CAPSTONE COPPER

MANAGEMENT'S DISCUSSION AND ANALYSIS

AND

CONDENSED INTERIM CONSOLIDATED

FINANCIAL STATEMENTS

(unaudited)

For the Three and Nine Months Ended September 30, 2022

(Expressed in US Dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF CAPSTONE COPPER CORP. FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

Capstone Copper Corp. ("Capstone Copper" or the "Company" or "we") has prepared the following management's discussion and analysis (the "MD&A") as of October 31, 2022 and it should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto for the three and nine months ended September 30, 2022. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts presented are United States ("US") dollars unless otherwise stated. "C$" refers to Canadian dollars.

CAUTIONARY NOTE REGARDING 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 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.

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Nature of Business

The accompanying condensed consolidated interim financial statements have been prepared as at September 30, 2022, after giving effect to the business combination of Capstone Mining Corp. ("Capstone Mining") and Mantos Copper (Bermuda) Ltd. (“Mantos”), which was completed on March 23, 2022 (the "Transaction"). Mantos is the legal acquirer of Capstone Mining, and after the Transaction, the combined entity changed its name to Capstone Copper Corp. The Company is listed on the Toronto Stock Exchange ("TSX").

Mantos was incorporated on August 15, 2015, and migrated to British Columbia, Canada on March 22, 2022 as part of the Transaction. Mantos (now Capstone Copper) has owned and operated two mines in Chile since 2015. The Mantos Blancos open-pit mine is located 45 kilometers northeast of the city of Antofagasta and the 70%-owned Mantoverde open-pit mine is located 50 kilometers southeast of the town of Chañaral.

Since completion of the Transaction on March 23, 2022, Capstone Copper, through its wholly owned Capstone Mining subsidiary, also owns two mines in the US and Mexico. Pinto Valley Mining Corp. (“Pinto Valley”), a wholly owned US subsidiary, owns and operates the Pinto Valley mine located in Arizona, US. Capstone Gold, S.A. de C.V. (“Capstone Gold”), a wholly owned Mexican subsidiary, owns and operates the Cozamin Mine located in Zacatecas, Mexico, and has a portfolio of exploration properties in Mexico. Capstone Mining Chile SpA, a wholly owned Chilean subsidiary, is performing exploration for base metal deposits in Chile. Capstone Copper is an Americas-focused copper mining company headquartered in Vancouver, Canada.

On March 24, 2021, Capstone Mining consolidated a 100% ownership interest in 0908113 B.C. Ltd. (“Acquisition Co.”) by purchasing the remaining 30% ownership interest from Korea Resources Corporation (“KORES”), resulting in the elimination of the non-controlling interest (“NCI”) in Acquisition Co. Minera Santo Domingo SCM, a wholly owned Chilean subsidiary of Acquisition Co, holds the Santo Domingo copper-iron development project in Chile.

The Company continues to evaluate the potential impacts arising from COVID-19 on all aspects of its business. For the three and nine months ended September 30, 2022 and 2021, there were no significant financial impacts on the Company.

Q3 2022 Highlights and Significant Items

Q3 2022 Financial and Operational Highlights

- **Net income of $37.5 million, or $0.05 per share. Adjusted net loss[1] 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 EBITDA[1] of $34.1 million which includes a realized provisional pricing loss of $32.5 million relating to Q2,** compared to Adjusted EBITDA[1] 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 costs[1] 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 liquidity[1] 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.
- **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.

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Mantos and Capstone Mining Transaction

On November 30, 2021, Capstone Mining announced it had entered into a definitive agreement (the "Agreement") with Mantos to combine, pursuant to a plan of arrangement.

The Transaction was completed on March 23, 2022 and the combined company was renamed Capstone Copper Corp. Capstone Copper is headquartered in Vancouver, B.C. and listed on the TSX. Pursuant to the Agreement, each Capstone Mining shareholder received one newly issued Capstone Copper share per Capstone Mining share (the "Exchange Ratio") and the existing Mantos shareholders maintained their Capstone Copper shares. At completion of the Transaction, former Capstone Mining and Mantos shareholders collectively owned approximately 60.75% and 39.25% of Capstone Copper, respectively, on a fully-diluted basis. Refer to the business combination note in the condensed interim consolidated financial statements.

Following completion of the Transaction, Capstone Copper operates four mines, including two mines run by Mantos Copper in Chile since 2015: The Mantos Blancos (100% owned) open-pit copper mine is located 45 kilometers northeast of Antofagasta in the Antofagasta Region and produces copper concentrate and copper cathodes. The Mantoverde (70% owned) open-pit mine is located 50 kilometers southeast of Chanaral, in the region of Atacama and produces copper cathodes. Mantoverde is the site of the MVDP sulphide expansion, currently in construction.

The new Capstone Copper has a broad portfolio of (largely permitted) brownfield projects located at our sites that facilitate disciplined capital allocation and a phased approach to growth.

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 costs[1] 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:

- 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.

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

The EPC contract total budget is approximately $525 million of which $294 million has been spent to date. The nature of the $525 million lump sum turn-key contract with Ausenco of $525 million fixed the majority 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.

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 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.

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.

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.

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

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

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.
- 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.

Outlook

The company reiterates the consolidated production, C1 cash costs[1] 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 MD&A section entitled "Alternative Performance Measures".*

Operational Overview

	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Copper production (000s tonnes)				
Sulphides business				
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
Cathode business				
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] ($/pound)	**3.29**	4.15	**3.76**	4.35
C1 cash costs[1] ($/pound) produced				
Sulphides business				
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
Cathode business				
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
Q3 2022 copper production was higher than Q3 2021 primarily as a result of including production for the Mantos Blancos and Mantoverde mines.

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.

Q3 2022 C1 cash costs[1] of $2.76/lb and 2022 YTD C1 cash costs[1] 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.

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

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 costs[1] 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 costs[1] 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.

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 costs[1] 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 costs[1] 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

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 throughout 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 costs[1] 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.

[1] These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".

Sulphuric acid prices are showing signs of significant decline in 2023 with contract prices moving towards a range of $120/tonne to $140/tonne.

Combined 2022 YTD C1 cash costs[1] were $2.78/lb - $2.34/lb sulphides and $3.80/lb cathodes.

Mantoverde
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 costs[1] were $3.87/lb which were also impacted by the high cost of acid, at an average of $266/tonne.

2022 YTD C1 cash costs[1] were $3.62/lb, at the lower end of guidance range.

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Financial Overview

($ 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
Net income attributable to shareholders per common share - basic ($)	***0.05***	*0.09*	***0.24***	*0.46*
Net income attributable to shareholders per common share - diluted ($)	***0.05***	*0.08*	***0.23***	*0.45*
Adjusted net (loss) income[1]	**(19.3)**	35.3	**31.1**	168.4
Adjusted net (loss) income attributable to shareholders[1]	**(12.7)**	35.3	**44.3**	168.4
Adjusted net (loss) income attributable to shareholders per common share - basic	***(0.02)***	*0.09*	***0.07***	*0.42*
Adjusted net (loss) income attributable to shareholders per common share - diluted	***(0.02)***	*0.09*	***0.07***	*0.41*
Adjusted EBITDA[1]	**34.1**	72.3	**272.3**	318.9
Cash flow from operating activities[2]	**11.2**	70.0	**63.0**	458.9
Cash flow from operating activities per common share[1] - basic ($)	***0.02***	*0.17*	***0.10***	*1.13*
Operating cash flow before changes in working capital[1,2]	**13.9**	67.1	**124.8**	451.6
Operating cash flow before changes in working capital per common share[1] – basic ($)	***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)[3]	**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

[3] Long-term debt in the table above excludes the $22.9 million drawn on the Cost Overrun Facility, as it is included in Due to Related Party on the balance sheet, however, is included in the net (debt)/cash and attributable net (debt)/(cash) measures.

