

October 31, 2022

Capstone Copper Reports Third Quarter 2022 Results

All amounts in US\$ unless otherwise indicated

Vancouver, British Columbia – Capstone Copper Corp. (“Capstone” or the “Company”) (TSX:CS) today announced production and financial results for the quarter ended September 30, 2022 (“Q3 2022”). Quarterly consolidated copper production totaled 45,700 tonnes at C1 cash costs¹ of \$2.76 per payable pound of copper produced. Link [HERE](#) for Capstone’s Q3 2022 management’s discussion and analysis (“MD&A”) and financial statements and [HERE](#) for the webcast presentation.

John MacKenzie, CEO of Capstone commented, “Our Q3 results represent our second full quarter of combined operations as Capstone Copper and I’m very pleased with the integration efforts to date. Despite continued inflationary pressures felt across the industry, we kept costs in-line quarter over quarter and are seeing key input costs, particularly sulphuric acid, trend lower and which we expect to realize in 2023. We remain well positioned with a strong balance sheet and the right team to complete the construction of our world-class Mantoverde Development Project by the end of 2023, driving our next phase of near-term transformational growth.”

Q3 2022 OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Net income of \$37.5 million, or \$0.05 per share. Adjusted net loss¹ of \$19.3 million or \$(0.02) per share for Q3 2022, down \$48.0 million, or \$0.11 per share compared to the same quarter last year due to a declining copper price, an incremental \$22.5 million in realized provisional pricing losses and inflationary pressures on costs.
- Adjusted EBITDA¹ of \$34.1 million which includes a realized provisional pricing loss of \$32.5 million relating to Q2, compared to Adjusted EBITDA¹ of \$72.3 million in Q3 2021 which included a realized provisional pricing loss of \$10 million. The decrease is driven by a declining realized copper price (\$3.29/lb in Q3 2022 compared to \$4.15/lb in Q3 2021) and inflationary pressures on costs, particularly sulphuric acid and diesel fuel costs.
- Operating cash flow before changes in working capital of \$13.9 million in Q3 2022 compared to \$67.1 million in Q3 2021. The decrease is related to the decline in realized copper prices, increase in operating costs, and higher cash taxes in Mexico.
- Consolidated copper production of 45.7 thousand tonnes at C1 cash costs¹ of \$2.76/lb of copper produced for Q3 2022, which consisted of 14.1 thousand tonnes at Pinto Valley, 6.4 thousand tonnes at Cozamin, 13.6 thousand tonnes at Mantos Blancos, and 11.6 thousand tonnes at Mantoverde.
- Total available liquidity¹ of \$711 million as at September 30, 2022, comprised of \$196 million of cash & short-term investments, \$405 million of undrawn amounts on our \$500 million corporate revolving credit facility as well as \$110 million of undrawn amounts on our \$520 Mantoverde Development Project facility.

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

- Proactive measures taken during the third quarter to protect downside risk with additional 2023 copper hedges as we complete the construction of Mantoverde next year. In total, 85 thousand tonnes of copper production in 2023 is hedged at a weighted average copper price of \$3.45/lb. In addition, we commenced a quotational period (“QP”) hedging program, which will mitigate the QP price risk and assist in achieving realized copper prices closer to LME average in future quarters.
- Mantos Blancos Concentrator Debottlenecking Project (“MB-CDP”) averaged above the designed throughput level over 20 out of 27 planned operating days in October, with copper recoveries in line with expectations.
- Mantoverde Development Project remains on schedule and on target. Major construction is progressing well on the primary crusher, grinding and flotation area. Overall project completion was 67% as of the end of September 2022.
- Mantoverde - Santo Domingo (“MV-SD”) District Integration Plan will outline the approach Capstone Copper is taking to maximize value creation (including synergies) across the district. The integration plan describing the optimized flowsheet will be presented during the Chile analyst tour and Investor Day during the week of November 14th.

OPERATIONAL OVERVIEW

Refer to Capstone's Q3 2022 MD&A and Financial Statements for detailed operating results.

