

Recommendation: **Buy**

Target Price: **\$3.00**

Current Price	\$2.36	Shares Outstanding (MM)	
52 Wk High	\$2.42	Basic	207.3
52 Wk Low	\$0.28	Diluted	225.9
Target Return	27%	CEO	Gil Clausen

Cash (MM)	\$71	Market Cap. (MM)	\$489
WC (MM)	\$26	EV (MM)	\$620
LT Debt (MM)	\$162	Dividend Yield	-

NAV (model)	\$3.95	NAV (spot)	\$5.63
P/NAV (model)	0.6x	P/NAV (spot)	0.4x

FYE Dec. 31		2020E	2021E	2022E
Sales (100% basis) (MMlb Cu)	Q1	18	22	23
	Q2	19	22	23
	Q3	18	22	23
	Q4	20	22	23
	FY	76	87	91
C1 Cu Cash Cost (US\$/lb produced)	FY	\$1.45	\$1.75	\$2.25

		2020E	2021E	2022E
Consolidated EPS (US\$)	Q1	\$(0.17)	\$0.08	\$0.03
	Q2	\$0.12	\$0.08	\$0.03
	Q3	\$0.13	\$0.08	\$0.03
	Q4	\$0.09	\$0.08	\$0.03
	FY	\$0.17	\$0.33	\$0.11

Consolidated CFPS (US\$)	Q1	\$(0.07)	\$0.13	\$0.07
	Q2	\$0.16	\$0.13	\$0.07
	Q3	\$0.18	\$0.13	\$0.07
	Q4	\$0.14	\$0.13	\$0.07
	FY	\$0.41	\$0.51	\$0.27
P/Cons. CFPS	FY	4.3x	3.6x	6.7x

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 flagship mine's low-grade profile offers peer leading leverage to higher copper pricing. The advanced stage 100% owned Eva copper project in Australia provides an additional compelling/complimentary production profile growth opportunity.

Copper Mountain Mining Corp.

(CMMC-TSX)

On A Roll – Carrying Record Q4/20 Momentum Into +2021

Unless otherwise denoted, all figures shown in C\$

Investment Thesis:

We continue to view the Copper Mountain mine in BC as a solid asset that now includes New Ingerbelle satellite upside. 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. Hence, foreseeable growth opportunities aside, we believe Copper Mountain 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. The advanced-stage Eva copper project in Australia adds a second dimension to the story, underpinning meaningful production growth optionality.

Highlights:

- Record Q4/20A Production**
 Consolidated 2020A copper production totalling 77.6 MMlb, including record quarterly output of 23.1 MMlb in Q4/20 on the back of higher copper grade (expected to continue into 2021), modestly beat Copper Mountain's annual guidance of 70-75 MMlb and our previous estimate of 75 MMlb (100% basis). Gold and silver production totalled 29,228 oz and 392,494 oz, respectively, including record quarterly output of 8,959 oz and 144,934 oz in Q4/20—exceeding 2020E guidance of 24-28 koz and 260-300 koz, respectively (100% basis).
- Higher Copper Production Guided In 2021**
 Looking to 2021, Copper Mountain is expected to deliver 85-95 MMlb copper at an all-in-cost of US\$1.80-2.00/lb (in line with 2020E guidance of US\$1.85-2.00/lb)—representing a 22% increase in YoY copper output (100% basis). Production is expected to benefit from continued strong copper grade and scheduled commissioning of a third ball mill in Q3/21, which will increase mill throughput to 45 ktpd (from a current rate of ~40 ktpd) and improve copper recovery. Said efforts are expected to be augmented by an additional expansion to 65 ktpd in +2024—boosting average annual copper and gold production to 106 MMlb and 60 koz, respectively, over the next 10 years at an average C1 copper cash cost of US\$1.19/lb net of credits (100% basis). Bottom line, organic growth, coupled with improving copper sentiment (spot pricing now at/nears an 8-year high), stands to garner market attention.
- Model/Copper Price Revision Prompts Target Price Increase**
 We have updated our model as per Copper Mountain's 2021E guidance and have increased our copper price assumptions on the back of continued industrial commodity market strength—including US\$3.50/lb in 2021 (previously US\$3.00/lb) and US\$3.25/lb thereafter (previously US\$3.00/lb). Said adjustments have increased Copper Mountain's consolidated 2021E CFPS and after-tax project NAV10% to US\$0.51 (from US\$0.35) and \$3.95 per share (from \$2.88), respectively. As a result, our target price, which remains based on a hybrid valuation metric, is increasing to \$3.00 per share (from \$2.25). Buy recommendation reiterated.

