

Copper Mountain Mining Announces Q4 and Full Year 2019 Financial Results

Vancouver, British Columbia – February 18, 2020 – Copper Mountain Mining Corporation (TSX: CMMC | ASX:C6C) (the “Company” or “Copper Mountain”) announces fourth quarter and full year 2019 financial and operating results. All currency is in Canadian dollars, unless otherwise stated. All results are reported on a 100% basis. The Company’s Financial Statements and Management Discussion & Analysis (“MD&A”) are available at www.CuMtn.com and www.sedar.com.

HIGHLIGHTS

- Production for Q4 2019 was 22.6 million pounds of copper equivalent (includes 18.6 million pounds of copper) and 87.2 million pounds of copper equivalent (includes 72.0 million pounds of copper) for 2019.
- Q4 2019 C1 cash cost was US\$2.06, all-in sustaining cost (AISC) was US\$2.27 and all-in cost (AIC) was US\$2.31, all on a per pound of copper produced basis. 2019 C1 cash cost was US\$1.92, AISC was US\$2.06 and AIC was US\$2.44, all on a per pound of copper produced basis.
- Q4 2019 revenue was \$73.7 million and 2019 revenue was \$288.5 million, net of pricing adjustments.
- Q4 2019 cash flow from operations was \$4.4 million and \$51.2 million for 2019.
- Cash and cash equivalents at the end of the fourth quarter were \$32.1 million.
- Subsequent to year end, working capital improved by \$101 million as a result of Mitsubishi Materials Corporation agreeing to extend the maturity of the annual rolling one year notes shown as a current liability to long-term debt due June 15, 2023. Mitsubishi retains the option of extending this debt at maturity to better match available cashflow of the mine at that point in time.
- In 2019, the Copper Mountain mine life was extended by 17 years to 31 years and Mineral Reserves increased by 127% to 477 million tonnes grading 0.23% Cu for 2.47 billion pounds of copper.
- Eva Copper Project Mineral Resource increased with Blackard Mineral Resource addition. Measured and Indicated Resource increased by 66% to 2.1 billion pounds of copper with the addition of 77 million tonnes grading 0.49% of copper containing 836 million pounds of copper. Inferred Resource increased 118% with the addition of 19 million tonnes grading 0.49% of copper containing 206 million pounds of copper.

“We finished the year in a solid position with strong production and grade improvements in the fourth quarter as a result of the significant development completed in 2019. We expect to see these improvements continue into 2020 and 2021 as we access high-grade zones in our main pit. Production is expected to increase 20 to 33% in 2020 compared to 2019. Our focus on containing costs was successful in 2019 with our C1 cash costs coming in at US\$1.92. Further, we expect our C1 cash costs to significantly decline in 2020 by approximately 28% to between \$1.30 and \$1.45 per pound, with our all-in costs expected to be approximately US\$2.00. We have set a good foundation in 2019 for a high growth year in 2020, where we plan on delivering higher grade, higher production and lower costs.”

SUMMARY OF FINANCIAL RESULTS

Results and Highlights (100%)	Three months ended		Year ended	
	December 31,		December 31,	
	2019	2018	2019	2018
(In thousands of CDN\$, except for per share amounts)	\$	\$	\$	\$
Revenue	73,743	73,149	288,460	296,019
Gross profit	1,613	7,896	25,098	25,306
Gross profit before depreciation ⁽¹⁾	11,279	18,089	52,562	76,352
Net loss	(35,702)	(18,982)	(25,941)	(26,876)
Loss per share – basic	(0.14)	(0.09)	(0.12)	(0.13)
Adjusted earnings (loss) ⁽¹⁾	1,317	(1,400)	835	3,377
Adjusted earnings (loss) per share – basic	0.01	(0.01)	\$0.00	0.02
EBITDA ⁽¹⁾	(35,271)	(234)	3,647	40,685
Adjusted EBITDA	1,748	17,348	30,423	85,841
Cash flow from operations	4,339	28,777	51,232	51,266
Cash and cash equivalents – end of period			32,126	46,123

(1) Non-GAAP performance measure. See MD&A for details.