	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Copper production (000s tonnes)				
<i>Sulphides business</i>				
Pinto Valley	14.1	13.7	41.8	43.6
Cozamin	6.4	6.4	18.7	17.8
Mantos Blancos	9.6	—	19.0	—
Total sulphides	30.1	20.1	79.5	61.5
<i>Cathode business</i>				
Mantos Blancos	4.0	—	8.0	—
Mantoverde ²	11.6	—	25.8	—
Total cathodes	15.6	—	33.8	—
Consolidated	45.7	20.1	113.3	61.5
Copper sales				
Copper sold (000s tonnes)	44.2	17.9	115.2	59.8
Realized copper price ¹ (\$/pound)	3.29	4.15	3.76	4.35
C1 cash costs¹ (\$/pound) produced				
<i>Sulphides business</i>				
Pinto Valley	2.60	2.44	2.67	2.22
Cozamin	1.20	0.93	1.19	0.95
Mantos Blancos	2.17	—	2.34	—
Total sulphides	2.17	1.96	2.25	1.85
<i>Cathode business</i>				
Mantos Blancos	3.87	—	3.80	—
Mantoverde	3.87	—	3.62	—
Total cathodes	3.87	—	3.66	—
Consolidated	2.76	1.96	2.68	1.85

² Mantoverde production shown on a 100% basis.



Consolidated Production

Q3 2022 copper production was 127% higher than Q3 2021 primarily as a result of including production for the Mantos Blancos and Mantoverde mines.

Q3 2022 C1 cash costs¹ of \$2.76/lb and 2022 YTD C1 cash costs¹ of \$2.68/lb are a mix of sulphide and cathode business units compared to 2021 which was predominately sulphide production. 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. Sulphuric acid prices of \$255/tonne (average) in 2022 represent an historic high, and thus negatively impacted cash costs YTD. 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 and in ramp-up late next year.

2022 YTD consolidated production of 113.3 thousand tonnes of copper is higher than the 61.5 thousand tonnes in 2021 YTD, primarily as a result of the addition of Mantos Blancos and Mantoverde production.

Pinto Valley Mine

Copper production of 14.1 thousand tonnes in Q3 2022 was 3% higher than Q3 2021. Higher grades (Q3 2022 – 0.34% versus Q3 2021 - 0.33%) and recoveries (Q3 2022 - 89.1% versus Q3 2021 - 88.0%) were partially offset by lower throughput during the quarter (Q3 2022 - 48,143 tpd versus Q3 2021 - 49,100 tpd) as a result of unplanned downtime in the tailings thickener and water pumping infrastructure.

2022 YTD production was 4% lower than the same period last year primarily attributed to slightly lower grades (2022 YTD – 0.33% versus 2021 YTD – 0.34%), lower recoveries (2022 YTD - 86.3% versus 2021 YTD - 87.3%) as well as lower mill throughput (51,088 tpd in 2022 YTD versus 52,089 tpd in 2021 YTD).

Q3 2022 C1 cash costs¹ of \$2.60/lb in Q3 2022 were higher than Q3 2021 of \$2.44/lb primarily due to increases in operating costs (\$0.29/lb) and treatment and refining costs (\$0.12/lb), partially offset by higher capitalized stripping costs (-\$0.16/lb) and higher copper production (-\$0.07/lb).

2022 YTD C1 cash costs¹ of \$2.67/lb were \$0.45/lb higher compared to the same period last year of \$2.22/lb primarily due to increased operating costs from inflationary pressures on diesel, power, grinding media; and higher spend on rental equipment, mining equipment tools, contractors and dust suppression (\$0.31/lb) and an increase in treatment and refining costs (\$0.11/lb), partially offset by higher capitalized stripping costs.

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



Cozamin Mine

Copper production of 6.4 thousand tonnes was consistent with the same period in the prior year. Q3 2022 throughput of 3,829 tpd, grades of 1.86% and recoveries of 96.8% were also consistent with Q3 2021.

2022 YTD production was 5% higher than the same period last year and attributed to the higher mining rates as the mine uses the availability of the Calicanto ramp increasingly compared to the prior year and higher throughput as a result of upgrades to the mill in Q1 2022 (3,803 in 2022 YTD versus 3,678 in 2021 YTD), higher grades (2022 YTD – 1.86% versus 2021 YTD – 1.84%).

Q3 2022 C1 cash costs¹ of \$1.20/lb were 29% higher than the same period last year mainly due to a decrease in by-product credits (\$0.22/lb) as a result of lower zinc production as well as lower silver production and prices.

2022 YTD C1 cash costs¹ of \$1.19/lb were 25% 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 (\$0.20/lb), lower zinc by-product credits due to planned lower zinc production, as well as lower silver prices (\$0.12/lb) and higher treatment and refining costs (\$0.03/lb), partially offset by higher copper production (-\$0.04/lb).