Consolidated 2020A copper production totalling 77.6 MMlb, including record quarterly output of 23.1 MMlb in Q4/20 on the back of higher copper grade (expected to continue into 2021), modestly beat Copper Mountain’s annual guidance of 70-75 MMlb and our previous estimate of 75 MMlb (100% basis). Gold and silver production totalled 29,228 oz and 392,494 oz, respectively, including record quarterly output of 8,959 oz and 144,934 oz in Q4/20—exceeding 2020E guidance of 24-28 koz and 260-300 koz, respectively (100% basis).

Looking to 2021, Copper Mountain is expected to deliver 85-95 MMlb copper at an all-in-cost of US\$1.80-2.00/lb (including ~US\$9 MM of sustaining capital and ~US\$7 MM of deferred stripping; in-line with 2020E guidance of US\$1.85-2.00/lb)—representing a 22% increase in YoY copper output (100% basis). Production is expected to benefit from continued strong copper grade and scheduled commissioning of a third ball mill in Q3/21, which will increase mill throughput to 45 ktpd (from a current rate of ~40 ktpd) and improve copper recovery. Gold and silver production are expected to total 25-35 koz and 500-550 koz, respectively, in 2021 (100% basis).

Growth capital is budgeted at US\$33 MM in 2021, the bulk of which is earmarked for the installation of the aforementioned third ball mill—a key component of Copper Mountain’s 45 ktpd mill expansion project. In addition, capitalized exploration is budgeted at US\$3-4 MM this year, with drilling continuing to focus on reserve expansion at the Copper Mountain mine.

Following the completion of the 45 ktpd mill expansion project, Copper Mountain plans to shift focus to a further mill expansion to 65 ktpd. Recall last December, the company tabled an updated life-of-mine plan centered on additional plant-wide improvements pegged at US\$148 MM, which will increase throughput capacity to 65 ktpd in +2024—boosting average annual copper and gold production to 106 MMlb and 60 koz, respectively, over the next 10 years at an average C1 copper cash cost of US\$1.19/lb net of credits (100% basis; refer to [December 1, 2020](#), Cormark Morning Note). Said production profile generates a PFS level after-tax project NAV8% of US\$1,010 MM at US\$3.15/lb copper and US\$1,700/oz gold. Additional technical work is now planned to further refine cost estimates ahead of a formal 65 ktpd expansion decision—seemingly a ‘foregone conclusion’, especially in the context of current copper pricing (spot now US\$3.64/lb), also noting at US\$3.47/lb copper, Copper Mountain’s latest mine plan generates a US\$1,211 MM after-tax project NAV8%.

Figure 1: Copper Mountain Mine Quarterly Operational Results Summary (100% basis)

