 in lease obligations on the acquisition of a D8 Dozer and a 773 Rock Truck from Compliance.

Liquidity and Capital Resources

As of June 30, 2007, the Company had working capital of \$6.7 million (comprised of \$6.9 million of cash, \$0.3 million of receivables, prepaid expenses offset by \$0.5 million of liabilities). During the six months ended June 30, 2007, The Company completed its IPO financing and raised a total of \$7,015,000. In addition, the Company raised \$0.5 million of new capital through the issuance of 500,000 common shares, and 250,000 share purchase warrants. The Company believes that it will continue to access the capital markets over the next year to meet the capital requirements of its capital budget.

The Company issued 500,000 shares for gross proceeds of \$500,000 by way of a non-brokered private placement in early February 2007. In connection with the private placement, 250,000 share purchase warrants were issued with an exercise price of \$1.10 per warrant up until February 14, 2009.

Pursuant to the Company's Initial Public Offering ("IPO"), the Company issued 3,450,000 common shares at \$1.45 and 1,150,000 common shares on a flow-through basis under the Income Tax Act of Canada ("The Act") at a purchase price of \$1.75 per flow-through share. The IPO financing raised gross proceeds of \$7,015,000. Each Unit consisted of one common share and one half of one common share purchase warrant (the "Warrant"). Each whole Warrant entitles the holder to purchase one common share of the Company at a purchase price of \$2.00 per share up until December 28, 2008.

The Warrants are subject to an acceleration right ("Acceleration Rights") at the option of the Company if, at any time, the average closing price of the Company's common shares on the TSX Venture Exchange is greater than \$2.50 for 20 or more consecutive trading days, the Company may give 21 days notice ("Prior Notice") to the holders of the Warrants that the expiry date for exercise of the Warrants has been accelerated and the Warrants will expire on the 21st calendar day following the date of such Prior Notice. The agent received a commission of \$526,125 paid in cash, a corporate finance fee of \$40,000, and 345,000 Broker Warrants which entitles the holder to purchase one common share of the Corporation at a purchase price of \$2.00 per share at any time until December 28, 2008, subject to the Acceleration Rights.

Related Party Transactions

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. The Company paid one of its officers management and administration fees aggregating \$29,250 during the period ended June 30, 2007. In addition, the Company paid one of its directors consulting fees aggregating \$62,500 (\$20,000 – 2006).

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 (Loss) per Share	Income Fully Diluted (Loss) Per Share
June 30, 2007	-	\$82,744	\$0.01	\$0.01
March 31, 2007	-	\$166,040	\$0.02	\$0.02
December 31, 2006	-	(\$63,193)	(\$0.01)	(\$0.01)
September 30, 2006	-	(\$2,692)	\$0.00	\$0.00
April 20, 2006 to June 30, 2006*	-	(\$170,708)	\$0.00	(\$0.02)

*Company was incorporated on April 20, 2006

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 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 independent power project. 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 June 30, 2007. 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.

COPPER MOUNTAIN MINING CORPORATION
CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30, 2007	(Audited) December 31, 2006
ASSETS		
Current assets		
Cash	\$ 6,951,072	\$ 3,569,328
Accounts receivable	231,816	148,737
Prepaid expenses	68,305	17,430
	7,251,193	3,735,495
Reclamation bonding	2,046,500	2,039,000
Property, plant and equipment (Note 5)	197,788	81,974
Mineral property (Note 4)	4,196,266	1,224,361
TOTAL ASSETS	\$ 13,691,747	\$ 7,080,830
LIABILITIES		
Current liability		
Accounts payable	\$ 509,966	\$ 150,176
Accrued site reclamation cost	2,189,000	2,189,000
	2,698,966	2,339,176
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	9,907,172	4,807,622
Contributed surplus	1,073,418	170,625
Retained Earnings (Deficit)	12,191	(236,593)
	10,992,781	4,741,654
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 13,691,747	\$ 7,080,830

Approved on behalf of the board of Directors:

"James O'Rourke" Director
James O'Rourke

"John Tapics" Director
John Tapics Director

COPPER MOUNTAIN MINING CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

	(Unaudited) Three months ended June 30, 2007*	(Unaudited) Six months ended June 30, 2007*
EXPENSES		
Amortization	\$ 8,760	\$ 11,638
Bad debts expense	-	-
Bank charges & interest	2,290	3,687
Consulting fees	55,090	77,590
Meals and entertainment	3,827	4,385
General and administration	87,404	116,630
Professional fees	22,979	43,578
Shareholder communications	98,454	102,134
Stock-based compensation	262,171	902,793
Travel expenses	9,410	10,432
Utilities	47,391	83,372
Wages and salaries	59,752	94,661
Net loss before other item	657,528	1,450,900
OTHER ITEMS:		
Interest and other income	53,607	75,572
Future income taxes recovery	686,665	1,624,112
NET INCOME FOR THE PERIOD	82,744	248,784
RETAINED EARNINGS (DEFICIT) - BEGINNING OF THE PERIOD	(70,553)	(236,593)
RETAINED EARNINGS - END OF THE PERIOD	\$ 12,191	\$ 12,191
Earnings per share, basic and diluted	\$ 0.01	\$ 0.02
Weighted average number of common shares outstanding	15,077,658	14,846,425

(*) As the Company was incorporated April 20, 2006, and there was no material activity during the period ended June 30, 2006, and therefore there are no comparative figures.

COPPER MOUNTAIN MINING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	(Unaudited) Three months ended June 30, 2007*	(Unaudited) Six months ended June 30, 2007*
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net Income for the period	\$ 82,744	\$ 248,784
Net changes in non-cash working capital items:		
Accounts receivable	(144,830)	(83,079)
Prepaid expenses	125,000	(50,875)
Accounts payable	390,027	359,790
Non-cash expenses:		
Amortization	8,760	11,638
Future income tax recovery	(686,665)	(1,624,112)
Stock-based compensation	262,171	902,793
	37,207	(235,061)
INVESTING ACTIVITIES		
Purchase of reclamation bonding	-	(7,500)
Purchase of property, plant and equipment	(119,278)	(127,452)
Mineral property costs	(1,996,359)	(2,971,905)
	(2,115,637)	(3,106,857)
FINANCING ACTIVITY		
Issue of share capital, net of issue costs	6,296,069	6,723,662
CHANGE IN CASH	4,217,639	3,381,744
CASH - BEGINNING OF PERIOD	2,733,433	3,569,328
CASH - END OF PERIOD	\$ 6,591,072	\$ 6,591,072

(*) As the Company was incorporated April 20, 2006, and there was no material activity during the period ended June 30, 2006, and therefore there are no comparative figures.

Supplementary information:

During 2006, Company issued 4,000,000 shares valued at \$64,000 during for an option to purchase the shares of Similco Mines Ltd.

COPPER MOUNTAIN MINING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND
FROM THE DATE OF INCORPORATION ON APRIL 20, 2006 TO DECEMBER 31, 2006 (UNAUDITED)

1. BASIS OF PRESENTATION

These interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles (“GAAP”) with respect to the preparation of interim financial information. Accordingly, they do not include all of the information and disclosures required by Canadian GAAP in the preparation of our annual consolidated financial statements. Certain information and footnote disclosure normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. The accounting policies used in preparation of the accompanying unaudited interim consolidated financial statements are the same as those described in our annual consolidated financial statements and the notes thereto from the period of incorporation on April 20, 2006 to December 31, 2006.

These interim period statements have not been reviewed by the Company’s auditors and should be read together with the audited consolidated financial statements and the accompanying notes included in the Company’s prospectus.

2. CONTINUANCE OF OPERATIONS

These interim 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 and commitments as they become due. Should the going concern assumption not be appropriate, the carrying 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.

3. ACQUISITION OF SIMILCO MINES LTD. (“Similco”)

The Company acquired all the outstanding share capital of Similco on December 22, 2006. The acquisition was accounted for by the purchase method with the Company identified as the acquirer and the consideration comprised of 4,000,000 shares valued at \$64,000 for the initial purchase option and the Company paid an additional \$1,000,000 to complete the purchase. These amounts were allocated to mineral property acquisition costs, together with \$47,526 representative of liabilities of Similco assumed net of other identifiable assets of Similco acquired, as listed below:

Other identifiable assets acquired:	
Cash	\$ 11,949
Accounts receivable	37,610
Prepaid expenses	23,765
Reclamation bond	2,039,000
Property, plant and equipment	50,000
	<u>2,162,324</u>
Liabilities assumed:	
Accounts payable	20,850
Accrued reclamation costs	2,189,000
	<u>2,209,850</u>
Excess of liabilities assumed over non-mineral property assets acquired	<u>\$ 47,526</u>

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4. MINERAL PROPERTY

Copper Mountain Project
Princeton, British Columbia

The Company acquired mineral claims, leases and properties covering 6,702.1 hectares of the Copper Mountain project upon the acquisition of Similco Mines Ltd. Approximately 10% of the claims are subject to royalties of 1% to 5%.

Refer to note 3.

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

	June 30, 2007	December 31, 2006
Property acquisition costs	\$ 1,111,524	\$ 1,111,524
Claims costs	24,956	8,846
Geological consulting	261,569	60,259
Exploration expenditures		
Assays	113,362	626
Claims fees	7,574	2,291
Contract Labour	46,730	11,683
Core Cutting	72,732	-
Data recovery	7,008	6,189
Drilling	2,283,431	4,500
Equipment rental	30,892	11,663
House Rental	4,250	-
Liability Insurance	17,395	-
Mapping	10,844	605
Miscellaneous	40,403	6,173
Salaries	43,310	-
Scoping study	87,253	-
Travel	33,033	-
	<u>\$ 4,196,266</u>	<u>\$ 1,224,359</u>

5. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2007			December 31, 2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Building	\$ 50,000	\$ 3,000	47,000	\$ 50,000	\$ 2,000	\$ 48,000
Computer Equipment	144,699	14,177	130,522	36,969	4,929	32,040
Office Furniture	2,053	21	2,032	-	-	-
Other Equipment	20,087	1,853	18,234	2,417	483	1,934
	<u>\$ 216,839</u>	<u>\$ 19,051</u>	<u>\$ 197,788</u>	<u>\$ 89,386</u>	<u>\$ 7,412</u>	<u>\$ 81,974</u>

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6. SHARE CAPITAL

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

Issued:

	Common Shares	Amount	Contributed Surplus
Issued at April 20, 2006	-	-	
• Shares issued for cash	10,338,500	\$ 5,058,500	-
• Shares issued for acquisition of Similco	4,000,000	64,000	-
• Share issue costs	-	(314,878)	-
• Stock-based Compensation	-	-	170,625 ⁽²⁾
Issued at December 31, 2006	<u>14,338,500</u>	<u>\$ 4,807,622</u>	<u>\$170,625</u>
• Shares issued for cash	5,100,000	\$ 7,515,000	-
• Shares issued for finder's fee	36,960	36,960	-
• Share issue costs	-	(828,298)	-
• Stock-based compensation	-	-	902,793
• Flow-through renounced	-	(1,624,112)	-
Issued at June 30, 2007	<u>19,475,460</u>	<u>\$ 9,907,172</u>	<u>1,073,418</u>

(b) Stock Options

The Company has a stock option plan whereby it can issue up to 3,000,000 stock options exercisable for a period up to five years from the grant date. The Company has issued 2,325,000 options exercisable at \$1.00 per share for a period five years from the listing date of the Company's shares on a stock exchange.

The fair value of the stock options granted are estimated on the date of grant using the Black-Scholes Option Pricing Model with the following assumptions: a risk free interest rate of 4.50%, expected life of 5 years, an expected volatility of 40.0%, and no expectation for dividend payments.

Stock options outstanding	<u>For the six month period ended June 30, 2007</u>		<u>Date of incorporation on April 20, 2006 to December 31, 2006</u>	
	Number of options	Weighted average exercise price Cdn.	Number of options	Weighted average exercise price Cdn.
Beginning of period	-	-	-	-
Granted during period	2,325,000	\$ 1.00	-	-
End of period	<u>2,325,000</u>	<u>\$ 1.00</u>	<u>-</u>	<u>-</u>

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6. SHARE CAPITAL (Continued)

(c) Share Purchase Warrants

The continuity of share purchase warrants (each warrant exercisable for one common share) for the period ended June 30, 2007 is:

Expiry date	Exercise Price	Dec 31, 2006	Issued	Exercised	Expired/cancelled	June 30, 2007
Dec 19, 2008	\$1.10	785,500	-	-	-	785,500
Dec 28, 2008	\$1.10	10,000	-	-	-	10,000
Dec 28, 2008	\$2.00	-	1,725,000	-	-	1,725,000
Feb 14, 2009	\$1.10	-	250,000	-	-	250,000
		795,500	1,975,000	-	-	2,770,500
Weighted average exercise price		\$1.10	\$1.89	\$ -	\$ -	\$1.66

The continuity of share purchase warrants (each warrant exercisable for one common share) for the period from the date of incorporation to December 31, 2006 is:

Expiry date	Exercise Price	Date of Incorporation on April 20, 2006	Issued	Exercised	Expired/cancelled	June 30, 2007
Dec 19, 2008	\$1.10	-	785,500	-	-	785,500
Dec 28, 2008	\$1.10	-	10,000	-	-	10,000
		-	795,500	-	-	795,500
Weighted average exercise price		\$ -	\$1.10	\$ -	\$ -	\$1.10

(d) Broker Warrants

The continuity of broker warrants (each warrant exercisable for one common share) for the period ended June 30, 2007 is:

Expiry date	Exercise Price	Dec 31, 2006	Issued	Exercised	Expired/cancelled	June 30, 2007
Dec 19, 2008	\$1.10	255,500	-	-	-	255,500
Dec 28, 2008	\$1.10	123,602	-	-	-	123,602
Jan 2, 2007	\$1.10	-	18,480	-	-	18,480
Dec 28, 2008	\$2.00	-	345,000	-	-	345,000
		379,102	363,480	-	-	742,582
Weighted average exercise price		\$1.10	\$1.95	\$ -	\$ -	\$1.52

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6. SHARE CAPITAL (Continued)

The continuity of broker purchase warrants (each warrant exercisable for one common share) for the period from the date of incorporation to December 31, 2006 is:

Expiry date	Exercise Price	Date of Incorporation on April 20, 2006	Issued	Exercised	Expired/ cancelled	June 30, 2007
Dec 19, 2008	\$1.10	-	255,500	-	-	255,500
Dec 28, 2008	\$1.10	-	123,602	-	-	123,602
		-	379,102	-	-	379,102
Weighted average exercise price		\$ -	\$1.10	\$ -	\$ -	\$1.10

(e) Escrowed Shares

As required by the TSX Venture Exchange, 6,510,000 common shares owned by directors and officers of the Company are subject to an escrow agreement. These escrowed shares are to be released in instalments as follows: 10% on the date of listing which occurred on June 29, 2007 and 15% every six months thereafter.

7. 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 June 30, 2007, the Company paid one of its officers management and administration consulting fees of \$29,250 and \$62,500 to a company controlled by one of its directors.
- During the period ended December 31, 2006, the Company paid one of its directors consulting fees of \$20,000.

8. COMMITMENT

- (a) During the six months ended June 30, 2007, the Company raised \$2,102,500 by issuing 1,150,000 flow-through common shares. The Company is obligated to spend that amount by December 31, 2008.
- (b) During 2006, the Company raised \$2,747,500 by issuing flow-through common shares and at December 31, 2006, is obligated to spend this amount on Canadian exploration expenditures prior to December 31, 2007.

COPPER MOUNTAIN MINING CORPORATION
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9. SUBSEQUENT EVENTS

- (a) In July, 2007, 70,250 broker warrants were exercised at a price of \$1.10 per share for total proceeds of \$77,275. A total of 70,250 common shares were issued to the warrant holders from the treasury. The total number of remaining broker warrants outstanding is 672,332.
- (b) On July 31, 2007, the Company purchased mining equipment from Compliance Energy Corporation (“Compliance”) for the sum of \$568,500 in cash consideration. The valuation for the major pieces of mining equipment transferred was determined by an independent third party, while the remaining minor pieces of equipment were transferred at negotiated prices between the parties. In addition, the Company assumed \$523,359 in lease obligations on the acquisition of a D8 Dozer and a 773 Rock Truck from Compliance. The lease obligations have an effective interest rate of 5.2% per annum. The payments are expected to conclude by July 2009.
- (c) The Company granted 35,000 stock options exercisable at \$2.30 per share for a period of five years.