[1] These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".

Selected Quarterly Financial Information

($ millions, except per share data)	Q3 2022	Q2 2022[(i)]	Q1 2022[(ii)]	Q4 2021[(iii)]	Q3 2021	Q2 2021[(iv)]	Q1 2021[(v)]	Q4 2020[(vi)]
Revenue	**308.7**	356.6	268.1	215.9	165.4	209.4	204.1	148.1
(Loss) earnings from mining operations	**(11.2)**	37.3	106.0	102.5	62.8	102.8	92.5	57.2
Net income attributable to shareholders	**34.1**	75.1	34.0	41.4	35.0	49.4	101.0	27.6
Net income per share attributable to shareholders - basic	**0.05**	0.11	0.08	0.10	0.09	0.12	0.25	0.07
Net income per share attributable to shareholders - diluted	**0.05**	0.11	0.08	0.10	0.08	0.12	0.24	0.07
Operating cash flow before changes in non-cash working capital[1]	**13.9**	40.7	70.4	104.9	67.1	140.4	244.5	65.3
Capital expenditures (including capitalized stripping)	**148.5**	206.6	111.5	42.2	36.0	50.4	28.4	31.2

[(i)] *Revenue, Earnings from mining operations, Net income and Operating cash flow before changes in working capital in Q2 2022 includes $45.5 million of negative non-cash provisional pricing adjustments.*
[(ii)] *Net income in Q1 2022 includes $20 million of share unit expense and $19.9 million of transaction and integration costs as a result of the Mantos Transaction.*
[(iii)] *Net income in Q4 2021 includes $27 million of share unit expense.*
[(iv)] *Net income in Q2 2021 includes $19 million of share unit expense.*
[(v)] *Net income in Q1 2021 includes $92 million of impairment reversal on mineral properties as well as $27 million of share unit expense.*
[(vi)] *Net income in Q4 2020 includes $16 million of share unit expense.*

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Consolidated Results

Consolidated Net Income Analysis

Net Income for the Three Months Ended September 30, 2022 and 2021

The Company recorded net income of $37.5 million for the three months ended September 30, 2022 compared with net income of $35.0 million in Q3 2021. The major differences are outlined below:

The difference quarter-over-quarter was driven by:

- Revenue: $143.3 million or 87% of the increase was driven by higher copper volumes sold due to the addition of Mantos Blancos and Mantoverde (Q3 2022 – 44.2 thousand tonnes, Q3 2021 – 17.9 thousand tonnes), and partially offset by lower realized copper prices[1] (Q3 2022 - $3.29 per pound, Q3 2021 - $4.15 per pound). Gross copper revenue increased by $156.0 million ($240.0 million increase on higher volume sold and reduced by $84.0 million on lower price).
- Production costs: $191.4 million increase primarily driven by the addition of Mantos Blancos and Mantoverde:
  - Pinto Valley recorded $7.2 million higher production costs in Q3 2022 compared to Q3 2021 as a result of higher costs driven by inflationary impacts on supplies and diesel.
  - Cozamin production costs remained consistent in Q3 2022 compared to Q3 2021 at $17.1 million.
  - Mantos Blancos recorded $74.7 million production costs in Q3 2022 on 12.9 thousand tonnes of copper volumes sold.
  - Mantoverde recorded $108.9 million production costs in Q3 2022 on 11.6 thousand tonnes of copper volumes sold.
- Depletion and amortization: $25.9 million increase primarily due to the addition of Mantos Blancos and Mantoverde of $23.6 million.
- Gain on derivatives: $78.4 million increase primarily due to the $54.6 million unrealized net gain on MVDP's financing derivative portfolio (consisting of copper, interest rate and foreign currency swaps), partially offset by the realized net loss of $10.6 million on the portfolio, and a net gain of $34.2 million on the Company's other derivatives (copper and foreign exchange). Copper forward curve prices dropped from $3.75/lb as at June 30, 2022 to $3.43/lb as at September 30, 2022, resulting in an unrealized gain on copper hedges of $61.9 million.
- Foreign exchange: $8.0 million change primarily due to additional foreign exchange impacts from Mantos Blancos and Mantoverde as a result of a weakening Chilean Peso.
- Income taxes: $9.3 million increase due to higher pre-tax income during Q3 2022 compared to Q3 2021.

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Net Income for the Nine Months Ended September 30, 2022 and 2021

The Company recorded net income of $164.5 million for the nine months ended September 30, 2022 compared with net income of $211.5 million in 2021 YTD. The major differences are outlined below:

The difference year-over-year was driven by:

- Revenue: $354.5 million or 61% increase driven by higher copper volumes sold due to addition of Mantos Blancos and Mantoverde (2022 YTD – 115.2 thousand tonnes, 2021 YTD – 59.8 thousand tonnes), and partially offset by lower realized copper prices[1] (2022 YTD - $3.76 per pound, 2021 YTD - $4.35 per pound). Gross copper revenue increased by $381.7 million ($530.8 million increase on higher volume sold and reduced by $149.1 million on lower price).
- Production costs: $416.0 million increase primarily driven by inclusion of Mantos Blancos and Mantoverde:
  - Pinto Valley recorded $28.0 million higher production costs in 2022 YTD compared to 2021 YTD as a result of higher costs driven by inflationary impacts on supplies and diesel and additional spend on rental equipment and contractors.
  - Cozamin recorded $3.5 million higher production costs in 2022 YTD compared to 2021 YTD as a result of higher copper volumes sold (2022 YTD – 17.5 thousand tonnes, 2021 YTD – 16.7 thousand tonnes).
  - Mantos Blancos recorded $149.9 million production costs in 2022 YTD on 26.5 thousand tonnes of copper volumes sold.
  - Mantoverde recorded $233.0 million production costs in 2022 YTD on 28.5 thousand tonnes of copper volumes sold.
- Depletion and amortization: $64.4 million increase primarily due to the addition of Mantos Blancos and Mantoverde of $56.1 million, and $8.3 million from the increase in copper volumes sold.
- Impairment reversal of $92.4 million on mineral properties related to Santo Domingo recorded during Q1 2021.
- Share-based compensation: $38.9 million decrease primarily due to decrease in share price in 2022 YTD (C$7.07 opening price to C$3.26 closing price as at September 30, 2022 vs. C$4.14 opening price to C$4.93 closing price as at September 30, 2021).
- Gain on derivatives: $175.7 million increase primarily due to the $166.8 million unrealized net gain on MVDP's financing derivative portfolio (consisting of copper, interest rates, and foreign currency swaps), partially offset by the realized net loss of $35.6 million on the portfolio, and a net gain of $44.3 million on the Company's other derivatives (copper and foreign exchange collars). Copper forward curve prices

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

dropped from $4.41/lb as at December 31, 2021 to $3.43/lb as at September 30, 2022, resulting in an unrealized gain on copper hedges of $184.2 million.