Copper Mountain Production (100% basis)	Q1/19A	Q2/19A	Q3/19A	Q4/19A	2019A	Q1/20A	Q2/20A	Q3/20A	Q4/20A	2020A
Ore Mined, MMt	2.8	3.0	2.8	3.9	12.5	3.7	3.6	3.1	-	-
Waste Mined (incl. capitalized stripping), MMt	14.6	13.1	11.2	10.7	49.6	11.2	7.4	10.5	-	-
Strip Ratio (incl. capitalized stripping)	5.2	4.4	4.1	2.7	4.0	3.1	2.1	3.4	-	-
Ore Milled, MMt	3.6	3.8	3.6	3.7	14.6	3.5	3.7	3.7	-	-
Mill Availability, %	92.9%	95.0%	91.9%	93.1%	93.2%	92.3%	92.5%	90.8%	-	-
Mill Utilization, %	111.6%	114.4%	111.8%	114.6%	113.1%	110.7%	114.4%	117.2%	-	-
Ore Milled, tonnes per operating day	42,459	43,540	42,532	43,583	43,045	42,122	43,541	44,591	-	-
Ore Milled, nominal tonnes per day	39,444	41,363	39,087	40,576	40,118	38,879	40,275	40,489	-	-
Copper Grade Milled, %	0.29%	0.28%	0.26%	0.31%	0.29%	0.30%	0.28%	0.29%	-	-
Copper Recovery, %	81.6%	78.2%	78.2%	73.0%	77.8%	75.3%	79.0%	80.4%	-	-
Copper Production (in concentrate), MMlb	18.6	18.5	16.3	18.6	72.0	17.5	18.1	18.9	23.1	77.6
Gold Production (in concentrate), ounces 000s	7.1	6.9	6.5	6.2	26.7	6.1	7.5	6.6	9.0	29.2
Silver Production (in concentrate), ounces 000s	62.3	65.7	57.2	86.6	271.8	80.0	86.1	81.4	144.9	392.5
Copper Production (payable), MMlb	-	-	-	-	-	-	-	-	-	-
Operating Cost, US\$/tonne milled	\$9.68	\$9.31	\$10.39	\$11.10	\$10.12	\$10.96	\$9.05	\$9.02	-	-
Copper Cash Cost (on-site, NoC), US\$/lb produced	\$1.33	\$1.33	\$1.67	\$1.67	\$1.49	\$1.58	\$1.08	\$0.92	-	-
Copper Production (sold), MMlb	19.3	17.9	17.0	17.6	71.9	17.9	18.9	17.8	-	-
Gold Production (sold), ounces 000s	7.0	7.0	6.4	6.0	26.5	6.4	6.3	6.2	-	-
Silver Production (sold), ounces 000s	65.0	55.3	57.4	76.8	254.5	78.6	80.3	67.9	-	-
Total Copper Cash Cost (NoC), US\$/lb produced	\$1.77	\$1.74	\$2.12	\$2.06	\$1.92	\$2.01	\$1.48	\$1.27	-	-
Total Copper AISC (NoC), US\$/lb produced	\$1.87	\$1.85	\$2.28	\$2.27	\$2.06	\$2.14	\$1.67	\$1.43	-	-
Total Copper AIC (NoC), US\$/lb produced	\$2.44	\$2.35	\$2.67	\$2.31	\$2.44	\$2.47	\$1.67	\$1.68	-	-

Source: Copper Mountain Mining Corp. and Cormark Securities Inc.

Figure 2: Copper Mountain Mine Production Guidance Summary (100% basis)

	Q1/19A	Q2/19A	Q3/19A	Q4/19A	2019A	Q1/20A	Q2/20A	Q3/20A	Q4/20A	2020A	CMMC 2020E Guidance (Jan 20)	CMMC 2020E Guidance (Mar 20)	CMMC 2020E Guidance (Nov 20)	Cormark Model 2020E	CMMC 2021E Guidance (Jan 21)	Cormark Model 2021E
Mining																
Ore Mined, MMt	2.8	3.0	2.8	3.9	12.5	3.7	3.6	3.1	-	-	-	-	-	15	-	22
Waste Mined, MMt	14.6	13.1	11.2	10.7	49.6	11.2	7.4	10.5	-	-	-	-	-	45	-	48
Strip Ratio	5.20	4.37	4.06	2.72	3.97	3.06	2.06	3.37	-	-	-	-	-	3.0	-	2.2
Material Mined, tonnes 000s per calendar day	194	177	152	158	170	164	120	149	-	-	200	120-160	120-160	160	-	190
Milling																
Ore Milled, MMt	3.6	3.8	3.6	3.7	14.6	3.5	3.7	3.7	-	-	-	-	-	15	-	15
Ore Milled, tonnes per operating day	42,459	43,540	42,532	43,583	43,045	42,122	43,541	44,591	-	-	-	-	-	43,500	-	46,000
Ore Milled, tonnes per calendar day	39,444	41,363	39,087	40,576	40,118	38,879	40,275	40,489	-	-	-	-	-	40,000	-	42,500
Copper Grade Milled, %	0.29%	0.28%	0.26%	0.31%	0.29%	0.30%	0.28%	0.29%	-	-	-	-	-	0.29%	-	0.33%
Metallurgy																
Copper Recovery, %	81.6%	78.2%	78.2%	73.0%	77.8%	75.3%	79.0%	80.4%	-	-	-	-	-	79%	-	82%
Production																
Copper Production (in concentrate), MMlb	18.6	18.5	16.3	18.6	72.0	17.5	18.1	18.9	23.1	77.6	86-96	70-75	70-75	77.6	85-95	90
Gold Production (in concentrate), ounces 000s	7.1	6.9	6.5	6.2	26.7	6.1	7.5	6.6	9.0	29.2	-	24-28	24-28	29.2	25-35	30
Silver Production (in concentrate), ounces 000s	62	66	57	87	272	80	86	81	145	392	-	260-300	260-300	392	500-550	525
Operating Costs																
Operating Cost, US\$/tonne milled	\$9.68	\$9.31	\$10.39	\$11.10	\$10.12	\$10.96	\$9.05	\$9.02	-	-	-	-	-	\$10.00	-	\$13.00
C1 Copper Cash Cost (NoC), US\$/lb produced	\$1.77	\$1.74	\$2.12	\$2.06	\$1.92	\$2.01	\$1.48	\$1.27	-	-	\$1.30-1.45	\$1.40-1.55	-	\$1.45	-	\$1.75
Total Copper AISC (NoC), US\$/lb produced	\$1.87	\$1.85	\$2.28	\$2.27	\$2.06	\$2.14	\$1.67	\$1.43	-	-	\$1.40-1.60	\$1.55-1.70	-	\$1.70	-	\$1.85
Total Copper AIC (NoC), US\$/lb produced	\$2.44	\$2.35	\$2.67	\$2.31	\$2.44	\$2.47	\$1.67	\$1.68	-	-	\$1.95-2.20	\$2.20-2.35	\$1.85-2.00	\$1.85	\$1.80-2.00	\$1.90

