CAPSTONE COPPER

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Capstone Copper Provides 2024 Guidance and Announces 2023 Production Results

enero 24, 2024

All amounts in US$ unless otherwise indicated

VANCOUVER, British Columbia – **Capstone Copper Corp.** («Capstone» or the «Company») (TSX:CS) today announced consolidated copper production for 2023 and provided operations and capital expenditure guidance for 2024.

2023 Consolidated Copper Production and Costs Highlights

Capstone achieved its production guidance[1] for the year ended December 31, 2023. Consolidated copper production was 164,353 tonnes at C1 cash costs[2,3] of approximately $2.85 to $2.90 per payable pound of copper. For Q4 2023, consolidated copper production was 44,103 tonnes at C1 cash costs[2,3] of approximately $2.65 to $2.70 per payable pound of copper.

John MacKenzie, CEO of Capstone, commented, «The fourth quarter was our best of the year, with consolidated production up 10% and cash costs down approximately 7% quarter-over-quarter, setting us up well for a strong 2024. We expect this year to be a tale of two halves, with H2 providing a glimpse of our new run-rate production and cost performance following the ramp-up of the Mantoverde Development Project («MVDP»). In the first half of 2024, in addition to the ramp-up at MVDP, we will also be focused on maintaining consistently strong production at Pinto Valley and achieving the installed throughput capacity at Mantos Blancos.»

[1] Production guidance as most recently disclosed in the Company's Management Discussion and Analysis for the three and nine months ended September 30, 2023.

[2] These are alternative performance measures. Refer to the section entitled «Alternative Performance Measures» in the Cautionary Notes.

[3] Full year 2023 and Q4 2023 C1 Cash Costs are preliminary and unaudited. Final results will be released on February 22, 2024.

Summary of 2023 copper production:

	Q4 2023 Copper Production (tonnes)	Full Year 2023 Copper Production (tonnes)
Sulphides Business		
Pinto Valley	15,933	55,090
Cozamin	6,564	24,340
Mantos Blancos	9,664	38,002
Total Sulphides	32,161	117,432
Cathode Business		
Mantoverde[4]	10,019	35,401

	Q4 2023 Copper Production (tonnes)	Full Year 2023 Copper Production (tonnes)
Mantos Blancos	1,923	11,520
Total Cathodes	11,942	46,921
Consolidated Copper Production	44,103	164,353

[4] Mantoverde production shown on a 100% basis.

2024 Production and Costs Guidance

Capstone first half (H1), second half (H2) 2024, and full year 2024 production and cost guidance are as follows:

	H1 2024		H2 2024		Full Year 2024 Guidance	
Item	**Copper Production ('000s tonnes)**	**C1 Cash Costs[2] (US$ per payable lb Cu Produced)[5]**	**Copper Production ('000s tonnes)**	**C1 Cash Costs[2] (US$ per payable lb Cu Produced)[5]**	**Copper Production ('000s tonnes)**	**C1 Cash Costs[2] (US$ per payable lb Cu Produced)[5]**
Sulphides Business						
Pinto Valley	28 – 30	$2.60 – $2.80	30 – 34	$2.40 – $2.60	58 – 64	$2.50 – $2.70
Cozamin	11 – 12	$1.90 – $2.10	11 – 12	$1.85 – $2.05	22 – 24	$1.85 – $2.05
Mantoverde[4]	–[6]	–[6]	25 – 35	$1.45 – $1.75	25 – 35[6]	$1.45 – $1.75[6]
Mantos Blancos	20 – 24	$2.55 – $2.75	23 – 25	$1.90 – $2.10	43 – 49	$2.10 – $2.30
Total Sulphides	**59 – 66**	**$2.45 – $2.65**	**89 – 106**	**$2.00 – $2.20**	**148 – 172**	**$2.10 – $2.30**
Cathode Business						
Mantoverde[4]	18 – 20	$3.35 – $3.55	18 – 20	$3.10 – $3.30	36 – 40	$3.20 – $3.40
Mantos Blancos	3 – 4	$2.85 – $3.05	3 – 4	$2.10 – $2.30	6 – 8	$2.45 – $2.65
Total Cathodes	**21 – 24**	**$3.25 – $3.45**	**21 – 24**	**$2.90 – $3.10**	**42 – 48**	**$3.10 – $3.30**
Consolidated Copper Production	**80 – 90**	**$2.65 – $2.85**	**110 – 130**	**$2.10 – $2.30**	**190 – 220**	**$2.30 – $2.50**