The paste backfill and dry stack tailings project continues to make good progress and will facilitate the mine's planned long-term sustainability with project completion expected in Q4 and ramp-up in the first half of 2023. To date, we have invested \$41 million of a total \$55 million budget for the project.

Mantos Blancos Mine

Q3 2022 production was 13.6 thousand tonnes, 9.6 thousand tonnes of copper in concentrate and 4.0 thousand tonnes of cathode. Q3 2022 throughput of 14,334 tpd was 6% lower than the previous quarter due to several unplanned downtime events impacting performance. Offsetting lower throughput was strong mill copper recovery of 79.3% compared to 69.7% in the previous quarter and a higher mill feed grade of 0.92% versus 0.90% in Q2. The Mantos Blancos mill operated above the designed 20,000 tpd throughput level over 20 out of 27 planned operating day, with copper recoveries in line with expectations.

2022 YTD production (including the nine days in March 2022 after closing of the Transaction) was 27.0 thousand tonnes, 19.0 thousand tonnes of copper in concentrate and 8.0 thousand tonnes of cathode.

Combined Q3 2022 C1 cash costs¹ were \$2.68/lb - \$2.17/lb sulphides and \$3.87/lb cathodes. The sulphide cash costs are expected to decline with the ramp-up of the MB-CDP to full capacity in Q4 2022 and copper cathode costs are currently being impacted by the high cost of acid which averaged \$261/tonne delivered in Q3 2022. Sulphuric acid prices are showing signs of significant decline in 2023 with contract prices moving towards a range of \$120/tonne to \$140/tonne.

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Combined 2022 YTD C1 cash costs¹ were \$2.78/lb - \$2.34/lb sulphides and \$3.80/lb cathodes.

Mantoverde Mine

Q3 2022 production was 11.6 thousand tonnes.

2022 YTD production (including the nine days in March 2022 after closing of the Transaction) was 25.8 thousand tonnes of copper cathode. The MVDP remains on schedule and on budget. Major construction is progressing well on the primary crushing, grinding and flotation areas. Overall project completion was 67% as of the end of September 2022.

Q3 2022 C1 cash costs¹ were \$3.87/lb which were also impacted by the high cost of acid, at an average of \$266/tonne.

2022 YTD C1 cash costs¹ were \$3.62/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 49,000 tonnes of copper (cathodes only) in our current guidance for the period from April to December 2022 (annualized) to ~120,000 tonnes of copper (copper concentrate and cathodes) post project completion in 2024. In parallel, C1 cash costs¹ are expected to decrease from \$3.60/lb to \$3.80/lb in current guidance for the period from April to December 2022 to below \$2.00/lb in 2024 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. The mine will also benefit from the production of approximately 31,000 ounces of gold per year that will generate by-product credits. Upon completion of MVDP, approximately 75% of Mantoverde's production will come from the lower-cost sulphide copper.

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.

As of September 30, 2022, the MVDP had achieved overall progress of 67% and construction progress of 37%. The schedule remains intact and the target for construction completion remains late 2023. Work completed in Q3 2022 included:

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- Assembly and commissioning of the first electric rope shovel with commissioning of a second shovel planned for mid-Q4 2022;
- Arrival of the SAG and ball mill shells in Chile and transport to the mine site has commenced with all other components already on site; and
- Began structural and mechanical assembly in the primary crusher, grinding and flotation area.

As of September 30, 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 spend-to date totals \$490 million.

The EPC contract total budget is approximately \$525 million of which \$294 million has been spent to date. The nature of the lump sum turn-key contract with Ausenco has the majority of the capital cost as lump sum of the total projected capital cost of \$825 million. In addition, major mining equipment for approximately \$140 million was price fixed prior to the elevated inflationary pressures observed this year.

Mantoverde Phase II

Mantoverde is currently analyzing the next expansion of the sulphide concentrator. Alternatives are being considered to expand the plant capacity by either the addition of a new ball mill and secondary equipment or a complete new processing line, to process part of the 77% of resources not utilized by Phase I of the MVDP. A conceptual study will be developed during the second half of 2022 to assess the best options for the next stage of MVDP which will be incorporated into a feasibility study targeted for H2 2023.

Mantos Blancos Concentrator Debottlenecking Project

The MB-CDP is expected to increase 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). This will more than replace declining oxide production levels at Mantos Blancos.