- Foreign exchange: $17.0 million change primarily due to additional foreign exchange impacts from Mantos Blancos and Mantoverde of $15.1 million from a weakening Chilean Pesos.
- Transaction & Integration costs : $22.8 million increase primarily due to the transaction ($19.4 million) and integration costs ($3.4 million) incurred as a result of the Transaction.
- Income taxes: $23.1 million increase due to addition of Mantos Blancos and Mantoverde of $35.9 million in 2022 YTD, and partially offset by lower pre-tax income compared to 2021 YTD.

Revenue

Revenue increased quarter-on-quarter ($308.7 million versus $165.4 million in Q3 2021) primarily due to 26.2 thousand tonnes higher copper volumes sold (44.2 thousand tonnes versus 17.9 thousand tonnes in Q3 2021) as a result of the additional sales from Mantos Blancos and Mantoverde mines, and partially offset by a lower realized copper price[1] ($3.29 per pound versus $4.15 per pound in Q3 2021).

YTD revenue increased year-on-year ($933.4 million versus $578.9 million in 2021 YTD) due to 55.3 thousand tonnes higher copper volumes sold (115.2 thousand tonnes versus 59.8 thousand tonnes in 2021 YTD) as a result of the additional sales from Mantos Blancos and Mantoverde mines, and partially offset by a lower realized copper price[1] ($3.76 per pound versus $4.35 per pound in 2021 YTD). Total silver revenue decreased as a result of decreased silver prices (average market prices $21/oz versus $26/oz in 2021 YTD), and partially offset by higher ounces sold (1,851,043 oz versus 1,225,763 oz in 2021 YTD).

Revenue by Mine

($ millions)	Q3 2022[2]		Q3 2021[2]		2022 YTD[2]		2021 YTD[2]	
Pinto Valley	**91.9**	29.8 %	103.9	62.8 %	**351.1**	**37.6 %**	398.8	68.9 %
Mantos Blancos	**86.7**	28.0 %	—	—	**192.3**	**20.6 %**	—	—
Mantoverde	**82.6**	26.8 %	—	—	**227.6**	**24.4 %**	—	—
Cozamin	**47.5**	15.4 %	61.5	37.2 %	**162.4**	**17.4 %**	180.1	31.1 %
Total revenue	**308.7**	100.0 %	165.4	100.0 %	**933.4**	**100.0 %**	578.9	100.0 %

[2] The current and subsequent periods may include final settlement quantity and/or price adjustments from prior shipments.

Provisionally Priced Copper

Gross revenue for the three months ended September 30, 2022 includes 51.2 thousand tonnes of copper sold subject to final settlement. Of this, the prices for 16.6 thousand tonnes are final at a weighted average price of $3.56 per pound. The remaining 34.6 thousand tonnes are subject to price change upon final settlement at the end of the applicable quotational period, as follows:

Quotational Period	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total	($/pound) Provisional Price
Oct-2022	2.7	4.6	3.2	—	10.5	3.48
Nov-2022	—	4.3	3.3	—	7.6	3.45
Dec-2022	2.7	1.9	—	2.0	6.6	3.43
Jan-2023	5.8	—	—	1.8	7.6	3.42
Not yet declared by customer	2.3	—	—	—	2.3	3.48
Total	13.5	10.8	6.5	3.8	34.6	3.45

Provisionally Priced Copper and Quotational Period Hedging Program

Provisional pricing is a term in copper concentrate and copper cathode sales agreements that provides for provisional pricing of sales at the time of shipment, with final pricing being based on the monthly average LME copper price for specific future periods, normally ranging from one to four months after delivery to the customer.

[1] These are alternative performance measures. Refer to the MD&A section entitled “Alternative Performance Measures”.

The difference between provisional invoice price and final invoice price is recognized in net earnings. In order to mitigate the impact of these adjustments on net earnings, in August 2022, the Company initiated a quotational period ("QP") hedging program to mitigate the impact of the difference between provisional invoice prices and the final price. The provisional pricing gains or losses are reflected in revenue whereas the offsetting derivative gains or losses are recognized in realized and unrealized gains (losses) on derivatives.

Realized Copper Prices[1]

($/pound)	2022			2021			
	Q1	**Q2**	**Q3**	**Q1**	**Q2**	**Q3**	**Q4**
Pinto Valley	4.81	3.66	3.30	4.15	4.85	4.10	4.66
Mantos Blancos	4.84	3.57	3.25	—	—	—	—
Mantoverde	4.64	3.78	3.30	—	—	—	—
Cozamin	4.75	3.52	3.31	4.02	4.62	4.24	4.48
Consolidated	4.78	3.66	3.29	4.12	4.78	4.15	4.61
LME Average	4.53	4.31	3.51	3.86	4.40	4.25	4.40
LME Close	4.69	3.74	3.47	4.01	4.26	4.10	4.40

The realized copper price[1] in Q3 2022 of $3.29 per pound was lower than the LME average of $3.51 per pound due to 29.7 thousand tonnes of copper priced at an average of $3.75 per pound at June 30, 2022, which final settled or second provisionally invoiced at lower average prices during Q3 2022 resulting in a decrease in revenue of $32.5 million, and by 34.6 thousand tonnes of copper provisionally priced at an average of $3.45 per pound at September 30, 2022, which was lower than Q3 2022 average prices.

[1] These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".

Reconciliation of Realized Copper Price[1]

($ millions, except as noted)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Gross copper revenue				
Gross copper revenue on new shipments	**341.6**	169.7	**1,025.8**	558.7
Gross copper revenue on prior shipments	**(32.5)**	(10.0)	**(42.7)**	25.2
Provisional pricing changes to copper revenue	**11.0**	4.4	**(27.7)**	(10.7)
Gross copper revenue	**320.1**	164.1	**955.4**	573.2
Gross copper revenue on new shipments ($/pound)	**3.51**	4.29	**4.04**	4.24
Gross copper revenue on prior shipments ($/pound)	**(0.33)**	(0.25)	**(0.17)**	0.19
Provisional pricing changes to copper revenue ($/pound)	**0.11**	0.11	**(0.11)**	(0.08)
Realized copper price[1] ($/pound)	**3.29**	4.15	**3.76**	4.35
LME average copper price ($)	**3.51**	4.25	**4.12**	4.17
Gross copper revenue - reconciliation to financials				
Gross copper revenue	**320.1**	164.1	**955.4**	573.2
Revenue from other metals	**8.5**	10.3	**30.9**	37.9
Treatment and selling	**(19.9)**	(9.0)	**(52.9)**	(32.2)
Revenue per financials	**308.7**	165.4	**933.4**	578.9
Payable copper sold (tonnes)	**44,166**	17,948	**115,168**	59,821