Source: Copper Mountain Mining Corp. and Cormark Securities Inc.

We have updated our model as per Copper Mountain's 2021E guidance and have increased our copper price assumptions on the back of continued strength in the industrial commodity market (spot price now hitting an 8-year high)—including US\$3.50/lb in 2021 (previously US\$3.00/lb) and US\$3.25/lb thereafter (previously US\$3.00/lb). Said adjustments have increased Copper Mountain's consolidated 2021E CFPS and after-tax project NAV10% to US\$0.51 (from US\$0.35) and \$3.95 per share (from \$2.88), respectively. As a result, our target price, which remains based on a 50% weighting to 6.0x EV/2021E consolidated operating cash flow and a 50% weighting to 0.8x fully financed after-tax corporate NAV10%, has increased to \$3.00 per share (from \$2.25). Buy recommendation reiterated.

Figure 3: Copper Mountain Main Pit Panorama



Source: Copper Mountain Mining Corp.

Valuation

Copper Mountain is currently trading at 4.9x 2021E attributable CFPS, 4.6x EV/2021E consolidated operating cash flow, and 0.6x after-tax corporate NAV10% vs. peer group averages of +5.0x, +6.0, and ~0.7-1.0x, respectively. Following successful throughput improvement and operating cost-reduction initiatives over the last +3 years, we view the Copper Mountain mine in British Columbia as a solid 'what you see is what you get' asset going forward that now includes New Ingerbelle satellite upside. 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. 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.

The 2018 acquisition of the advanced stage Eva copper project in Australia (via Altona Mining) adds a second dimension to the Copper Mountain story, which stands to underpin meaningful accretive production growth (refer to [October 16, 2019](#), Cormark Morning Note). Hence, we utilize a hybrid target price derivation, which is based on a 50% weighting to 6.0x EV/2021E consolidated operating cash flow (to reflect Copper Mountain's near-term cash flow potential) and a 50% weighting to 0.8x fully financed after-tax corporate NAV10% (to capture growth potential in British Columbia and Australia) to underpin our Buy recommendation and \$3.00 per share target price (27% implied return).

