

# Copper Mountain Mining Announces Q1 2021 Financial Results, Posts Record Quarterly Production, C1 Cash Costs and Gross Profit

26.04.2021 | [CNW](#)

VANCOUVER, April 26, 2021 - [Copper Mountain Mining Corp.](#) (TSX: CMMC) (ASX: C6C) (the "Company" or "Copper Mountain") announces strong first quarter 2021 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](http://www.CuMtn.com) and [www.sedar.com](http://www.sedar.com).

## HIGHLIGHTS

- Record quarterly production in Q1 2021 of 30.4 million pounds of copper equivalent (comprised of 25.5 million pounds of copper, 8,187 ounces of gold, and 160,484 ounces of silver).
- Record quarterly C1 cash cost for Q1 2021 of US\$1.15/lb copper produced, all-in sustaining cost (AISC) of US\$1.46/lb copper and all-in cost (AIC) of US\$1.71/lb copper.
- Record quarterly revenue for Q1 2021 of \$162.2 million, from the sale of 27.5 million pounds of copper, 8,553 ounces of gold and 161,657 ounces of silver, net of pricing adjustments.
- Record gross profit of \$96.3 million and net income per share of \$0.18.
- Cash and cash equivalents at the end of Q1 2021 of \$137.1 million, an increase of \$51.5 million from the end of the fourth quarter of 2020 and a \$100.9 million increase from the end of the first quarter of 2020.
- Cash flow from operations for Q1 2021 of \$79.6 million.
- Subsequent to the quarter:
  - The Company closed a US\$250 million bond financing to refinance existing debt, enabling the Company to fund its internal growth projects at the Copper Mountain Mine as well as the Eva Copper Project.
  - Purchased put options for 28.4 million pounds of copper at a strike price of US\$3.75 per pound for the period of May to December 2021, approximately 45-50% of estimated production for that period.

"We started the year in a very strong position achieving record quarterly production for another quarter," commented Gil Clausen, Copper Mountain's President and CEO. "Production was higher in the first quarter as we mined mostly from Phase 3, which has higher grade ore. As we move to increase the ratio of ore production from Phase 2 of the main pit, we expect to see grades moderate somewhat. Phase 2 of the main pit has lower mining costs than Phase 3 as we are mining upper benches of ore that are closer to the primary crusher and waste dumps. As a result of our record first quarter and the expected continued strong production throughout the year, we expect production to be in the upper half of our annual production range of 85 to 95 million pounds of copper."

Mr. Clausen continued, "The Company has a strong cash position, a healthy balance sheet and is generating significant free cash flow. The US\$250 million bond financing completed in April allows the Company to retire all of its previous restrictive debt and access 100% of excess cash to fund the organic growth plans of the Company. Our vision is to triple our Company's annual production rate from 2020 levels in the next five years from the development of our low cost and high ROIC project pipeline. We intend to grow in an environmentally and financially conscious manner. As we begin to execute on our growth plans and in anticipation of any major investment decision, we are mindful of protecting our revenue and margins through mechanisms such as the purchase of put options as we have just done in April. The put options set a floor of \$3.75 per pound copper for approximately half of our remaining production for the balance of the year, with all of our production open to the upside on a potentially burgeoning copper market."

## SUMMARY OF OPERATING RESULTS

Copper Mountain Mine (100% Basis)	2021 Q1	2020 Q1
Mine		
Total tonnes mined (000s)	15,372	14,919
Ore tonnes mined (000s)	3,428	3,678
Waste tonnes (000s)	11,944	11,241
Stripping ratio	3.48	3.06
Mill		
Tonnes milled (000s)	3,430	3,538
Feed Grade (Cu%)	0.42	0.30
Recovery (%)	80.2	75.3
Operating time (%)	93.9	92.3
Tonnes milled (TPD)	38,111	38,879
Production		
Copper (000s lb)	25,526	17,472
Gold (oz)	8,187	6,139
Silver (oz)	160,484	80,016
Sales		
Copper (000s lb)	27,501	17,862
Gold (oz)	8,553	6,364
Silver (oz)	161,657	78,572
C1 cash cost per pound of copper produced (US\$) <sup>(1)</sup>	1.15	2.01
AISC per pound of copper produced (US\$) <sup>(1)</sup>	1.46	2.14
AIC per pound of copper produced (US\$) <sup>(1)</sup>	1.71	2.47
Average realized copper price (US\$/lb)	3.90	2.58