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Operational Results

Pinto Valley Mine – Miami, Arizona

Operating Statistics

	2022				2021				
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Q4	Total
Production (contained)[2]									
Copper in Concentrate (tonnes)	13,716	12,778	13,428	39,922	15,988	12,899	13,192	16,196	58,275
Cathode (tonnes)	636	556	719	1,911	527	497	538	622	2,184
Total Copper (tonnes)	14,352	13,334	14,147	41,833	16,515	13,396	13,730	16,818	60,459
Mining									
Waste (000s tonnes)	5,572	6,082	6,208	17,862	7,169	7,144	6,115	5,411	25,839
Ore (000s tonnes)	6,074	4,986	5,176	16,236	5,569	4,393	5,545	6,560	22,067
Total (000s tonnes)	11,646	11,068	11,384	34,098	12,738	11,537	11,660	11,971	47,906
Strip Ratio (Waste:Ore)	0.92	1.22	1.20	1.10	1.29	1.63	1.10	0.82	1.17
Processing									
Throughput (000s tonnes)	5,257	4,261	4,429	13,948	5,229	4,474	4,517	5,380	19,601
Tonnes per day	58,412	46,821	48,143	51,088	58,095	49,170	49,100	58,481	53,700
Grade (%)[3]	0.32	0.34	0.34	0.33	0.36	0.33	0.33	0.37	0.35
Recoveries (%)[3]	82.3	88.2	89.1	86.3	85.6	88.6	88.0	81.8	85.7
Property costs[1] ($/t milled)	12.21	16.44	15.90	14.67	10.92	13.23	13.76	11.14	12.16
Payable copper produced (tonnes)	13,872	12,887	13,677	40,436	15,956	12,945	13,268	16,250	58,419
Copper C1 cash cost[1] ($/pound payable copper produced)	2.60	2.82	2.60	2.67	1.94	2.33	2.44	2.00	2.16
Adjusted EBITDA[1] ($ millions)	71.1	48.1	16.7	135.9	88.3	82.5	35.9	74.3	281.0

[2] *Adjustments based on final settlements will be made in future quarters*

[3] *Grade and recoveries were estimated based on concentrate production and may be impacted by settlements from prior production periods.*

Operational and C1 Cash Costs[1] Update

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 slightly lower throughput during the quarter (Q3 2022 - 48,143 tpd versus Q3 2021 - 49,100 tpd) as a result of unplanned downtime associated with tailings thickeners 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 slightly lower mill throughput (51,088 tpd in 2022 YTD versus 52,089 tpd in 2021 YTD).

Q3 2022 C1 cash costs[1] 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 costs[1] 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 due to 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 MD&A section entitled “Alternative Performance Measures”.*

Investing Activities

Sustaining capital[1] in Q3 2022 of $24.4 million was spent primarily on mining equipment component replacements, mine drill replacements, mill infrastructure, investing in infrastructure upgrades that will increase water reclaim, tailings and environmental projects - including pond containment for contaminated storm water, mill water overflows and pipe leaks, peak well booster and tailings thickener pumping upgrades. Expansionary capital[1] in Q3 2022 of $2.9 million was primarily related to the PV4 studies. Deferred stripping increased in Q3 2022 as waste removal from the northwest section of phase 3 was started.

($ millions)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Deferred stripping - cash	**7.4**	2.4	**13.0**	8.7
Deferred stripping - non cash	**2.1**	0.8	**4.1**	3.0
Deferred stripping	**9.5**	3.2	**17.1**	11.7
Sustaining capital[1]	**24.4**	9.8	**51.0**	31.9
Expansionary capital[1]	**2.9**	7.6	**9.1**	13.4
Right of use assets - non cash	**—**	—	**—**	8.7
Pinto Valley segment mineral property, plant and equipment ("MPPE") additions (per financials)	**36.8**	20.6	**77.2**	65.7

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Mantos Blancos – Antofagasta, Chile

Operating Statistics

The Mantos Blancos mine is an open-pit mine located in the Antofagasta region of Chile, approximately 45 kilometers northeast of Antofagasta. Mantos Blancos has sulphide and oxide operations with operations history dating back to 1960. The mine produces high-grade copper concentrate and +90% LME Grade A cathode copper from a SX-EW plant with a capacity of up to 60,000 tonnes of copper cathode per annum. The mine is undergoing a transition to a 20,000 tonne per day sulphide operation via the on-going MB-CDP with construction complete and ramp-up ongoing. The property consists of a large, under-explored land package consisting of 57,620 hectares. Mantos Blancos is 100% owned by the Company.

	2022			
	Q1	**Q2**	**Q3**	**Total**
Production (contained metal and cathode)[2]				
Copper in Concentrate (tonnes)	704	8,685	9,593	18,982
Cathode (tonnes)	330	3,713	4,003	8,046
Total Copper (tonnes)	1,034	12,398	13,596	27,028
Mining				
Waste (000s tonnes)	—	11,671	10,837	22,508
Ore (000s tonnes)	—	8,409	8,559	16,968
Total (000s tonnes)	—	20,080	19,396	39,476
Strip Ratio (Waste:Ore)	—	1.39	1.27	1.33
Stockpile (000s tonnes)	—	801	1,425	2,226
Total material moved (000s tonnes)	—	20,881	20,821	41,702
Mill operations				
Tonnes per day	—	15,218	14,334	14,773
Grade (%)[3]	—	0.90	0.92	0.91
Recoveries (%)[3]	—	69.7	79.3	74.4
Dump operations				
Throughput (000s tonnes)	—	3,138	2,680	5,818
Grade (%)[3]	—	0.18	0.16	0.18
Silver				
Production contained (oz)	22	314	263	599
Payable copper produced (tonnes)	1,011	12,129	13,270	26,410
Sulphides C1 cash cost[1] ($/pound payable copper produced)	—	2.49	2.17	2.34
Cathode C1 cash cost[1] ($/pound payable copper produced)	—	3.67	3.87	3.80
Combined C1 cash cost[1] ($/pound payable copper produced)	3.33	2.85	2.68	2.78
Adjusted EBITDA[1] ($ millions)	8.3	34.1	8.8	51.2

[2] *Adjustments based on final settlements will be made in future quarters*
[3] *Grade and recoveries were estimated based on concentrate production and may be impacted by settlements from prior production periods.*

Operational and C1 Cash Costs[1] Update

Copper production in Q3 2022 was 13.6 thousand tonnes.
2022 YTD production was 27.0 thousand tonnes. Tonnes per day milled was 14,773, mill head grade was 0.91%, recoveries 74.4%. Q3 2022 throughout 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. Throughput at the dumps was was 5.8 million tonnes with an average grade of 0.18%.

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

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 review of the year-to-date performance of the new Ball Mill #8 indicates 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.

Combined Q3 2022 C1 cash costs[1] were $2.68/lb ($2.17/lb sulphides and $3.87/lb cathodes).

Combined 2022 YTD C1 cash costs[1] were $2.78/lb ($2.34/lb sulphides and $3.80/lb cathodes). The cathode costs were significantly impacted by high sulphuric acid prices of $261/tonne in Q3 2022 and 2022 YTD in addition to high fuel prices.

Investing Activities

Sustaining capital[1] in Q3 2022 of $3.7 million was spent primarily on mining equipment component replacements, maintenance of electrical and pump systems to enable Phase VI of the East Dump. Expansionary capital[1] in Q3 2022 of $17.4 million was related to the MB-CDP. Deferred stripping in Q3 2022 was $17.9 million.

