

Recommendation: Buy
Target Price: \$2.15

Copper Mountain Mining Corp. (CMMC-TSX) New Ingerbelle Drilling Returns High Grades

Current Price	\$1.16	Shares Outstanding (MM)	
52 Wk High	\$1.85	Basic	187.9
52 Wk Low	\$0.92	Diluted	203.0
Target Return	85%	CEO	Gil Clausen

Cash (MM)	\$97	Market Cap. (MM)	\$218
WC (MM)	\$29	EV (MM)	\$443
LT Debt (MM)	\$253	Dividend Yield	-

NAV (model)	\$2.95	NAV (spot)	\$2.13
P/NAV (model)	0.4x	P/NAV (spot)	0.5x

FYE Dec. 31		2018	2019	2020
Sales (100% basis) (MMlb Cu)	Q1	22	19	22
	Q2	23	19	22
	Q3	23	19	22
	Q4	23	19	22
	FY	89	78	88
C1 Cu Cash Cost (US\$/lb sold)	FY	\$1.85	\$1.65	\$1.60

		2018	2019	2020
Consolidated EPS (US\$)	Q1	\$(0.04)	\$0.04	\$0.06
	Q2	\$0.05	\$0.04	\$0.06
	Q3	\$0.05	\$0.04	\$0.06
	Q4	\$0.05	\$0.04	\$0.06
	FY	\$0.12	\$0.18	\$0.23

Consolidated CFPS (US\$)	Q1	\$0.11	\$0.11	\$0.12
	Q2	\$0.13	\$0.11	\$0.12
	Q3	\$0.13	\$0.11	\$0.12
	Q4	\$0.13	\$0.11	\$0.12
	FY	\$0.50	\$0.46	\$0.48

P/CFPS	FY	1.8x	1.9x	1.8x
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* Pro Forma Metrics

Company Description:

Copper Mountain is a mid-tier copper producer domiciled on the TSX. The company's project portfolio is underpinned by a 75% interest in the Copper Mountain mine in British Columbia, which is operated under a joint venture agreement with 25% project partner Mitsubishi. The mine's low grade profile offers peer leading leverage to higher copper pricing. The advanced stage Cloncurry copper project (proposed Eva mine) in Australia provides an additional compelling/complimentary production profile growth opportunity.

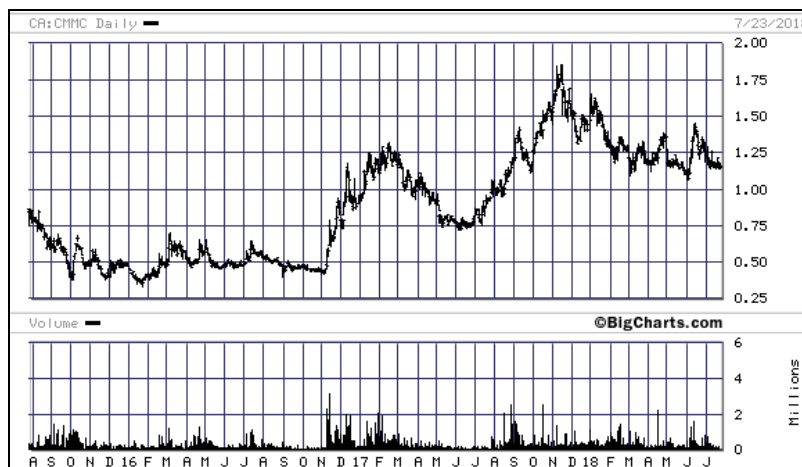
Unless otherwise denoted, all figures shown in C\$

Investment Thesis:

We continue to view the Copper Mountain mine in BC as a solid 'what you see is what you get' asset going forward. **That said, the operation's low grade (~0.3%) profile positions Copper Mountain as one of the most leveraged established copper producers in the small- to mid-cap space, which stands to garner attention over peers in time, cognizant the current 'Trump trade war' narrative will likely continue to weigh on near-term sentiment towards the company (and copper related equities in general). Hence, foreseeable growth opportunities aside, we believe the company should be considered in any risk-tolerant investment strategy looking for leveraged exposure to copper pricing upside—a strategy underpinned by our Buy rating in the context of Cormark's bullish medium- to longer-term outlook for the metal.** Recently completed acquisition of the advanced stage Cloncurry copper project in Australia adds a second dimension to the CMMC story, which stands to underpin meaningful accretive production growth targeted in +2020.

Highlights:

- Infill Drilling Demonstrates New Ingerbelle's High(er) Grade Potential**
 Initial Phase 2 drilling at the New Ingerbelle satellite deposit has intersected high-grade copper mineralization in several infill holes—well above the deposit's inferred resource grade and Copper Mountain's reserve grade. The three-phase drill program is targeting the delineation of a +150 MMt M&I resource, which could potentially add (in time) +7-years of open-pit mine life to the Copper Mountain operation (i.e., to +2032; conservatively not included in our current model).



