

# Q1 2022 Results

May 13, 2022

CAPSTONE COPPER CORP. | TSX : CS



*Photo: New mill circuit at Mantos Blancos*





# Today's Presenters



**John MacKenzie**  
CEO



**Raman Randhawa**  
SVP & CFO



**Cashel Meagher**  
President & COO



**Wendy King**  
SVP Risk, ESG & General  
Counsel



**Jerrold Annett**  
SVP Strategy & Capital Markets



# Cautionary Notes

## CAUTIONARY NOTE ON FORWARD LOOKING INFORMATION

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. Forward-looking statements include, but are not limited to, statements with respect to 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, timing and success of the Jeti Technology, the successful execution of a port services agreement with Puerto Abierto S.A., 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 the Transaction, and the anticipated future production, costs of production, capital expenditures and reclamation of the Company's operations and development projects. 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 and to safely return our business to normal operations. 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 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](http://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.





# Cautionary Notes

## 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.

## CURRENCY

**All amounts are in US\$ unless otherwise specified.**

## ALTERNATIVE PERFORMANCE MEASURES

“C1 cash cost”, “cash cost”, “adjusted EBITDA”, “operating cash flow before changes in working capital”, “adjusted net income”, “net debt”, “net cash”, “all-in sustaining costs”, “all-in costs”, “available liquidity”, “expansion 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 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.

## COMPLIANCE WITH NI 43-101

Unless otherwise indicated, Capstone 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 Mining Corp.’s company profile on SEDAR at [www.sedar.com](http://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 23, 2020, “NI 43-101 Technical Report on the Pinto Valley Mine, Arizona, USA” effective March 31, 2021 and “Santo Domingo Project, Region III, Chile, NI 43-101 Technical Report” effective February 19, 2020.

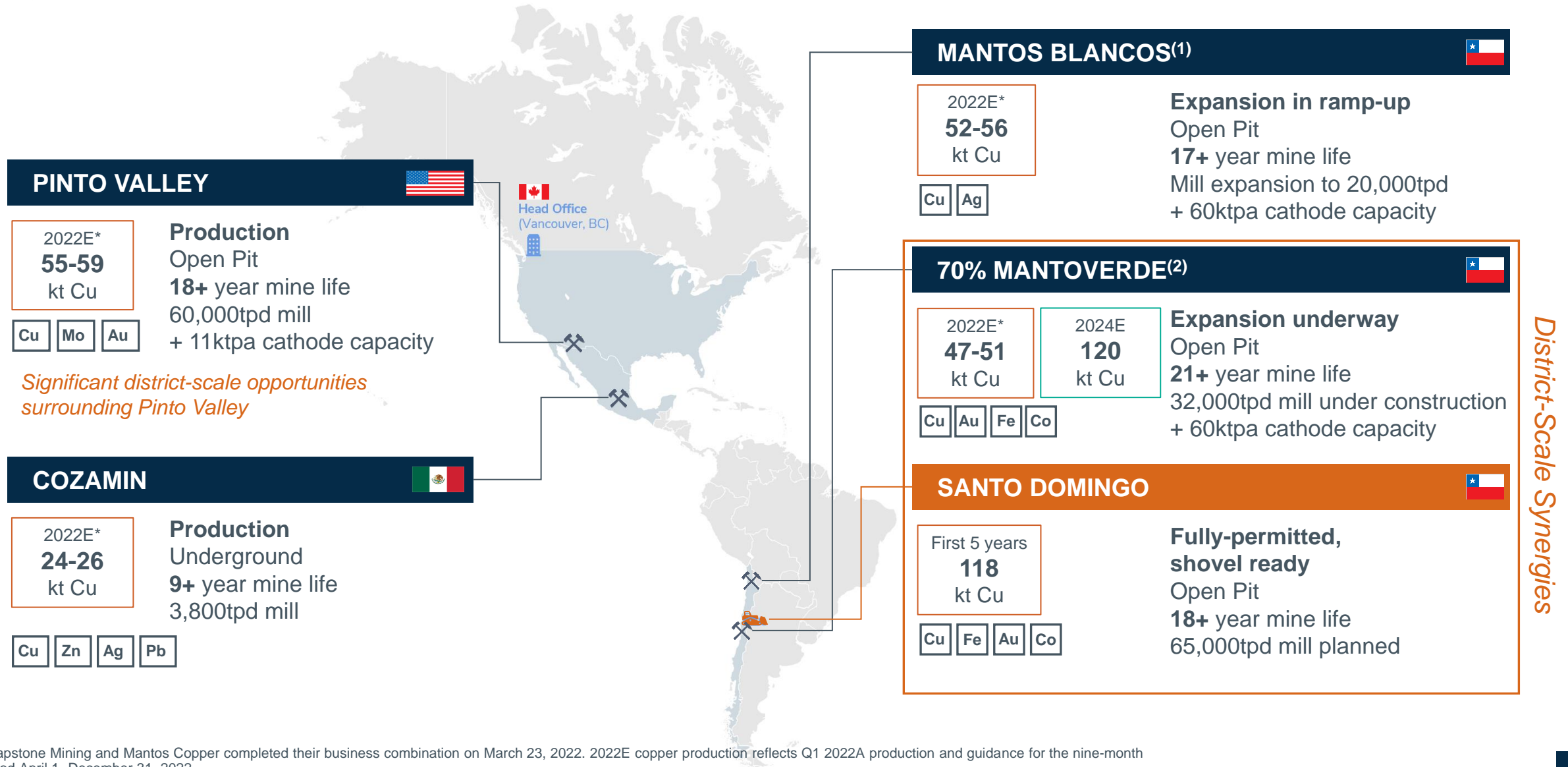
The disclosure of Scientific and Technical Information in this document was reviewed and approved by Brad Mercer, P. Geo., Senior Vice President Exploration and Strategic Projects (technical information related to mineral exploration activities and to Mineral Resources at Cozamin), Clay Craig, P.Eng, Manager, Mining & Evaluations (technical information related to Mineral Reserves and Mineral Resources at Pinto Valley) and Tucker Jensen, Superintendent Mine Operations, P.Eng (technical information related to Mineral Reserves at Cozamin), Carlos Guzmán, RM CMC, FAusIMM, Principal, Project Director, NCL, Gustavo Tapia, RM CMC, Metallurgical and Process Consultant, GT Metallurgy, and Ronald Turner, MAusIMM CP(Geo), Golder Associates (technical information related to Mineral Reserves and Mineral Resources at Mantos Blancos and Mantoverde), and Cashel Meagher, P.Geol., President and COO (technical information related to project updates at Santo Domingo) all Qualified Persons under NI 43-101.