($ millions)	Q3 2022	2022 YTD
Deferred stripping	**17.9**	**34.2**
Sustaining capital[1]	**3.7**	**10.5**
Expansionary capital[1]	**17.4**	**28.0**
Capitalized interest on construction in progress	**0.6**	**4.2**
Asset retirement obligation changes - non-cash	**—**	**17.2**
Brownfield exploration	**—**	**0.3**
Mantos Blancos segment MPPE additions (per financials)	**39.6**	**94.4**

[1] These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".

Mantoverde (70% ownership) – Atacama, Chile

Operating Statistics

The Mantoverde mine is an open-pit mine located in the Atacama region of Chile, approximately 45 kilometers from the coast and approximately 35km southwest of Santo Domingo Project. Current oxide operations have been in production since 1995, with a current SX-EW plant capacity of 60,000 tonnes of cathode copper per annum. The MVDP commenced in February 2021 and the project is expected to increase production at Mantoverde from approximately 37,000 tonnes of copper from oxide ore in 2020 to 120,000 tonnes from oxide and sulphide ore in 2024 with the majority of the increase from a new MVDP sulphide flotation plant. The property consists of a large under-explored land package of 39,485 hectares. Mantoverde is 70% owned by the Company and 30% owned by Mitsubishi Materials Corp ("MMC").

	2022			
	Q1	**Q2**	**Q3**	**Total**
Production (contained)[2, 3]				
Cathode (tonnes)	1,208	13,050	11,581	25,839
Mining				
Waste (000s tonnes)	—	13,501	15,020	28,521
Ore (000s tonnes)	—	5,876	5,816	11,692
Total (000s tonnes)	—	19,377	20,836	40,213
Strip Ratio (Waste:Ore)	—	2.30	2.58	2.44
Rehandled Ore (000s tonnes)	—	3,366	3,041	6,407
Total material moved (000s tonnes)	—	22,743	23,877	46,620
Heap operations				
Throughput (000s tonnes)	—	2,763	2,475	5,238
Grade (%)	—	0.49	0.45	0.48
Recoveries (%)	—	75.7	86.7	78.7
Dump operations				
Throughput (000s tonnes)	—	2,644	3,788	6,432
Grade (%)	—	0.17	0.17	0.17
Recoveries (%)	—	41.9	40.1	41.0
Payable copper produced (tonnes)	1,208	13,050	11,581	25,839
Copper C1 cash cost[1] ($/pound payable copper produced)	3.63	3.40	3.87	3.62
Adjusted EBITDA[1] ($ millions)	7.2	5.8	(17.7)	(4.7)

[2] *Adjustments based on final settlements will be made in future quarters*
[3] *Production shown on a 100% basis.*

Operational and C1 Cash Costs[1] Update

Q3 2022 copper production was 11.6 thousand tonnes.

2022 YTD production was 25.8 thousand tonnes which is at the high end of production guidance range. Heap operation grade was 0.48% and recoveries 78.7%. Dump operations grade was 0.17% and recoveries 41.0%.

Q3 2022 C1 cash costs[1] were $3.87/lb, which were meaningfully impacted by high sulphuric acid prices, averaging $266/tonne for the quarter. More recently, sulphuric acid prices have significantly decreased with contract prices in the $120/tonne to $140/tonne range for 2023.

2022 YTD C1 cash costs[1] were $3.62/lb, at the lower end of guidance range.

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Investing Activities

Sustaining capital[1] in Q3 2022 of $6.5 million was spent primarily to enable a new leaching area (4th level), new South Dump II area and mining equipment component replacements. Expansionary capital[1] in Q3 2022 of $56.4 million related to MVDP.

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:

- 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.

Capitalized exploration expenditures totaled $0.5 million for Q3 2022. This was associated with scout drilling for testing mineralization at depth within the current pit boundaries.

($ millions)	Q3 2022	2022 YTD
Sustaining capital[1]	**6.5**	**13.7**
Expansionary capital[1]	**56.4**	**151.6**
Capitalized interest on construction in progress	**6.1**	**10.5**
Asset retirement obligation changes - non cash	**—**	**16.6**
Right of use assets - non cash	**4.3**	**24.7**
Brownfield exploration	**0.5**	**0.9**
Mantoverde segment MPPE additions (per financials)	**73.8**	**218.0**

[1] These are alternative performance measures. Refer to the MD&A section entitled “Alternative Performance Measures”.

Cozamin Mine – Zacatecas, Mexico

Operating Statistics

	2022				2021				
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Q4	Total
Production (contained)[2]									
Copper (tonnes)	5,921	6,397	6,357	18,675	5,166	6,250	6,420	6,582	24,418
Silver (000s ounces)	798	271	353	1,422	343	364	398	426	1,531
Zinc (000s pounds)	271	439	525	1,235	2,715	1,885	710	928	6,238
Mining									
Ore (000s tonnes)	342	346	350	1,038	328	332	345	353	1,358
Processing									
Milled (000s tonnes)	333	352	352	1,037	301	348	355	355	1,359
Tonnes per day	3,704	3,874	3,829	3,803	3,345	3,828	3,854	3,863	3,724
Copper									
Grade (%)[3]	1.84	1.88	1.86	1.86	1.79	1.86	1.87	1.92	1.86
Recoveries (%)	96.6	96.7	96.8	96.7	96.0	96.3	96.7	96.6	96.4
Silver									
Grade (%)[3]	41.9	36.4	37.9	38.7	43.8	39.6	41.8	45.1	42.5
Recoveries (%)	82.6	82.0	82.1	82.2	80.9	82.1	83.6	82.7	82.4
Zinc									
Grade (%)[3]	0.43	0.33	0.36	0.37	0.84	0.53	0.45	0.48	0.56
Recoveries (%)	25.4	10.7	18.9	18.8	48.6	46.7	20.3	24.7	37.0
Property costs[1] ($/t milled)	48.20	48.95	45.86	47.66	46.27	41.65	44.10	43.79	43.87
Payable copper produced (tonnes)	5,690	6,144	6,108	17,942	4,957	6,002	6,169	6,325	23,453
Copper C1 cash cost[1] ($/ pound payable copper produced)	1.12	1.25	1.20	1.19	0.91	1.00	0.93	0.99	0.96
Adjusted EBITDA[1] ($ millions)	44.7	36.7	23.9	105.3	34.7	50.0	41.2	45.8	171.7

2 *Adjustments based on final settlements will be made in the future quarters.*
3 *Grade and recoveries were estimated based on concentrate production and may be impacted by settlements from prior production periods.*

Operational and C1 Cash Costs[1] Update

Copper production of 6.4 thousand tonnes was consistent with the same period prior year. Q3 2022 through-put 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 costs[1] 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 costs[1] 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.

Investing Activities

Sustaining capital[1] and expansionary capital[1] spending at Cozamin totaled $16.5 million for Q3 2022. Sustaining capital[1] was related to mine development and mine equipment. Capital spending included $9.2 million of expansionary capital[1] on the filtered (dry stack) tailings and paste backfill facility project. Total project costs to date are $41.0 million and the project is expected to total $55 million. The plant is expected to be ramping up in H1 2023.

Capitalized exploration expenditures totaled $1.1 million for Q3 2022. This was spent primarily on testing the Mala Noche Main Vein West Target with one surface rig and one underground rig from the west exploration crosscut station.

