

Capstone Copper Reports Fourth Quarter and Full-Year 2022 Financial Results

February 15, 2023

All amounts in US\$ unless otherwise indicated

VANCOUVER, British Columbia –

Capstone Copper Corp. (“Capstone” or the “Company”) (TSX:CS) today reported financial results for the three months and year ended December 31, 2022 (“Q4 2022” and “2022”). The results are preliminary and subject to change based on final results. Q4 copper production totaled 45,500 tonnes at C1 cash costs¹ of \$2.50 per payable pound of copper produced. As previously reported on February 1, 2023, Capstone achieved production and cost guidance for the period April 1, 2022 to December 31, 2022, with consolidated copper production of 136.3 thousand tonnes at C1 cash costs¹ of \$2.68/lb. Link [HERE](#) for Capstone’s Q4 2022 webcast presentation.

John MacKenzie, CEO of Capstone, commented, “We achieved several major milestones in 2022 following the Capstone/Mantos merger in late Q1 including the successful integration of the two companies, the release of our MV-SD District Integration Plan, the ramp-up at Mantos Blancos, and tremendous progress at our transformational Mantoverde Development Project (“MVDP”), which remains on-time and on-budget. This year, 2023, is pivotal for Capstone as we expect to complete MVDP construction in Q4 setting the stage for a doubling of consolidated cash flow and positioning us well for further growth”.

Q4 2022 HIGHLIGHTS

- Net income of \$136.1 million, or \$0.20 per share, for 2022, and net loss of \$28.4 million, or \$(0.03) per share for Q4 2022.
- Adjusted net income¹ of \$84.5 million, or \$0.14 per share for 2022, and \$52.9 million or \$0.06 per share for Q4 2022. Q4 2022 is down \$20.3 million, or \$0.12 per share, compared to the same quarter last year due to a lower copper price and inflationary pressure on costs.
- Adjusted EBITDA¹ of \$352.8 million for 2022 compared to \$432.2 million for 2021. Adjusted EBITDA¹ of \$80.5 million for Q4 2022, which includes a realized provisional pricing loss of \$7.8 million relating to Q3 and Q2, compared to Adjusted EBITDA¹ of \$113.3 million in Q4 2021. The decrease in Adjusted EBITDA¹ is driven by a lower realized copper price and inflationary pressure on costs, particularly sulphuric acid and diesel fuel costs.
- Operating cash flow before changes in working capital of \$99.4 million in Q4 2022 compared to \$104.9 million in Q4 2021.
- Achieved production and cost guidance for the period from April 1, 2022 to December 31, 2022, with consolidated copper production of 136.3 thousand tonnes at C1 cash costs¹ of \$2.68/lb. Consolidated copper production for Q4 2022 of 45.5 thousand tonnes at C1 cash costs¹ of \$2.50/lb of copper produced for Q4 2022, which consisted of 15 thousand tonnes at Pinto Valley, 5.8 thousand tonnes at Cozamin, 14.2 thousand tonnes at Mantos Blancos, and 10.5 thousand tonnes at Mantoverde.
- Total available liquidity¹ of \$697 million as at December 31, 2022, composed of \$172 million of cash and short-term investments, and \$525 million of undrawn amounts on corporate revolving credit facility which was expanded during the fourth quarter to \$600 million.
- Mantos Blancos Concentrator Debottlenecking Project (“MB-CDP”) completed ramp up to commercial production in December, 2022.
- MVDP remains on budget and on schedule. Construction is progressing well on all key areas of the project. Total project spend inception-to-date was approximately \$579 million at the end of December 2022 on a total budget of \$825 million.
- Mantoverde – Santo Domingo (“MV-SD”) District Integration Plan was presented during Q4 2022 outlining the approach Capstone is taking to maximize value creation (including synergies) across the district.

¹ These are alternative performance measures. Refer to the section entitled “Alternative Performance Measures” in the Cautionary Notes

Unaudited tabular amounts are in millions of U.S. dollars except number of shares and per share amounts, unless otherwise noted.

CONSOLIDATED FINANCIAL RESULTS

(\$ millions, except per share data)	Q4 2022 ³ (unaudited)	Q4 2021	2022 ³ (unaudited)	2021	2020
Revenue	362.1	215.9	1,296.0	794.8	453.8
Net (loss) income	(28.4)	41.4	136.1	252.9	12.4
Net (loss) income attributable to shareholders	(20.9)	41.4	122.2	226.8	12.6
<i>Net (loss) income attributable to shareholders per common share – basic (\$)</i>	<i>(0.03)</i>	<i>0.10</i>	<i>0.20</i>	<i>0.56</i>	<i>0.03</i>
<i>Net (loss) income attributable to shareholders per common share – diluted (\$)</i>	<i>(0.03)</i>	<i>0.10</i>	<i>0.19</i>	<i>0.55</i>	<i>0.03</i>
Operating cash flow before changes in working capital^{1,2}	99.4	104.9	224.4	556.3	131.2
Adjusted EBITDA¹	80.5	113.3	352.8	432.2	139.2
Adjusted net income¹	52.9	73.2	84.5	241.6	26.4
Adjusted net income attributable to shareholders¹	40.8	73.2	85.6	242.1	26.4
<i>Adjusted net income attributable to shareholders per common share – basic</i>	<i>0.06</i>	<i>0.18</i>	<i>0.14</i>	<i>0.60</i>	<i>0.07</i>

<i>Adjusted net income attributable to shareholders per common share – diluted</i>	0.06	0.18	0.14	0.58	0.07
Realized copper price¹ (\$/pound)	3.74	4.61	3.76	4.42	2.99
Net (debt) / cash¹	(483.1)	264.4	(483.1)	264.4	(124.9)
Attributable net (debt) / cash¹	(339.9)	264.4	(339.9)	264.4	(125.6)
Total assets	5,380.9	1,728.0	5,380.9	1,728.0	1,391.6
Total non-current financial liabilities	709.5	38.4	709.5	38.4	183.6

² 2021 includes \$180.0 million silver and gold stream proceeds

³ 2022 financial information is based on unaudited annual results.

CONSOLIDATED OPERATIONAL RESULTS

	Q4 2022	Q4 2021	2022	2021
Copper production (000s tonnes)				
<i>Sulphides business</i>				
Pinto Valley	15.0	16.8	56.8	60.5
Cozamin	5.8	6.6	24.5	24.4
Mantos Blancos	10.0	–	29.0	–
Total sulphides	30.8	23.4	110.3	84.9
<i>Cathode business</i>				
Mantos Blancos	4.2	–	12.2	–
Mantoverde ²	10.5	–	36.3	–
Total cathodes	14.7	–	48.5	–
Consolidated	45.5	23.4	158.8	84.9
Copper sales				
Copper sold (000s tonnes)	44.7	21.2	159.9	81.1
Realized copper price ¹ (\$/pound)	3.74	4.61	3.76	4.42
C1 cash costs¹ (\$/pound) produced				
<i>Sulphides business</i>				
Pinto Valley	2.48	2.00	2.63	2.16
Cozamin	1.40	0.99	1.24	0.96
Mantos Blancos	1.82	–	2.16	–
Total sulphides	2.07	1.72	2.20	1.81
<i>Cathode business</i>				
Mantos Blancos	2.69	–	3.41	–
Mantoverde	3.65	–	3.63	–
Total cathodes	3.37	–	3.58	–
Consolidated	2.50	1.72	2.63	1.81

² Mantoverde production shown on a 100% basis.