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

In Q1 2021, the Copper Mountain Mine produced a record 25.5 million pounds of copper, 8,187 ounces of gold, and 160,484 ounces of silver, as compared to 17.5 million pounds of copper, 6,139 ounces of gold, and 80,016 ounces of silver for Q1 2020. The higher grade ore was the primary driver of the record production in Q1 2021. Average mill feed grade increased to 0.42% Cu during the quarter, as compared to average feed grade of 0.30% Cu in Q1 2020. Mined grade was higher in the first quarter and similar to the grade mined in the fourth quarter of 2020. The 2021 development sequence plan has proportionally more ore coming from Phase 3 of the Main Pit in the first quarter, which has higher grade. Grades and production are expected to

moderate for the remainder of the year.

Copper recovery was 80.2% in Q1 2021 as compared to 75.3% in Q1 2020, a normal level of recovery as Q1 2020 production primarily occurred in a lower recovery domain area of the deposit. The mill processed a total of 3.4 million tonnes of ore during the quarter as compared to 3.5 million tonnes in Q1 2020. Mill tonnage was intentionally reduced in Q1 2021 in order to manage the sheer volume of copper concentrate being produced due to the higher head grade. The Company plans to invest in additional filtration capacity in order to maintain full throughput during periods of high grade production. Mill availability averaged 93.9% for Q1 2021 as compared to 92.3% in Q1 2020.

To date there have been no material interruptions to the Company's operations, logistics and supply chains as a result of the COVID-19 pandemic. Enhanced health and safety protocols continue to be implemented and monitored.

C1 cash cost per pound of copper produced for Q1 2021 was US\$1.15, as compared to US \$2.01 in Q1 2020. The decrease in cost per pound in Q1 2021 was the result of higher production and larger by-product credits for the gold and silver produced in Q1 2021 as compared to Q1 2020. Higher by-product credits were the result of improved precious metal prices and greater gold and silver production in Q1 2021 as compared to Q1 2020.

All-in sustaining cost per pound of copper produced (AISC) was US\$1.46 in Q1 2021, as compared to US\$2.14 in Q1 2020. The low AISC carries forward from the low C1 cost per pound with the addition of \$10.1 million in sustaining capital, lease and applicable administration expenditures in Q1 2021 as compared to \$3.1 million in Q1 2020. The increase is largely a result of higher sustaining capital of \$6.4 million and lease payments of \$2.7 million. Sustaining capital was in line with budget but higher than the same quarter last year as the Company completed the installation of new water management and pump back systems in the quarter. Increased lease costs were a result of four new haul truck leases that were entered into in late 2020.

Total all-in cost per pound of copper produced (AIC), net of credits, for Q1 2021 was US\$1.71, as compared to US\$2.47 in Q1 2020. The low AIC carries forward from the low AISC with the addition of \$8.0 million in deferred stripping as compared to \$7.4 million of deferred stripping in Q1 2020, as the Company commenced initial development of the phase 4 pushback of the main pit during the quarter. Sustaining capital is expected to decrease throughout the year from Q1 2021 levels and the Company reaffirms its estimates provided for 2021 of US\$9.0 million. No low-grade stockpile mining costs were incurred in Q1 2021 as compared to \$0.3 million of low-grade stockpile costs in Q1 2020.

The significant decrease in C1, AISC, and AIC recognized in Q1 2021 as compared to past quarters was a result of the Company's strong copper production, cost savings initiatives and operating efficiencies at the Copper Mountain mine, supplemented by an increase in precious metals production and prices for Q1 2021.