Item	H1 2024		H2 2024		Full Year 2024 Guidance	
	Copper Production ('000s tonnes)	C1 Cash Costs[2] (US$ per payable lb Cu Produced)[5]	Copper Production ('000s tonnes)	C1 Cash Costs[2] (US$ per payable lb Cu Produced)[5]	Copper Production ('000s tonnes)	C1 Cash Costs[2] (US$ per payable lb Cu Produced)[5]

[4] Mantoverde production shown on a 100% basis.

[5] Key C1 cash costs[2] input assumptions include: CLP/USD: 875:1; MXN/USD: 18:1; Silver: $23/oz; Gold: $1,850/oz; Molybdenum: $18/lb.

[6] Production and C1 cash costs[2] guidance not provided during the ramp-up of Mantoverde Development Project in H1 2024.

Pinto Valley: An increase in copper production compared to 2023 is forecasted based on higher mill availability. Copper grades and recoveries are expected to be relatively consistent year-over-year. Production is weighted towards the second half of the year driven by higher copper grades.

Cozamin: Production is expected to be similar compared to 2023. Costs in 2024 are forecasted to be higher than those in 2023 driven by a higher proportion of cut-and-fill mining methods compared to longhole stoping, along with a stronger Mexican peso.

Mantoverde: Production volumes at Mantoverde are forecasted to significantly increase in 2024 driven by the ramp-up of MVDP. The Company has not provided sulphide production or C1 cash cost[2] guidance for the first half of the year during the commissioning and ramp-up period. MVDP is based on a conventional flowsheet and the Company expects a typical project ramp-up led by Ausenco and Capstone's operating team. First ore was fed through the primary crushing circuit during Q4 2023. First ore to the grinding circuit is expected during Q1 2024. First saleable concentrate is expected during Q2 2024.

For the second half of the year, Capstone has provided Mantoverde sulphides copper production guidance of 25 to 35 thousand tonnes of copper. Capstone expects the sulphide concentrator to achieve its nameplate operating throughput rates during Q3 2024.

Cathode production is expected to be consistent year-over-year, with a decline in costs driven by lower sulphuric acid prices and an allocation of certain overhead costs to the sulphide business.

Mantos Blancos: Production volumes at Mantos Blancos are forecasted to increase in 2024 due to higher mill throughput. During the first half of 2024, the focus will be on receiving and installing the engineering and infrastructure upgrades in the tailings dewatering area of the plant. The Company expects Mantos Blancos to achieve its nameplate operating throughput rates late in the second quarter. Sulphide costs are expected to decrease in the second half of the year driven by higher production volumes.

2024 Capital and Exploration Guidance

In 2024, the Company plans to spend a total of $275 million in sustaining and expansionary capital expenditures at its operating mines and the Santo Domingo Project. This is broken down into $195 million on sustaining capital and $80 million on expansionary capital, of which $65 million relates to MVDP. The MVDP total capital cost estimate of $870 million is unchanged. The sustaining and expansionary capital expenditures guidance includes $60 million of spending related to ESG initiatives, largely related to strengthening tailings storage facilities at Pinto Valley,

Mantoverde, and Mantos Blancos, as well as improving tailings stewardship as the Company works towards implementing the Global Industry Standard for Tailings Management by year end 2028. Mantos Blancos sustaining capital spend includes approximately $35 million to achieve sustainable nameplate operating rates, including $15 million identified above related to tailings.