Figure 4: Consolidated CFPS, Corporate NAV, and Implied Target Price Sensitivity

	Cormark Model	Sensitivity					Current Spot
		\$2.50	\$2.75	\$3.00	\$3.25	\$3.50	
Forecast Copper Price, US\$/lb							\$3.64
Forecast Gold Price, US\$/oz		\$1,000	\$1,200	\$1,400	\$1,600	\$1,800	\$1,915
Forecast Silver Price, US\$/oz		\$12.00	\$14.00	\$16.00	\$18.00	\$20.00	\$27.20
Forecast C\$/US\$ FX Rate	1.28	1.30	1.25	1.20	1.15	1.10	1.27
2021E Consolidated CFPS, US\$	\$0.51	\$0.09	\$0.20	\$0.30	\$0.40	\$0.49	\$0.55
Fully Financed After-Tax Corporate NAV10%, C\$ per share	\$3.95	\$(0.98)	\$0.50	\$1.86	\$3.08	\$4.19	\$5.63
Implied Target Price at 50% Weighting to 4.5x EV / 2021E Cons. OCF Plus 50% weighting to 0.5x After Tax Corporate NAV10%, C\$ per share	\$2.00	-	\$0.25	\$0.75	\$1.50	\$1.75	\$2.50
Implied Target Price at 50% Weighting to 5.0x EV / 2021E Cons. OCF Plus 50% weighting to 0.6x After Tax Corporate NAV10%, C\$ per share	\$2.25	-	\$0.25	\$1.00	\$1.75	\$2.25	\$3.00
Implied Target Price at 50% Weighting to 5.5x EV / 2021E Cons. OCF Plus 50% weighting to 0.7x After Tax Corporate NAV10%, C\$ per share	\$2.75	-	\$0.50	\$1.25	\$2.00	\$2.50	\$3.50
Implied Target Price at 50% Weighting to 6.0x EV / 2021E Cons. OCF Plus 50% weighting to 0.8x After Tax Corporate NAV10%, C\$ per share	\$3.00	-	\$0.50	\$1.50	\$2.25	\$3.00	\$4.00
Implied Target Price at 50% Weighting to 6.5x EV / 2021E Cons. OCF Plus 50% weighting to 0.9x After Tax Corporate NAV10%, C\$ per share	\$3.50	-	\$0.50	\$1.50	\$2.50	\$3.25	\$4.25
Implied Target Price at 50% Weighting to 7.0x EV / 2021E Cons. OCF Plus 50% weighting to 1.0x After Tax Corporate NAV10%, C\$ per share	\$3.75	-	\$0.75	\$1.75	\$2.75	\$3.50	\$4.75
Implied Target Price at 50% Weighting to 7.5x EV / 2021E Cons. OCF Plus 50% weighting to 1.1x After Tax Corporate NAV10%, C\$ per share	\$4.25	-	\$0.75	\$2.00	\$3.00	\$4.00	\$5.25

2021 average basic share count: 207 MM; fully financed FD share count: 226 MM
Source: Cormark Securities Inc.

Figure 5: NAV Breakdown and Sensitivity

	Cormark Model	\$2.50	\$2.75	\$3.00	\$3.25	\$3.50	Spot Price
Forecast Copper Price, US\$/lb		\$2.50	\$2.75	\$3.00	\$3.25	\$3.50	
Forecast Gold Price, US\$/oz		\$1,000	\$1,200	\$1,400	\$1,600	\$1,800	
Forecast Silver Price, US\$/oz		\$12.00	\$14.00	\$16.00	\$18.00	\$20.00	
C\$/US\$ FX Rate		1.30	1.25	1.20	1.15	1.10	
Fully Financed F/D Shares, MM	226	226	226	226	226	226	226
Corporate Adjustments (fully financed)							
Corporate Adjustments, US\$MM	\$(405)	\$(405)	\$(405)	\$(405)	\$(405)	\$(405)	\$(405)
Corporate Adjustments, C\$ per F/D share	\$(2.30)	\$(2.33)	\$(2.24)	\$(2.15)	\$(2.06)	\$(1.97)	\$(2.28)
Attributable Copper Mountain Project NAV(10%)							
Attributable After-Tax Project NAV(10%), US\$MM	\$766	\$197	\$364	\$526	\$687	\$847	\$935
Attributable After-Tax Project NAV(10%), C\$ per F/D share	\$4.34	\$1.14	\$2.01	\$2.80	\$3.50	\$4.12	\$5.25
Cloncurry Project (Proposed Eva Mine) NAV(10%)							
After-Tax Project NAV(10%), US\$MM	\$337	\$37	\$133	\$228	\$323	\$418	\$472
After-Tax Project NAV(10%), C\$ per F/D share	\$1.91	\$0.21	\$0.73	\$1.21	\$1.64	\$2.04	\$2.65
Subtotal 'Base Case' Valuation (corporate adjustments + projects)							
Subtotal 'Base Case' After-Tax Corporate NAV(10%), US\$MM	\$698	\$(170)	\$91	\$349	\$605	\$860	\$1,001
Subtotal 'Base Case' After-Tax Corporate NAV(10%), C\$ per F/D share	\$3.95	\$(0.98)	\$0.50	\$1.86	\$3.08	\$4.19	\$5.63
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	\$698	\$(170)	\$91	\$349	\$605	\$860	\$1,001
Total After-Tax Corporate NAV(10%), C\$ per F/D share	\$3.95	\$(0.98)	\$0.50	\$1.86	\$3.08	\$4.19	\$5.63
Implied Target Price at 1.0x After-Tax Corporate NAV(10%), C\$	\$3.95	-	\$0.50	\$1.85	\$3.10	\$4.20	\$5.65
2020E Consolidated CFPS, US\$	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41
2021E Consolidated CFPS, US\$	\$0.51	\$0.09	\$0.20	\$0.30	\$0.40	\$0.49	\$0.55
Implied Target Price at 6.0x EV / 2021E Consolidated CFPS, C\$	\$3.25	\$0.05	\$0.90	\$1.65	\$2.40	\$3.10	\$3.55
Implied Target Price at 0.8x AT Corp. NAV10%, C\$	\$3.15	-	\$0.40	\$1.45	\$2.45	\$3.35	\$4.50
Implied Target Price at 50/50 Weighting of Above Metrics	\$3.00	-	\$0.50	\$1.50	\$2.25	\$3.00	\$4.00

