

TheMarketFinancial.com Exclusive Interview With Copper King Mining (PINK: CPRK)



Business Model:

- A) Infrastructure..All mining centers as well as maintenance and Mill are located on internal roads. All electrical transmission has been added to the property and available to power mill.
- B) Offering: None planned
- C) Customers: We sell our magnetite under contract for the first 75,000 tons/yr. at a discounted price with a right of first refusal @market price for further production. Concentrate is being sold under an interim agreement with a new buyer, we expect a long term agreement shortly. This product contains Copper, gold and silver for which there are many buyers.

Financings are currently being negotiated with several lenders and I can not disclose more at this time.

Pinksheets.com: I believe we will upload information listed on forms sent to us by Pinksheets.com within 24 hours.

Mill Update: Mill has added several new “cells” in order to increase productivity. This requires several new pumps which were ordered delivered and installed late last week. I believe that the Mill should be running by the end of this week. Production levels were not so much based on our ability to get the mill “dialed in” as they were based on the ability to have enough capital to be able to supply the Mill with the necessary power and chemicals to become self-sustaining. We are addressing that issue now and I believe that the new “interim” buyer has agreed to provide a limited revolving LOC based on production. I believe that the number we are shooting for almost immediately is 2500 tons/day with a gradual increase to 3375 as our goal. Past production was in the area of 2000-2100 tons/day. Our INITIAL production level should yield somewhere in the neighborhood of 20-25 tons/day or 100-125/week. At 3375 we will produce we will produce 150-200 tons/week.

Chile: I don’t believe we will have any sustainable gains since most of the production is located in the south, and the earthquake was primarily in the north. The issue of shifting of resources toward rebuilding of infrastructure may impede shipping for a while, but because we sell concentrate, not cathode (at this point) I doubt it will matter to us in the long term.

Partnerships: Our partnership with our prior concentrate buyer was troublesome. The buyer was owned by a major bank. Shortly after signing with them, the parent became a “troubled” bank like so many others, and several of our understandings about interim financing and further LTF possibilities turned to dust. The buyer also had its own problems related to CPRK, in that they did not make all of

the appropriate logistical arrangements for shipping and smelting. This caused us production and financial problems.

Our current buyer which MUST remain unnamed, until we have our final long-term agreement in place will take our concentrate and ship and smelt it. The terms of our agreement call for provisional payments followed by reconciliation, and are pretty much the same as we had before.

Bankruptcy: While it is always an issue, I do not believe that this is an issue for us. There are several groups that are negotiating with for both interim and long-term financing. I believe we are at a point that is pivotal in terms of financing and increased productivity.

Magnetite: We produce Magnetite as a by-product of our mining for Copper, Gold and Silver. An issue that came up today via an interview on CNBC, was the statement by the CEO of United Group of Great Britain that they are seeing great demand for Iron ore....This was followed later by the statement from BHP Billiton, the industrial metals and minerals giant, that they saw a rise of 70-80% for the price of Iron ore based on continued demand. As you all know, we are in the copper business but we have several byproducts from our mining. Gold, Silver, and Magnetite... (Also known as iron ore). Our Hidden Treasure pit produces ore that is roughly 25-35% Magnetite and we believe that we can continue to mine that area at a rate of 2500 tons/day for about 14 months. The simple math says that we will produce 100,000-150,000 tons of Magnetite over our obligation to the buyer. Assuming that the price just stays the same, this byproduct will add fairly dramatically to our revenue stream. If the price were to go up only 25-30% we could have a very nice upside surprise....

Filings: Haven't made any but we are actively pursuing transparency, and this is clearly one of the issues.

Naked Shorts: We don't really have any "plan" in mind for this issue, but I believe that once we are back in production and become cash-flow positive, our survival and growth should take care of this problem. Management has stated on many occasions that they are "dramatically opposed" to any reverse split and would much rather use profits to repurchase shares.

Future: Using the more conservative numbers available, I can see the mill running between the 2500 tons/day and 3375 tons/day to generate revenue of between \$15million on the low end and \$26million on the high end. This is based on concentrate only and using the value of \$2200/ton. The Magnetite values are between 700 tons/day and 1000 tons per day. Revenue on this amount would be roughly \$8million on the low end and \$12million on the top end. Totals COULD BE upwards of \$20million to \$33million. Operating costs are around \$800,000/month or about \$10million... So the company can clearly be cash-flow positive and profitable under these circumstances...

This would lead to upside rather than downside surprises in the future.