Consolidated Production

Q4 2022 copper production of 45.5 thousand tonnes was higher than Q4 2021 primarily as a result of including production for the Mantos Blancos and Mantoverde mines.

2022 consolidated production of 158.8 thousand tonnes of copper is higher than the 84.9 thousand tonnes in 2021, primarily as a result of the addition of Mantos Blancos and Mantoverde production. Consolidated production for the

nine month period from April 1, 2022 to December 31, 2022 of 136.3 thousand tonnes was within the guidance range.

Q4 2022 C1 cash costs¹ of \$2.50/lb and 2022 C1 cash costs¹ of \$2.63/lb are a mix of sulphide and cathode business units compared to 2021 which was predominately sulphide production. Consolidated C1 cash costs¹ are within the guidance range of \$ 2.55 to \$2.70 per pound payable copper.

Cathode production is from copper oxide ore that requires sulphuric acid leaching, solvent extraction and electrowinning (SX-EW) to produce copper cathodes which are a finished copper product for the market. Average sulphuric acid prices of \$271 per tonne for the Company's cathode business unit in 2022 represented an historic high, and thus negatively impacted cash costs. Sulphide production requires a mill that utilizes a grinding and flotation process to recover sulphide minerals in a copper concentrate saleable as an intermediate product to smelters and refiners. Capstone's low-cost sulphide production is growing significantly with the Mantoverde Development Project to be completed late in 2023.

Pinto Valley Mine

Copper production of 15.0 thousand tonnes in Q4 2022 was 11% lower than Q4 2021. Lower grades (Q4 2022 – 0.32% versus Q4 2021 – 0.37%) were offset partially by higher recoveries (Q4 2022 – 86.9% versus Q4 2021 – 81.8%). In addition, lower throughput during the quarter (Q4 2022 – 55,222 tpd versus Q4 2021 – 58,481 tpd) was a result of down time for a mill reline and lower ore supply from the pit due to low truck availability.

2022 production was 6% lower than the same period last year primarily attributed to lower grades (2022 – 0.33% versus 2021 – 0.35%) and lower mill throughput (51,088 tpd in 2022 versus in 53,700 tpd 2021), partially offset by higher recoveries (2022 – 86.5% versus 2021 – 85.7%).

Q4 2022 C1 cash costs¹ of \$2.48/lb in Q4 2022 were higher than Q4 2021 of \$2.00/lb primarily due to lower production (\$0.26/lb), increases in operating costs due to inflation (\$0.23/lb) and treatment and refining costs (\$0.05/lb), partially offset by higher capitalized stripping costs (-\$0.12/lb).

2022 C1 cash costs¹ of \$2.63/lb were \$0.47/lb higher compared to the same period last year of \$2.16/lb primarily due to increased operating costs due to inflationary pressures on diesel, power, explosives, grinding media; and higher spend on rental equipment, mining equipment tools, contractors and dust suppression (\$0.29/lb), lower production (\$0.14/lb) and an increase in treatment and refining costs (\$0.10/lb), partially offset by higher capitalized stripping costs (-\$0.07/lb).

PV4 Study

During Q4 2022, work progressed on the feasibility study ("FS") for PV4 which aims to maximize the conversion of approximately one billion tonnes of mineral resources to mineral reserves, significantly extending Pinto Valley's mine life and increasing the mine's copper production profile. The PV4 study is focused on an expansion of existing mill throughput and tailings impoundment facility, improvements to the metal recovery processes, and an extension of the life of mine. It is expected to be released in H1 2023 and considers the following process enhancements:

- A new tailings dam, TSF5, that would improve tailings water recovery while accommodating a longer mine life.
- Pyrite leach enhancement, with strong positive environmental, social and governance ("ESG") implications as it would divert acid-generating minerals including pyrite and chalcopyrite from tailings to the dump leach operation. Additional copper recovery and lower costs via the generation of acid would be key economic drivers for this project.
- Ball mill circuit upgrades, including ball mill shell replacements, motor upgrades, cyclone feed pump and cluster upgrades, and process control upgrades.
- Flotation circuit upgrades, including froth cameras on primary rougher banks, variable-speed drives on key slurry pumps, and potentially additional flotation capacity.
- Plant upgrades, including additional flotation capacity and process control in the molybdenum plant.

Cozamin Mine

Q4 2022 copper production of 5.8 thousand tonnes was lower than the same period prior year mainly on lower mill throughput (3,430 tpd in Q4 2022 versus 3,863 tpd in Q4 2021) as a result of lower ore mined due to the implementation of a new mining method (cut-and-fill) and ground support improvement project in late Q4 2022. Q4 2022 recoveries and grades were consistent with Q4 2021.

2022 production was slightly higher than 2021 full year due to higher throughput as a result of upgrades to the mill in Q1 2022 (3,803 in 2022 versus 3,724 in 2021), slightly higher grades (2022 – 1.87% versus 2021 – 1.86%) and recoveries.

Q4 2022 C1 cash costs¹ were 41% higher than the same period last year mainly due to a decrease in by-product credits (\$0.17/lb) as a result of lower zinc production as well as lower silver production and prices, inflationary price increases on the main consumables (\$0.13/lb) and lower copper production (\$0.13/lb).

2022 C1 cash costs¹ were 29% higher than the same period last year primarily due to inflationary price increases in steel (grinding media), explosives and insurance premiums, planned higher spend on mechanical parts to increase equipment availability and reliability (\$0.13/lb), lower zinc by-product credits due to planned lower zinc production, as well as lower silver prices (\$0.13/lb)

The paste backfill and dry stack tailings project remains on target and will facilitate the mine's planned long-term sustainability with project completion expected in Q1 2023 and ramp-up in the first half of 2023. Inception-to-date, we have invested \$52 million of a total \$55 million budget for the project.

Mantos Blancos Mine

Sulphide and cathode copper production in Q4 2022 was 14.2 thousand tonnes. Q4 2022 throughput of 15,246 tpd was 6% higher than the previous quarter due to MB-CDP ramping up during the quarter and a higher mill feed grade of 0.94% versus 0.92% in Q3. 2022 copper production was 41.2 thousand tonnes.