At Santo Domingo, we plan to spend $15 million in 2024 to complete the Feasibility Study, which will be released by mid-2024. During 2024, the Company plans to progress project partnership discussions and its financing strategy. A potential project sanctioning decision is not anticipated prior to mid-2025.

	Pinto Valley	Cozamin	Mantoverde*	Mantos Blancos	Santo Domingo	Total
Capital Expenditure ($ millions)						
Sustaining Capital[2]	70	25	40	60	–	**195**
Expansionary Capital[2]	–	–	65	–	15	**80**
Total Capital Expenditures	**70**	**25**	**105**	**60**	**15**	**275**

*Mantoverde shown on a 100% basis

In addition, the Company plans to spend a total of $180 million in capitalized stripping at its three open pit mines.

	Pinto Valley	Mantoverde*	Mantos Blancos	Total
Capitalized Stripping ($ millions)	40	75	65	180

*Mantoverde shown on a 100% basis

A portion of waste material mined at the Mantos Blancos and Mantoverde mines in 2024 is considered eligible for capitalization as a stripping asset under Capstone's accounting policies. In the Mantoverde and Mantos Blancos technical reports dated November 29, 2021, the costs associated with mining this waste material were considered to be operating costs. Total tonnes mined and rehandled have not changed significantly compared to the technical reports, only the classification between operating costs and capitalized stripping.

Finally, the Company plans to spend $15 million in brownfield and greenfield exploration activities in 2024. The brownfields exploration is focused on resource conversion at Pinto Valley, Mantoverde, and Mantos Blancos. The greenfield exploration relates to expansionary work at Mantoverde.

2024 Key Catalysts

2024 will be a catalyst-rich year with the following milestones and studies expected to be delivered.

H1 2024:

- Mantoverde Development Project Ramp-up
- Santo Domingo Feasibility Study
- MVDP Optimized Feasibility Study

H2 2024:

- Mantoverde Cobalt Study

2023 Year-end Results Announcement and Conference Call

Capstone will release its 2023 Full-year results on Thursday, February 22, 2024 prior to market open. Management will host an investor conference call on Thursday, February 22, 2024 at 11:00 am ET/8:00 am PT. Details to join the call are as follows:

2023 Year-end Webcast and Conference Call Details

Conference call webcast link:
https://app.webinar.net/GjLvY9eYlKp

To connect by phone:

To instantly join the conference call by phone, please use the following URL https://emportal.ink/488sxdC to easily register yourself and be connected into the conference call automatically.

You can also dial direct to be entered to the call by the operator:

- Toronto: (+1) 416-764-8650
- Vancouver: (+1) 778-383-7413
- North America toll free: 888-664-6383

An audio replay of the conference call will be available until February 29, 2024.

Replay Dial-in Numbers

- Toronto: (+1) 416-764-8677
- North America toll free: 888-390-0541
- Code: 862300#

After the replay expiration, an audio file will be available on Capstone's website at Capstone Copper – Events and Presentations. Further information is available at www.capstonecopper.com

ABOUT CAPSTONE COPPER CORP.

Capstone Copper Corp. is an Americas-focused copper mining company headquartered in Vancouver, Canada. We own and operate the Pinto Valley copper mine located in Arizona, USA, the Cozamin copper-silver mine located in Zacatecas, Mexico, the Mantos Blancos copper-silver mine located in the Antofagasta region, Chile, and 70% of the Mantoverde copper-gold mine, located in the Atacama region, Chile. In addition, we own the fully permitted Santo Domingo copper-iron-gold project, located approximately 30 kilometres northeast of Mantoverde in the Atacama region, Chile, as well as a portfolio of exploration properties in the Americas.

Capstone Copper's strategy is to unlock transformational copper production growth while executing on cost and operational improvements through innovation, optimization and safe and responsible production throughout our portfolio of assets. We focus on profitability and disciplined capital allocation to surface stakeholder value. We are committed to creating a positive impact in the lives of our people and local communities, while delivering compelling returns to investors by sustainably producing copper to meet the world's growing needs.