Source: BigCharts.com, July 23, 2018

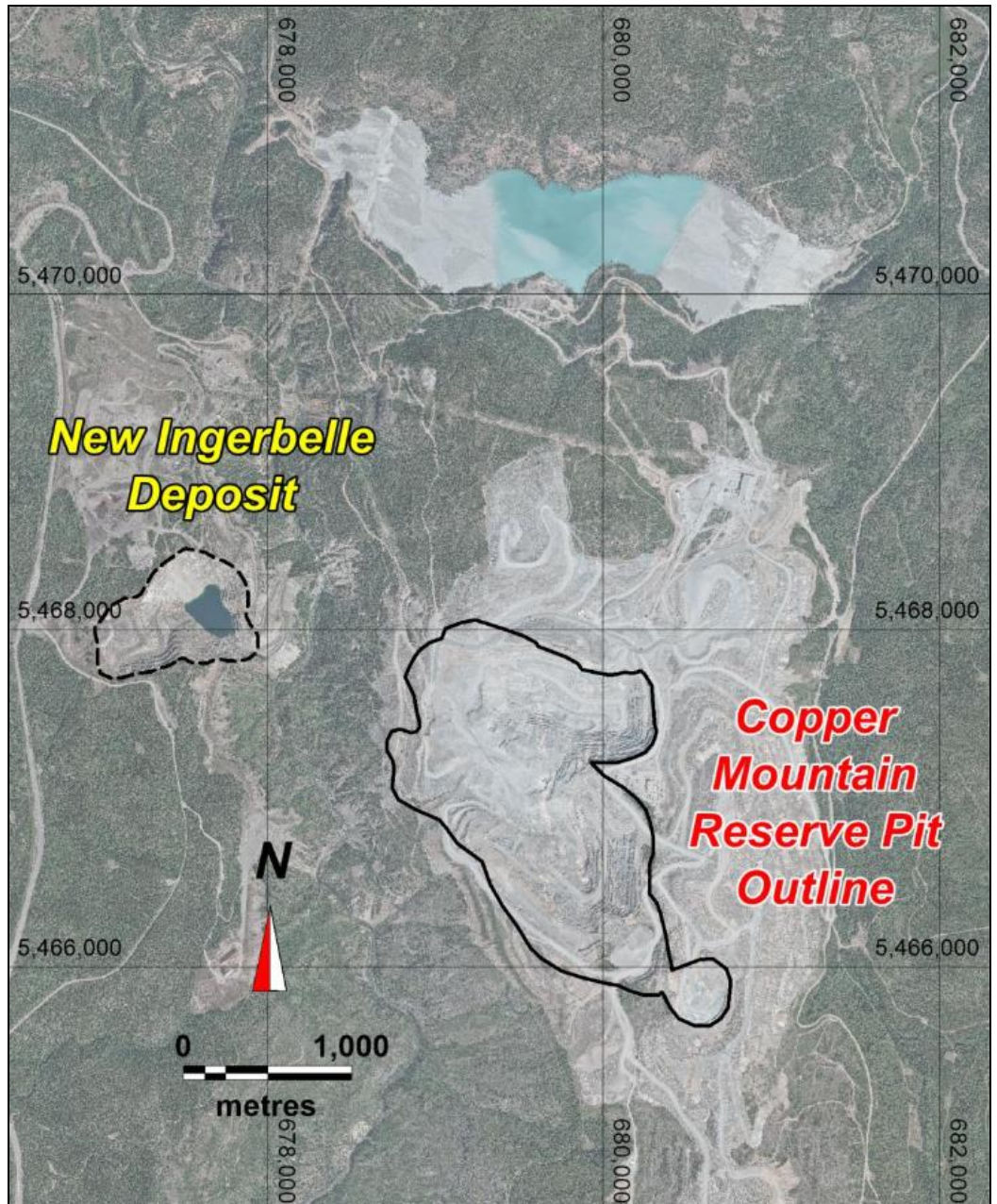
Initial results from Phase 2 of a three-phase delineation drill program at the New Ingerbelle deposit (located ~1 km west of the company's 75%-owned Copper Mountain mine in British Columbia) include several infill intersections of high-grade copper mineralization (including 105 m of 1.03% copper-equivalent)—well above New Ingerbelle's inferred (historical based) grade of 0.30% copper and 0.20 g/t gold and Copper Mountain's current reserve grade (0.27% copper and 0.09 g/t gold). Drilling continues to demonstrate the satellite deposit's high(er) grade potential—Copper Mountain's three-phase drill program is targeting the delineation of a +150 MMt M&I resource that would form the basis of a feasibility study, which could potentially add (in time) +7-years of open-pit mine life to the Copper Mountain operation.

Key Points

- The ongoing Phase 2 New Ingerbelle program (10,000 m in 30 holes) is designed to follow-up on last year's successful Phase 1 campaign (22 holes), which validated historical data (582 drill-holes totaling 80,500 m; half of which were drilled below previously mined areas; refer to February 2, 2018, Cormark Research Report) and verified that mineralization is open both laterally and at depth. **Initial infill drilling (7 holes) has returned several intervals of high-grade (+0.50% copper-equivalent) copper mineralization over significant widths.** Notable intercepts include:
 - Hole 18IG-01: 165 m grading 0.44% copper, 0.60 g/t silver, and 0.29 g/t gold (0.63% CuEq) starting at a down-hole depth of ~147 m, **including 93 m grading 0.55% copper, 0.74 g/t silver, and 0.38 g/t gold (0.81% CuEq).**
 - Hole 18IG-02: **60 m grading 0.47% copper, 0.98 g/t silver, and 0.33 g/t gold (0.70% CuEq) starting at the surface.**
 - Hole 18IG-03: **63 m grading 0.56% copper, 0.91 g/t silver, and 0.51 g/t gold (0.91% CuEq) starting at a down-hole depth of ~33 m, and 117 m grading 0.35% copper, 0.49 g/t silver, and 0.22 g/t gold (0.50% CuEq) starting at a down-hole depth of ~231 m.**
 - Hole 18IG-05: 48 m grading 0.49% copper, 1.05 g/t silver, and 0.33 g/t gold (0.72% CuEq) starting at a down-hole depth of ~168 m, **including 21 m grading 0.80% copper, 1.73 g/t silver, and 0.56 g/t gold (1.19% CuEq).**
 - Hole 18IG-06: **105 m grading 0.71% copper, 0.87 g/t silver, and 0.47 g/t gold (1.03% CuEq) starting at a down-hole depth of ~132 m, including 30 m grading 1.53% copper, 2.02 g/t silver, and 1.01 g/t gold (2.22% CuEq).**
- **Complete Phase 2 drill results, designed to both infill New Ingerbelle's inferred (historical) inventory and expand the deposit's resource envelope, and subsequent release of a NI 43-101 compliant M&I resource estimate, are expected later this quarter.**
- Drilling from the 2017 Phase 1 program included 35 significant intersections with an average grade of 0.48% CuEq (0.34% copper, 0.70 g/t silver, and 0.22 g/t gold). In addition to notable copper values, drilling also confirmed the high gold tenor of the Ingerbelle mineralization, which was estimated from Newmont's historical production data (discovered, developed, and mined between 1996 and 1981) to average 0.66 g/t for every 1% of copper grade.
- Historically, New Ingerbelle's drill core was not assayed for precious metal content. However, production records indicate a gold 'recovered grade' of 0.17 g/t, which translates into a gold head grade of 0.25 g/t at a 70% mill recovery rate. **Furthermore, New Ingerbelle's copper head grade averaged 0.43%—notably higher than Copper Mountain's current reserve grade of 0.27% (noting a ~0.33% average copper head grade in H1/18).**