Combined Q4 2022 C1 cash costs¹ were \$2.09/lb (\$1.82/lb sulphides and \$2.69/lb cathodes).

Combined 2022 C1 cash costs¹ were \$2.54/lb (\$2.16/lb sulphides and \$3.41/lb cathodes). The cathode costs were significantly impacted by high sulphuric acid prices of average \$271/tonne in 2022.

Mantoverde Mine

Q4 2022 copper production was 10.5 thousand tonnes.

2022 production was 36.3 thousand tonnes. Heap operation grade was 0.45% and recoveries 77.2%. Dump operations grade was 0.16% and recoveries 39.8%.

Q4 2022 C1 cash costs¹ were \$3.65/lb, which were impacted by high sulphuric acid prices, averaging \$271/tonne for 2022. More recently, sulphuric acid prices have significantly decreased with contract prices in the \$130/tonne to \$150/tonne range for 2023.

2022 C1 cash costs¹ were \$3.63/lb, at the lower end of guidance range.

Mantoverde Development Project

Construction of the MVDP located at the existing Mantoverde (oxide) operation continues to progress well. The MVDP is expected to enable the mine to process 235 million tonnes of copper sulphide reserves over a 20-year expected mine life, in addition to existing oxide reserves. The MVDP involves the addition of a sulphide concentrator (12.3 million tonnes per year) and tailings storage facility, and the expansion of the existing desalination plant.

Upon completion, the Company expects the MVDP to increase production from approximately 36,000 to 40,000 tonnes of copper (cathodes only) in our current guidance for 2023 to ~110,000 to 120,000 tonnes of copper (copper concentrate and cathodes) post project completion. In parallel, C1 cash costs¹ are expected to decrease from \$3.50/lb to \$3.70/lb in the current guidance for 2023 to below \$2.00/lb after project completion and ramp up. The decline in expected costs will be driven by the mine's transition to becoming a primary producer of copper concentrate. Upon completion of the MVDP, approximately 75% of Mantoverde's production will come from the lower-cost sulphide copper. The mine will also benefit from the production of approximately 31,000 ounces of gold per year that will generate by-product credits.

MVDP is progressing under a lump-sum turn-key engineering, procurement, and construction (EPC) contract with Ausenco Limited, a multi-national EPC management company, with broad international experience in the design and construction of copper concentrator projects of this scale in the international market. The execution plan includes a Capstone Copper owner's team working with the contractors during the execution phase.

The Mantoverde Development Project is progressing well and remains on track for commissioning and feeding first ore to the mill in late 2023. Areas of focus in Q4 2022 were:

- Assembly and commissioning of the second electric rope shovel with commissioning of a third shovel planned for mid-Q1 2023;
- Critical equipment such as the SAG and ball mill shells, flotation cells, conveyor belts, components, and others, are already arrived at site; and
- Structural and mechanical assembly in the primary crusher, grinding, flotation, and tailings thickener area are in progress as planned.

As of December 31, 2022, the cost of the different components of the project, including the lump-sum turnkey EPC, continue on track and on target. The total project capital remains at \$825 million and inception-to-date project spend, excluding finance costs, totals \$579 million.

The majority of the total project capital cost of \$825 million is fully encompassed by the turn-key contract with Ausenco. The EPC contract total budget is approximately \$525 million of which \$359 million has been spent as of December 31, 2022. In addition, major mining equipment for approximately \$140 million was price fixed prior to the elevated inflationary pressures observed this year.

A virtual tour of the project can be viewed at <https://vrify.com/decks/12698-mantoverde-development-project>

Mantoverde Phase II

Mantoverde is currently analyzing the next expansion of the sulphide concentrator. Capstone has identified that the major components of the comminution and flotation circuits of the Mantoverde Development Project are capable of throughput capacities higher than the 32,000 tonnes per day design, and an engineering study is being initiated to identify the upstream and downstream debottlenecking costs associated with the potential increase in nameplate capacity. Given the above, the Mantoverde Phase II study will now evaluate the addition of an entire second processing line, possibly a duplication of the first line, to process some of the additional 77% of resources not utilized by the optimized MVDP. A conceptual study is being prepared in Q1 2023 and pending positive results will be incorporated into a feasibility study targeted for H2 2023.

Mantos Blancos Concentrator Debottlenecking Project

The MB-CDP was completed in 2022 which increased throughput capacity at the sulphide concentrator plant from 11,000 tonnes per day ("tpd") to 20,000 tpd (or from 4.2 million tonnes per year to 7.3 million tonnes per year). MB-CDP completed ramp up to commercial production in December.

Mantos Blancos Phase II

Mantos Blancos is currently evaluating the potential to increase throughput of the Mantos Blancos sulphide concentrator plant from 7.3 million tonnes per year to 10.0 million tonnes per year using existing underutilized ball mills and process equipment. As part of the Mantos Blancos Phase II Project, we are also evaluating the potential to extend the life of copper cathode production. The Mantos Blancos Phase II feasibility study is expected to be released in H2 2023, and the environmental DIA application was submitted in August 2022.

Santo Domingo

Since closing the Transaction, the Santo Domingo team has been integrated into the larger Capstone Copper team in Chile. The integrated project team was initially focused on identifying and evaluating the optimal integrated development plan for the Mantoverde – Santo Domingo district. The Mantoverde operation is located approximately ~35km southwest of the Santo Domingo project. In consideration of the Integration Plan submitted by the Company on November 10th, activities to better understand the full potential of the synergies and to maximize the outcome for the company through a optimized flowsheet are ongoing and a 2023 work plan has been developed to take advantage of the synergies associated with the proximity of Santo Domingo to the existing Mantoverde operation, existing infrastructure (including a desalination plant, roads, power, and pipelines), and integration of other assets, such as the Santo Domingo port. The outcomes of all of this are expected to be incorporated into an updated Santo Domingo feasibility study in H2 2023.

Mantoverde – Santo Domingo Cobalt Feasibility Study Update

A district cobalt plant for Mantoverde – Santo Domingo may also unlock cobalt production from Mantoverde while producing a by-product of sulphuric acid which can then be consumed internally to further significantly lower operating costs in the leaching process at Mantoverde.

The cobalt recovery process consists of a concentration step, an oxidation step, and a cobalt recovery step. The concentration step considers a conventional froth flotation circuit treating copper flotation tails to produce a cobaltiferous pyrite concentrate. For the base case, the pyrite concentrate, which contains between 0.5% and 0.7% Co, is oxidized in a fluidized bed roaster to produce a cobalt calcine and a concentrated sulphuric acid by-product. The calcine is then subjected to various leaching, precipitation, solvent extraction and crystallization steps to produce battery grade cobalt sulphate heptahydrate. Capstone is also evaluating alternatives that may include the direct sale of some or all the cobalt as intermediate product, such as mixed hydroxide precipitate, to a partner, joint venture or an independent third-party refiner. At a combined MV-SD target of 6.0 to 6.5 thousand tonnes of cobalt production per year, this would be one of the largest and lowest cost cobalt producers in the world. Additional benefits of this project include the generation of carbon-free energy from waste heat emitted by the roaster, and the production of by-product sulphuric acid which can be used for heap or dump leaching to produce low-cost copper cathodes at Mantoverde, Mantos Blancos, or sold to other consumers within the district. Exploratory test-work has started at Mantoverde to confirm suitability of the Santo Domingo cobalt circuit flowsheet to process an integrated cobaltiferous pyrite feed.