($ millions)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Sustaining capital[1]	**7.3**	5.8	**22.5**	16.8
Expansionary capital[1]	**9.2**	2.4	**27.7**	7.7
Brownfield exploration	**1.1**	1.4	**2.8**	3.8
Right of use assets-non cash	**—**	—	**0.3**	—
Cozamin segment MPPE additions (per financials)	**17.6**	9.6	**53.3**	28.3

[1] These are alternative performance measures. Refer to the MD&A section entitled “Alternative Performance Measures”.

Santo Domingo Project – Chile (Copper and Iron)

Investing Activities

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 35 km 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 likely to maximize 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. Enabling revenue lines for Mantoverde cobalt and magnetite
6. Using 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 Santo Domingo copper/iron feasibility study including district integration synergies will be released in 2023.

As noted, Santo Domingo also contains copper 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 metallurgical program, which is now expected to be completed in Q4 2022. Preliminary metallurgical test results suggest the possibility to process 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. The results of the oxide drill program including an optimized flowsheet will be incorporated into an updated Santo Domingo feasibility study to be released in H1 2024.

<u>Mantoverde - Santo Domingo Cobalt feasibility study:</u>

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 on 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.

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.

Project development costs related to early works as required by the Environmental Permit to include flora and fauna relocation, basic and detailed engineering, land tenure costs, the industrial water pipeline and relocation of Regional Highway C-17. During Q3 2021, the Capstone Mining commenced major earthworks with respect to the C17 highway by-pass road which provides site access, and work on the electrical substation connection. Also, Capstone Copper completed a brownfield expansion drilling program and an update of the geology model and mineral resource, including the new mineralization identified between the Santo Domingo and Iris Norte Pits.

($ millions)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Capitalized project costs	**8.1**	5.6	**23.6**	18.8

Exploration

($millions)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Greenfield exploration (expensed to income statement)	**1.8**	0.7	**7.0**	0.7
Brownfield exploration (capitalized to mineral properties):	**—**	—	**—**	—
Mantos Blancos	**—**	—	**0.3**	—
Mantoverde	**0.5**		**0.9**	
Cozamin	**1.1**	1.0	**2.8**	1.0
Total exploration	**3.4**	1.7	**11.0**	1.7

Capstone Copper's exploration team is predominantly focused on organic growth opportunities to expand mineral resources and mineral reserves at all four mines and the Santo Domingo development project. Capstone Copper also has an earn-in agreement with Lara Exploration Ltd. for the greenfield Planalto Prospect (Carajas Region, Brazil) and a portfolio of 100% owned claims acquired by staking in Sonora, Mexico.

Outlook – 2022 Guidance (for nine month period April 1, 2022 to December 31, 2022)

The company reiterates the consolidated production, C1 cash costs[1] 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 MD&A section entitled "Alternative Performance Measures".*

Liquidity and Capital Resources

Consolidated Cash Flow Analysis[2]

($ millions)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Operating cash flow before changes in working capital[1, 3]	**13.9**	67.1	**124.8**	451.6
Changes in non-cash working capital	**0.3**	22.4	**(60.3)**	26.5
Other non-cash changes	**(3.0)**	(19.5)	**(1.5)**	(19.2)
Total cash flow from operating activities	**11.2**	70.0	**63.0**	458.9
Total cash flow used in investing activities	**(191.7)**	(32.4)	**(210.9)**	(106.2)
Total cash flow from (used in) financing activities	**28.1**	0.3	**81.9**	(203.2)
Effect of foreign exchange rates on cash and cash equivalents	**(1.4)**	—	**(1.7)**	—
Net change in cash and cash equivalents	**(153.8)**	37.9	**(67.7)**	149.5
Opening cash and cash equivalents	**348.2**	168.2	**262.1**	56.6
Closing cash and cash equivalents	**194.4**	206.1	**194.4**	206.1

[2] 2021 YTD include $180.0 million silver and gold stream proceeds

[3] Certain of prior period comparative figures have been reclassified to conform with the current year's presentation

Changes in Cash Flows for the Three Months Ended September 30, 2022 and 2021

The net change in cash was $(153.8) million in Q3 2022 compared to $37.9 million in Q3 2021. The change was primarily due to:

- Cash flow from operating activities before changes in working capital[1] was lower by $53.2 million. Revenue less production costs were lower in Q3 2022 versus Q3 2021 by $47.6 million (Q3 2022 revenue of $308.7 million less production costs of $271.4 million compared to Q3 2021 revenue of $165.4 million less production costs of $80.5 million) mainly due to lower copper prices and inflationary pressure on production costs.
- Changes in non-cash working capital in Q3 2022 was $22.1 million lower compared to the same period last year primarily due a decrease in accounts payable and accrued liabilities resulting from timing of payments made to vendors, partially offset by a decrease in accounts receivable and inventories.
- Cash flows used in investing activities were $159.3 million higher in Q3 2022 mainly due to addition of capital expenditures of the Mantos Blancos and Mantoverde mines, including MVDP spend.
- Cash flows from financing activities were $27.8 million higher in Q3 2022 primarily due to a $95.0 million drawdown on the RCF which was used to repay the higher cost Glencore facility, and a related party advance from MMC of $22.9 million under the cost overrun facility ("COF"), partially offset by a $34.7 million payment to KORES under the 2021 Share Purchase Agreement, $12.9 million of net payments on derivative contracts associated with the MVDP Finance facility, and higher lease payments resulting from the business combination with Mantos.

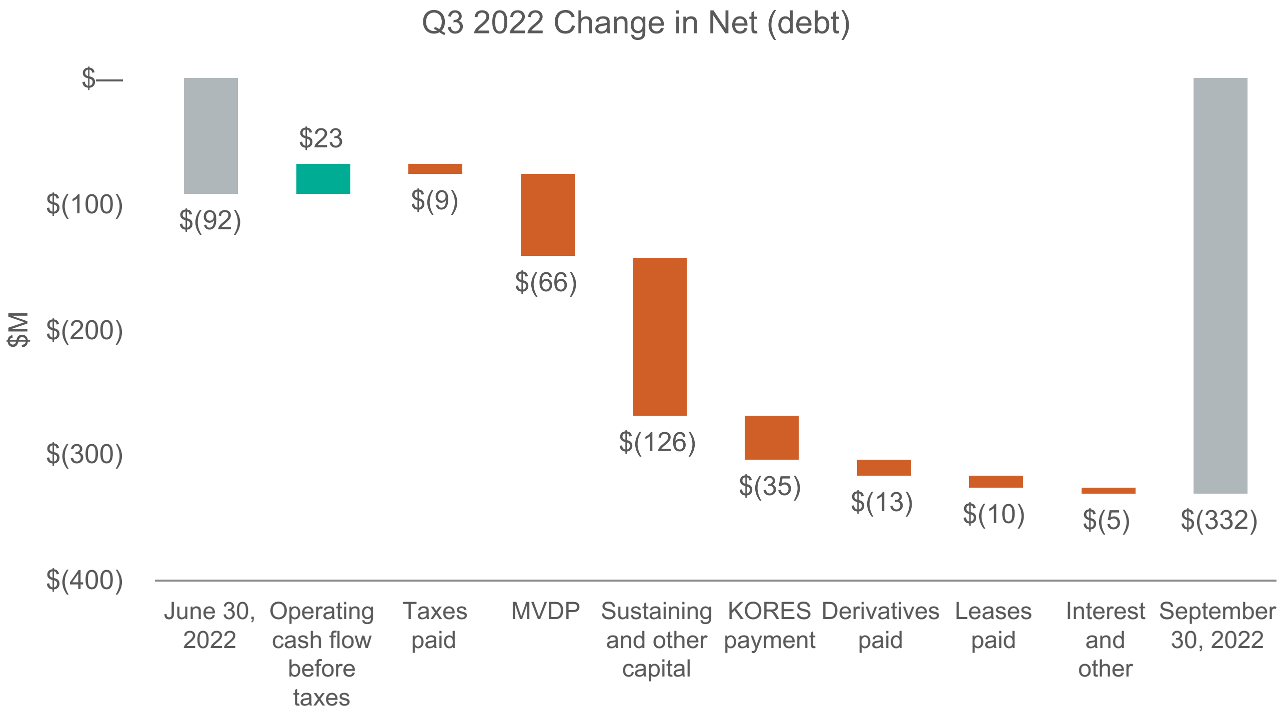
Changes in Cash Flows for the Nine Months Ended September 30, 2022 and 2021