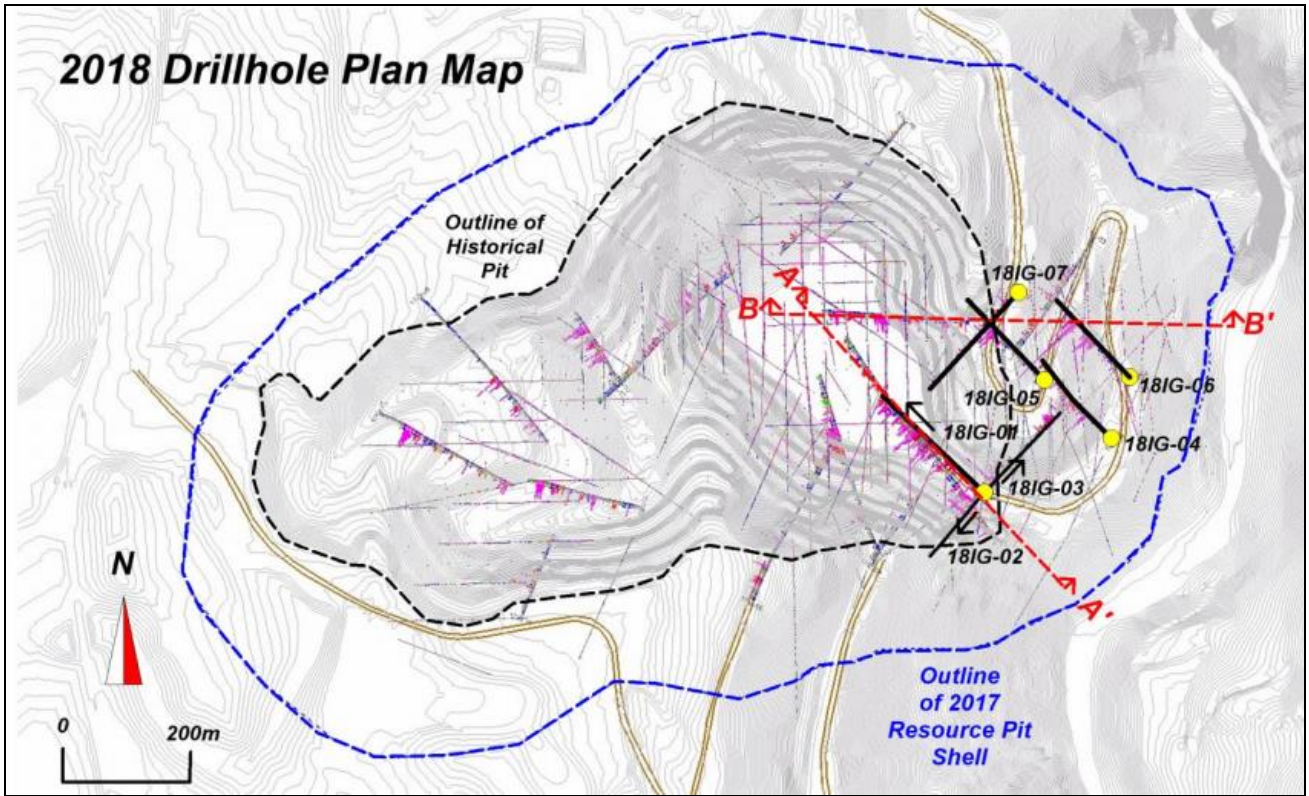
- At US\$2.75/lb copper and current mine costs, a New Ingerbelle whittle pit shell based on (only) historical drill results contains 104 MMt of (inferred) resource grading 0.30% copper and 0.20 g/t gold (0.2% copper cut-off grade). **With additional delineation/expansion (under the three-phase New Ingerbelle program), Copper Mountain is targeting the delineation of +150 MMt in the M&I resource category, which could potentially add (in time) +7-years of open-pit mine life to the Copper Mountain operation (noting current reserves at Copper Mountain support open-pit mining through ~2025).** We note our model (formal valuation) conservatively does not include any credit for this satellite resource upside potential.

Figure 1: New Ingerbelle Location Map



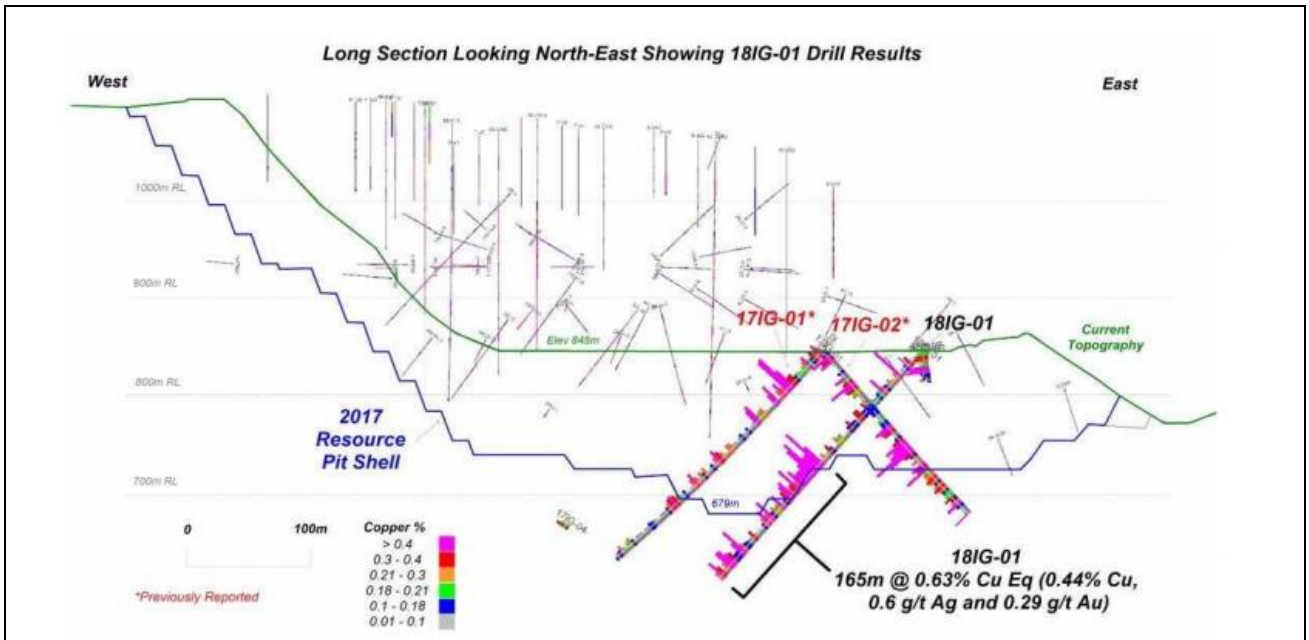
Source: Copper Mountain Mining Corp.