Capstone is also examining the early production of cobalt from Mantoverde by oxidizing a pyrite concentrate from MVDP directly in the copper heap leach facilities. The pyrite concentrate would be recovered from MVDP waste streams and added to the oxide heap leach feed agglomerate drums. The pyrite would oxidize in the heap, producing by-product sulfuric acid in situ and solubilizing a significant fraction of the cobalt. A bleed stream containing cobalt in solution will then be directed to a recovery plant consisting of various steps of impurity removal, continuous ion exchange, and hydroxide precipitation to produce a cobalt hydroxide precipitate. It is believed that this approach would require significantly less capital expenditure and could potentially accelerate the production of cobalt from the district. Test work will commence in Q1 2023 and a conceptual study will be available near the end of H2 2023.

PV4 Study

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life and increasing the mine's copper production profile. The PV4 study is focused on an expansion of existing mill throughput and tailings impoundment facility, improvements to the metal recovery processes, and an extension of the life of mine. It is expected to be released in H1 2023 and considers the following process enhancements:

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- Pyrite leach enhancement, with strong positive environmental, social and governance (“ESG”) implications as it would divert acid-generating minerals including pyrite and chalcopyrite from tailings to the dump leach operation. Additional copper recovery and lower costs via the generation of acid would be key economic drivers for this project.
- Ball mill circuit upgrades, including ball mill shell replacements, motor upgrades, cyclone feed pump and cluster upgrades, and process control upgrades.
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- Plant upgrades, including additional flotation capacity and process control in the molybdenum plant.

Corporate Exploration Update

Cozamin: The focus during Q4 2022 was on testing the Mala Noche Main Vein West Target with one underground rig from the west exploration crosscut station. Since the 2021-2022 exploration program started, approximately 54,650 meters of drilling have been completed from 71 holes. A proposed lower elevation mine cross-cut will allow for expedited infill drilling in 2023 to inform an updated mineral resource estimate in 2024. Surface drill testing of other targets along strike from the San Roberto mine area continued in Q4 2022 with one rig with 573 meters drilled in 2 holes.

Copper Cities, Arizona: On January 20, 2022, Capstone Mining announced that it had entered into an 18-month access agreement with BHP Copper Inc. (“BHP”) to conduct drill and metallurgical test-work at BHP’s Copper Cities project (“Copper Cities”), located approximately 10 km east of the Pinto Valley mine. Drilling with two surface rigs twinning historical drill holes was completed in 2022 with metallurgical testing continuing into 2023.

Planalto, Brazil: Step-out drilling at the Planalto Iron Ore-Copper-Gold prospect in Brazil, under an earn-in agreement with Lara Exploration Ltd. (“Lara”), commenced in Q4 2021 and continued in Q4 2022. Lara is conducting the work and will report results when appropriate.

2023 Guidance

The Company expects to produce between 170,000 and 190,000 tonnes of copper at C1 cash costs¹ of between \$2.50 and \$2.70 per payable pound of copper produced.

	Copper Production (‘000s tonnes)	C1 Cash Costs ¹ (US\$ per payable lb Cu Produced)
Sulphides Business		
Pinto Valley	56.0 – 62.0	\$2.40 – \$2.60
Cozamin	23.0 – 25.0	\$1.50 – \$1.65
Mantos Blancos	45.0 – 51.0	\$2.20 – \$2.40
Total Sulphides	124.0 – 138.0	\$2.15 – \$2.35
Cathode Business		
Mantos Blancos	10.0 – 12.0	\$2.85 – \$3.00
Mantoverde ²	36.0 – 40.0	\$3.50 – \$3.70
Total Cathodes	46.0 – 52.0	\$3.35 – \$3.55
Consolidated Cu Production	170.0 – 190.0	\$2.50 – \$2.70

² Mantoverde production shown on a 100% basis

Key C1 Cash costs¹ input assumptions:

CLP/USD: 800:1 MXN/USD: 20:1 Silver: \$20/oz Molybdenum: \$14/lb Gold: \$1,700/oz

Consolidated C1 cash costs¹ are expected to decline in 2023 compared to 2022 due to an increased proportion of lower-cost copper production from concentrates versus higher-cost copper cathode. This will be driven primarily by increased throughput at the Mantos Blancos concentrator, after the completion of the ramp-up in 2022 of the Mantos Blancos Concentrator Debottlenecking Project. The decline in 2023 cathode production is a result of the anticipated grade decline in Mantoverde oxides. Helping to offset lower oxide grades are lower sulphuric acid prices, and we have secured over 70% of our 2023 requirement at prices in the \$130 – \$150 per tonne range, which is over \$100 per tonne lower than the average price paid in 2022. Pinto Valley is expected to perform similarly year-over-year for production and costs.

2023 Capital and Exploration Guidance

In 2023, the Company plans to spend a total of \$400 million in sustaining¹ and expansionary¹ capital expenditures at its operating mines and the Santo Domingo Project. This is broken down into \$140 million on sustaining capital and \$260 million on expansionary capital, mainly related to the Mantoverde Development project. Pinto Valley sustaining capital is focused on bolstering process water availability and providing capacity for future tailings deposition.

	Pinto Valley	Mantos Blancos	Manto-verde ²	Cozamin	Santo Domingo	Total
Capital Expenditure (\$ millions)						
Sustaining Capital ¹	70	20	25	25	–	140
Expansionary Capital ¹	5	–	225	5	25	260
Total Capital Expenditures	75	20	250	30	25	400

² Mantoverde shown on a 100% basis

In addition, the Company plans to spend a total of \$220 million in capitalized stripping at its three open pit mines.

	Pinto Valley	Mantos Blancos	Mantoverde ²	Total
Capitalized Stripping (\$ millions)	25	75	120	220

² Mantoverde shown on a 100% basis

A portion of waste material mined at the Mantos Blancos and Mantoverde mines in 2023 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 mine movement has not increased compared to the technical reports, only the classification between operating costs and capitalized stripping.

Finally, the Company plans to spend \$10 million in brownfield and greenfield exploration activities in 2023. The brownfield exploration is focused on resource conversion at Cozamin, Mantos Blancos and Mantoverde. The greenfield exploration relates to the high-grade Planalto project in Brazil.