## ADDITIONAL REFERENCE MATERIALS

Refer to the Company’s news release of May 12, 2022 and MD&A and Financial Statements for the three months (“Q1 2022”) ended March 31, 2022, and the Company’s 2021 Annual Information Form for full details to the information referenced throughout this presentation.



# District-Scale Growth in the Americas



\* Capstone Mining and Mantos Copper completed their business combination on March 23, 2022. 2022E copper production reflects Q1 2022A production and guidance for the nine-month period April 1- December 31, 2022.

<sup>1</sup> Mantos Blancos figures excludes Phase II expansion <sup>2</sup> Mantoverde production numbers shown on a 100% basis.



# Q1 2022 Operating Highlights

	Cu Production (kt)	C1 Cash Costs <sup>1</sup> (US\$/lb Cu)
Pinto Valley	14.4	\$2.60
Cozamin	5.9	\$1.12
<b>TOTAL *</b>	<b>22.5</b>	<b>\$2.31</b>

*\*Total includes nine-days of operating results from Mantos Blancos and Mantoverde (Capstone Mining and Mantos Copper business combination closed on March 23<sup>rd</sup>, 2022)*

- Total production includes nine-days of operating results from Mantos Blancos and Mantoverde
- C1 cash costs<sup>1</sup> in the quarter were impacted by inflationary pressures on input costs, increased transportation costs of concentrates, and TCRC's



## Mantos Blancos Mine

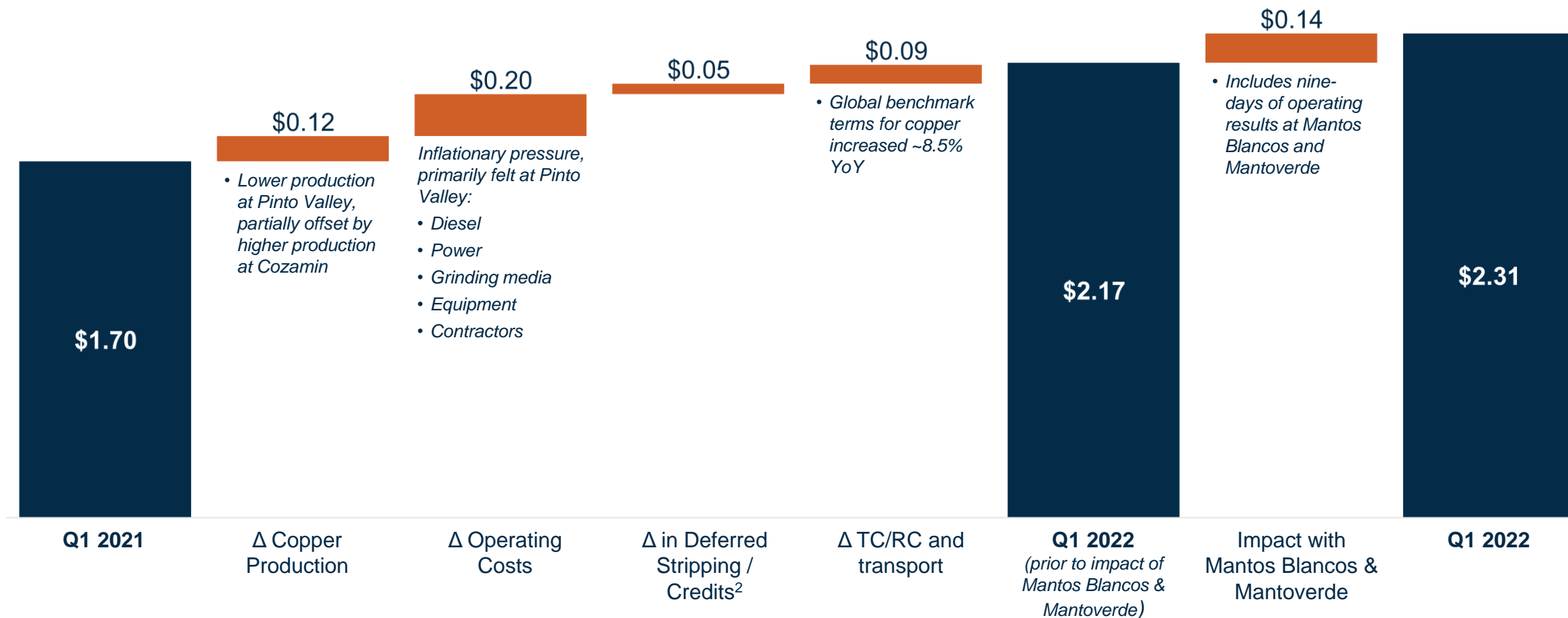
Ramp-up to 20,000 tpd mill throughput advancing well. Focus remains on continued optimization of the mill circuit to sustain nameplate capacity and targeted recoveries in Q3 2022.

<sup>1</sup> This is an alternative performance measure; refer to the Company's MD&A for the three months ended March 31, 2022 for full details. C1 cash costs (US\$ per payable lb Cu produced).



# Q1 2022 Cost Overview

C1 Cash Cost<sup>1</sup> per payable Cu Produced Overview (Q1 2022 vs Q1 2021)



**Building a world-class district “MV-SD” which is expected to drive consolidated C1 costs to < \$1.50 per pound**

Note: Totals may not add up due to rounding

<sup>1</sup>. This is an alternative performance measure; refer to the Company’s MD&A for the three months ended March 31, 2022 for full details. C1 cash costs (US\$ per payable lb Cu produced).

<sup>2</sup>. Includes deferred stripping, stockpile movement and by-product credits.