Further information is available at www.capstonecopper.com

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain «forward-looking information» within the meaning of Canadian securities legislation and «forward-looking statements» within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, «forward-looking statements»). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect our expectations or beliefs regarding future events.

In certain cases, forward-looking statements can be identified by the use of words such as «anticipates», «approximately», «believes», «budget», «estimates», expects», «forecasts», «guidance», intends», «plans», «scheduled», «target», or variations of such words and phrases, or statements that certain actions, events or results «be achieved», «could», «may», «might», «occur», «should», «will be taken» or «would» or the negative of these terms or comparable terminology. In this document certain forward-looking statements are identified by words including «anticipated», «expected», «guidance» and «plan». By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, amongst others, the timing and results of the Santo Domingo Cu/Fe Feasibility Study, the timing and results of the MVDP Optimized Feasibility Study, the timing and results of the Mantoverde/Santo Domingo District Cobalt Study, the timing and results of the Pinto Valley District Growth Study, the success of the Mantoverde Development Project Ramp-up, risks related to inherent hazards associated with mining operations, foreign currency exchange fluctuations, changes in interest rates, future prices of copper and other metals, increasing input costs, surety bonding, our ability to raise capital, Capstone's ability to acquire properties for growth, counterparty risks associated with the sales of our metals, use of financial derivative instruments and associated counter party risks, accuracy of Mineral Resource and Mineral Reserve estimates, availability and quality of water, operating in foreign jurisdictions with risk of changes to governmental regulation, changes in tax regimes we are subject to, compliance with governmental regulations, compliance with environmental laws and regulations, compliance with financial covenants, reliance on approvals, licences and permits from governmental authorities and potential legal challenges to permit applications, contractual risks, impact of climate change and changes to climatic conditions at our operations and projects, changes in regulatory requirements and policy related to climate change and greenhouse gas («GHG») emissions, land reclamation and mine closure obligations, introduction or increase in carbon or other «green» taxes, aboriginal title claims and rights to consultation and accommodation, the impact of communicable disease outbreaks on our workforce, risks related to construction activities at our operations and development projects, suppliers and other essential resources and what effect those impacts, if they occur, would have on our business, including our ability to access goods and supplies, the ability to transport our products and impacts on employee productivity, the risks in connection with the operations, cash flow and results of Capstone Copper relating to the unknown duration and impact of the epidemics or pandemics, impacts of inflation, geopolitical events and the effects of global supply chain disruptions, increased cost of reclamation, uncertainties and risks related to the potential development of the Santo Domingo project, increased operating and capital costs, challenges to title to our mineral properties, increased taxes in jurisdictions the Company operates or is subject to tax, any changes in law or interpretation of law may be difficult to react to in an efficient manner, maintaining ongoing social licence to operate, seismicity and its effects on our operations and communities in which we operate, our ability to successfully implement the Global Industry Standard for Tailings Management, dependence on key management personnel, potential conflicts of interest involving our directors and officers, corruption and bribery, limitations inherent in our insurance coverage, labour relations, competition in the mining industry including but not limited to competition for skilled labour, risks associated with joint venture partners and non-controlling shareholders or associates, our ability to integrate new acquisitions and new technology into our operations, cybersecurity threats, legal proceedings, and other risks of the mining industry as well as those factors detailed from time to time in the Company's interim and annual financial statements and MD&A of those statements and Annual Information Form, all of which are filed and available for review under the Company's profile on SEDAR+ at www.sedarplus.ca. Although the Company has

attempted to identify important factors that could cause our actual results, performance or achievements to differ materially from those described in our forward-looking statements, there may be other factors that cause our results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that our forward-looking statements will prove to be accurate, as our actual results, performance or achievements could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on our forward-looking statements.