## SUMMARY OF FINANCIAL RESULTS

Results and Highlights (100%) Three months ended  
March 31,

(In thousands of CDN\$, except for per share amounts) 2020

	\$
Revenue	<del>40,500</del> <b>49,207</b>
Gross profit (loss)	<del>9,420</del> <b>9,280</b>
Gross profit (loss) before depreciation <sup>(1)</sup>	<del>(1,396)</del> <b>(1,396)</b>
Net income (loss)	<del>(43,158)</del> <b>52,158</b>
Income (loss) per share - basic	<del>\$0.17</del> <b>\$0.17</b>
Adjusted earnings <sup>(1)</sup>	<del>3,479</del> <b>3,479</b>
Adjusted earnings per share - basic	<del>\$0.16</del> <b>\$0.16</b>
EBITDA <sup>(1)</sup>	<del>(39,985)</del> <b>(39,985)</b>
Adjusted EBITDA	<del>37,206</del> <b>37,206</b>
Cash flow from operations	<del>70,500</del> <b>70,500</b>
Cash and cash equivalents - end of period	<del>38,206</del> <b>38,206</b>

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

In Q1 2021, revenue was \$162.2 million, net of pricing adjustments and treatment charges, compared to \$49.6 million in Q1 2020. Revenue increased significantly during the quarter as a result of increased sales and higher metal prices. Q1 2021 revenue is based on the sale of 27.5 million pounds of copper, 8,553 ounces of gold, and 161,657 ounces of silver and on an average realized copper price of US\$3.90 per pound. Q1 2021 sales were higher than Q1 2021 production levels as a result of slightly higher concentrate inventory levels at the end of the last quarter. The Company expects sales to more closely match production going forward.

Revenue was also higher due to a positive mark to market and final adjustment on concentrate sales of \$15.4 million as compared to a negative mark to market and final adjustment of \$17.1 million for Q1 2020, a differential of approximately \$32.5 million. Q1 2021 revenue before the mark-to-market adjustment is \$146.7 million as compared to \$66.7 million for Q1 2020.

Cost of sales in Q1 2021 was \$65.9 million as compared to \$64.5 million in Q1 2020. Mine operating costs are net of \$9.2 million of mining costs allocated to deferred stripping in Q1 2021 and \$7.4 million in Q1 2020.

The Company reported net income of \$52.1 million in Q1 2021 as compared to net loss of \$43.4 million in Q1 2020. The variance in the net income for Q1 2021, as compared to the net loss for Q1 2020, was a result of several items including:

- Higher revenue in Q1 2021 as a result of:
  - Higher realized copper, gold and silver metal prices of 51%, 13% and 55%, respectively, as compared to Q1 2020.
  - Higher quantities of copper, gold and silver sold of 54%, 34% and 106% respectively, as a result of high concentrate levels at the end of the previous quarter.
  - A \$15.4 million positive mark to market adjustment from provisional pricing on concentrate sales compared to a \$17.1 million negative mark to market adjustment for Q1 2020, a differential of \$32.5 million.

- The inclusion of a non-cash unrealized foreign exchange gain of \$3.2 million in Q1 2021 as compared to a non-cash unrealized foreign exchange loss of \$26.8 million in Q1 2020, a differential of \$30.0 million, which is primarily related to the Company's debt that is denominated in US dollars.

On adjusted basis, the Company recorded a net income of \$33.4 million in Q1 2021, or \$0.16 on a per share basis, compared to \$1.4 million in Q1 2020, or \$0.01 on a per share basis.

## PROJECT DEVELOPMENT UPDATE

The Company continued to progress the Ball Mill 3 Expansion Project at the Copper Mountain Mine with construction well advanced. The Ball Mill 3 Expansion Project is designed to increase mill throughput to 45,000 tonnes per day from 40,000 tonnes per day and improve copper recovery as a result of achieving a finer grind of ore. Demolition has been completed in the area where the third ball mill is to be installed and the raft foundation has been poured on top of lean concrete and bedrock. The Company is currently erecting forms and installing rebar for the mill pier foundations, with concrete expected to be poured in April. The Ball Mill 3 Expansion Project is on track for commissioning in the third quarter of 2021.