# Q1 2022 Financial Highlights

	Q1 2022	Q1 2021
Production (000s tonnes)	22.5	21.7
Sales (000s tonnes)	25.5	22.3
Realized copper price (\$/lb)	4.78	4.12
C1 cash costs <sup>1</sup> (\$/lb)	2.31	1.70
Gross Margin (\$/lb)	2.47	2.42
Adj. EBITDA <sup>1</sup> (\$M)	123.4	<sup>(A)</sup> 118.7
Operating cash flow <sup>1,2</sup> (\$M)	70.4	<sup>(B)</sup> 95.0
Operating cash flow <sup>1,2</sup> per share	0.16	0.23
Adj. EPS	0.14	0.16

<sup>(A)</sup>

## Adj. EBITDA

- Despite inflationary pressures, realized copper price of \$4.78/lb drove higher operating margins and Adj. EBITDA of \$123.4 million in Q1 2022

<sup>(B)</sup>

## Operating Cash Flow

- Operating cash flow was impacted by one-time transaction related costs and taxes
  - Operating cash flow increased \$21.5 million over Q1 2021, driven by increased sales and realized copper prices; however, these were offset by one-time transaction and integration costs of \$19.9 million related to the Mantos Copper combination and \$22.9 million higher annual tax payment in Mexico related to 2021 income.

**Despite inflationary pressures, strong gross margins drove \$123 million of adjusted EBITDA in the quarter**

1. This is an alternative performance measure; refer to the Company's MD&A for the three months ended March 31, 2022 for full details. C1 cash costs (US\$ per payable lb Cu produced).

Operating cash flow is operating cash flow before changes in working capital.

2. Q1 2021 operating cash flow excludes a \$150 million precious metals stream deposit

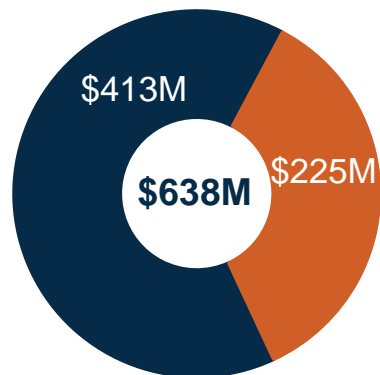




# Financial Strength to Fund Next Phase of Growth

## Available Liquidity (as at 31-Mar-22)

■ Cash & ST Investments ■ RCF Capacity

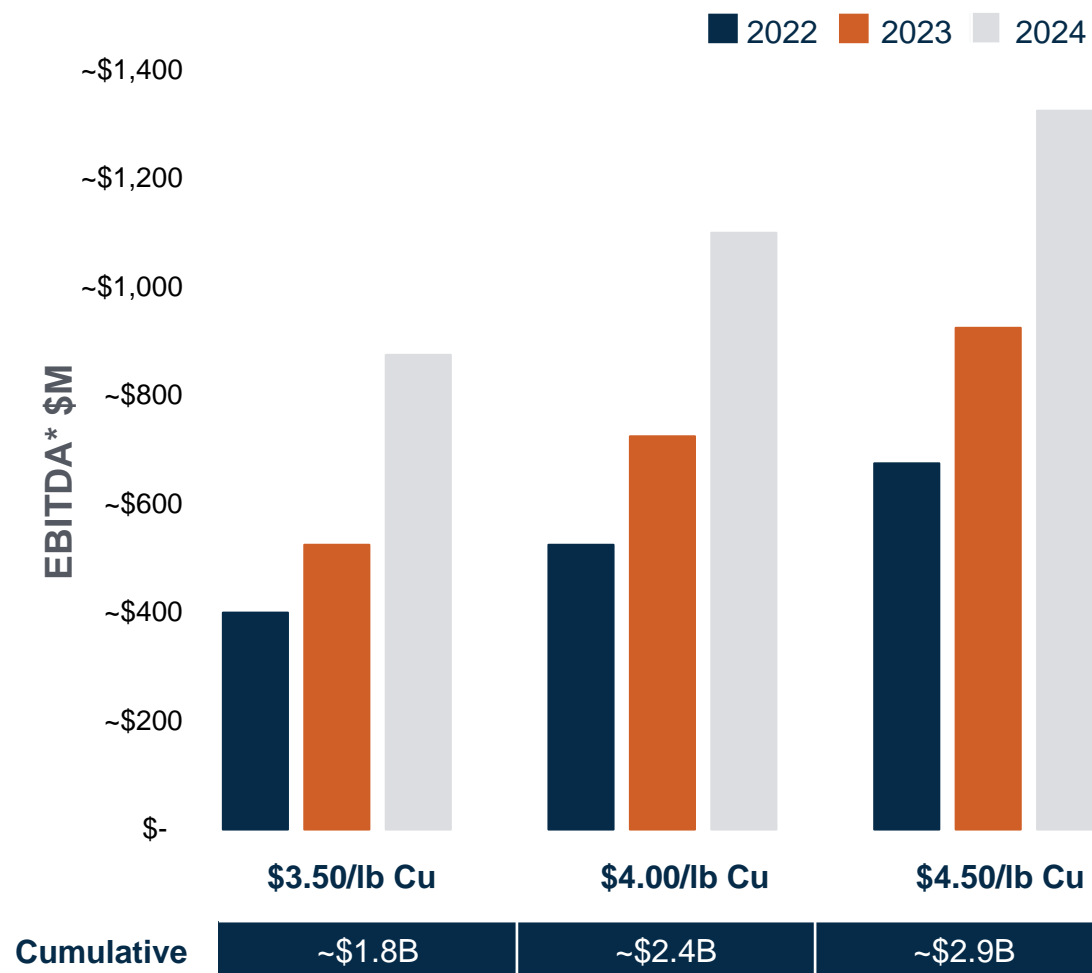


**+** Subsequent to the quarter, amended RCF to \$500M with \$100M accordion<sup>1</sup>

## Capital Structure Overview

Shares Outstanding (as at 31-Mar-22)	689M
Market Cap (as at 12-May-22)	US\$2.4Bn
Less: Cash & ST Investments (as at 31-Mar-22)	\$413M
Add: Debt (excl. lease liabilities; as at 31-Mar-22)	\$348M
Add: Non-controlling Interest (as at 31-Mar-22)	\$426M
Enterprise Value (As at 12-May-22)	US\$2.8Bn