The ramp-up continued during the quarter with increased focus on achieving operational stability of the auxiliary systems such as the electrical and tailing systems. Mill throughput continues to improve and the plant has averaged above the design throughput level over 20 out of 27 planned operating days in October, with copper recoveries in line with expectations. Technical reviews of the year-to-date performance of Ball Mill 8 indicate that it is performing at higher than expected milling efficiencies, indicating that concentrator throughput greater than the nominal 20,000 tpd may be sustainable with minimal capital expenditure. The ramp-up to 20,000 tpd is targeted to be completed by year-end.

Mantos Blancos Phase II

Mantos Blancos is currently analyzing the potential to increase the 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

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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 Advanced Basic Engineering Study is expected to be released in H1 2023, and the environmental DIA application was submitted in August 2022.

Santo Domingo

Since closing of the Transaction, the Santo Domingo team has been integrated into the larger Capstone Copper team in Chile. The integrated project team is 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. The Company expects the integrated district plan to study alternatives and identify the best path forward to develop the copper (sulphides and oxides), gold, iron, and cobalt across both properties. An integrated development approach is focused on maximizing potential 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 contract with Puerto Abierto S.A. and the rail option currently being assessed for products/supply transportation.

The potential synergies the Company expects to be maximized through an optimal integrated district development plan include the following:

1. Infrastructure synergies (including desalination plant, power, pipelines, port)
2. Integrated mine and process approach
3. Construction and supply chain synergies
4. Cobalt and sulphuric acid enhancements
5. Recovery of Mantoverde cobalt
6. Use of excess solvent extraction and electrowinning ("SX-EW") capacity

The revenue-enhancing opportunities include using excess electrowinning capacity at Mantoverde to potentially process Santo Domingo oxide material. An updated base case copper/iron Santo Domingo feasibility study including district integration synergies will be released in 2023.

Santo Domingo contains oxide mineralization, which is located above the sulphide ore body and is part of the Santo Domingo and Iris Norte pre-stripping material. During Q3 2022, the Company continued with the exploratory oxide metallurgical program, which is now expected to be completed in Q4 2022. Preliminary metallurgical test results suggest the possibility to process the leach solution from Santo Domingo's oxides at Mantoverde's existing SX-EW plant. Subject to further positive results, the Company plans to complete an oxide drill program in the near future and the results, including an optimized flowsheet, are expected to be incorporated into an updated Santo Domingo feasibility study to be released in H1 2024.

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, JV or an independent third-party refiner. At an expected 4.7 thousand tonnes of cobalt production per year from Santo Domingo plus expected additional tonnage from Mantoverde, 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. Also, the potential production of an iron hematite concentrate is considered which would allow for potential integration with SD iron production if the rail option confirms benefit for product transportation.

Along the same timeline (Q4 2022) we intend to release an updated cobalt resource for Santo Domingo, as well as an initial cobalt resource for Mantoverde. The full updated cobalt feasibility study will be released in H1 2024.

Exploratory testwork has started at Mantoverde to confirm suitability of the Santo Domingo cobalt circuit flowsheet to process an integrated cobaltiferous pyrite feed. Evaluations are also underway to investigate the potential for early production of cobalt from Mantoverde by treating an oxide leach raffinate bleed and/or pyrite contained in the MVDP cleaner tailings.

PV4 Study

During the quarter, work progressed on the pre-feasibility study ("PFS") 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.

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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.
- Flotation circuit upgrades, including froth cameras on primary rougher banks, variable-speed drives on key slurry pumps, and potentially additional flotation capacity.
- Moly plant upgrades, including additional flotation capacity and process control in the molybdenum plant.

Corporate Exploration Update

Cozamin: The focus during Q3 2022 was on testing the Mala Noche Main Vein West Target with one surface rig and one underground rig from the west exploration crosscut station. Since the 2021-2022 exploration program started, approximately 51,020 meters of drilling have been completed from 65 holes and an additional 1,200 meters of drilling from 2 holes are planned for the remainder of this year. A proposed lower elevation mine cross-cut will allow for expedited infill drilling in 2023 to inform an updated mineral resource estimate in the second quarter of 2023. Surface drill testing of other targets along strike from the San Roberto mine area commenced in Q3 2022 with one rig with 1,370m 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. In 2022, Capstone Copper plans to spend \$6.7 million in a two-phase drill program aimed at twinning historical drill holes, and to select a portion of these for metallurgical testing. Drilling with two surface rigs is complete with metallurgical testing underway.

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 Q3 2022. Lara is conducting the work and will report results when appropriate.

