



COPPER MOUNTAIN
MINING CORPORATION

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COPPER MOUNTAIN ANNOUNCES SECOND QUARTER 2013 RESULTS

This release should be read with the unaudited financial statements and management's discussion and analysis available at www.cumtn.com and filed on www.sedar.com. Our financial results are prepared in accordance with IFRS and expressed in Canadian dollars, unless otherwise noted. Sales and production volumes for the Company's 75%-owned Copper Mountain mine are presented on a 100% basis unless otherwise indicated.

Vancouver, British Columbia – August 12, 2013 – Copper Mountain Mining Corporation (TSX: CUM) (the “Company” or “Copper Mountain”) announces revenues of \$45.7 million after pricing adjustments and treatment charges for the three months ended June 30, 2013.

Second Quarter 2013 Highlights (100% Basis)

- Revenues of \$45.7 million for the quarter.
- Copper concentrate shipments contained approximately 14.7 million pounds of copper, 5,600 ounces of gold, and 71,000 ounces of silver during the quarter.
- Total production for the 2013 second quarter at Copper Mountain Mine (100%) was 15.7 million pounds of copper, 5,600 ounces of gold and 71,000 ounces of silver.
- Mining activities continued at a steady rate of 171,000 tonnes per day moved during the second quarter of 2013.
- Milling activities continued to improve – Operating time was 86.6% in the second quarter of 2013 (including 92.3% in June) as compared to 85.9% for the first quarter.
- EBITDA¹ and Adjusted EBITDA² were (\$3.0) million and \$10.6 million respectively.
- Adjusted earnings^{3 4} was \$1.5 million or \$0.02 per share for the quarter.
- Site cash costs were US\$1.81 per pound of copper produced net of precious metal credits.
- Total costs were US\$2.32 per pound of copper sold net of precious metal credits and after all off site charges.
- Average realized copper price for the period US \$3.18 per pound.

Jim O’Rourke, President and CEO of Copper Mountain, remarked “although SAG Mill throughput has challenged us longer than we anticipated following the start-up period, we are confident that recently implemented modifications will provide short term improvements while the longer term solutions are implemented.. We are cash flow positive and we will be continuing to improve the operation as we increase the amount of minus 2 inch ore in the SAG Mill feed that will allow us to meet our production goals”.

Mr. O’Rourke continued, “Looking forward, management’s efforts are fully focused on optimizing the mill operations which include finalizing the work required to advance the installation of a permanent secondary crushing at the mine site. Production scale tests completed with pre-crushed ore to the SAG Mill have confirmed that by pre-crushing 100% of the ore to minus two inches the concentrator can achieve throughput rates above the designed capacity of 35,000 tpd. The Copper Mountain board of directors have approved the installation of a permanent SAG mill pre crusher and management is working with the Company’s partner and lenders to obtain their agreements to move forward expeditiously”

¹ EBITDA represents earnings before interest, income taxes and depreciation

² Adjusted EBITDA removes unrealized gains/ losses on derivative instruments and foreign exchange gains/ losses

³ Adjusted earnings (loss) and adjusted earnings (loss) per share are non GAAP financial measures which remove unrealized gains/ losses on interest rate swaps and foreign currency gains/ losses

⁴ Calculated based on weighted average number of shares outstanding under the basic method based on earnings attributable to shareholders

Production during the quarter totaled 15.7 million pounds of copper, 5,600 ounces of gold, and 71,000 ounces of silver. Sales for the quarter were 14.7 million pounds of copper, 5,400 ounces of gold, and 66,000 ounces of silver, generating an Adjusted EBITDA of \$10.6 million for the quarter. Listed in the table below is a summary of the financial results:

Summary Financial Results

(CDN\$, except for cash cost data in US\$)	Three months ended		Six months ended	
	2013	June 30, 2012	2013	June 30, 2012
	\$	(restated) \$	\$	(restated) \$
Revenues	45,698,504	60,721,215	100,792,325	131,740,948
Gross profit (loss)	(1,634,959)	11,938,282	6,429,449	41,106,341
Operating income (loss)	(2,625,165)	9,906,729	3,684,334	37,604,995
Adjusted earnings (loss) ⁵	1,527,901	17,555,823	9,372,195	36,804,018
Net Income (loss)	(12,083,649)	(2,169,540)	(14,355,559)	28,497,389
Earnings (loss) attributable to shareholders of the Company	(14,766,979)	(2,079,811)	(17,041,754)	20,253,046
Adjusted earnings (loss) per share ⁶	0.02	0.18	0.10	0.38
Earnings (loss) per share ⁷	(0.15)	(0.02)	(0.17)	0.21
EBITDA	(3,004,792)	6,965,749	4,456,917	46,597,506
Adjusted EBITDA	10,606,758	26,691,112	28,184,671	54,904,135
Cash and cash equivalents	6,983,156	27,189,047	6,983,156	27,189,047
Working capital	(1,699,149)	34,010,148	(1,699,149)	34,010,148
Equity	243,043,981	243,886,611	243,043,981	243,886,611
Copper produced (lbs)	15,700,000	16,557,000	29,900,000	30,266,000
Gold produced (oz)	5,600	4,500	11,000	8,700
Silver produced (oz)	71,000	113,500	135,000	210,000
Copper sold (lbs)	14,700,000	18,107,000	29,800,000	33,855,000
Gold sold (oz)	5,400	5,600	11,300	11,300
Silver sold (oz)	66,000	124,000	135,000	248,500
Site cash costs per pound of copper produced (net of gold, silver credits) (US\$)	1.81	1.24	1.72	1.23
Total cash costs per pound of copper sold (net of gold, silver credits) (US\$)	2.32	1.89	2.25	1.81