	\$ millions
Brownfield Exploration	6
Greenfield Exploration	4
Total Exploration	10

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

expressed in thousands of US dollars

	2022 (unaudited)	2021 (audited)
ASSETS		
Current		

Cash and cash equivalents	\$ 170,307	\$ 262,094
Short-term investments	1,553	2,259
Receivables	191,887	28,489
Inventories	143,497	62,825
Derivative assets	19,981	543
Other assets	44,966	5,450
	572,191	361,660
Mineral properties, plant and equipment	4,706,311	1,310,870
Deferred income tax assets	38,704	30,593
Derivative assets	28,582	–
Other assets	35,120	24,839
Total assets	\$ 5,380,908	\$ 1,727,962
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 284,913	\$ 97,384
Lease liabilities	28,928	3,410
Income taxes payable	10,946	29,375
Derivative liabilities	44,423	387
Other liabilities	39,322	99,671
	408,532	230,227
Long-term debt	599,075	–
Deferred revenue	160,462	165,740
Due to related party	60,000	–
Lease liabilities	74,969	12,631
Provisions	239,635	161,088
Deferred income tax liabilities	597,585	95,786
Derivative liabilities	10,066	–
Other liabilities	50,728	46,063
Total liabilities	\$ 2,201,052	\$ 711,535
EQUITY		
Share capital	\$ 2,447,377	\$ 849,409
Other reserves	41,328	39,008
Retained earnings	262,512	128,010
Total equity attributable to equity holders of the Company	2,751,217	1,016,427
Non-controlling interest	428,639	–
Total equity	3,179,856	1,016,427
Total liabilities and equity	\$ 5,380,908	\$ 1,727,962

CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2022 and 2021
expressed in thousands of US dollars, except share and per share amounts

	2022	2021
	(unaudited)	(audited)
Revenue	\$ 1,296,024	\$ 794,769
Operating costs		
Production costs	(903,060)	(334,454)
Royalties	(10,177)	(7,946)

Depletion and amortization	(174,991)	(91,925)
Earnings from mining operations	207,796	360,444
General and administrative expenses	(26,244)	(19,531)
Exploration expenses	(9,578)	(3,061)
Impairment reversal on mineral properties	–	92,392
Share-based compensation expense	(31,756)	(74,011)
Income from operations	140,218	356,233
Other income (expense)		
Foreign exchange gain (loss)	2,066	(1,794)
Realized and unrealized gains (loss) on derivative instruments	111,087	(309)
Gain on extinguishment of debt	8,035	–
Transaction costs	(19,433)	(3,259)
Other (expense) income	(20,442)	1,623
Interest on long-term debt and surety bonds	(5,621)	(3,739)
Other non-cash interest expense	(22,189)	(14,974)
Income before income taxes	193,721	333,781
Income tax expense	(57,582)	(80,916)
Net income	\$ 136,139	\$ 252,865
Net income attributable to:		
Shareholders of Capstone Copper Corp.	\$ 122,199	\$ 226,829
Non-controlling interest	13,940	26,036
	\$ 136,139	\$ 252,865
Net earnings per share		
Earnings per share – basic	\$ 0.20	\$ 0.56
Weighted average number of shares – basic	625,434,676	405,800,210
Earnings per share – diluted	\$ 0.19	\$ 0.55
Weighted average number of shares – diluted	630,179,251	414,093,484

CONSOLIDATED STATEMENTS OF CASH FLOW

Years Ended December 31, 2022 and 2021

expressed in thousands of US dollars

	2022 (unaudited)	2021 (audited)
Cash provided by (used in):		
Operating activities		
Net income	\$136,139	\$252,865
Adjustments for:		
Depletion and amortization	176,173	93,245
Income tax expense	57,582	80,916
Impairment reversal on mineral properties	–	(92,392)
Inventory write-down	2,809	2,029
Share-based compensation expense	31,756	74,011
Net finance costs	27,810	18,713
Gain on extinguishment of debt	(8,035)	–
Unrealized (gain) loss on foreign exchange	(21,821)	1,093
(Gain) loss on derivatives	(111,087)	309

Gain on disposal of assets and other	(226)	–
Changes in contingent consideration	–	(5,067)
Amortization of deferred revenue and variable consideration adjustments	(12,885)	(16,490)
Precious metal stream deposits received	–	180,000
Income taxes paid	(70,534)	(34,366)
Income taxes received	592	1,097
Net proceeds on settlement of derivatives	17,491	1,075
Other receipts (payments)	(1,384)	(700)
Operating cash flow before working capital	224,380	556,338
Changes in non-cash working capital	(133,383)	21,782
Other non-cash changes	(3,575)	(24,775)
Operating cash flow	87,422	553,345
Investing activities		
Mineral properties, plant and equipment additions	(559,752)	(133,425)
Interest capitalized on construction in progress	(23,401)	–
Cash acquired on business combination with Mantos	219,211	–
Proceeds on disposal of assets	391	–
Proceeds from short-term investments	706	1,166
Other assets	(7,896)	(11,435)
Investing cash flow	(370,741)	(143,694)
Financing activities		
Proceeds from borrowings	482,242	32,000
Repayment of borrowings	(241,992)	(216,925)
Proceeds from related party borrowings	60,000	–
Payment on purchase of non-controlling interest	(34,731)	(17,141)
KORES payment against promissory note	–	1,423
Repayment of lease obligations	(29,473)	(3,291)
Proceeds from the exercise of options	3,112	4,358
Net payments for settlement of derivatives	(39,426)	(1,181)
Interest paid on long-term debt and surety bonds	(7,594)	(3,521)
Financing cash flow	192,138	(204,278)
Effect of exchange rate changes on cash and cash equivalents	(606)	141
(Decrease in) increase in cash and cash equivalents	(91,787)	205,514
Cash and cash equivalents – beginning of year	262,094	56,580
Cash and cash equivalents – end of year	\$170,307	\$262,094

CONFERENCE CALL AND WEBCAST DETAILS

Capstone will host a conference call and webcast on Wednesday, February 15, 2023 at 08:00 am PT/11:00 am ET. Link to the audio webcast: <https://app.webinar.net/egzVo3NwjOM>

Dial-in numbers for the audio-only portion of the conference call are below. Due to an increase in call volume, please dial-in at least five minutes prior to the call to ensure placement into the conference line on time.

Toronto: (+1) 416-764-8650

Vancouver: (+1) 778-383-7413

North America toll free: 888-664-6383

Confirmation #73116236

A replay of the conference call will be available until March 1, 2023. Dial-in numbers for Toronto: (+1) 416-764-8677 and North American toll free: 888-390-0541. The replay code is 116236#. Following the replay, an audio file will be available on Capstone's website at <https://capstonecopper.com/investors/events-and-presentations/>.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The financial results contained in this document are preliminary and represent the most current information available to the Company's management, as the Company completes its financial procedures. The Company's audited consolidated financial statements for such period may result in material changes to the financial information contained in this document (including by any one financial metric, or all of the financial metrics, being below or above the figures indicated) as a result of the completion of normal accounting procedures and adjustments.