REITERATING NINE-MONTH GUIDANCE (APRIL-DECEMBER 2022)

The company reiterates the consolidated production, C1 cash costs¹ and capital guidance of 136-150kt of copper, \$2.55-\$2.70 per pound and \$580 million respectively for the nine month period from April 1, 2022 to December 31, 2022. We expect improved concentrator throughput levels in Q4 2022 compared to Q2 and Q3 2022 at both Mantos Blancos and Pinto Valley with cash costs trending towards the upper end of the guidance range due to continued inflationary pressures.

¹ These are alternative performance measures. Refer to the section entitled "Alternative Performance Measures" in the Cautionary Notes **10**



FINANCIAL OVERVIEW

Please refer to Capstone's Q3 2022 MD&A and Financial Statements for detailed financial results.

(\$ millions, except per share data)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Revenue	308.7	165.4	933.4	578.9
Net income	37.5	35.0	164.5	211.5
Net income attributable to shareholders	34.1	35.0	143.1	185.4
<i>Net income attributable to shareholders per common share - basic (\$)</i>	0.05	0.09	0.24	0.46
<i>Net income attributable to shareholders per common share - diluted (\$)</i>	0.05	0.08	0.23	0.45
Adjusted net (loss) income¹	(19.3)	35.3	31.1	168.4
<i>Adjusted net (loss) income attributable to shareholders per common share - basic</i>	(0.02)	0.09	0.07	0.42
<i>Adjusted net (loss) income attributable to shareholders per common share - diluted</i>	(0.02)	0.09	0.07	0.41
Adjusted EBITDA¹	34.1	72.3	272.3	318.9
Cash flow from operating activities²	11.2	70.0	63.0	458.9
<i>Cash flow from operating activities per common share¹ - basic (\$)</i>	0.02	0.17	0.10	1.13
Operating cash flow before changes in working capital^{1,2}	13.9	67.1	124.8	451.6
<i>Operating cash flow before changes in working capital per common share¹ - basic (\$)</i>	0.02	0.16	0.21	1.11

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

(\$ millions)	September 30, 2022	June 30, 2022	December 31, 2021
Total assets	5,260.8	5,296.8	1,728.0
Long term debt (excluding financing fees and purchase price allocation fair value adjustments) ¹	505.0	441.6	—
Total non-current financial liabilities	572.3	497.1	38.4
Total non-current liabilities	1,732.6	1,638.7	481.3
Cash and cash equivalents and short-term investments	196.3	350.1	264.4
Net (debt)/cash ¹	(331.5)	(91.5)	264.4
Attributable net (debt)/cash ¹	(230.6)	(34.1)	264.4

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CONFERENCE CALL AND WEBCAST DETAILS

Capstone will host a conference call and webcast on Monday, October 31, 2022 at 08:00 am PT/11:00 am ET.

Link to the audio webcast: <https://app.webinar.net/K9m7M6aJ1X0>

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 #64795591

A replay of the conference call will be available until November 7, 2022. Dial-in numbers for Toronto: (+1) 416-764-8677 and North American toll free: 888-390-0541. The replay code is 795591#. Following the replay, an audio file will be available on Capstone's website at: <https://capstonemining.com/investors/events-and-presentations/default.aspx>.

This release is not suitable on a standalone basis for readers unfamiliar with Capstone and should be read in conjunction with the Company's MD&A and Financial Statements for the three and nine months ended September 30, 2022, which are available on Capstone's website and on SEDAR, all of which have been reviewed and approved by Capstone's Board of Directors.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements relate to future events or future performance and reflect our expectations or beliefs regarding future events 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, timing and success of the Jetti 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, 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 MD&A 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 MD&A. 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.

All-in Sustaining Costs Per Payable Pound of Copper Produced

All-in sustaining costs per payable pound of copper produced is an extension of the C1 cash costs measure discussed above and is also a key performance measure that management uses to monitor performance. Management uses this measure to analyze margins achieved on existing assets while sustaining and maintaining production at current levels. Consolidated All-in sustaining costs includes sustaining capital and corporate general and administrative costs.

Net debt / Net cash

Net debt / Net cash is a 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 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 (Loss) Income

Adjusted net (loss) income is net 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 (loss) income attributable to shareholders

Adjusted net (loss) income attributable to shareholders is Net 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 net income before net finance expense, tax expense, and depletion and amortization.

Adjusted EBITDA

Adjusted EBITDA is EBITDA before the pre-tax effect of the adjustments made to adjusted net (loss) 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 (loss) 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 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 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 provisional pricing changes. 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.

Adjusted realized copper price (per pound)

Adjusted 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, provisional pricing changes, and realized gains/losses on copper commodity contracts. 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.