



Copper Mountain Mining Corporation

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COPPER MOUNTAIN ANNOUNCES 2016 YEAR END 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 – February 21, 2017 – Copper Mountain Mining Corporation (TSX: CMMC) (the “Company” or “Copper Mountain”) announces 2016 year end revenues of \$278 million, after pricing adjustments and treatment charges, from the sale of 82.7 million pounds of copper, 29,900 ounces of gold, and 283,900 ounces of silver. Total cash cost for the year was US\$1.54 per pound of copper sold, net of precious metals credits.

2016 Highlights (100% CAD\$ Basis)

- Copper, gold and silver production for the 2016 year at Copper Mountain Mine was 103 million pounds of copper equivalent which includes 82.9 million pounds of copper, 30,800 ounces of gold and 291,900 ounces of silver.
- Revenues for the year were \$278 million from the sale of 82.7 million pounds of copper, 29,900 ounces of gold, and 283,900 ounces of silver, net of pricing adjustments.
- Gross profit for the 2016 year was \$27.6 million as compared to 2.3 million for 2015.
- EBITDA for 2016 was \$77.5 million as compared to (\$54.9) million for 2015.
- 2016 Mill throughput averaged 38,900 tpd, up 11% as compared to the 35,100 tpd average for 2015.
- Site cash costs for 2016 were **US\$1.12** per lb of Cu produced net of precious metal credits
- Total cash costs for 2016 were **US\$1.54** per lb of Cu sold net of precious metal credits and after all off-site charges, a reduction of ~11.5% over 2015 total cash costs
- Realized prices on metal sales for 2016 were US\$2.19 per pound of copper, US\$1,269 per ounce of gold and US\$17.29 per ounce of silver.

Jim O'Rourke, President and CEO of Copper Mountain, remarked “During 2016, Copper Mountain continued to demonstrate improvement in production. Despite the challenging commodities price environment for most of the year, the mine has been cash flow positive from operations and has continued to focus on cost controls and production efficiencies. Total cash costs for the quarter decreased by 11.5% to US\$1.54 per pound of copper sold net of precious metal credits and after all off-site charges, over 2015 total cash costs of US\$1.74. Mine production was ahead of budget during the year with approximately 188,000 tonnes mined per day, well above our 2016 guidance of 174,000 tpd.”

Mr. O'Rourke continued, “The increased production has produced an increase in capital resources. At the end of 2016 the Company had a total of \$49 million of capital resources in the form of \$31.4 million in cash and cash equivalents, \$12.2 million in concentrate sales receivables, and \$5.4 million of concentrate inventory waiting at the port to be shipped. We will continue to focus on cost control and operational improvements to further strengthen the Company's balance sheet.”

Summary Financial Results

(In Thousands of CDN\$, other than per share and per pound amounts)	Three months ended December 31,		Year ended December 31,	
	2016 \$	2015 \$	2016 \$	2015 \$
Revenues	84,523	50,018	277,996	241,987
Gross profit (loss)	17,521	(3,458)	27,590	2,360
Cash flow from operations	22,518	3,450	46,937	21,582
Operating income (loss)	14,164	(30,625)	12,924	(31,300)
Adjusted earnings (loss)¹	8,775	1,534	(3,793)	11,358
Net Income (loss)	2,881	(45,818)	11,597	(102,871)
Earnings (loss) attributable to shareholders of the Company	2,098	(35,066)	7,723	(78,451)
Adjusted earnings per share²	0.07	0.01	0.06	0.10
Earnings (loss) per share³	0.01	(0.29)	(0.03)	(0.66)
EBITDA	20,423	(36,633)	77,512	(54,960)
Adjusted EBITDA	26,317	10,720	62,122	59,269
Cash and cash equivalents			31,409	12,190
Working capital			(791)	(15,365)
Equity			195,533	176,421
Copper produced (lbs)	20,800,000	19,400,000	82,900,000	77,600,000
Gold produced (oz)	7,100	7,300	30,800	29,200
Silver produced (oz)	71,100	60,000	291,900	276,300
Copper sold (lbs)	21,000,000	18,000,000	82,700,000	79,800,000
Gold sold (oz)	7,200	7,800	29,900	29,500
Silver sold (oz)	83,300	62,400	283,900	287,100
Site cash costs per pound of copper produced (net of gold, silver credits) (US\$)	1.25	1.21	1.12	1.25
Total cash costs per pound of copper sold (net of gold, silver credits) (US\$)	1.64	1.66	1.54	1.74