The net change in cash was $(67.7) million in 2022 YTD compared to $149.5 million in 2021 YTD. The change was primarily due to:

- Operating cash flow before changes in working capital[1] was lower by $326.8 million. Revenue less production costs were lower in 2022 YTD versus 2021 YTD by $59.9 million (2022 YTD revenue of $933.4 million less production costs of $662.3 million compared to 2021 YTD revenue of $578.9 million less production costs of $247.8 million) due to lower copper prices and inflationary pressure on production costs. Also, $180.0 million proceeds were received in 2021 YTD under a Silver and Gold Stream Agreements versus nil in 2022 YTD. Moreover, Mexican tax installments, based on prior year income, paid in 2022 YTD were $37.5 million higher than in 2021 YTD.
- Changes in non-cash working capital was lower by $86.8 million primarily due to a decrease in accounts payable and accrued liabilities resulting from timing of payments made to vendors and withholding taxes, partially offset by a decrease in accounts receivable and inventories.
- Cash flows used in investing activities were $104.7 million higher in 2022 YTD mainly due to addition of Mantos Blancos and Mantoverde mines. Cash used in investing activities for capital asset additions was offset by $219.2 million received on the Transaction.
- Cash flows from financing activities were $285.1 million higher in 2022 YTD primarily due to $184.9 million of net repayments on the Revolving Credit Facility ("RCF") in 2021 YTD compared to net proceeds of $150.3 million from RCF and $22.9 million related party advance from MMC under the cost overrun facility, partially

[1] These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".

offset by a $34.7 million payment to KORES for the second tranche as required under the 2021 Share Purchase Agreement, $35.9 million of net payments on derivative contracts associated with the MVDP finance facility, and higher incremental lease payments as a result of the business combination with Mantos.



The increase in Net (debt)[1] as at September 30, 2022, is attributable to declining copper prices combined with the capital spend on the MVDP and other capital projects, as well as one-off items including the second tranche payment of $34.7 million to KORES and provisional pricing settlements of $32.5 million.

Credit Facilities

Mantoverde Development Project Facility

Mantoverde secured $572 million in debt financing facility to fund the construction of the MVDP. The debt facility comprises a senior secured amortizing project debt facility in an aggregate amount of $520 million (the “Covered Facility” $250 million, the “Uncovered Facility” $210 million, and the “ECA Direct Facility” $60 million) and a $52 million senior secured mine closure bonding facility (the “Bonding Facility”). These project finance facilities are subject to affirmative, financial and restrictive covenants that include obligations to maintain the security interests in favour of the lenders over substantially all of the respective project’s property and shares, insurance coverage, maintenance of off-take agreements, compliance with environmental and social matters, restrictions on new financial indebtedness, distributions and dispositions, and compliance with certain financial ratios. As at September 30, 2022, the Company was in compliance with these covenants.

As a condition to the financing facilities, the Company was required to effect certain hedging strategies as detailed in the lending agreement. The agreement indicates that the Company must implement hedging programs related to copper prices, foreign exchange rates and interest rates during the financing period. The Company has complied with all obligations related to the financing agreements and the financing for the MVDP.

Interest on borrowings under the MVDP Facility is payable quarterly at a variable rate of 3-month US$ LIBOR plus a margin per annum (i.e., 1.65% for the Covered Facility and, with respect to the Uncovered Facility, a rate of 3.75% and with respect to the ECA Direct Facility, a rate of 4.00% pre-completion of the MVDP, and decreasing to 3.50% and 3.75% respectively post-completion of the MVDP). Pursuant to the Covered Facility, an export credit agency guaranteed premium of 2.05% per annum is also payable quarterly and calculated over amounts outstanding under the Covered Facility. The MVDP is secured by a comprehensive security package covering substantially all of Mantoverde's assets. These facilities amortize from the earlier of September 30, 2024 and 180

[1] *These are alternative performance measures. Refer to the MD&A section entitled “Alternative Performance Measures”.*

days after project completion. The Uncovered Facility amortizes over a 10 year period and the Covered Facility and ECA Direct Facility amortize over 12 years.

Mantoverde Cost Overrun Facility ("COF")
MMC agreed to provide a $60 million COF in exchange for additional off-take of copper concentrate production under a 10-year contract. The COF carries an interest rate of LIBOR plus 1.70% and amortizing over 37 quarters from the earlier of September 30, 2024 or three quarters after project completion. As at September 30, 2022, the amount drawn on the COF was $22.9 million. Mantoverde SA is required to draw on the COF to fund any increases in capital over the original estimate of $785 million regardless of operating cash flow balance. The total costs for MVDP were increased to $825 million during the second quarter thus resulting in a draw on the COF during the current quarter.

Revolving Credit Facility
On May 12, 2022, Capstone Mining amended its corporate RCF. The amended RCF was increased to $500 million, plus $100 million accordion option available 180 days after closing, and has a maturity of four years from closing and an interest cost of adjusted term Secured Overnight Financing Rate ("SOFR") plus a margin of 1.875% - 2.75% depending on the total net leverage ratio. The amended RCF became effective on July 22, 2022 after all the required security was in place and customary closing conditions were met.

The interest rate at September 30, 2022 was adjusted term SOFR plus 1.875% (2021 - US LIBOR plus 2.50%) with a standby fee of 0.42% (2021 – 0.56%) payable on the undrawn balance (adjustable in certain circumstances).

The RCF in effect as of September 30, 2022 is secured against the present and future real and personal property, assets and undertakings of Capstone Copper (other than defined excluded entities, Acquisition Co., Far West Mining Ltd., Minera Santo Domingo SCM, and Far West Exploration S.A., Mantoverde Holding SpA, Mantoverde S.A., Mantos Copper Delaware LLC and subject to certain exclusions for Capstone Mining Chile SpA).

The credit facility requires Capstone to maintain certain financial ratios relating to debt and interest coverage. Capstone was in compliance with these covenants as at September 30, 2022. As at September 30, 2022, the balance of the RCF is $91.8 million (December 31, 2021 - nil).