## EXPLORATION UPDATE

### Canada

The 2021 exploration program at the Copper Mountain Mine began in early March. The program consists of exploration drilling designed to expand resources and reserves in the Copper Mountain North and New Ingerbelle deposits. The total program for 2021 consists of approximately 20,000 metres of diamond drilling.

### Australia

The exploration team mobilized to Cloncurry in mid-March and are preparing for an extensive field program aimed at discovering new deposits within some of the high potential areas within the Company's large land holdings. Detailed geochemical and geophysical surveys will be used to target exploration drill holes in some areas, whereas other areas to be drilled will be following up on previous drill results. The drill program will focus primarily on copper and copper-gold targets. The 2021 exploration program consists of 6,000 metres of RC drilling and 1,200 metres of diamond drilling.

## OUTLOOK

As a result of strong Q1 2021 production results, the Company expects to achieve the upper half of its annual guidance range of 85 to 95 million pounds of copper. The Company also expects grade to moderate from Q1 2021 and Q4 2020 levels, with the fourth quarter of 2021 production planned to be higher due to the commissioning of the Ball Mill 3 Expansion Project. The Company expects all-in cost (AIC) to remain low and reaffirms annual AIC guidance of US\$1.80 to US\$2.00 per pound.

## Q1 2021 FINANCIAL AND OPERATING RESULTS CONFERENCE CALL AND WEBCAST

Copper Mountain will host a conference call on Monday, April 26, 2021 at 7:30 am (Pacific Time) for senior management to discuss first quarter 2021 results.

### Dial-in information:

Toronto and international: 647-427-7450

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

To participate in the webcast live via computer go to:

[https://produceredition.webcasts.com/starthere.jsp?ei=1453459&tp\\_key=8a8a6ffc5a](https://produceredition.webcasts.com/starthere.jsp?ei=1453459&tp_key=8a8a6ffc5a)

### Replay Call Information

Toronto and international: 416-849-0833, Passcode: 7327349

North America (toll-free): 1-855-859-2056, Passcode: 7327349

The conference call replay will be available until 8:59 pm (Pacific Time) on May 3, 2021. An archive of the audio webcast will also be available on the company's website at <http://www.cumtn.com>.

## 2021 ANNUAL GENERAL MEETING

The Company will be holding its 2021 Annual Meeting of Shareholders virtually on Thursday, June 10, 2020 at 2:00 pm (Vancouver Time). The Company encourages shareholders to participate via live audio webcast. Please refer to the Company's proxy circular, which will be sent to shareholders in May, for further details.

### 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 per year, with average annual production expected to increase to approximately 140 million pounds of copper equivalent. Copper Mountain also has the development-stage Eva Copper Project in Queensland, Australia and an extensive 2,100 km<sup>2</sup> 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](http://www.CuMtn.com).

On behalf of the Board of

[Copper Mountain Mining Corp.](#)

"Gil Clausen"

Gil Clausen, P.Eng.

President and Chief Executive Officer

Website: [www.CuMtn.com](http://www.CuMtn.com)

### 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](http://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.

### NON-GAAP PERFORMANCE MEASURES

This document includes certain non-GAAP performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used and may not be comparable to such measures as reported by other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance. These measures have been derived from the Company's financial statements and

applied on a consistent basis. The calculation and an explanation of these measures is provided in the Company's Q1 2021 Management's Discussion and Analysis.