Fourth Quarter 2019

In Q4 2019, revenue was \$73.7 million, net of pricing adjustments and treatment charges, compared to \$73.1 million in Q4 2018. Q4 2019 revenue is based on the sale of 17.6 million pounds of copper, 6,008 ounces of gold, and 76,847 ounces of silver and on an average realized copper price of US\$2.67 per pound. This compares to 19.4 million pounds of copper, 7,475 ounces of gold and 69,761 ounces of silver sold in Q4 2018 and an average realized copper price of US\$2.81 per pound. Revenue was slightly higher in Q4 2019 as a result of increased gold prices in Q4 2019 of US\$1,481/oz as compared to US\$1,229/oz in Q4 2018, and a positive mark-to-market adjustment of \$6.5 million in Q4 2019 compared to a negative mark-to-market adjustment of \$2.4 million in Q4 2018. A net difference of \$8.9 million from the mark-to-market adjustments.

Cost of sales in Q4 2019 was \$72.1 million as compared to \$65.3 million for Q4 2018. The increase in cost of sales in Q4 2019 as compared to Q4 2018 is primarily the result of mining costs of \$7.3 million being allocated to deferred stripping and the low-grade stockpile in Q4 2018 as compared to only \$0.9 million in Q4 2019.

The Company reported a gross profit of \$1.6 million and a net loss of \$35.7 million for Q4 2019, compared to \$7.9 million and \$19.0 million, respectively, in Q4 2018. The variance in the net loss for Q4 2019, as compared to the net loss for Q4 2018, was a result of several items including:

- 1) A non-cash write down of \$48.8 million on the carrying value of the low-grade stockpile at the end of the quarter. This adjustment is a result of the Company significantly increasing the reserves of the Copper Mountain mine during the year, which deferred the milling of the low-grade stockpile to 2038 on the increased mine life which impacted the discounted cash flow value.
- 2) Revenue in Q4 2019 included a positive mark-to-market adjustment on concentrate sales as compared to a negative mark-to-market adjustment for Q4 2018; and,

- 3) The inclusion of a non-cash unrealized foreign exchange gain of \$5.4 million as compared to a non-cash unrealized foreign exchange loss of \$14.7 million in Q4 2018, a differential of approximately \$20 million, which was primarily related to the Company's debt that is denominated in US dollars.

On an adjusted basis, the Company recorded net earnings of \$1.3 million for Q4 2019 compared to a net loss of \$1.4 million.

Full Year 2019

Full year 2019 revenue was \$288 million, net of pricing adjustments and treatment charges, compared to \$296 million in 2018. In 2019, the mine shipped and sold 72 million pounds of copper, 26,478 ounces of gold, and 254,541 ounces of silver on an average realized copper price of US\$2.73 per pound, compared to 79 million pounds of copper, 26,799 ounces of gold and 284,086 ounces of silver in 2018 on an average realized copper price of US\$2.98 per pound in 2018. Revenue was lower in 2019 as fewer pounds of copper were sold and at a lower realized price, as compared 2018.

Cost of sales for 2019 was \$263 million as compared to \$270 million for 2018. The decrease in cost of sales is a result of the deferral of stripping costs of \$33 million for the 2019 year as compared to \$20 million for 2018.

Gross profit for the year was \$25.1 million as compared to \$25.3 million in 2018. The Company reported a net loss of \$25.9 million for the full year of 2019 as compared to a net loss of \$26.9 million for year ended December 31, 2018. The loss for 2019 is attributable to a non-cash \$48.8 million write-down of the low-grade stockpile, as previously mentioned. The discounting of future cash flows required to value the low-grade stockpile has resulted in the one-time non-cash write-down adjustment to the carrying value of the low-grade stockpile at the end of the year.

The loss for 2019 was offset by the inclusion of a non-cash unrealized foreign exchange gain of \$14.2 million as compared to a non-cash unrealized foreign exchange loss of \$23.8 million for 2018, a differential of approximately \$38.0 million, which was primarily related to the Company's debt that is denominated in US dollars. On an adjusted basis, the Company reported net earnings of \$0.8 million in 2019 compared to \$3.4 million in 2018.