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 and the impacts of the ongoing and evolving COVID-19 pandemic and the evolving geopolitical environment. Forward-looking statements include, but are not limited to, statements with respect to the execution of our future growth projects, our financial liquidity and development of our projects, the estimation of Mineral Resources and Mineral Reserves, the success of the underground paste backfill and tailings filtration projects at Cozamin, the timing and cost of the construction of the paste backfill and dry stack tailings plant at Cozamin, the success and timing of the Mantos Blancos Concentrator Debottlenecking Project, the timing and cost of the Mantoverde Development Project, the timing and results of the PV4 study, the expected reduction in capital requirements for the Santo Domingo project, the timing and success of the Cobalt Study for Santo Domingo, the timing and results of the integrated plan for Mantoverde – Santo Domingo, the realization of Mineral Reserve estimates, the timing and amount of estimated future production, the costs of production and capital expenditures and reclamation, the budgets for exploration at Cozamin, Santo Domingo, Pinto Valley, Mantos Blancos, Mantoverde and other exploration projects, the timing and success of the Copper Cities project, the success of our mining operations, the continuing success of mineral exploration, the estimations for potential quantities and grade of inferred resources and exploration targets, our ability to fund future exploration activities, our ability to finance the Santo Domingo project and other current or future projects and expansions, environmental risks, unanticipated reclamation expenses and title disputes, the success of the synergies and catalysts related to prior transactions, and the anticipated future production, costs of production, including the cost of sulphuric acid and oil and other fuel, capital expenditures and reclamation of the Company's operations and development projects and the risks included in our continuous disclosure filings on SEDAR at www.sedar.com. The potential effects of the COVID-19 pandemic on our business and operations are unknown at this time, including Capstone Copper's ability to manage challenges and restrictions arising from COVID-19 in the communities in which Capstone Copper operates and our ability to continue to safely operate. The impact of COVID-19 to Capstone Copper is dependent on a number of factors outside of our control and knowledge, including the effectiveness of the measures taken by public health and governmental authorities to combat the spread of the disease, global economic uncertainties and outlook due to the disease, supply chain delays resulting in lack of availability of supplies, goods and equipment, and evolving restrictions relating to mining activities and to travel in certain jurisdictions in which we operate.

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, risks related to inherent hazards associated with mining operations and closure of mining projects, future prices of copper and other metals, compliance with financial covenants, surety bonding, our ability to raise capital, Capstone Copper’s ability to acquire properties for growth, counterparty risks associated with sales of our metals, use of financial derivative instruments and associated counterparty risks, foreign currency exchange rate fluctuations, market access restrictions or tariffs, changes in general economic conditions, availability and quality of water, accuracy of Mineral Resource and Mineral Reserve estimates, operating in foreign jurisdictions with risk of changes to governmental regulation, compliance with governmental regulations, compliance with environmental laws and regulations, reliance on approvals, licences and permits from governmental authorities and potential legal challenges to permit applications, contractual risks including but not limited to, our ability to meet the completion test requirements under the Cozamin Silver Stream Agreement with Wheaton Precious Metals Corp. (“Wheaton”), our ability to meet certain closing conditions under the Santo Domingo Gold Stream Agreement with Wheaton, acting as Indemnitor for Minto Metals Corp.’s surety bond obligations post divestiture, 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, aboriginal title claims and rights to consultation and accommodation, risks relating to widespread epidemics or pandemic outbreak including the COVID-19 pandemic; the impact of COVID-19 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 COVID-19 pandemic, impacts of inflation, geopolitical events and the effects of global supply chain disruptions, uncertainties and risks related to the potential development of the Santo Domingo project, risks related to the Mantos Blancos Concentrator Debottlenecking Project and the Mantoverde Development Project, increased operating and capital costs, increased cost of reclamation, challenges to title to our mineral properties, increased taxes in jurisdictions the Company operates or is subject to tax, changes in tax regimes we are subject to and 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, 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, increasing input costs such as those related to sulphuric acid, electricity, fuel and supplies, increasing inflation rates, 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, the volatility of the price of the common shares, the uncertainty of maintaining a liquid trading market for the common shares, risks related to dilution to existing shareholders if stock options or other convertible securities are exercised, the history of Capstone Copper with respect to not paying dividends and anticipation of not paying dividends in the foreseeable future and sales of common shares by existing shareholders can reduce trading prices, 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.sedar.com. 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.

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.sedar.com. 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 October 31, 2020, “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

Alternative performance measures are furnished to provide additional information. These non-GAAP performance measures are included in this document because these statistics are key performance measures that management uses to monitor performance, to assess how the Company is performing, and to plan and 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.

Some of these alternative performance measures are presented in Highlights and discussed further in other sections of the document. These measures provide meaningful supplemental information regarding operating results because they exclude certain significant items that are not considered indicative of future financial trends either by nature or amount. As a result, these items are excluded for management assessment of operational performance and preparation of annual budgets. These significant items may include, but are not limited to, restructuring and asset impairment charges, individually significant gains and losses from sales of assets, share based compensation, unrealized gains or losses, and certain items outside the control of management. These items may not be non-recurring. However, excluding these items from GAAP or Non-GAAP results allows for a consistent understanding of the Company’s consolidated financial performance when performing a multi-period assessment including assessing the likelihood of future results. Accordingly, these Non-GAAP financial measures may provide insight to investors and other external users of the Company’s consolidated financial information.

C1 Cash Costs Per Payable Pound of Copper Produced

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.

Net debt / Net cash

Net debt / Net cash is a non-GAAP performance measure used by the Company to assess its financial position and is composed of Long-term debt (excluding deferred financing costs and purchase price accounting (“PPA”) fair value adjustments), Due to related parties, Cash and cash equivalents and Short-term investments.

Available Liquidity

Available liquidity is a non-GAAP performance measure used by the Company to assess its financial position and is composed of RCF credit capacity, the \$520 million Mantoverde DP facility capacity, Cash and cash equivalents and Short-term investments. For clarity, Available liquidity does not include undrawn amounts on Mantoverde \$60 million cost overrun facility from MMC nor the \$260 million undrawn portion of the Gold stream from Wheaton related to the Santo Domingo project.

Operating Cash Flow before Changes in Working Capital per Common Share

Operating Cash Flow before changes in working capital per common share is a performance measure used by the Company to assess its ability to generate cash from its operations, while also taking into consideration changes in the number of outstanding shares of the Company.

Adjusted Net Income

Adjusted net income is a non-GAAP measure of net (loss) income as reported, adjusted for certain types of transactions that in our judgment are not indicative of our normal operating activities or do not necessarily occur on a regular basis.