Figure 2: New Ingerbelle Phase 2 Drill Hole Map



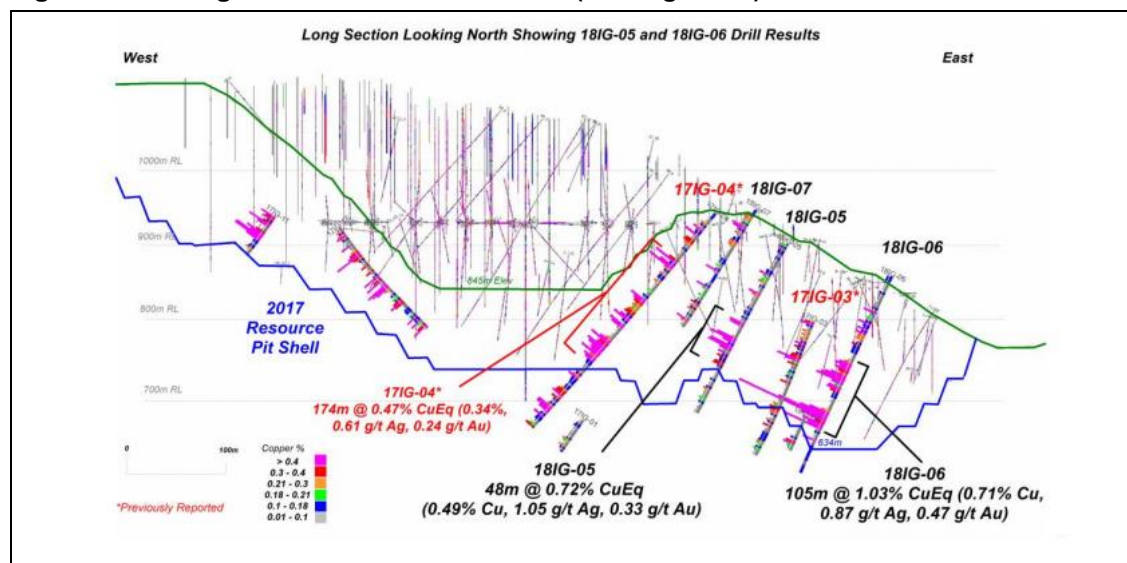
Source: Copper Mountain Mining Corp.

Figure 3: New Ingerbelle Cross Section A-A' (looking northeast)



Source: Copper Mountain Mining Corp.

Figure 4: New Ingerbelle Cross Section B-B' (looking north)



Source: Copper Mountain Mining Corp.

Market Valuation

Copper Mountain is currently trading at 2.3x pro forma 2018E attributable CFPS, 4.0x EV/2018E pro forma consolidated operating cash flow, and 0.4x pro forma after-tax corporate NAV10% vs. peer group averages of ~5.0x, ~6.0x, and ~0.8x respectively (with 'pro forma' reflecting Copper Mountain's capital structure post formal completion of the Altona acquisition on April 18, 2018; refer to July 13, 2018, Cormark Research Report). Following successful throughput improvement and operating cost reduction initiatives over the last +27 months, we view the Copper Mountain mine in BC as a solid 'what you see is what you get' asset going forward. That said, the operation's low grade (~0.3%) profile positions Copper Mountain as one of the most leveraged established copper producers in the small- to mid-cap space, which stands to garner attention over peers (see below). Hence, foreseeable growth opportunities aside, we believe the company should be considered in any risk-tolerant investment strategy looking for leveraged exposure to copper pricing upside—a strategy underpinned by our Buy rating in the context of Cormark's bullish medium- to longer-term outlook for the metal. Recently completed acquisition of the advanced stage Cloncurry copper project in Australia (via Altona Mining) adds a second dimension to the Copper Mountain story, which stands to underpin meaningful accretive production growth targeted in +2020 (refer to March 27, 2018, Cormark Research Report). Hence, our hybrid target price derivation, which is based on a 50% weighting to 5.0x EV/2018E pro forma consolidated operating cash flow (to reflect Copper Mountain's near-term cash flow potential) and a 50% weighting to 0.8x pro forma fully financed after-tax corporate NAV10% (to capture growth potential in Australia). **We reiterate our Buy recommendation and \$2.15 per share target price (85% implied return).**

Figure 5: Pro Forma Consolidated CFPS, Corporate NAV, and Implied Target Price Sensitivity