## EBITDA\* (2022E-2024E)



\* Adjusted EBITDA is an alternative performance measure; EBITDA shown on a consolidated basis (100%) 2022 Adjusted EBITDA is illustrative, reflecting 12 months of results at Mantoverde and Mantos Blancos

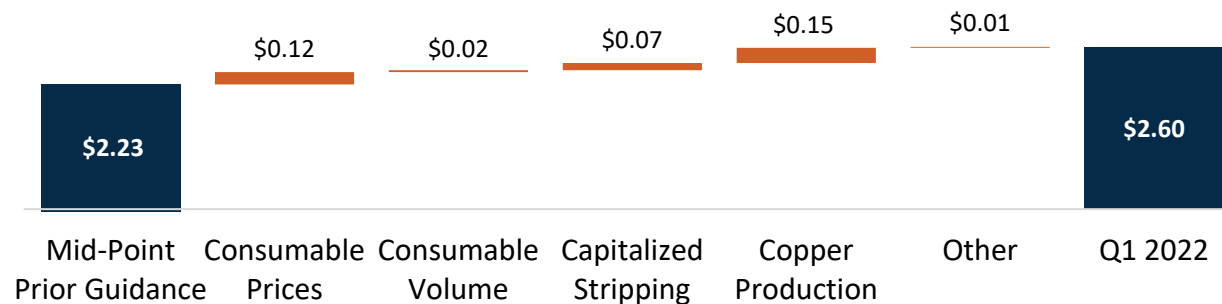
<sup>1</sup> The existing RCF was amended and will become available after all the security is in place and other customary conditions, which is expected to occur before July 2022.

# Pinto Valley: Q1 2022 Overview

	Q1 2022
Throughput (tonnes per day)	58,412
Production (000s tonnes)	14.4
C1 cash costs (US\$/payable lb Cu produced)	\$2.60

- Higher grades and throughput expected in H2
- C1 cash costs<sup>1</sup> in Q1 2022 impacted by lower production and increased operating costs due to inflationary pressure (diesel, power, grinding media, equipment rentals and contractors, dust suppression, TCRC's and concentrate transportation)

## Q1 2022 C1 Cash Cost<sup>1</sup> vs. Mid-point of Prior 2022 Guidance



### Pinto Valley Demo Dump Leach Testing for PV4 Study

Significant excess SX-EW capacity at Pinto Valley is available to process increased dump leaching solution. Key areas of PV4 PFS potential investment could also include upgrades to ball mill motors, grinding circuit cyclones, optimization of the flotation circuit and a new tailings storage facility.

Work progressed on PFS with aim to maximize conversion of ~1B tonnes of resources to reserves and extend mine life beyond 2039 (into 2050s). **PFS expected in H1 2023**

<sup>1</sup> This is an alternative performance measure; refer to the Company's MD&A for the three months ended March 31, 2022 for full details.

# Cozamin: Q1 2022 Overview

	Q1 2022
Throughput (tonnes per day)	3,704
Production (000s tonnes)	5.9
C1 cash costs <sup>1</sup> (US\$/payable lb Cu produced)	\$1.12

## Cozamin Step-Out Drill Program

- The focus during Q1 2022 was on testing the Mala Noche Footwall zone and Mala Noche Main Vein West Target
- A corporate exploration update will be provided in June 2022



### Dry Stack Tailings and Paste Backfill Facility

Construction continues to advance as planned and is on track for commissioning in H1 2023. Total project costs to date are \$23.2 million of a total \$45 million

### Brownfield Exploration – Mala Noche Vein West Target

Drill testing from the underground west cross-cut area has increased drilling efficiency

<sup>1</sup> This is an alternative performance measure; refer to the Company's MD&A for the three months ended March 31, 2022 for full details.



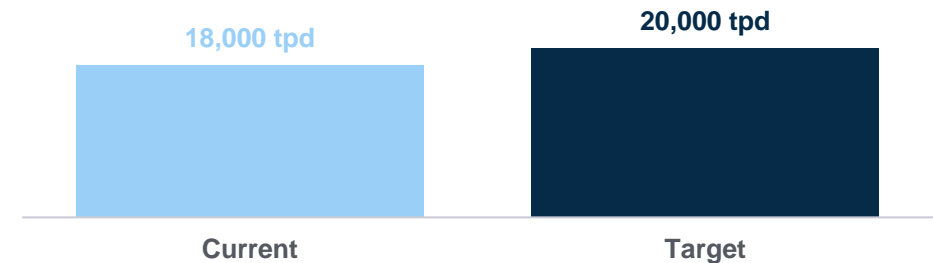


# Mantos Blancos: Q1 2022 Update

## Concentrator De-bottlenecking Project (MB-CDP)

- During Q1 2022, project commissioning was completed and ramp-up progressed as planned
- Current focus is achieving and then sustaining throughput at 20,000 tpd and optimization of the circuit to achieve target recoveries in Q3 2022
- Copper production is expected to be ~54,000 tonnes in 2022 with a larger share of production from lower-cost copper concentrate in 2023 and beyond

*Achieved ~90% of targeted sulphide throughput in the last week of April*



### Mantos Blancos Ramp-up Progressing Well

- MB-CDP included the installation of a new Ball Mill to increase the sulfide concentrator plant's capacity
- Phase II is analyzing the potential to increase throughput of MB's sulfide concentrator plant from 7.3M tonnes per year to 10M tonnes per year by using existing and unused or underutilized ball mills and process equipment
- Phase II is also analyzing the potential to extend the life of copper cathode production
- The Mantos Blancos Phase II PFS will be completed in Q2 2022 and will be incorporated into a FS
- **FS expected to be released in Q4 2022**