Adjusted net income attributable to shareholders

Adjusted net income attributable to shareholders is a non-GAAP measure of Net (loss) income attributable to shareholders as reported, adjusted for certain types of transactions that in our judgment are not indicative of our normal operating activities or do not necessarily occur on a regular basis.

EBITDA

EBITDA is a non-GAAP measure of net (loss) income before net finance expense, tax expense, and depletion and amortization.

Adjusted EBITDA

Adjusted EBITDA is non-GAAP measure of EBITDA before the pre-tax effect of the adjustments made to adjusted net income (above) as well as certain other adjustments required under the RCF agreement in the determination of EBITDA for covenant calculation purposes.

The adjustments made to Adjusted net income and Adjusted EBITDA allow management and readers to analyze our results more clearly and understand the cash generating potential of the Company.

Sustaining Capital

Sustaining capital is expenditures to maintain existing operations and sustain production levels. A reconciliation of this non-GAAP measure to GAAP segment MPPE additions is included within the mine site sections of this document.

Expansionary Capital

Expansionary capital is expenditures to increase current or future production capacity, cash flow or earnings

potential. A reconciliation of this non-GAAP measure to GAAP segment MPPE additions is included within the mine site sections of this document.

Realized copper price (per pound)

Realized price per pound is a non-GAAP ratio that is calculated using the non-GAAP measures of revenue on new shipments, revenue on prior shipments, and pricing and volume adjustments. Realized prices exclude the effects of the stream cash effects as well as TC/RCs. Management believes that measuring these prices enables investors to better understand performance based on the realized copper sales in the current and prior period.

Breakdown of C1 Cash Costs Per Pound of Payable Copper Produced

Three Months Ended December 31, 2022

	Q4 2022				Total
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	
Payable copper produced (000s pounds)	31,989	30,565	23,067	12,222	97,843
(\$ millions)					
Production costs of metal produced	72.3	65.6	84.0	19.0	240.9
Transportation cost to point of sale	(6.4)	–	–	(1.4)	(7.8)
Inventory (write-down) reversal	–	–	(0.9)	–	(0.9)
Inventory working capital adjustments	1.5	(7.7)	0.2	(0.9)	(6.9)
Cash production costs of metal produced	67.4	57.9	83.3	16.7	225.3
(\$/pound)					
Production costs					
Mining	0.63	0.29	0.47	0.81	0.50
Milling/Processing	1.16	1.43	2.94	0.29	1.56
G&A	0.29	0.18	0.20	0.26	0.23
C1P sub-total	2.08	1.90	3.61	1.36	2.29
By-product credits	(0.10)	(0.02)	–	(0.27)	(0.07)
Treatment and selling costs	0.50	0.21	0.04	0.31	0.28
C1 cash cost (\$/pound produced)	2.48	2.09	3.65	1.40	2.50

Three Months Ended December 31, 2021

	Q4 2021		Total
	Pinto Valley	Cozamin	
Payable copper produced (000s pounds)	35,826	13,945	49,771
(\$ millions)			
Production costs of metal produced	69.1	17.5	86.6
Transportation cost to point of sale	(9.7)	(1.3)	(11.0)
Inventory (write-down) reversal	0.3	–	0.3
Realized gain on Mexican Peso derivatives	–	(0.6)	(0.6)
Inventory working capital adjustments	2.1	(0.5)	1.6
Cash production costs of metal produced	61.8	15.1	76.9
(\$/pound)			
Production costs			
Mining	0.56	0.64	0.58
Milling/Processing	0.96	0.26	0.76

G&A	0.21	0.19	0.21
C1P sub-total	1.73	1.09	1.55
By-product credits	(0.12)	(0.39)	(0.20)
Treatment and selling costs	0.39	0.29	0.37
C1 cash cost (\$/pound produced)	2.00	0.99	1.72

Twelve Months Ended December 31, 2022

	2022				Total
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	
Payable copper produced (000s pounds)	121,135	88,788	80,030	51,777	341,730
(\$ millions)					
Production costs of metal produced	300.6	215.5	317.0	70.0	903.1
Transportation cost to point of sale	(23.8)	–	–	(4.8)	(28.6)
Inventory write-down	(0.1)	–	(0.9)	–	(1.0)
Inventory working capital adjustments	(8.0)	(6.7)	(28.9)	(0.4)	(44.0)
Cash production costs of metal produced	268.7	208.8	287.2	64.8	829.5
(\$/pound)					
Production costs					
Mining	0.64	0.63	0.78	0.75	0.68
Milling/Processing	1.27	1.53	2.62	0.28	1.51
G&A	0.31	0.19	0.19	0.22	0.24
C1P sub-total	2.22	2.35	3.59	1.25	2.43
By-product credits	(0.10)	(0.02)	–	(0.31)	(0.09)
Treatment and selling costs	0.51	0.21	0.04	0.30	0.29
C1 cash cost (\$/pound produced)	2.63	2.54	3.63	1.24	2.63

Twelve Months Ended December 31, 2021

	2021		Total
	Pinto Valley	Cozamin	
Payable copper produced (000s pounds)	128,794	51,706	180,500
(\$ millions)			
Production costs of metal produced	269.4	65.0	334.4
Transportation cost to point of sale	(28.1)	(4.3)	(32.4)
Inventory write-down	–	–	–
Realized gain on Mexican Peso derivatives	–	(2.6)	(2.6)
Inventory working capital adjustments	(0.9)	(0.4)	(1.3)
Cash production costs of metal produced	240.4	57.7	298.1
(\$/pound)			
Production costs			
Mining	0.57	0.66	0.60
Milling/Processing	1.07	0.27	0.84
G&A	0.23	0.19	0.22
C1P sub-total	1.87	1.12	1.66
By-product credits	(0.10)	(0.45)	(0.20)
Treatment and selling costs	0.39	0.29	0.35
C1 cash cost (\$/pound produced)	2.16	0.96	1.81

Reconciliation of Net (debt) / Net cash

(\$ millions)	December 31, 2022	December 31, 2021
Long term debt, excluding deferred financing costs of 3.4 and nil and PPA fair value adjustments of 7.5 and nil	(595.0)	–
Due to related party	(60.0)	–
<i>Add:</i>		
Cash and cash equivalents	170.3	262.1
Short term investments	1.6	2.3
Net (debt)/cash	(483.1)	264.4

Reconciliation of Attributable Net (debt) / Net cash

(\$ millions)	December 31, 2022	December 31, 2021
Attributable Long term debt, excluding deferred financing costs of 3.4 and nil and PPA fair value adjustments of 7.7 and nil	(439.0)	–
Attributable Due to related party	(42.0)	–
<i>Add:</i>		
Attributable Cash and cash equivalents	139.5	262.1
Attributable Short term investments	1.6	2.3
Attributable Net (debt)/cash	(339.9)	264.4