Cormark model NAV is calculated on a January 1, 2021 forward basis.

Cormark model is based on a forecast copper price of US\$3.50/lb in 2021 and US\$3.25/lb thereafter, as well as a 1.28 C\$/US\$ FX rate.

Spot pricing is based on a copper price of US\$3.64/lb and a C\$/US\$ FX rate of 1.27.

Source: Cormark Securities Inc.

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Figure 6: Copper Mountain Mining Corp. – Summary

Copper Mountain Mining Corp. (CMMC-T)	Target Price, C\$	\$3.00	Shares OS, MM	207.3
Rating: BUY	Current Price, C\$	\$2.36	Shares FD, MM	225.9
Target Price: C\$3.00	Return, %	27%	Market Cap, US\$MM	\$382.2
Metric: 50/50 weighting to 6.0x EV/2021E Cons. OCF and 0.8x AT Corp. NAV10%	52-Week High / Low, C\$	\$2.42 / \$0.28	Company CEO	Gil Clausen
	Volume (100-day avg)	737,980	Web Site	www.cumtn.com

Consolidated Balance Sheet and Capitalization				
	US\$MM	US\$/Sh.	C\$MM	C\$/Sh.
Market Capitalization (MC)	\$382	\$1.84	\$489	\$2.36
Current Cash	\$53	\$0.26	\$71	\$0.34
F/D Cash Adds	\$9	\$0.04	\$12	\$0.06
Working Capital	\$19	\$0.09	\$26	\$0.12
Electricity Deferral	-	-	-	-
Long-term Debt	\$(121)	\$(0.59)	\$(162)	\$(0.78)
Book Value (excl. non-control, interest)	\$172	\$0.83	\$230	\$1.11
Enterprise Value (EV)	\$484	\$2.34	\$620	\$2.99

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

Share Capital Dilution				
	Number	Price	Proceeds	Expiry
Warrants	0.0MM	C\$0.00	US\$0.0MM	
Options	12.9MM	C\$0.91	US\$9.1MM	2021 - 2025
Warrants + Options	12.9MM	C\$0.91	US\$9.1MM	

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)	