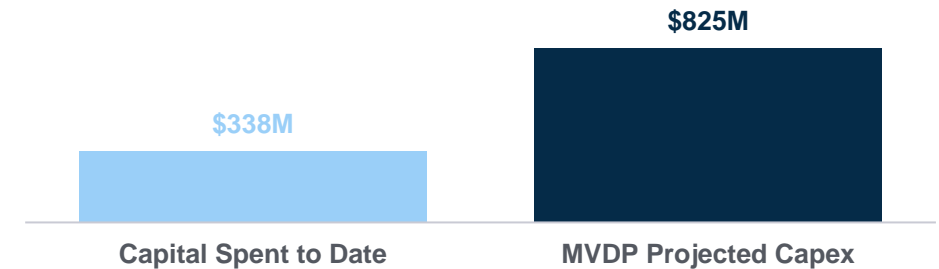


# Mantoverde: Q1 2022 Update

## Mantoverde Development Project (MVDP)

- As at April 30, 2022, overall project progress is 49% and construction progress is 14%
  - The project remains on track and the target for completion remains late 2023
- All contractors have been mobilized to site and all required permits are in place
- Lump sum turn-key contract with Ausenco of which \$525 million or ~67% of the original project capital costs have been fixed
- However, projected capital costs have increased \$38 million to \$825 million
  - Higher pre-stripping costs of \$23 million related to diesel prices plus additional contingency of \$15 million

*+40% of projected capex spent as at 31-Mar-22*



### MVDP Major Construction Has Commenced

- Bulk earthworks completed for primary crushing and grinding area platforms
- Bypass water pipeline with internal lining and pipeline installation in the trench completed
- Drilling of pumping and monitoring wells at TSF complete
- Major TSF construction activities commenced
- Loop electrical line installation commenced
- 13 Komatsu 830 haulage trucks received on schedule and operating at mine site
- Construction camp complete and operational

<sup>1</sup> This is an alternative performance measure; refer to the Company's MD&A for the three months ended March 31, 2022 for full details.



# MV-SD District Integration Plan

**We are creating a world-class mining district in the Atacama Region, Chile**

- Targeting over 200kt per year of copper production with first quartile operating costs
- Potential to be one of the largest battery grade cobalt producers in the world and lowest cost with strategic by-product sulphuric acid production used to treat district copper oxides and fill excess SX-EW capacity



## Upcoming Catalysts:

- ✓ MV-SD District Integration Plan (Q4 2022)
- ✓ Updated Santo Domingo Feasibility Study including district integration (H1 2023)
- ✓ Mantoverde Phase II Expansion Feasibility Study (H2 2023)
- ✓ MV-SD Cobalt Feasibility Study (H2 2023)
- ✓ Updated Santo Domingo Feasibility including copper oxides (H2 2023)



# MV-SD District Cobalt Feasibility Study

- At over 10 Mlbs of battery-grade cobalt annually, Santo Domingo would be one of the world's largest and lowest cost cobalt producers.
- Currently evaluating flowsheet options for potential cobalt synergies with Mantoverde. Cobaltiferous pyrite concentrate from both mines could be treated in one of the processes as follows:
  - **Roasting (base case option):** oxidation in a fluidized bed roaster to produce a cobalt-bearing calcine and sulphuric acid by-product. The calcine is then treated to produce battery grade cobalt sulphate
  - **Acid pressure oxidation (POX option):** Initial trade-of studies have confirmed that POX has potential to be a lower capital alternative
  - Both roasting and POX options are being advanced in parallel
- Cobalt processing can provide additional benefits, including
  - generation of carbon-free energy from fugitive roaster heat,
  - by-product sulphuric acid for copper oxide leaching, and
  - higher copper sulfide recovery from flotation cleaner tails

## Upcoming Catalysts



# Sustainability Performance

## 2021 Capstone Sustainability Report: Foundation for Growth

**GRI, SASB, TCFD** disclosures, June publication

**Tailings:** Pinto Valley convened ITRB; Cozamin began construction of paste backfill and dry-stack tailings → smaller land footprint and lower water demands

**People:** Global workforce grew 30% driven by growth projects. Maintained consistent employee demographics with 11% women. Board diversity target 30% by 2023.

**Water:** Efficiency gains → water intensity decreased by 11% over 2020, despite global production increase of 19%

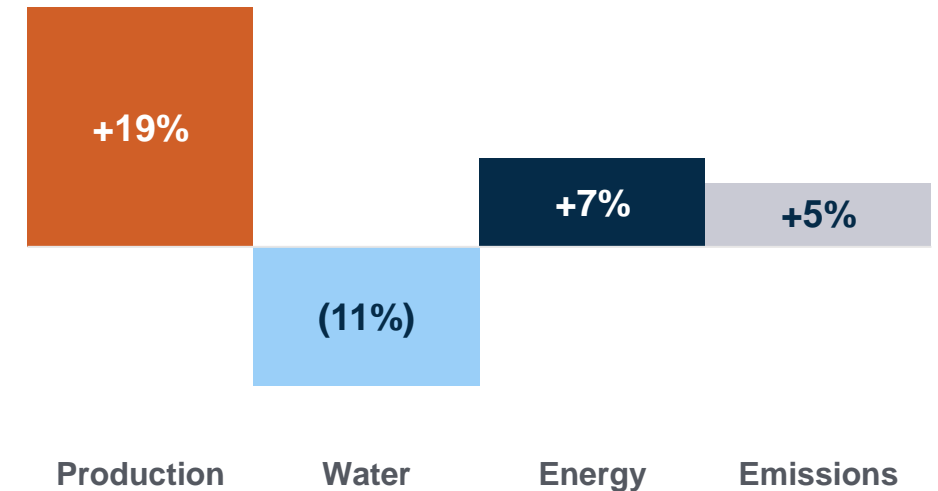
**Energy and Emissions:** Intensity increased from added fuel demand for capital projects, still below production increase

### Q1 2022 Update

**Climate Change:** Began review of GHG emissions inventories for Capstone's baseline and target setting

**ESG Strategy:** Priorities in our New Growth Phase: Tailings, land management, water, climate change, workforce development, responsible value chain and community impacts

## 2021 Resource Use Intensity (YoY Δ)







# 2022 Production & Costs Guidance

## Guidance for the 9-Month Period (April 1<sup>st</sup> – December 31<sup>st</sup>)

	Cu Production (kt)	C1 Cash Costs <sup>1</sup> (US\$/lb Cu)
<b>Sulphide Business</b>		
Pinto Valley <sup>2</sup>	41.0 – 45.0	\$2.45 – \$2.60
Cozamin	18.0 – 20.0	\$1.10 – \$1.25
Mantos Blancos	32.0 – 35.0	\$1.95 – \$2.10
<b>Total Sulphides</b>	<b>91.0 – 100.0</b>	<b>\$2.00 – \$2.15</b>
<b>Cathode Business</b>		
Mantos Blancos	10.0 – 11.0	\$3.45 – \$3.60
Mantoverde*	35.0 – 39.0	\$3.60 – \$3.80
<b>Total Cathodes</b>	<b>45.0 – 50.0</b>	<b>\$3.55 – \$3.75</b>
<b>Consolidated Cu Production</b>	<b>136.0 – 150.0</b>	<b>\$2.55 – \$2.70</b>

\* Mantoverde production shown on a 100% basis.