Copper Mountain Mine

During 2016, the Company shipped and sold 82.7 million pounds of copper, 29,900 ounces of gold, and 283,900 ounces of silver which generated \$278 million in revenue net of treatment and refining charges and pricing adjustments. Site cash costs were US\$1.12 per pound of copper produced and total cash costs were US\$1.54 per pound sold, net of precious metal compared to site cash costs of US\$1.25 per pound of copper produced and total cash costs of US\$1.74 per pound of copper sold, net of precious metal credits for 2015. The increase in revenue is a result of stronger sales volumes as compared to the same period last year, a higher gold price as precious metals account for about 20% of the revenue, and a higher foreign exchange rate for the US dollar as all sales are in US dollars.

Mining activities during the year continued to be focused mainly in the Pit #2 area as well as the Virginia pit area up until the end of the third quarter of 2016. During the year a total of 68.8 million tonnes of material was mined, including 23.4 million tonnes of ore and 45.4 million tonnes of waste for a strip ratio of 1.94:1 for the 2016 year. During the quarter, the mine continued utilizing the short waste haul opportunities and focused on maximizing haul truck hours. For the year the mine averaged 188,000 tonnes per day moved at an average mining cost of \$1.69 per tonne.

During the year the mill processed a total of 14.2 million tonnes of ore grading 0.324% copper to produce 82.9 million pounds of copper, 30,800 ounces of gold, and 291,900 ounces of silver. Mill recoveries were 81.6% for the year while mill operating time was 92.1%. Mill throughput increased during the year as mine site staff continued to optimize the

¹ 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.

² Calculated based on weighted average number of shares outstanding under the basic method based on adjusted earnings.

³ Calculated based on weighted average number of shares outstanding under the basic method based on earnings attributable to shareholders.

mill operation. The mill achieved an average throughput rate of 38,900 tpd for the 2016 year and ended the year strong with a mill throughput rate of 42,100 tpd for the last three months of 2016

Listed below is a summarized balance sheet and income statement as well as details for our conference call schedule:

Summarized Balance Sheet

	December 31, 2016 \$	December 31, 2015 \$
<u>Assets</u>		
Cash	31,409	12,190
Accounts Receivable and prepaids	26,048	11,990
Inventory	48,465	44,882
Property, plant and equipment	463,080	519,750
Other Assets	78,788	58,494
	647,790	647,306
<u>Liabilities</u>		
Current liabilities	106,713	84,427
Electricity deferral	15,385	-
Decommissioning and restoration provision	6,312	7,787
Interest rate swap liability	4,088	7,061
Long-term debt	319,759	371,610
	452,257	470,885
<u>Equity</u>		
Share capital	194,208	188,306
Contributed surplus	14,773	12,929
Retained earnings (deficit)	(73,656)	(81,379)
Non-controlling interest	60,208	56,565
Total equity	195,533	176,421
	647,790	647,306