	Cormark Model	Sensitivity					Current Spot
		\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	
Forecast Copper Price, US\$/lb	\$3.25	\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	\$2.77
Forecast Gold Price, US\$/oz	\$1,250	\$1,000	\$1,200	\$1,400	\$1,600	\$1,800	\$1,225
Forecast Silver Price, US\$/oz	\$16.00	\$10.00	\$15.00	\$20.00	\$25.00	\$30.00	\$15.38
Forecast C\$/US\$ FX Rate	1.32	1.35	1.30	1.25	1.20	1.15	1.32
2018E Consolidated CFPS, US\$	\$0.50	\$0.24	\$0.35	\$0.44	\$0.52	\$0.59	\$0.41
Fully Financed After-Tax Corporate NAV10%, \$ per share	\$2.95	\$(1.02)	\$1.15	\$2.76	\$4.20	\$5.50	\$2.13
Implied Target Price at 50% Weighting to 3.0x EV / 2018E Cons. OCF Plus 50% weighting to 0.6x After Tax Corporate NAV10%, \$ per share	\$1.20	-	\$0.35	\$1.00	\$1.55	\$2.05	\$0.75
Implied Target Price at 50% Weighting to 4.0x EV / 2018E Cons. OCF Plus 50% weighting to 0.7x After Tax Corporate NAV10%, \$ per share	\$1.65	-	\$0.65	\$1.40	\$2.10	\$2.65	\$1.15
Implied Target Price at 50% Weighting to 5.0x EV / 2018E Cons. OCF Plus 50% weighting to 0.8x After Tax Corporate NAV10%, \$ per share	\$2.15	-	\$0.90	\$1.80	\$2.60	\$3.30	\$1.50
Implied Target Price at 50% Weighting to 6.0x EV / 2018E Cons. OCF Plus 50% weighting to 0.9x After Tax Corporate NAV10%, \$ per share	\$2.60	-	\$1.20	\$2.25	\$3.15	\$3.90	\$1.90
Implied Target Price at 50% Weighting to 7.0x EV / 2018E Cons. OCF Plus 50% weighting to 1.0x After Tax Corporate NAV10%, \$ per share	\$3.10	-	\$1.50	\$2.65	\$3.65	\$4.50	\$2.25

2018E average basic share count: 168 MM; fully financed FD share count: 203 MM
 Source: Cormark Securities Inc.

Figure 6: Pro Forma NAV Break Down and Sensitivity

	Cormark Model	\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	Spot Price
		\$1,000	\$1,200	\$1,400	\$1,600	\$1,800	
Forecast Copper Price, US\$/lb		\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	
Forecast Gold Price, US\$/oz		\$1,000	\$1,200	\$1,400	\$1,600	\$1,800	
Forecast Silver Price, US\$/oz		\$10.00	\$15.00	\$20.00	\$25.00	\$30.00	
C\$/US\$ FX Rate		1.35	1.30	1.25	1.20	1.15	
Fully Financed F/D Shares, MM	203	203	203	203	203	203	203
Corporate Adjustments (fully financed)							
Corporate Adjustments, US\$MM	\$(186)	\$(186)	\$(186)	\$(186)	\$(186)	\$(186)	\$(186)
Corporate Adjustments, C\$ per F/D share	\$(1.21)	\$(1.24)	\$(1.19)	\$(1.15)	\$(1.10)	\$(1.05)	\$(1.21)
Attributable Copper Mountain Project NAV(10%)							
Attributable After-Tax Project NAV(10%), US\$MM	\$448	\$155	\$311	\$437	\$559	\$679	\$385
Attributable After-Tax Project NAV(10%), C\$ per F/D share	\$2.92	\$1.03	\$1.99	\$2.69	\$3.30	\$3.84	\$2.50
Cloncurry Project NAV(10%)							
After-Tax Project NAV(10%), US\$MM	\$191	\$(123)	\$55	\$198	\$338	\$478	\$129
After-Tax Project NAV(10%), C\$ per F/D share	\$1.24	\$(0.82)	\$0.35	\$1.22	\$2.00	\$2.71	\$0.84
Subtotal 'Base Case' Valuation (corporate adjustments + projects)							
Subtotal 'Base Case' After-Tax Corporate NAV(10%), US\$MM	\$453	\$(154)	\$180	\$449	\$711	\$970	\$328
Subtotal 'Base Case' After-Tax Corporate NAV(10%), C\$ per F/D share	\$2.95	\$(1.02)	\$1.15	\$2.76	\$4.20	\$5.50	\$2.13
Resource + Exploration Upside Credit							
Total Resource + Exploration Upside Credit, US\$MM	-	-	-	-	-	-	-
Total Resource + Exploration Upside Credit, C\$ per F/D share	-	-	-	-	-	-	-
Total Valuation (base case + resource/exploration)							
Total After-Tax Corporate NAV(10%), US\$MM	\$453	\$(154)	\$180	\$449	\$711	\$970	\$328
Total After-Tax Corporate NAV(10%), C\$ per F/D share	\$2.95	\$(1.02)	\$1.15	\$2.76	\$4.20	\$5.50	\$2.13
Implied Target Price at 1.0x After-Tax Corporate NAV(10%), C\$	\$2.95	-	\$1.15	\$2.75	\$4.20	\$5.50	\$2.15
2018E Consolidated CFPS, US\$	\$0.50	\$0.24	\$0.35	\$0.44	\$0.52	\$0.59	\$0.41
2018E Attributable CFPS, US\$	\$0.38	\$0.18	\$0.26	\$0.33	\$0.39	\$0.45	\$0.31
Implied Target Price at 5.0x EV / 2018E Consolidated CFPS, C\$	\$2.00	\$0.30	\$1.00	\$1.50	\$1.95	\$2.25	\$1.40
Implied Target Price at 0.8x AT Corp. NAV10%, C\$	\$2.40	-	\$0.95	\$2.20	\$3.40	\$4.40	\$1.75
Implied Target Price at 50/50 Weighting of Above Metrics	\$2.15	-	\$0.90	\$1.80	\$2.60	\$3.30	\$1.50

Cormark model is based on a forecast copper price of US\$3.25/lb in 2018 and US\$3.00/lb thereafter, and a C\$/US\$ FX rate of 1.32.
 Spot pricing is based on a copper price of US\$2.77/lb and a C\$/US\$ FX rate of 1.32.
 Source: Cormark Securities Inc.

We look to the (overblown) 'Trump trade-war' narrative as a key culprit that has prompted recent commodity (base metals) markets concern. Through late Q2/18 investors had been nervously anticipating the first round of US import tariffs on Chinese goods, which came into effect earlier this month. China responded by imposing counter tariffs on the same scale (~US\$34 B; now stand to escalate to +US\$200 B to mirror an additional 10% tariff on US\$200 B of goods subsequently announced by the US). As a result 'broad risk aversion' continues to dominate the market.