Copper Mountain Mine

During the quarter, the company completed three shipments of concentrate containing approximately 14.7 million pounds of copper to Japan for smelting and recorded revenues, net of smelter charges and pricing adjustments, of \$45.7 million, realizing a gross loss of \$1.6 million. The total cash cost of copper sold for the three months ended June 30, 2013 was US\$2.32 per pound of copper after gold and silver by-product credits, up from \$2.18 in the earlier quarter as a result of low production during the quarter.

Mining activities continued in the Pit #3 and Pit#2 area during the quarter. A total of 14.7 million tonnes of material was mined, including 4.4 million tonnes of ore and 10.3 million tonnes of waste at an average mining rate of 171,000 tonnes of per day moved during the second quarter of 2013. The ore grade averaged 0.33% Copper for the second quarter. Site cash costs were \$1.81 per pound of copper after gold and silver by-product credits.

Mill improvements were achieved during the quarter, in spite of the mill transformer loss time incident in mid-May that was fully repaired by early June, a full week ahead of schedule. The repaired transformer had all three sets of coils replaced and was fully inspected and certified as new prior to being returned to operation with a one year warranty. The mine exited the quarter on a positive note with the mill availability averaging 92.3% and copper production of 6.1 million pounds for the month of June. Mine production was 15.7 million pounds of copper, 5,600 ounces of gold, and 71,000 ounces of silver during the three months of operations ended June 30, 2013. This brought production for the six months to 29.9 million pounds of copper, 11,000 ounces of gold and 135,000 ounces of silver.

⁵ Adjusted earnings (loss) and adjusted earnings (loss) per share are non-GAAP financial measures which remove unrealized gains/losses on interest rate swaps and unrealized foreign currency gains/losses.

⁶ Calculated based on weighted average number of shares outstanding under the basic method based on adjusted earnings.

⁷ Calculated based on weighted average number of shares outstanding under the basic method based on earnings attributable to shareholders.

Plans for the mill operation for the balance of the year involve all available methods to provide finer ore to the SAG Mill. Utilizing high energy blasting will continue to maximize fragmentation of the ore, the contract portable crusher will continue to provide about 4,500 tpd of minus 2 inch ore and a newly acquired and installed portable crusher in July will provide up to 7,500 tpd of minus 2 inch SAG mill feed. These short term measures have had positive results towards increasing mill throughput.

The Company ended the quarter with a working capital deficit of \$1.7 million, as compared with a working capital of \$10.1 million at March 31, 2013. Cash at the end of the quarter totaled \$7.0 million as compared to \$8.7 million at the end of the previous quarter as a result timing of the last shipment of the quarter which occurred on June 28, 2013. Subsequent to the end of the quarter on July 7, 2013 the Company received \$8.6 million for this shipment. In addition, subsequent to the end of the quarter, the Company contributed in kind \$18.8 million of mining equipment that is being used by the Copper Mountain Mine and was originally purchased in early 2012 for the mine, and Mitsubishi Materials Corporation contributed an additional \$6.3 million in cash to the project to match their pro rata share of the Company's contribution.

Listed below are a summarized income statement and balance sheet as well as conference call in details:

Summarized Balance Sheet

	June 30, 2013 \$	December 31, 2012 (restated) \$
<u>Assets</u>		
Current assets	47,461,461	60,528,061
Restricted cash	-	6,013,726
Deferred tax asset	1,718,645	1,301,220
Reclamation bonds	8,816,500	8,200,500
Property, plant and equipment	538,331,514	541,607,854
Low grade stockpile	24,855,653	14,168,942
	621,183,773	631,820,303
<u>Liabilities</u>		
Current liabilities	49,160,610	49,851,807
Decommissioning and restoration provision	7,001,050	6,997,883
Interest rate swap liability	7,209,752	10,980,888
Long-term debt	312,318,817	304,178,343
Deferred tax liability	2,449,563	2,754,880
	378,139,792	374,763,801
<u>Equity</u>		
Share capital	158,110,551	157,942,209
Contributed surplus	9,643,976	9,469,280
Retained earnings (deficit)	984,002	18,025,756
Non-controlling interest	74,305,452	71,619,257
Total equity	243,043,981	257,056,502
	621,183,773	631,820,303