Summarized Income Statement

(CDN\$)	Three months ended		Year ended	
	December 31,		December 31,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenues	84,523	20,018	277,996	241,987
Cost of sales⁴	(67,002)	(53,477)	(250,406)	(239,627)
Gross profit	17,521	(3,459)	27,590	2,360
Other income and expenses				
General and administration	(1,150)	(464)	(5,594)	(6,138)
Property investigation	(338)	(1,476)	(338)	(1,476)
Low grade stockpile write-down	(1,685)	(25,000)	(7,924)	(25,000)
Share based compensation	(184)	(227)	(810)	(1,046)
Operating income (loss)	14,164	(30,626)	12,924	(31,300)
Low grade stockpile write-down	1,685	25,000	7,924	25,000
Pricing adjustments on concentrate and metal sales	(3,134)	7,495	(11,041)	21,421
Finance income	56	32	199	244
Finance expense	(3,418)	(2,824)	(12,642)	(10,614)
Current resource tax (expense) recovery	(578)	369	(1,157)	(219)
Deferred income and resource tax recovery	-	2,087	-	6,826
Adjusted earnings⁵ (loss)	8,775	1,533	(3,793)	11,358
Pricing adjustments on concentrate and metal sales	3,134	(7,495)	11,041	(21,421)
Unrealized gain (loss) on interest rate swap	2,580	1,623	(91)	(2,315)
Low grade stockpile write-down	(1,685)	(25,000)	(7,924)	(25,000)
Unrealized (loss) gain on foreign exchange	(9,923)	(16,481)	13,007	(65,493)
Loss on sale of fixed asset	-	-	(643)	-
Net income (loss) and comprehensive income (loss) for the period	2,881	(45,820)	11,597	(102,871)
Net income (loss) and comprehensive income (loss) attributable to:				
Shareholders of the company	2,098	(35,066)	7,723	(78,451)
Non-controlling interest	783	(10,752)	3,874	(24,420)
	2,881	(45,818)	11,597	(102,871)
Income (loss) per share	0.01	(0.29)	0.06	(0.66)
Adjusted earnings per share	0.07	0.01	(0.03)	0.10

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

⁴ Cost of sales consists of direct mining and milling costs (which include mine site employee compensation and benefits, mine site general and administrative costs, non-capitalized stripping costs, maintenance and repair costs, operating supplies and external services), depreciation and offsite transportation costs.

⁵ Adjusted earnings (loss) is a non-GAAP financial measure which excludes unrealized gains/losses on derivative instruments, changes in fair value of financial instruments, foreign currency gains/losses, pricing adjustments related to metal sales and non-recurring transactions.

Exploration Update:

Exploration – Mine

During the second half of 2016 the Company completed a 5,000 meter drill program. The drill program was designed to convert inferred resources into measured and indicated status on the western end of Pit 2. The program was successful in converting blocks, increasing grade, lowering strip ratio, and extending mineralization further to the west. Redesign of the open pit in the newly drilled area is being completed and will result in an increase to the reserve base. The Company intends to follow up this successful drill program in the summer of 2017.

Exploration – Generative

A 570 line-km GEOTECH helicopter-borne Z-TEM survey was undertaken and completed over the Fenton project area as well as a number of other company owned properties in the region. Results of the survey will help target areas for further drill testing of the Fenton property and help evaluate the exploration potential of our other properties in the region, in conjunction with recently completed geochemical programs. The exploration team continues to investigate and evaluate early and advanced-exploration properties as well as development projects, which are predominately located within the Americas.

About Copper Mountain Mining Corporation:

Copper Mountain's flagship asset is the 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 25% of the mine. The Copper Mountain mine has a large resource of copper that remains open laterally and at depth. This significant exploration potential will be explored over the next few years in order to fully appreciate the property's full development potential. Additional information is available on the Company's web page at www.CuMtn.com.

The conference call and audio webcast will be held on Tuesday, February 21, 2017 at 7:30 am (Pacific Standard Time) and will be followed by a question-and-answer period with investors.

Live Dial-in information

Toronto and international: **647-427-7450**

North America (toll-free): **1-888-231-8191**

To participate in the webcast live via your computer go to:

<http://event.on24.com/r.htm?e=1347466&s=1&k=ED791330BAEC62471BE2651876C550AB>

Replay call information

Toronto and international: **416-849-0833 Passcode: 51771295**

North America (toll-free): **1-855-859-2056 Passcode: 51771295**

The conference call replay will be available from 10:30 am (PST) on Tuesday, February 21, 2017, until 11:59 pm PST on **Monday, March 6th, 2017**.

Participant audio webcast will also be available on the company's website at <http://www.cumtn.com>

On behalf of the Board of

COPPER MOUNTAIN MINING CORPORATION

"Rod Shier"

Rodney A. Shier, CA.
Chief Financial Officer

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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.