However, looking further ahead, we continue to expect the industry's lack of timely new large-scale project advancement over the last ~5 years will culminate in a supply deficit—near-term supply growth is dominated by brownfield expansion (as opposed to new discoveries) and the industry's inventory of available development opportunities is low. We also remain cognizant that an eventual supply response will likely entail the development of lower grade mines located in areas of higher political risk and/or infrastructural hurdles, redefining the industry's cost curve (increased minimum threshold / incentive pricing for investment).

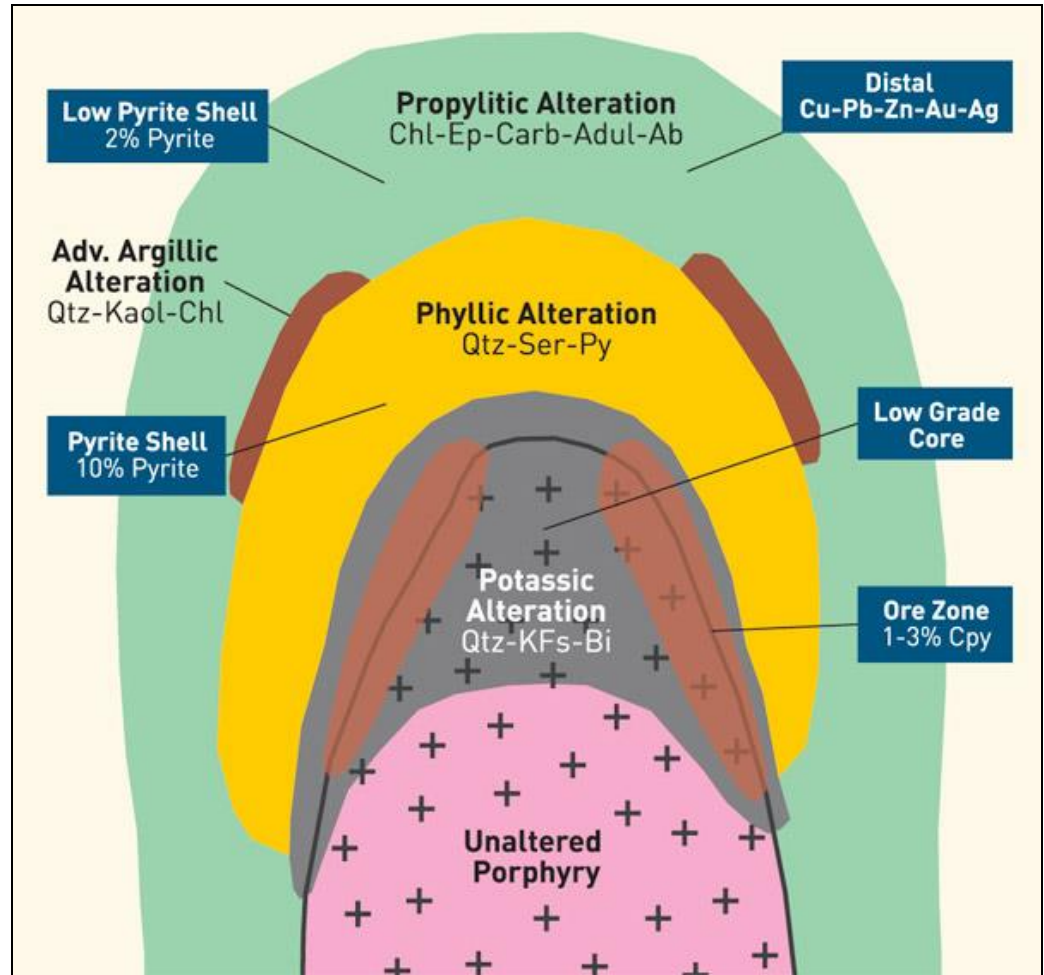
Appendix – Porphyry Primer

Porphyry deposits are associated with large amounts of molten rock generated at depth and emplaced within 2-4 km of the surface (i.e., an intrusion). Heat from this intrusion, which is typically +800°C at the time of emplacement, subsequently initiates the convection of hydrothermal fluids within surrounding rock. These hydrothermal fluids are sourced directly from the intrusion and/or heated groundwater and are channelled along fractures and breccia zones formed around the periphery of the intrusion—a result of overpressure and subsequent explosive release of saline fluids from within the upper parts of the intrusion. The metals transported by these fluids (namely, copper, gold, silver, and/or molybdenum) are primarily sourced directly from the intrusion, but can also be leached from surrounding host rocks by heated groundwater. Subsequent precipitation of this mineralization is both pervasive and fracture controlled, forming a shell(s) around the porphyry intrusion, which is generally less than 1 km in diameter. The grade within the shell(s) is characteristically very homogeneous, albeit low, typically averaging less than 1% copper, 1 gram per tonne gold, and/or 0.1% molybdenum. Hence, porphyry deposits are most amenable to large-scale bulk (open-pit) mining coupled with low-cost heap-leach processing (oxides). Higher grade veins are found radiating outward from porphyry deposits, but usually contribute marginally to a deposit's total tonnage.

Weathering can result in extensive leaching and oxidation of near-surface metals from a low-grade primary (sulphide) deposit. In the case of copper, leaching of chalcopyrite (copper sulphide) followed by re-precipitation of this mineralization in the form of chalcocite (+/- copper oxides) can form a secondary enriched deposit.

This enriched chalcocite blanket can contain significantly higher grades, 'sweetening' an already economic deposit or making an economic deposit out of low-grade primary mineralization that was originally unprofitable. As a porphyry deposit is formed, the convection of hydrothermal fluid also alters the host rock. The alteration footprint is typically much larger than the deposit itself—making this footprint a useful exploration tool, especially since it is typically zoned, with a potassic (biotite-orthoclase) core grading outward through phyllic (quartz-sericite) and propylitic (epidote-chlorite) shells. The term 'porphyry' or 'porphyritic' refers to a rock texture which is characterized by larger mineral grains supported in a matrix of smaller mineral grains. This texture is typically found in granite, diorite, and/or monzonite that compose most porphyry deposits.