Financial Forecast				
	2020	2021	2022	
Forecast Copper Price, US\$/lb	\$2.81	\$3.50	\$3.25	
Forecast Gold Price, US\$/oz	\$1,771	\$1,900	\$1,900	
Forecast Silver Price, US\$/oz	\$20.54	\$24.00	\$24.00	
C\$/US\$ FX Rate	\$1.34	\$1.28	\$1.28	
Shares O/S, MM	194	207	207	
Gross Sales Revenue, US\$MM	\$232	\$370	\$349	
Net Revenue, US\$MM	\$254	\$337	\$315	
Cost of Sales, US\$MM	\$(171)	\$(186)	\$(227)	
Corporate G&A, US\$MM	\$(9)	\$(9)	\$(9)	
EBITDA, US\$MM	\$72	\$142	\$79	
EV / EBITDA	6.7x	3.4x	6.1x	
DD&A, US\$MM	\$(20)	\$(29)	\$(33)	
Gain on Derivative Instruments, US\$MM	-	-	-	
Consolidated Earnings, US\$MM	\$34	\$68	\$22	
Consolidated EPS, US\$	\$0.17	\$0.33	\$0.11	
Consolidated Operating Cash Flow, US\$MM	\$79	\$105	\$57	
Consolidated CFPS, US\$	\$0.41	\$0.51	\$0.27	
Current EV / Cons. OCF	6.1x	4.6x	8.5x	
Implied EV / Cons. OCF Target Price Multiple	7.1x	5.6x	10.4x	
Attributable Earnings, US\$MM	\$24	\$47	\$13	
Attributable EPS, US\$	\$0.12	\$0.23	\$0.06	
Attributable Operating Cash Flow, US\$MM	\$59	\$78	\$40	
Attributable CFPS, US\$	\$0.30	\$0.37	\$0.20	
Current Price / Attributable CFPS	5.8x	4.9x	9.4x	
Target Price / Attributable CFPS	7.4x	6.3x	12.0x	
CAPEX, US\$MM	\$(31)	\$(53)	\$(69)	
Cash Flow from Investing, US\$MM	\$(31)	\$(53)	\$(69)	
Proceeds from Equity Financing, US\$MM	\$13	-	-	
Proceeds from Debt Financing, US\$MM	-	-	\$450	
Debt Repayment (incl. interest), US\$MM	\$(52)	\$(64)	\$(59)	
Contributions from Non-Control. Interests, US\$MM	\$20	\$28	\$30	
Distributions to Non-Control. Interests, US\$MM	\$(21)	\$(27)	\$(16)	
Electricity Deferral Repayment, US\$MM	-	-	-	
Cash Flow from Financing, US\$MM	\$(10)	\$(64)	\$405	
Free Cash Flow, US\$MM	\$39	\$(12)	\$393	
FCFPS, US\$	\$0.20	\$(0.06)	\$1.90	

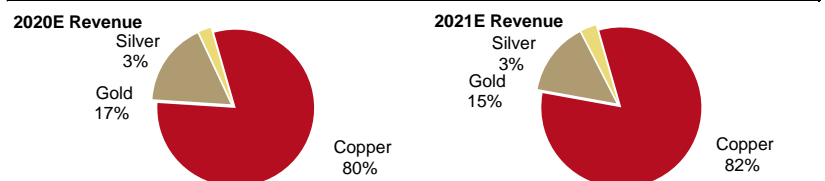
Major Shareholders (current Copper Mountain register)				
	Basic (MM)	Basic (%)	FD (MM)	FD (%)
Power Corp.	19.2	9%	19.2	8%
ICM Ltd.	19.0	9%	19.0	8%
Anchor Bolt Capital LP	16.5	8%	16.5	7%
IGM Financial	10.7	5%	10.7	5%
Dimensional Fund	5.8	3%	5.8	3%
Management and Directors	9.6	5%	22.5	10%
Total	207.3	39%	225.9	41%

Corporate NAV Summary and Sensitivity						
	Formal	\$2.50	\$2.75	\$3.00	\$3.25	Spot
Forecast Copper Price, US\$/lb		\$1,000	\$1,200	\$1,400	\$1,600	\$1,915
Forecast Gold Price, US\$/oz		\$12.00	\$14.00	\$16.00	\$18.00	\$27.20
Forecast Silver Price, US\$/oz		1.30	1.25	1.20	1.15	1.27
Forecast C\$/US\$ FX Rate		1.30	1.25	1.20	1.15	1.27
Corporate Adjustments, US\$MM	\$(405)	\$(405)	\$(405)	\$(405)	\$(405)	\$(405)
Attrib. CM AT Project NAV(10%), US\$MM	\$766	\$197	\$364	\$526	\$687	\$935
Cloncurry AT Project NAV(10%), US\$MM	\$337	\$37	\$133	\$228	\$323	\$472
Additional Exploration Credit, US\$MM	-	-	-	-	-	-
Corporate NAV, US\$MM	\$698	\$(170)	\$91	\$349	\$605	\$1,001
Corporate NAV, C\$ / F/D share	\$3.95	\$(0.98)	\$0.50	\$1.86	\$3.08	\$5.63
Current Price / Corporate NAV	0.6x	-	4.7x	1.3x	0.8x	0.4x
Target Price / Corporate NAV	0.8x	-	5.9x	1.6x	1.0x	0.5x
2020E Attributable CFPS, US\$	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
2021E Attributable CFPS, US\$	\$0.37	\$0.05	\$0.15	\$0.22	\$0.29	\$0.41