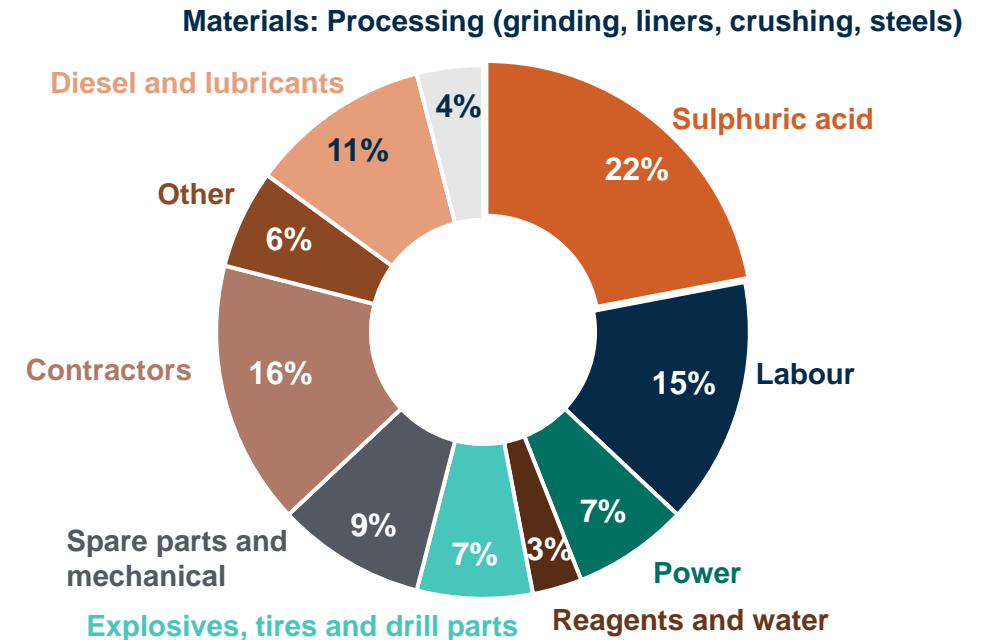
### Key Assumptions

Inputs: Sulphuric acid: \$280/tonne, WTI oil: \$100/barrel

By-products: Silver: \$24/oz

FX: 20:1 Mexican Peso to US\$ and 800 Chilean Peso per US\$

## 2022 Operating Cost Drivers



### Proactive Actions Taken to Further Manage Costs

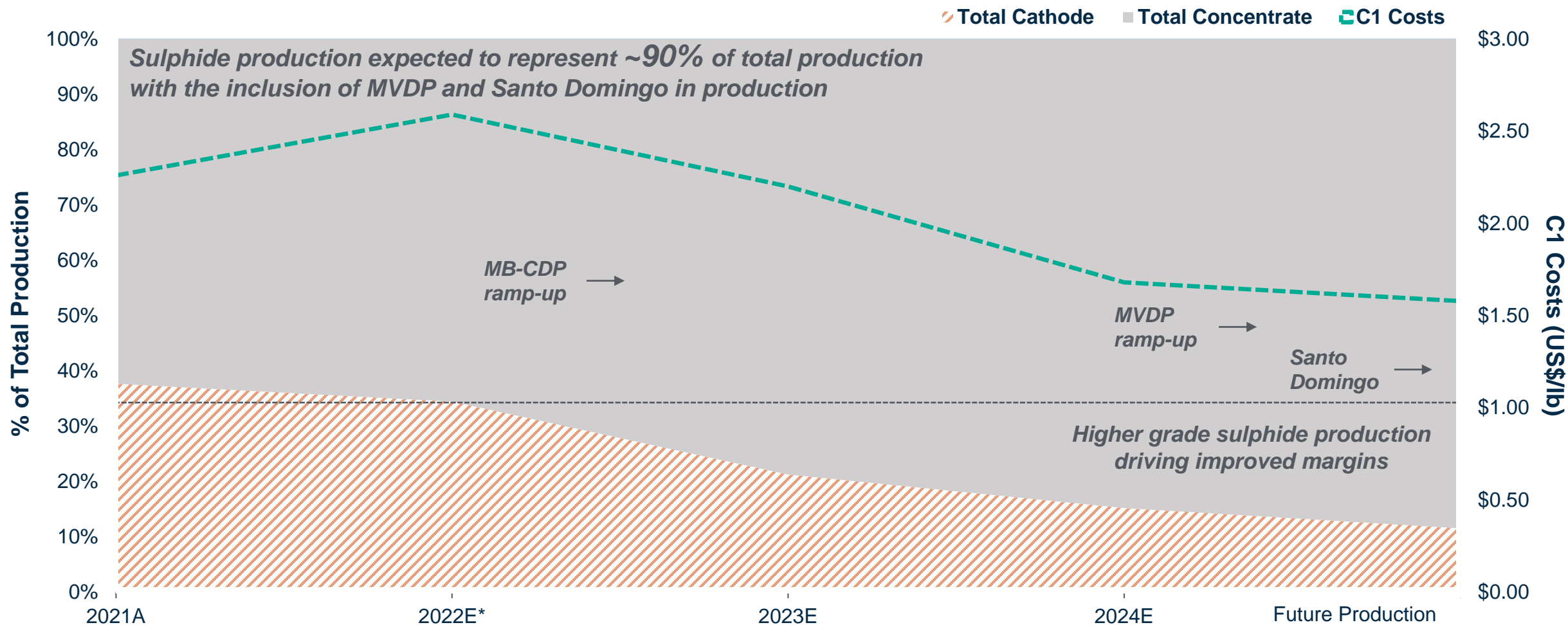
- ✓ Price fixed ~65% of sulphuric acid purchases (Chile)
- ✓ Entered into zero cost collars between May to Dec 2022 (27kt of Cu at a \$4.00/lb floor and w.a. ceiling price of \$4.86/lb) to ensure positive operating margins for higher-cost cathode production

<sup>1</sup> This is an alternative performance measure; refer to the Company's MD&A for the three months ended March 31, 2022 for full details.