Figure 7: Schematic Porphyry Model (section)



Source: Earth Science Australia

Figure 8: Copper Mountain Mining Corp. – Summary

Copper Mountain Mining Corp. (CMMC-T)	Target Price, C\$	\$2.15	Pro Forma Shares O/S, MM	187.9
Rating: BUY	Current Price, C\$	\$1.16	Pro Forma Shares F/D, MM	203.0
Target Price: C\$2.15	Return, %	85%	Market Cap, US\$MM	\$165.1
Metric: 50/50 weight to 5.0x EV/2018E Cons. OCF and 0.8x AT Corp. NAV	52-Week High / Low, C\$	\$1.85 / \$0.92	Company CEO	Gil Clausen
	Volume (100-day avg)	412,072	Web Site	www.cumtn.com

Pro Forma Consolidated Balance Sheet and Capitalization

	US\$MM	US\$/Sh.	C\$MM	C\$/Sh.
Market Capitalization (MC)	\$165	\$0.88	\$218	\$1.16
Current Cash	\$73	\$0.39	\$97	\$0.51
F/D Cash Adds	\$12	\$0.07	\$16	\$0.09
Working Capital	\$22	\$0.12	\$29	\$0.15
Electricity Deferral	\$(0)	\$(0.00)	\$(0)	\$(0.00)
Long-term Debt	\$(192)	\$(1.02)	\$(253)	\$(1.35)
Book Value (excl. non-control. interest)	\$161	\$0.86	\$213	\$1.13
Enterprise Value (EV)	\$335	\$1.78	\$443	\$2.36

EV = MC - (Working Capital + Electricity Deferral + Long-term Debt)

Share Capital Dilution

	Number	Price	Proceeds	Expiry
Warrants	5.1MM	C\$0.75	US\$2.9MM	August 2, 2019
Options	10.0MM	C\$1.25	US\$9.4MM	2019 - 2022
Warrants + Options	15.1MM	C\$1.08	US\$12.3MM	

Recent Financings

Aug 3, 2016 - \$7.5MM BD (13.6MM units @ \$0.55; 1 unit = 1 share + 0.5 warrant at \$0.75 for 3 years)
Nov 11, 2013 - \$34.6MM BD (17.7MM common shares @ \$1.70 per share + over-allotment of 2.7MM shares)
Feb 08, 2011 - \$40.0MM BDI (5.68MM common shares @ \$7.05 per share + over-allotment of 0.7MM shares)
Apr 26, 2010 - \$34.5MM BD (9.85MM common shares @ \$3.05 per share + over-allotment of 1.5MM shares)
Sep 23, 2009 - \$52.5MM (43.5MM common shares @ \$1.15 per share)

Pro Forma Financial Forecast

	2018	2019	2020
Forecast Copper Price, US\$/lb	\$3.25	\$3.00	\$3.00
Forecast Gold Price, US\$/oz	\$1,250	\$1,250	\$1,250
Forecast Silver Price, US\$/oz	\$16.00	\$16.00	\$16.00
C\$/US\$ FX Rate	\$1.32	\$1.32	\$1.32
Shares O/S, MM	168	188	188
Gross Sales Revenue, US\$MM	\$303	\$282	\$317
Net Revenue, US\$MM	\$284	\$252	\$283
Cost of Sales, US\$MM	\$(192)	\$(140)	\$(161)
Corporate G&A, US\$MM	\$(10)	\$(10)	\$(10)
EBITDA, US\$MM	\$85	\$102	\$114
EV / EBITDA	4.0x	3.3x	2.9x
DD&A, US\$MM	\$(42)	\$(31)	\$(31)
Gain on Derivative Instruments, US\$MM	-	-	-
Consolidated Earnings, US\$MM	\$24	\$33	\$44
Consolidated EPS, US\$	\$0.12	\$0.18	\$0.23
Consolidated Operating Cash Flow, US\$MM	\$84	\$86	\$90
Consolidated CFPS, US\$	\$0.50	\$0.46	\$0.48
Current EV / Cons. OCF	4.0x	3.9x	3.7x
Implied EV / Cons. OCF Target Price Multiple	5.7x	5.6x	5.3x
Attributable Earnings, US\$MM	\$16	\$20	\$29
Attributable EPS, US\$	\$0.08	\$0.11	\$0.15
Attributable Operating Cash Flow, US\$MM	\$63	\$63	\$67
Attributable CFPS, US\$	\$0.38	\$0.33	\$0.36
Current Price / Attributable CFPS	2.3x	2.6x	2.5x
Target Price / Attributable CFPS	4.3x	4.9x	4.6x
CAPEX, US\$MM	\$(11)	\$(4)	\$(175)
Cash Flow from Investing, US\$MM	\$(12)	\$(4)	\$(175)
Proceeds from Equity Financing, US\$MM	\$0	-	-
Proceeds from Debt Financing, US\$MM	-	\$140	-
Debt Repayment (incl. interest), US\$MM	\$(45)	\$(54)	\$(56)
Contributions from Non-Control. Interests, US\$MM	\$38	\$13	\$14
Distributions to Non-Control. Interests, US\$MM	\$(20)	\$(23)	\$(24)
Electricity Deferral Repayment, US\$MM	\$(5)	-	-
Cash Flow from Financing, US\$MM	\$(18)	\$77	\$(66)
Free Cash Flow, US\$MM	\$42	\$158	\$(151)
FCFPS, US\$	\$0.25	\$0.84	\$(0.80)

Copper Mountain Production Profile (100% basis; 75% interest)

	2018	2019	RLOM
Ore Mined, MMt	23	21	154
Waste Mined, MMt	46	42	302
Stip Ratio	2.0	2.0	2.0
Ore Milled, MMt	15	14	154
Ore Milled, nominal tonnes per day	40,000	38,000	38,000
Copper Grade Milled, %	0.31%	0.33%	0.29%
Copper Recovery, %	79%	80%	229%
Copper Production (in conc.), MMlb	80	81	776
Gold Production (in conc.), koz	28	34	334
Onsite Operating Cost, US\$/tonne milled	\$10.50	\$10.50	\$9.00
Total Copper Cash Cost (NoC), US\$/lb sold	\$1.85	\$1.65	\$1.45

Source: Cormark Securities Inc.