Model shares F/D (fully financed): 226MM

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%)	633,386	0.29%	0.37%	4,079	5,188	\$0.12
M&I Resource (100%)	281,668	0.24%	0.31%	1,508	1,931	-
Inferred Resource (100%)	369,769	0.23%	0.31%	1,855	2,536	-
Total Reserve and Resource (100%)	1,284,823	0.26%	0.34%	7,442	9,655	\$0.05
Total Reserve and Resource (attrib.)	1,040,349	0.27%	0.35%	6,292	8,010	\$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.
2020 Consensus Estimate	10	\$0.13	\$0.20 / \$0.06	34%	\$0.38	\$0.54 / \$0.20	8%
2021 Consensus Estimate	9	\$0.29	\$0.39 / \$0.16	13%	\$0.50	\$0.82 / \$0.27	1%
C\$	Analysts	Buy	Hold	Sell	Mean Target	High / Low	Cormark vs. Cons.
Consensus Valuation	10	8	2	-	\$2.31	\$3.00 / \$1.35	30%



Copper Mountain Production Profile (100% basis; 75% interest)			
	2020	2021	RLOM
Ore Mined, MMt	15	22	400
Waste Mined, MMt	45	48	662
Strip Ratio	3.0	2.2	1.7
Ore Milled, MMt	15	15	457
Ore Milled, nominal tonnes per day	40,000	42,000	38,000
Copper Grade Milled, %	0.29%	0.33%	0.23%
Copper Recovery, %	79%	82%	86%
Copper Production (in conc.), MMlb	78	90	1,990
Gold Production (in conc.), koz	29	30	987
Onsite Operating Cost, US\$/tonne milled	\$10.00	\$13.00	\$8.00
Total Cu Cash Cost (NoC), US\$/lb produced	\$1.45	\$1.75	\$1.10

Source: Cormark Securities Inc.

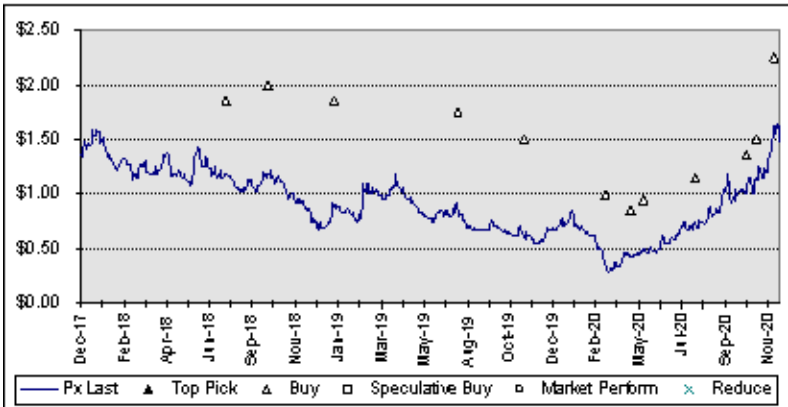
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Copper Mountain Mining Corp.

Updated January 08, 2021

Price Chart and Disclosure Statement

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



Recommendation / Target Chg	Date	C\$
	01-Dec-20	2.25 (B)
	03-Nov-20	1.50 (B)
	19-Oct-20	1.35 (B)
	30-Jul-20	1.15 (B)
	08-May-20	0.95 (B)
	20-Apr-20	0.85 (B)
	11-Mar-20	1.00 (B)
	05-Nov-19	1.50 (B)
	23-Jul-19	1.75 (B)
	11-Jan-19	1.85 (B)

*Cormark has this percentage of its universe assigned as the following:

<i>Buy or Top Pick</i>	68%
<i>Market Perform</i>	11%
<i>Reduce or Tender</i>	1%
<i>Not Rated</i>	20%

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If YES

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2) What type of security is it?

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