<sup>2</sup> Pinto Valley's cathode production is included in Pinto Valley's sulphides production.



# Improving Asset Quality Across the Portfolio



**Building resilient operations with higher grade and higher margin sulphide production**

\* 2022E figures include full 12-months of results from all mines on an illustrative basis (Mantos acquired for IFRS reporting Mar 23, 2022 and this does not consolidate 90 days of MB or MV mines). Note: Mantoverde production shown on a 100% basis



# 2022 Capital and Exploration Guidance

## Guidance for the 9-Month Period (April 1<sup>st</sup> – December 31<sup>st</sup>)

	Ⓐ Pinto Valley	Ⓑ Mantos Blancos	Ⓒ Mantoverde*	Ⓓ Cozamin	Ⓔ Santo Domingo	Total
<b>Capital Expenditure (\$ millions)</b>						
Sustaining Capital <sup>1</sup>	65	20	20	25	-	130
Capitalized Stripping	5	55	-	-	-	60
Expansionary Capital <sup>1</sup>	15	20	330	25	40	430
<b>Total</b>	<b>\$85</b>	<b>\$95</b>	<b>\$350</b>	<b>\$50</b>	<b>\$40</b>	<b>\$620</b>
<b>Exploration (\$ millions)</b>						
Brownfield (Cozamin + Chile)	-	1	1	2	2	6
Greenfield (Brazil + Chile)	-	-	-	-	-	2
Greenfield (Copper Cities, AZ)	7	-	-	-	-	7
<b>Total</b>	<b>\$7</b>	<b>\$1</b>	<b>\$1</b>	<b>\$2</b>	<b>\$2</b>	<b>\$15</b>

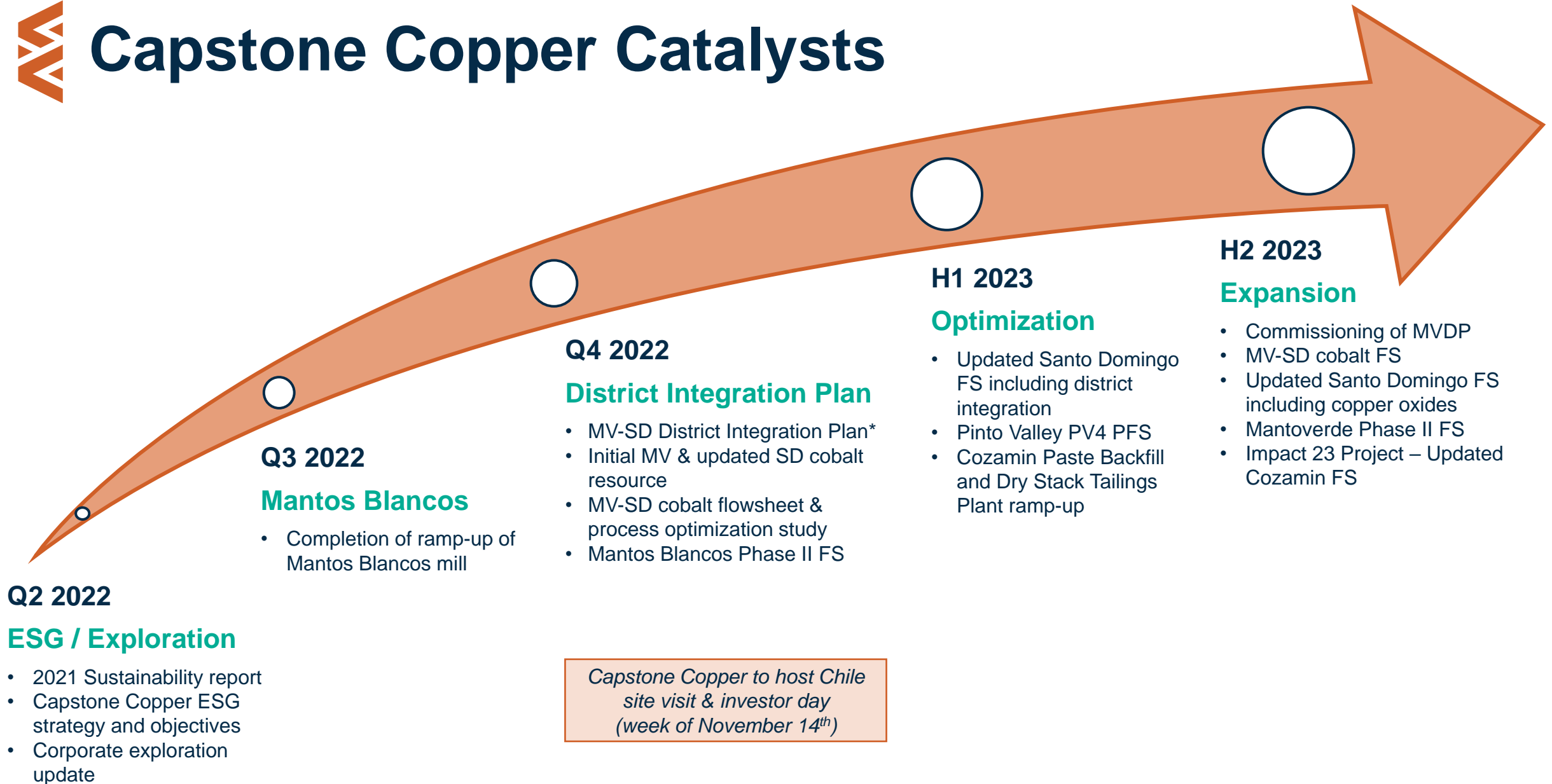
\* Mantoverde shown on a 100% basis.