Summarized Income Statement

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(restated note 3)	(restated note 3)	(restated note 3)	(restated note 3)
	\$	\$	\$	\$
Revenue	45,698,504	60,721,215	100,792,325	131,740,948
Cost of sales	(47,333,463)	(48,782,933)	(94,362,876)	(90,634,607)
Gross profit (loss)	(1,634,959)	11,938,282	6,429,449	41,106,341
Other income and expenses				
General and administration	(1,032,273)	(1,191,387)	(2,729,140)	(2,403,371)
Share based compensation	42,067	(840,166)	(15,975)	(1,097,975)
Operating income (loss)	(2,625,165)	9,906,729	3,684,334	37,604,995
Finance income	85,943	736,696	185,424	945,775
Finance expense	(2,203,677)	(2,464,922)	(4,302,996)	(4,309,435)
Unrealized gain (loss) on interest rate swap	2,264,371	(3,331,469)	2,554,208	(3,331,469)
Foreign exchange (loss) gain	(10,522,553)	(6,736,181)	(16,781,845)	(1,457,716)
Income (loss) before tax	(13,001,081)	(1,889,147)	(14,660,875)	29,452,150
Current resource tax recovery (expense)	(120,016)	(280,393)	(417,425)	(954,761)
Deferred income tax recovery (expense)	1,037,448	-	722,741	-
Net income (loss) and comprehensive income (loss)	(12,083,649)	(2,169,540)	(14,355,559)	28,497,389
Net income (loss) and comprehensive income (loss) attributable to:				
Shareholders of the Company	(14,766,979)	(2,079,811)	(17,041,754)	20,523,046
Non-controlling interest	2,683,330	(89,729)	2,686,195	7,974,343
	(12,083,649)	(2,169,540)	(14,355,559)	28,497,389
Earnings per share:				
Basic	(0.15)	(0.02)	(0.17)	0.21
Diluted	(0.15)	(0.02)	(0.17)	0.20
Weighted average shares outstanding, basic and diluted	98,617,849	98,504,421	98,617,849	98,492,963
Shares outstanding at end of the period	98,619,427	98,505,377	98,619,427	98,505,377

The full set of financial statements and accompanying MD&A are posted on Sedar.com.

Guidance Revision

Copper Mountain is now projecting 2013 production to be approximately 65 to 70 million pounds of copper, 28,000 to 30,000 ounces of gold, and 255,000 to 275,000 ounces of silver. The revised guidance is based on mining operations continuing in both the Pit 2 and Pit 3 areas with more ore coming from the Pit 3 area and the mill operating at a rate of 32,000 tpd for the balance of 2013. Management believe that the steps taken, including the high powder factor blasting that maximizes fragmentation, combined with the contractor portable crusher and the newly acquired and installed portable crusher will allow the mill to operate at or above the 32,000 tpd range in order to achieve production targets.

About Copper Mountain Mining Corporation:

Copper Mountain's flagship asset is the 75% owned Copper Mountain mine located in southern British Columbia near the town of Princeton. The Company has a strategic alliance with Mitsubishi Materials Corporation who owns the remaining 25%. The Copper Mountain mine commenced production in the summer of 2011, and has continued to improve its operations during the year; and attained design capacity in the summer of 2012. The 18,000 acre site has a resource of approximately 5 billion pounds of copper and remains open laterally and at depth. The mine has significant exploration potential that will need to be explored over the next few years to fully appreciate the properties full development potential. Additional information is available on the Company's new web page at www.CuMtn.com.

Copper Mountain will host a conference call on Monday, August 12th, 2013 at 10:30 a.m. Eastern Time (7:30 a.m. Pacific Time) to discuss the 2013 second quarter results. The conference call may be accessed by dialing:

Live Dial-in information

Toronto and international: 416-764-8609

North America (toll-free): 888-390-0605

To participate in the webcast live via your computer go to: <http://www.newswire.ca/en/webcast/detail/1201005/1317021>

Replay call information

Toronto and international: 416-764-8677, passcode 921203

North America (toll-free): 888-390-0541, passcode 921203

The conference call replay will be available from 10:30 am (PST) on August 12th, 2013, until 11:59 pm PST on August 18th, 2013. Participant audio webcast will also be available on the company's website <http://www.cumtn.com>

On behalf of the Board of

COPPER MOUNTAIN MINING CORPORATION

"Rod Shier"

Rodney A. Shier, CA.
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Note: This release contains forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents, filed by the Company on SEDAR at www.sedar.com, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. The Company undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statement.