CAUTIONARY NOTE TO UNITED STATES INVESTORS REGARDING PRESENTATION OF MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

As a British Columbia corporation and a «reporting issuer» under Canadian securities laws, we are required to provide disclosure regarding our mineral properties in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects («NI 43-101»). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. In accordance with NI 43-101, we use the terms mineral reserves and resources as they are defined in accordance with the CIM Definition Standards on mineral reserves and resources (the «CIM Definition Standards») adopted by the Canadian Institute of Mining, Metallurgy and Petroleum. In particular, the terms «mineral reserve», «proven mineral reserve», «probable mineral reserve», «mineral resource», «measured mineral resource», «indicated mineral resource» and «inferred mineral resource» used in this annual information form and the documents incorporated by reference herein and therein, are Canadian mining terms defined in accordance with CIM Definition Standards. These definitions differ from the definitions in the disclosure requirements promulgated by the SEC. Accordingly, information contained in this annual information form and the documents incorporated by reference herein may not be comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

United States investors are also cautioned that while the SEC will now recognize «measured mineral resources», «indicated mineral resources» and «inferred mineral resources», investors should not assume that any part or all of the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, investors are cautioned not to assume that any «measured mineral resources», «indicated mineral resources», or «inferred mineral resources» that we report are or will be economically or legally mineable. Further, «inferred resources» have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, estimates of «inferred mineral resources» cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

COMPLIANCE WITH NI 43-101

Unless otherwise indicated, Capstone Copper has prepared the technical information in this document («Technical Information») based on information contained in the technical reports, Annual Information Form and news releases (collectively the «Disclosure Documents») available under Capstone Copper's company profile on SEDAR+ at www.sedarplus.ca. Each Disclosure Document was prepared by or under the supervision of a qualified person (a «Qualified Person») as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators («NI 43-101»). Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Disclosure Documents include the National Instrument 43-101 compliant technical reports titled «NI 43-101 Technical Report on the Cozamin Mine, Zacatecas, Mexico» effective January 1, 2023, «NI 43-101 Technical Report on the Pinto Valley Mine, Arizona, USA» effective March 31, 2021, «Santo Domingo Project, Region III, Chile, NI 43-101 Technical Report» effective February 19, 2020, and «Mantos Blancos Mine NI 43-101 Technical Report Antofagasta / Región de Antofagasta, Chile» and «Mantoverde Mine and Mantoverde Development Project NI 43-101 Technical Report Chañaral / Región de Atacama, Chile», both effective November 29, 2021.

The disclosure of Scientific and Technical Information in this document was reviewed and approved by Clay Craig, P.Eng., Director, Mining & Strategic Planning (technical information related to Mineral Reserves at Pinto Valley and Cozamin), and Cashel Meagher, P.Geo., President and Chief Operating Officer (technical information related to project updates at Santo Domingo and Mineral Reserves and Resources at Mantos Blancos and Mantoverde) all Qualified Persons under NI 43-101.

ALTERNATIVE PERFORMANCE MEASURES

This document refers to certain non-GAAP financial performance measures, including «C1 cash costs», «cash costs», «net cash», «all-in costs», «available liquidity», «expansionary capital» and «sustaining capital» are Alternative Performance Measures. Alternative performance measures are furnished to provide additional information. These non-GAAP performance measures are included in this presentation because these statistics are key performance measures that management uses internally to monitor performance, to assess how the Company is performing, to plan and to assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS. For full information, please refer to the Company's latest Management Discussion and Analysis published on its Financial Reporting webpage or on SEDAR (the «MD&A»).

C1 Cash Costs per pound: C1 cash costs per payable pound of copper produced is a measure reflective of operating costs per unit. C1 cash costs is calculated as cash production costs of metal produced net of by-product credits and is a key performance measure that management uses to monitor performance. Management uses this measure to assess how well the Company's producing mines are performing and to assess overall efficiency and effectiveness of the mining operations and assumes that realized by-product prices are consistent with those prevailing during the reporting period.

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Jerrold Annett,
SVP, Strategy & Capital Markets
647-273-7351
jannett@capstonecopper.com

Daniel Sampieri,
Director, Investor Relations & Strategic Analysis
437-788-1767
dsampieri@capstonecopper.com