- Ⓐ **Pinto Valley** sustaining capital guidance includes one-off items totalling \$24 million related to tailings and water management; expansionary capital includes upgrades to mill motors and grinding circuit cyclones for two grinding lines
- Ⓑ **Mantos Blancos** expansionary capital relates to commissioning costs and pending payments to vendors for final completion of work; capitalized stripping refers to the reclassification of some operating costs to production phase deferred stripping, required for financial reporting
- Ⓒ **Mantoverde** Expansionary capital related to MVDP with key items including construction (including primary crusher, pipelines, stockpiles, camps, tailings storage facility), procurement and fabrication of processing plant equipment and purchase of shovels; capitalized stripping relates to pre-production phase stripping associated with MVDP
- Ⓓ **Cozamin** expansionary capital guidance includes expenditures on the paste backfill and dry stack tailings plant
- Ⓔ **Santo Domingo** expansionary capital guidance related to C17 highway re-route, electrical substation and cobalt feasibility study

<sup>1</sup> This is an alternative performance measure; refer to the Company's MD&A for the three months ended March 31, 2022 for full details.



# Capstone Copper Catalysts



\* The MV-SD District Integration Plan will outline the synergies and optimized flowsheet.





# A Clear Path to Permitted Transformational Growth

## 1 Transformational Near-Term Growth ...

**Mantoverde:** MVDP sulphide expansion underway

*Fixed price, turnkey EPC contract with Ausenco*

**Mantos Blancos:** MB-CDP complete and currently in ramp-up

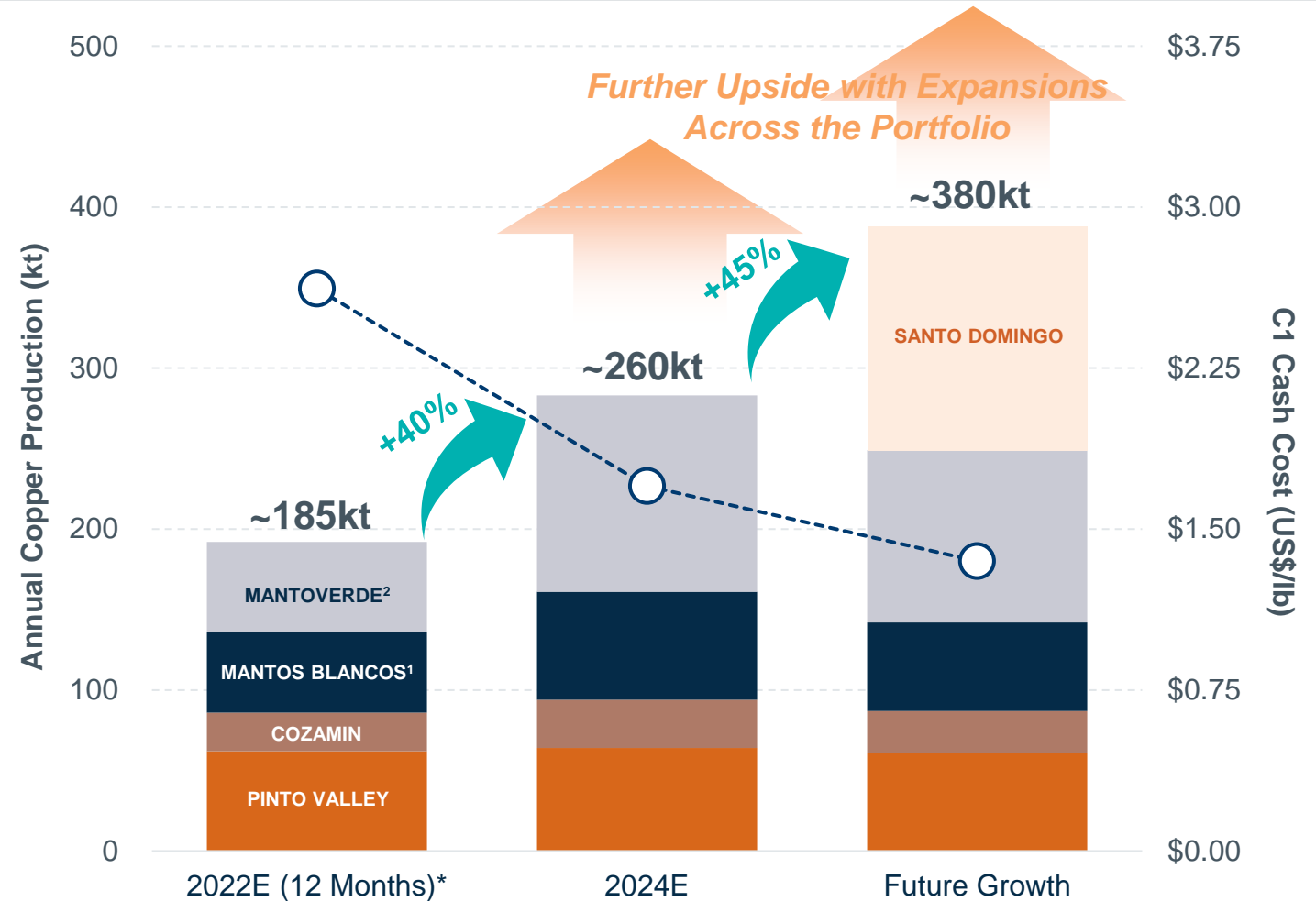
**Santo Domingo:** Fully permitted, construction ready  
*~30km northeast of Mantoverde*

## 2 ... Built Upon a Solid Foundation

**Cozamin:** Expansion complete, further expansion study underway

**Pinto Valley:** Optimization complete & PV4 expansion study underway

## Production Growth Profile



\* Capstone Mining and Mantos Copper completed their business combination on March 23, 2022. 2022E copper production reflects Q1 2022A production and guidance for the nine-month period April 1- December 31, 2022.

<sup>1</sup> Mantos Blancos figures excludes Phase II expansion <sup>2</sup> Mantoverde production numbers shown on a 100% basis.

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