SUMMARY OF OPERATING RESULTS

Mine Production Information

	2019	2018	2019	2018
Copper Mountain Mine (100% Basis)	Q4	Q4	Annual	Annual
<i>Mine</i>				
Total tonnes mined (000s)	14,571	19,730	62,129	74,337
Ore tonnes mined (000s)	3,914	4,407	12,496	20,567
Waste tonnes (000s)	10,657	15,323	49,633	53,770

Stripping ratio	2.72	3.48	3.97	2.61
Mill				
Tonnes milled (000s)	3,733	3,873	14,643	14,535
Feed Grade (Cu%)	0.31	0.30	0.29	0.31
Recovery (%)	73.0	81.0	77.8	79.8
Operating time (%)	93.1	96.0	93.2	92.6
Tonnes milled (TPD)	40,576	42,098	40,118	39,822
Production				
Copper (000s lb)	18,588	20,628	71,950	78,847
Gold (oz)	6,200	8,124	26,747	28,250
Silver (oz)	86,623	62,711	271,835	273,913
Sales				
Copper (000s lb)	17,598	19,431	71,898	79,195
Gold (oz)	6,008	7,475	26,478	26,799
Silver (oz)	76,847	69,761	254,541	284,086
C1 cash cost per pound of copper produced (US\$) ⁽¹⁾	2.06	1.60	1.92	1.77
AISC per pound of copper produced (US\$) ⁽¹⁾	2.27	1.73	2.06	1.94
AIC per pound of copper produced (US\$) ⁽¹⁾	2.31	2.00	2.44	2.33
Average realized copper price (US\$/lb)	2.67	2.81	2.73	2.98

(1) Non-GAAP performance measure. See MD&A for details.

Q4 2019

In Q4 2019, the Copper Mountain Mine produced 18.6 million pounds of copper, 6,200 ounces of gold, and 86,623 ounces of silver compared to 20.6 million pounds of copper, 8,124 ounces of gold, and 62,711 ounces of silver in Q4 2018. During the quarter, the mine processed a total of 3.7 million tonnes of ore at an average feed grade of 0.31% Cu and achieved an average copper recovery of 73.0%. Production was lower in Q4 2019 as compared to Q4 2018 as a result of processing a greater percentage of ore during the 2019 quarter from lower recovery ore domain areas that are made up of finer grained ore that results in lower recovery. In addition, during the quarter approximately 0.3 million tonnes of ore that was fed to the mill came from the ore stockpile and was included in the average feed grade for the quarter. Mill availability averaged 93.1% for Q4 2019 as compared to 96% in Q4 2018. Q4 2019 production increased 14% from Q3 2019 as a result of improved grades, which increased 19% quarter-over-quarter. Grade improvements are expected to continue into 2020.

C1 cash cost per pound of copper produced of US\$2.06 in Q4 2019 increased compared to US\$1.60 primarily as a result of C1 cash cost in Q4 2018 being positively impacted by \$7.3 million in costs or US\$0.27 per pound that was capitalized as they were associated with stripping costs deferred and costs allocated to the low-grade stockpile. C1 cash costs for Q4 2019 had no such deferred stripping during the quarter and only had \$0.9 million or US\$0.04 per pound of costs allocated to the low-grade stockpile. In addition, lower copper production in Q4 2019 compared to Q4 2018 also contributed to the increase in C1 cash cost per pound. Q4 2019 all-in costs per pound of copper produced (AIC) increased from US\$2.00 in Q4 2018 to US\$2.31 in Q4 2019 largely as a result of producing two million fewer pounds of copper.

Total all-in costs for Q4 2019 was \$56.5 million as compared to \$54.4 million in Q4 2018. The slight increase is a result of sustaining capital increasing by \$1.5 million in Q4 2018. The consistency in all-in costs over the past quarters demonstrates the consistency of the operation at the Copper Mountain Mine quarter-after-quarter, with cost variances on a unit of copper basis primarily impacted by copper grade and recovery fluctuations.

Full Year 2019

The Copper Mountain Mine produced 72.0 million pounds of copper, 26,747 ounces of gold, and 271,835 ounces of silver in 2019 compared to 78.8 million pounds of copper, 28,250 ounces of gold, and 273,913 ounces of silver in 2018. During the year, the mine processed a total of 14.6 million tonnes of ore at an average feed grade of 0.29% Cu and with a copper recovery of 77.8%. Production was lower in 2019 compared to 2018 as a result of processing lower average feed grade and a greater percentage of ore from lower recovery ore domains that are made up of finer grained ore. Mill availability averaged 93.2% in 2019 compared to 92.6% in 2018.

C1 cash cost per pound of copper produced 2019 was US\$1.92, as compared to US \$1.77 in 2018. The increase in C1 cash cost per pound was primarily the result of lower copper production in the year when compared to 2018. AIC per pound of copper 2019 was US\$2.44 as compared to US\$2.33 for 2018.