Pro Forma Major Shareholders (current Copper Mountain register)

	O/S (MM)	O/S (%)	F/D (MM)	F/D (%)
Anchor Bolt Capital LP	26.3	14%	26.3	13%
ICM Ltd.	19.0	10%	19.0	9%
FMR LLC	12.1	6%	12.1	6%
Dimensional Fund Advisors	6.1	3%	6.1	3%
Vertex One Asset Management	3.9	2%	3.9	2%
Management and Directors	9.4	5%	19.4	10%
Total	187.9	41%	203.0	43%

Pro Forma Corporate NAV Summary and Sensitivity

	Formal Model	\$2.00	\$2.50	\$3.00	\$3.50	Spot
Forecast Copper Price, US\$/lb		\$2.00	\$2.50	\$3.00	\$3.50	\$2.77
Forecast Gold Price, US\$/oz		\$1,000	\$1,200	\$1,400	\$1,600	\$1,225
Forecast Silver Price, US\$/oz		\$10.00	\$15.00	\$20.00	\$25.00	\$15.38
Forecast C\$/US\$ FX Rate		1.35	1.30	1.25	1.20	1.32
Corporate Adjustments, US\$MM	\$(186)	\$(186)	\$(186)	\$(186)	\$(186)	\$(186)
Attrib. CM AT Project NAV(10%), US\$MM	\$448	\$155	\$311	\$437	\$559	\$385
Cloncurry AT Project NAV(10%), US\$MM	\$191	\$(123)	\$55	\$198	\$338	\$129
Additional Exploration Credit, US\$MM	-	-	-	-	-	-
Corporate NAV, US\$MM	\$453	\$(154)	\$180	\$449	\$711	\$328
Corporate NAV, C\$ / F/D share	\$2.95	\$(1.02)	\$1.15	\$2.76	\$4.20	\$2.13
Current Price / Corporate NAV	0.4x	-	1.0x	0.4x	0.3x	0.5x
Target Price / Corporate NAV	0.7x	-	1.9x	0.8x	0.5x	1.0x
2018E Attributable CFPS, US\$	\$0.38	\$0.18	\$0.26	\$0.33	\$0.39	\$0.31
2019E Attributable CFPS, US\$	\$0.33	\$0.05	\$0.21	\$0.33	\$0.45	\$0.28

Model shares F/D (fully financed): 203MM

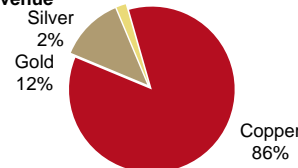
Pro Forma Corporate Metal Inventory - Model Mineable, Reserve, and Resource (75% owned)

	Tonnes (000s)	Cu (%)	CuEq (%)	Cu (MMlb)	CuEq (MMlb)	EV/lb CuEq (US\$/lb)
P&P Reserve (100%)	239,600	0.35%	0.41%	1,860	2,161	\$0.21
M&I Resource (100%)	252,500	0.38%	0.43%	2,117	2,379	-
Inferred Resource (100%)	538,900	0.30%	0.37%	3,593	4,368	-
Total Reserve and Resource (100%)	1,031,000	0.33%	0.39%	7,569	8,908	\$0.05
Total Reserve and Resource (attrib.)	845,750	0.35%	0.41%	6,598	7,647	\$0.06

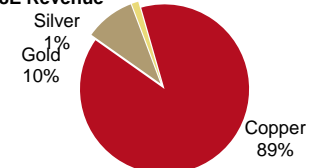
Copper Mountain Mining Corp. Consensus Estimate Summary (Thomson Reuters)

US\$	Analysts	Mean EPS High / Low	Cormark vs. Cons.	Mean CFPS High / Low	Cormark vs. Cons.	
2018 Consensus Estimate	9	\$0.13 / \$0.17 / \$0.09	(4%)	\$0.36 / \$0.49 / \$0.26	38%	
2019 Consensus Estimate	9	\$0.22 / \$0.35 / \$0.11	(20%)	\$0.45 / \$0.60 / \$0.30	2%	
C\$	Analysts	Buy	Hold	Sell	Mean Target High / Low	Cormark vs. Cons.
Consensus Valuation	8	5	3	-	\$1.91 / \$2.15 / \$1.60	12%

2017E Revenue



2018E Revenue





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MORNING MEETING NOTES
JULY 24, 2018

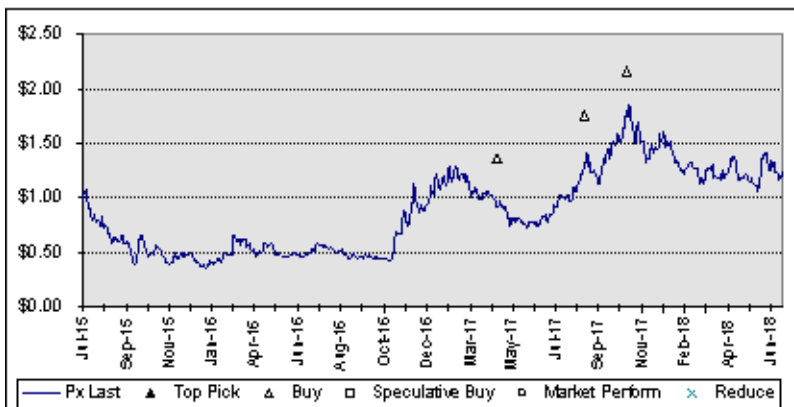
We, Stefan Ioannou and Yakun Liu, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company(ies) and its (their) securities. We also certify that we have not been, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

Copper Mountain Mining Corp.

Updated July 23, 2018

Price Chart and Disclosure Statement

*Information updated monthly on or about the 5th of each month.



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<i>Buy or Top Pick</i>	65%	<i>Buy or Top Pick</i>	51%
<i>Market Perform</i>	13%	<i>Market Perform</i>	26%
<i>Reduce</i>	2%	<i>Reduce</i>	33%
<i>Not Rated</i>	19%		

Recommendation / Target Chg	Date	C\$
	07-Nov-17	2.15 (B)
	01-Sep-17	1.75 (B)
	19-Apr-17	1.35 (B)

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If YES

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2) What type of security is it?

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Market Perform	expected to perform with its peer group
Reduce	expected to underperform its peer group

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