Reconciliation of Available Liquidity

(\$ millions)	December 31, 2022	December 31, 2021
Revolving credit facility capacity	600.0	225.0
MVDP debt facility	520.0	–
Long term debt, excluding deferred financing costs of 3.4 and nil and PPA fair value adjustments of 7.5 and nil	(595.0)	–
	525.0	225.0
Cash and cash equivalents	170.3	262.1
Short term investments	1.6	2.3
Available liquidity	696.9	489.4

Reconciliation of Operating Cash Flow before Changes in Working Capital per Common Share

(\$ millions, except share and per share amounts)	Q4 2022	Q4 2021	2022	2021
Operating cash flow	24.4	94.5	87.4	553.3
Adjustment for changes in working capital	73.0	4.8	133.4	(21.8)
Other non-cash changes ²	2.0	5.6	3.6	24.8
Operating cash flow before changes in working capital^{1,2}	99.4	104.9	224.4	556.3
Weighted average common shares – basic	687,628,025	407,588,618	625,434,676	405,800,210
Operating cash flow before changes in working capital¹ per share (\$)	0.14	0.26	0.36	1.37

² Certain of prior period comparative figures have been reclassified to conform with the current year's presentation.

Reconciliation of Adjusted Net Income

(\$ millions, except share and per share amounts)	Q4 2022	Q4 2021	2022	2021
Net (loss) income	(28.4)	41.4	136.1	252.9
Inventory (reversal) write-down	(1.2)	1.7	2.8	2.0
Unrealized loss (gain) on derivative contracts	66.8	0.3	(133.2)	2.5
Share-based compensation expense	23.7	27.0	31.8	74.0
Unrealized foreign exchange loss (gain)	4.9	0.1	(23.0)	0.6
Mantos acquisition transaction costs	–	–	19.4	–
Other expense – non-recurring fees	14.8	3.6	26.9	3.8
Severance costs	1.4	–	4.2	–
Change in fair value of contingent receivable (RE:Minto)	–	–	–	(5.1)
Loss (gain) on disposal of assets	0.2	–	(0.2)	–
Gain on extinguishment of debt	–	–	(8.0)	–
Reversal of impairment on mineral properties (RE: Santo Domingo)	–	–	–	(92.4)
Non-recurring fees on streaming transactions	–	0.1	–	1.1
G&A – care and maintenance	–	0.1	0.3	0.4
Insurance proceeds received	(0.4)	–	(2.8)	–
Tax effect on the above adjustments	(28.9)	(1.1)	30.2	1.8
Adjusted net income	52.9	73.2	84.5	241.6
Adjusted net income attributable to:				
Shareholders of Capstone Copper Corp.	40.8	73.2	85.6	242.1
Non-controlling interests	12.1	–	(1.1)	(0.5)
	52.9	73.2	84.5	241.6
Weighted average common shares – basic	687,628,025	507,588,616	25,434,676	65,800,210
Adjusted net income attributable to shareholders of Capstone Copper Corp. per common share – basic (\$)	0.06	0.18	0.14	0.60
Weighted average common shares – diluted	691,984,440	516,178,876	30,179,251	64,093,484
Adjusted net income attributable to shareholders of Capstone Copper Corp. per common share – diluted (\$)	0.06	0.18	0.14	0.58

Reconciliation of Adjusted EBITDA

(\$ millions)	Q4 2022	Q4 2021	2022	2021
Net (loss) income	(28.4)	41.4	136.1	252.9
Net finance costs	9.3	6.3	27.8	18.7
Taxes	(30.7)	15.7	57.6	80.9
Depletion and amortization	43.3	24.7	176.2	93.2
EBITDA	(6.5)	88.1	397.7	445.7
Share-based compensation expense	23.7	27.0	31.8	74.0
Inventory (reversal) write-down	(1.2)	1.7	2.8	2.0
Realized loss on MVDP financing derivatives	5.4	–	41.0	–
Unrealized loss (gain) on derivatives	66.8	0.3	(133.2)	2.5
(Gain) loss on disposal of assets	0.2	–	(0.2)	–
Gain on extinguishment of debt	–	–	(8.0)	–
Unrealized foreign exchange loss (gain)	4.9	0.1	(23.0)	0.6
Mantos acquisition transaction costs	–	–	19.4	–
Other expense – non-recurring fees	14.8	3.6	26.9	3.8

Severance costs	1.4	–	4.2	–
Unrealized provisional pricing adjustment (revenue)	(37.8)	(6.5)	(9.4)	4.9
Unrealized loss on QP hedges	10.0	–	9.5	–
Insurance proceeds received	(0.4)	–	(2.8)	–
Reversal of impairment on mineral properties Domingo)	–	–	–	(92.4)
Amortization of deferred revenue – non-cash financing component	(0.8)	(1.1)	(3.9)	(4.9)
Non-recurring financing fees on streaming transactions	–	0.1	–	1.1
Change in fair value of contingent receivable	–	–	–	(5.1)
Adjusted EBITDA	80.5	113.3	352.8	432.2
<i>Adjusted EBITDA by mine</i>				
Pinto Valley	32.0	74.3	167.9	281.0
Mantos Blancos	27.3	–	78.5	–
Mantoverde	(4.6)	–	(9.3)	–
Cozamin	32.6	45.8	137.9	171.7
Other	(6.8)	(6.8)	(22.2)	(20.5)
Adjusted EBITDA	80.5	113.3	352.8	432.2

Reconciliation of Realized Copper Price

(\$ millions, except as noted)	Q4 2022	Q4 2021	2022	2021
Gross copper revenue				
Gross copper revenue on new shipments	357.7	207.3	1,383.4	762.1
Gross copper revenue on prior shipments	(7.8)	2.5	(50.5)	31.5
Gross copper revenue	349.9	209.8	1,332.9	793.6
Pricing and volume adjustments on copper revenue	19.0	6.1	(8.2)	(4.6)
Gross copper revenue including pricing and volume adjustments	368.9	215.9	1,324.7	789.0
Gross copper revenue on new shipments (\$/pound)	3.63	4.43	3.93	4.27
Gross copper revenue on prior shipments (\$/pound)	(0.08)	0.05	(0.15)	0.18
Pricing and volume adjustments on copper revenue (\$/pound)	0.19	0.13	(0.02)	(0.03)
Realized copper price¹ (\$/pound)	3.74	4.61	3.76	4.42
LME average copper price (\$)	3.63	4.40	4.00	4.23
Gross copper revenue				
Gross copper revenue including pricing and volume adjustments	368.9	215.9	1,324.7	789.0
Revenue from other metals	12.5	11.6	43.5	49.6
Treatment and selling	(19.3)	(11.6)	(72.2)	(43.8)
Revenue	362.1	215.9	1,296.0	794.8
Payable copper sold (tonnes)	44,698	21,244	159,863	81,065

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