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Condensed Consolidated Statements of Financial Position  
(In thousands of Canadian dollars)

	March 31, 2021	December 31, 2020
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	137,065	85,571
Accounts receivable and prepaid expenses	47,498	30,413
Inventory	32,815	38,038
	217,378	154,022
Reclamation bonds	4,411	4,162
Deferred tax assets	928	473
Property, plant and equipment	581,651	552,648
Low grade stockpile	64,836	64,836
	869,204	776,141
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	41,641	44,400
Amounts payable to related parties	3,625	3,644
Current portion of long-term debt	81,002	79,559
Current tax liability	2,323	1,578
	128,591	129,181
Provisions	20,325	18,371
Due to related parties	162,605	145,918
Long-term debt	120,686	129,153
Deferred tax liability		









	468,525	427,088
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## Equity

Attributable to shareholders of the Company:

Share capital	284,689	283,926
Contributed surplus	19,517	19,611
Accumulated other comprehensive loss	(1,681)	(520)
Retained Earnings (deficit)	1,499	(35,153)
	304,024	267,864
Non-controlling interest	96,655	81,189
Total equity	400,679	349,053

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Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)  
(In thousands of Canadian dollars, except for number of and earnings per share)

	869,204	776,141
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For the Three Months Ended March 31,	2021	2020
	\$	\$
Revenue	162,207	49,564
Cost of sales	(65,927)	(64,513)
Gross profit (loss)	96,280	(14,949)
Other income and expenses		
General and administration	(5,268)	(2,446)
Share based compensation	(5,959)	(628)
Operating income (loss)	85,053	(18,023)
Finance income	18	74
Finance expense	(2,931)	(3,299)
Unrealized (loss) gain on interest rate swap	-	(942)
Foreign exchange gain (loss)	3,246	(26,858)
Income (loss) before tax	85,386	(49,048)
Current tax expense	(1,857)	(8)
Deferred income tax (expense) recovery	(31,411)	5,598

Net income (loss)	52,118	(43,458)
Other comprehensive loss		
Foreign currency translation adjustment	(1,161)	(3,106)
Comprehensive income (loss)	50,957	(46,564)
Net income (loss) attributable to:		
Shareholders of the Company	36,652	(32,334)
Non-controlling interest	15,466	(11,124)
	52,118	(43,458)
Income (loss) per share:		
Basic	\$0.18	\$(0.17)
Diluted	\$0.17	\$(0.17)
Weighted average shares outstanding, basic	208,548,526	191,331,053
Weighted average shares outstanding, diluted	218,579,418	192,331,053
Shares outstanding at end of the period	208,760,399	191,331,053

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Condensed Consolidated Statements of Cash Flows  
(In thousands of Canadian dollars)

	2021	2020
For the Three Months Ended March 31		
	\$	\$
Cash flows from operating activities		
Net income (loss) for the period	52,118	(43,458)
Adjustments for:		
Depreciation	7,784	6,132
Unrealized foreign exchange loss (gain)	(1,944)	19,724
Unrealized loss on interest rate swap	-	942
Deferred income tax expense (recovery)	31,411	(5,598)
Finance expense	2,931	3,299
Share based compensation	5,959	628
	98,259	(18,331)
Net changes in non-cash working capital items (note 15)	(18,666)	34,671
Net cash provided by operating activities	79,593	16,340
Cash flows from investing activities		
Deferred stripping activities	(8,041)	(7,437)
Development of property, plant and equipment	(15,735)	(6,135)
Reclamation bonds	(249)	-
Net cash used in investing activities	(24,025)	(13,572)
Cash flows from financing activities		
Common shares issued on exercise of options	490	-
Contributions from non-controlling interest	20,393	24,223
Loan principal repaid	(20,120)	(22,699)
Interest paid	(1,067)	(1,732)
Finance lease payments	(2,705)	(865)
Net cash used in financing activities	(3,009)	(1,073)

Effect of foreign exchange rate changes on cash and cash equivalents (1,065)	2,402
Increase in cash and cash equivalents	51,494 4,097
Cash and cash equivalents - Beginning of period	85,571 32,126
Cash and cash equivalents - End of period	137,065 36,223

SOURCE [Copper Mountain Mining Corp.](#)

#### Contact

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