Total all-in costs to operate the Copper Mountain mine 2019 was \$232.6 million, which is \$5.3 million, or 2.2%, lower than the \$237.9 million for 2018. The decrease in total all-in costs reflect the Company's cost containment efforts and further illustrates the mines consistency and reliability year after year.

PROJECT DEVELOPMENT UPDATE

Copper Mountain Mill Expansion

During the quarter, the Company continued with engineering work to advance its expansion plans of the existing Copper Mountain Mine mill, which is planned to increase throughput to 45,000 tonnes per day from 40,000 tonnes per day and improve copper recovery as a result of being able to achieve a finer grind of ore. The expansion project includes the installation of a third ball mill that the Company has already purchased.

Project Engineering design has been completed to support commissioning the third ball mill in Q4 2020. Engineering of the cleaner circuit upgrade is well advanced to allow for the commissioning of the cleaner circuit upgrade in mid-2020. During the quarter, the third ball mill arrived at the mine site and is in storage and available for installation when the project schedule provides. The Company has ordered all other critical long lead items required for the third ball mill installation and has adjusted the schedule of the project development to match the 2020 cash flow generation of the mine in the current low copper price environment, such that additional financing is not required to complete the project in fiscal year 2020.

EXPLORATION UPDATE

Copper Mountain Mine

The 2019 exploration program for the Copper Mountain mine included approximately 15,000 metres of drilling with the objective of defining resources adjacent to and below current reserves in high potential areas. Key areas of drilling include the westward extension of the current pit area towards the New Ingerbelle deposit; the eastern edge of the pit 3 area to follow up on the strong drill results obtained in 2018; in-fill drilling of areas at depth in the southwest pit 3 area, and drilling within and below the North deposit, which is adjacent to the primary crusher, in order to upgrade reserve and resource classification.

As a result of a successful drill program, the Company updated the Mineral Reserve and Mineral Resource for the Copper Mountain Mine. Mineral Reserves increased by 12% to 477 million tonnes grading 0.23% copper and 0.10 g/t gold for contained metal of 2.47 billion pounds of copper and 1.55 million ounces of gold. Measured and Indicated Mineral Resources increased by 9% to 599 million tonnes grading 0.23% copper and 0.10 g/t gold for contained metal of 3.08 billion pounds of copper and 2.0 million ounces of gold. Inferred Mineral Resources increased by 16% to 276 million tonnes grading 0.20% copper and 0.10 g/t gold for contained metal of 1.23 billion pounds of copper and 0.88 million ounces of gold. (Please refer to the press release dated October 28, 2019).

Australia

The 2019 exploration drill program in Australia included both exploration drilling and metallurgical test-work for the Blackard deposit, which is within the Company's Eva Copper Project mining leases, five kilometres from the proposed Eva Copper processing plant, in Queensland, Australia. Drilling confirmed a Measured and Indicated Mineral Resource of 77 million tonnes grading 0.49% copper containing 836 million pounds of copper, increasing Eva Copper's Measured and Indicated Mineral Resource by 66% to 2.1 billion pounds. The Blackard Inferred Mineral Resource of 19 million tonnes grading 0.49% of copper containing 206 million pounds of copper increased Eva Copper's Inferred Mineral Resource by 118%. (Please refer to the press release dated October 15, 2019).

During the quarter, the Company continued with work on updating the Eva Copper 2020 Bankable Feasibility Study which is planned for release in Q1 2020. This will include a new mine plan that incorporates the new Blackard deposit as well as flowsheet optimizations, production, and cost improvements.

OUTLOOK

Copper production in 2020 is expected to increase to 86 to 96 million pounds and in 2021 to 88 to 98 million pounds due to higher grades mined from the main pit. Production is expected to be lower in 2022 at 75 to 85 million pounds of copper with production planned to recover back to higher levels immediately thereafter. Gold production is expected to be 25,000 to 30,000 ounces and silver production is expected to be 400,000 to 500,000 ounces per year over the next three years.

Production for the Copper Mountain mine for the next three years is planned as follows:

Production Guidance	2020	2021	2022
Copper equivalent (Mlbs)*	100 to 113	102 to 115	88 to 100
Copper (Mlbs)	86 to 96	88 to 98	75 to 85

* Copper equivalent calculated using the following metal prices: US\$3.00/lb of copper, US\$1,400/oz of gold and US\$16.50/oz silver

C1 cash cost is expected to improve to between US\$1.30 to US\$1.45 in 2020, primarily as a result of higher production and improved grades. Sustaining capital is expected to be approximately US\$13 million, for all-in sustaining costs of US\$1.40 to US\$1.60 per pound. All-in costs are expected to be between US\$1.95 to US\$2.20 per pound. Deferred stripping is expected to decrease significantly from 2019 and expected to be approximately US\$13 million.

Total growth or expansionary capital in 2020 is expected to be approximately US\$33 million. The majority of the capital to be spent in 2020 is planned in the second half of the year for the concentrator expansion project at the Copper Mountain Mine. Capitalized exploration for 2020 is expected to be approximately US\$2 million, with the focus on continued reserve expansion at the Copper Mountain Mine.

A summary of costs for 2020 is provided below:

	2020
Cost Guidance	
C1 cash costs (US\$/lb)	\$1.30 to \$1.45
All-in sustaining costs (US\$/lb) ⁽¹⁾	\$1.40 to \$1.60
All-in costs (US\$/lb) ⁽²⁾	\$1.95 to \$2.20
Capex	2020
Growth Capital (US\$M)	Approx. \$33M
Sustaining Capital (US\$M) ⁽¹⁾	Approx. \$13M
Deferred Stripping (US\$M)	Approx. \$13M

1) Sustaining capital includes sustaining capital, lease payments and applicable administration

2) All-in costs include sustaining capital, deferred stripping and low-grade stockpile inventory expense

Q4 2019 FINANCIAL AND OPERATING RESULTS CONFERENCE CALL AND WEBCAST

Copper Mountain will hold a conference call on Tuesday, February 18, 2020 at 7:30 am (Pacific Standard Time) for management to discuss the Q4 2019 financial and operating results.

Live Dial-in Information

Toronto and international: 1 (647) 427-7450
North America (toll-free): 1 (888) 231-8191

To participate in the webcast live via computer go to:

<https://event.on24.com/wcc/r/2168869/8984BF310DEB282BBE3C738541A2A410>

Replay Call Information

Toronto and international: 1 (416) 849-0833 Passcode: 7870549
North America (toll-free): 1 (855) 859-2056 Passcode: 7870549

The conference call replay will be available from 10:30 pm (PST) on February 18, 2020 until 20:59 pm PST on February 25, 2020. An archive of the audio webcast will also be available on the company's website at <http://www.cumtn.com>.

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 Copper Mountain mine currently produces approximately 100 million pounds of copper equivalent, with average annual production expected to increase to approximately 120 million pounds of copper equivalent. Copper Mountain also has the permitted, development-stage Eva Copper Project in Queensland, Australia and an extensive 4,000 km² highly prospective land package in the Mount Isa area. Copper Mountain trades on the Toronto Stock Exchange under the symbol "CMMC" and Australian Stock Exchange under the symbol "C6C".

Additional information is available on the Company's web page at www.CuMtn.com.

On behalf of the Board of

COPPER MOUNTAIN MINING CORPORATION

"Gil Clausen"

Gil Clausen, P.Eng.
President and Chief Executive Officer

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Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements and forward-looking information (together, “forward-looking statements”) within the meaning of applicable securities laws. All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements can be identified by the use of terminology such as “plans”, “expects”, “estimates”, “intends”, “anticipates”, “believes” or variations of such words, or statements that certain actions, events or results “may”, “could”, “would”, “might”, “occur” or “be achieved”. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance and opportunities to differ materially from those implied by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include the successful exploration of the Company’s properties in Canada and Australia, the reliability of the historical data referenced in this press release and risks set out in Copper Mountain’s public documents, including in each management discussion and analysis, filed on SEDAR at www.sedar.com. Although Copper Mountain believes that the information and assumptions used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by applicable law, Copper Mountain disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Copper Mountain Mining Corporation
Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

	December 31, 2019 \$	December 31, 2018 \$
Assets		
Current assets		
Cash and cash equivalents	32,126	46,123
Accounts receivable and prepaid expenses (note 5)	27,947	18,923
Inventory (note 6)	35,299	55,801
	95,372	120,847
Reclamation bonds (note 10)	3,740	8,752
Deferred tax assets (note 18)	28,088	13,980
Property, plant and equipment (note 7)	501,663	448,237
Low grade stockpile (note 6)	64,978	109,846
	693,841	701,662
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	41,366	37,494
Amounts payable to related parties (notes 16 and 23)	104,698	69,026
Current portion of long-term debt (note 9)	60,260	52,956
Current tax liability	1,186	622
	207,510	160,098
Provisions (note 10)	18,104	6,571
Interest rate swap liability (note 9)	-	601
Long-term debt (note 9)	188,123	229,001
Deferred tax liability	2,203	2,135
	415,940	398,406
Equity		
Attributable to shareholders of the Company:		
Share capital (note 11)	266,663	263,822
Contributed surplus	18,623	17,378
Accumulated other comprehensive loss	(4,158)	(1,655)
Accumulated deficit	(70,516)	(48,030)
	210,612	231,515
Non-controlling interest	67,289	71,741
Total equity	277,901	303,256
	693,841	701,662

Copper Mountain Mining Corporation

Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income

For the Years Ended December 31, 2019 and 2018

(In thousands of Canadian dollars, except for number of and earnings per share)

	2019 \$	2018 \$
Revenue (note 13)	288,460	296,019
Cost of sales (note 14)	(263,362)	(270,713)
Gross profit	25,098	25,306
General and administration (note 14)	(11,544)	(10,990)
Low-grade stockpile write-down (note 6)	(48,769)	-
Share based compensation (note 12)	(2,093)	(1,605)
Income (loss) from operations	(37,308)	12,711
Finance income	1,175	582
Finance expense (note 15)	(16,476)	(15,564)
Unrealized gain (loss) on interest rate swap	(464)	716
Foreign exchange (loss) gain	14,192	(23,788)
Loss on disposal of fixed assets	(237)	-
Loss before tax	(39,118)	(25,343)
Current income and resource tax expense	(862)	(1,217)
Deferred income and resource tax (expense) recovery	14,039	(316)
Net loss	(25,941)	(26,876)
Other comprehensive loss		
Foreign currency translation adjustment	(2,503)	(1,655)
Total comprehensive loss	(28,444)	(28,531)
Net loss income and comprehensive loss attributable to:		
Shareholders of the Company	(22,486)	(22,337)
Non-controlling interest	(3,455)	(4,539)
	(25,941)	(26,876)
Loss per share:		
Basic	\$(0.12)	\$(0.13)
Diluted	\$(0.12)	\$(0.13)
Weighted average shares outstanding, basic	189,529,180	172,201,295
Weighted average shares outstanding, diluted	191,004,336	172,201,295
Shares outstanding at end of the year	191,331,053	188,170,359

Copper Mountain Mining Corporation

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2019 and 2018

(In thousands of Canadian dollars)

	2019	2018
	\$	\$
Cash flows from operating activities		
Net loss for the year	(25,941)	(26,876)
Adjustments for:		
Depreciation	27,527	51,046
Loss on disposal of fixed assets	237	-
Low grade stockpile write-down	48,769	-
Unrealized foreign exchange loss (gain)	(16,890)	17,601
Unrealized (gain) loss on interest rate swap	464	(716)
Deferred income and resource tax expense (recovery)	(14,039)	310
Finance expense	16,476	15,564
Share based compensation	2,093	1,327
	<u>38,696</u>	<u>58,256</u>
Net changes in working capital items (note 17)	12,536	(6,990)
Net cash from operating activities	<u>51,232</u>	<u>51,266</u>
Cash flows from investing activities		
Cash acquired in acquisition of Altona	-	29,115
Transaction and share issue costs for Altona transaction	-	(2,655)
Deferred stripping costs	(32,608)	(20,185)
Development of property, plant and equipment	(22,578)	(21,537)
Purchase of reclamation bond	5,012	(396)
Proceeds on disposal of fixed asset	2,624	-
Net cash used in investing activities	<u>(47,550)</u>	<u>(15,658)</u>
Cash flows from financing activities		
Proceeds on exercise of options and warrants	2,311	224
Contributions from non-controlling interest	38,329	28,412
Payments made to non-controlling interest	(997)	(3,304)
Secured borrowing proceeds (note 9)	10,345	-
Loan principal payments	(49,344)	(44,074)
Interest paid	(13,687)	(12,122)
Lease payments	(3,279)	(6,511)
Net cash used in financing activities	<u>(16,322)</u>	<u>(37,375)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(1,357)</u>	<u>2,757</u>
(Decrease) increase in cash and cash equivalents	(13,997)	990
Cash and cash equivalents - Beginning of year	<u>46,123</u>	<u>45,133</u>
Cash and cash equivalents - End of year	<u>32,126</u>	<u>46,123</u>

Supplementary cash flow disclosures (note 17)