Mantos Blancos Concentrator Development Project Debt Facility
A subsidiary of the Company entered into a $150 million debt facility with Glencore Chile SpA ("Glencore") in connection with the Mantos Blancos CDP, with an associated off-take agreement with Complejo Metalúrgico Altonorte S.A. for 75% of the concentrates produced including the silver contained (both agreements expire on December 31, 2026). Interest on borrowings under the Mantos Blancos CDP Facility is payable quarterly at a variable rate of 3-month US$ LIBOR plus a margin of 4.5% per annum and repayment terms require that the Company make repayment installments quarterly, equal to a percentage of the aggregate loans outstanding at the end of the period. On July 22, 2022, the Company fully repaid the Mantos Blancos CDP debt facility and the facility was cancelled.

As at September 30, 2022, Capstone Copper is in a net (debt)[1] position of $331.5 million with $505.0 million long-term debt drawn in total. As at September 30, 2022, $410.0 million was drawn on the MVDP facility and $95.0 million was drawn on the RCF and $22.9 million was drawn on the COF which is noted as Due to Related Party amount.

Hedging

During Q3 2022, 65,000 tonnes of 2023 copper sales were hedged using forwards and zero cost collars ("ZCCs"), bringing our total 2023 copper hedging to 85,000 of copper hedged in 2023.

The 65,000 of copper hedging completed in Q3 2022 includes forwards (37kt at a weighted average forward price of $3.63 per pound) and 28kt of ZCCs (floor price of $3.20 per pound and a weighted average cap of $4.15 per pound).

The Company has hedged certain input costs and revenue products as part of an overall risk management strategy:

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

- The Company entered into ZCCs whereby it sold a series of call option contracts and purchased a series of put option contracts for nil cash premium. The contracts were for a total of 26,700 tonnes of copper covering the period from May 2022 through December 2022, and have a floor and weighted average ceiling price of $4.00/lb and $4.86/lb, respectively. The intent is to ensure positive operating margins on the production of cathodes. There was realized gain on the zero cost collars of $10.8 million for the three and nine months ended September 30, 2022.

- The Company entered into copper time-spread swaps in order to manage the risk associated with provisional pricing in terms of copper concentrate sales agreements. There was no realized gain on the swaps for the three and nine months ended September 30, 2022.

- Financial hedges were executed on foreign exchange rates to protect approximately 75% of the Company's Mexican Peso exposure through to December 2022, through Mexican Peso to US dollar exchange rate zero cost collars (being purchased puts and sold calls with offsetting values at inception). There was no realized gain or loss on these Mexican Peso zero cost collars for the three and nine months ended September 30, 2022.

- Financial hedges were executed on foreign exchange rates to protect approximately 75% of the Santo Domingo's Chilean Peso exposure through to December 2022 and to protect approximately 50% of the Company's attributable Chilean Peso exposure on operating costs at Mantoverde and Mantos Blancos from April 2022 through to December 2023 all through Chilean Peso to US dollar exchange rate zero cost collars (being purchased puts and sold calls with offsetting values at inception). There was a realized loss on the Chilean Peso zero cost collars of $0.1 million for the three and nine months ended September 30, 2022.

- Financial hedges were executed on foreign exchange rates to protect the Company's CAD dollar exposure through to February 2023 all through US dollar to CAD dollar exchange rate forward contracts. There was no realized loss on the CAD dollar forward contracts for the three and nine months ended September 30, 2022.

- As a condition of the project financing for the MVDP, Mantoverde was required to effect certain hedging strategies as follows:
    - Fixed-for-floating copper swaps covering 65% of copper cathode production at an average price per tonne at inception of $7,698 (~$3.49/lb) through to June 30, 2024;
    - Fixed-for-floating LIBOR swaps at 1.015% for 10-years, with a 0% floor on the LIBOR rate within the first five years (expiring in September 2025);
    - CLP:US$ foreign exchange rate forwards at an average price of 727.4 and notional amount of approximately US$103 million that mature in May 2024 to hedge 100% of the forecasted EPC contract costs denominated in CLP; and
    - CLF:US$ foreign exchange rate forwards at an average price of 41.7 and notional amount of approximately $304.1 million that mature in May 2024 to hedge 100% of the forecasted EPC contract costs denominated in CLF.
- The realized loss on Mantoverde's derivative portfolio was $10.6 million and $35.6 million for the three and nine months ended September 30, 2022, respectively.

- Pinto Valley contracted for fixed diesel prices with a supplier on its expected 2022 diesel consumption at $2.13/gallon. The contracted diesel price has resulted in cost savings of $3.0 million and $10.0 million during the three and nine months ended September 30, 2022, respectively.

Financial Capability

The Company's ability to service its ongoing obligations and cover anticipated corporate, exploration and development costs associated with its existing operations is dependent on the Pinto Valley, Mantos Blancos, Mantoverde, and Cozamin mines generating positive cash flow and available liquidity[1]. Based on reasonable expectations for our operating performance, and additional liquidity options available such as capital market access, the recently amended and extended Corporate RCF of $500 million, $405 million of which is undrawn, plus the $100 million accordion and the hedging programs described above, provides both protection from further

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

weakening of copper prices in 2023 and significant available liquidity as the Company completes the Mantoverde Development Project.

Our liquidity as at September 30, 2022 was $711 million, which included $196 million of cash and cash equivalents and short-term investments, $405 million of undrawn amounts on our $500 million RCF and $110 million of undrawn amounts on the $520 million MVDP facility.

Capital Management

Capstone Copper's capital management objectives are intended to safeguard the Company's ability to support its normal operating requirements on an ongoing basis as well as continue the development and exploration of its mineral properties and support any expansion plans. As part of the Company's treasury policy, the Company will only hold deposits in Canadian Tier 1 banks, International Commercial Banks with a rating of A- or greater, Canadian and US government bonds, or bankruptcy remote treasury market or exchange traded funds of AAA rating.

Commitments

Royalty Agreements

Under the terms of the December 2003 option agreement with Grupo Minera Bacis S.A. de C.V. ("Bacis"), Capstone Mining assumed a 100% interest in the Cozamin Mine with a 3% net smelter royalty paid to Bacis on all payable metal sold from production on the property covered by the agreement.

In connection with the financing of the Mantos Blancos Debottlenecking Development Project, Mantos Copper S.A. entered into a royalty agreement with Southern Cross Royalties Limited ("Southern Cross"). Southern Cross is entitled to a 1.525% net smelter royalty on copper production. The royalty is for a period initially through January 1, 2035 that may be extended by Southern Cross at its sole discretion through the duration of the mining rights and is subject to the Company's option to reduce the royalty amount by 50% any time after January 1, 2023, subject to a one-time payment.

Agreement with Jetti Resources, LLC ("Jetti")

Under the terms of the 2019 agreement, the Company is required to make quarterly royalty payments to Jetti based on an additional net profits calculation resulting from cathode production at the Pinto Valley mine. The initial term of the agreement is ten years, renewable for 5-year terms thereafter.

Off-take agreements

The Company has sales commitments of copper concentrate production at Mantos Blancos under off-take agreements with Glencore.

The Company has sales commitments equal to 100% of its copper cathode production at Mantoverde and Mantos Blancos under off-take agreements with Anglo American Marketing Limited ("AAML") up to the end of December 2027.

The Company has a concentrate off-take agreement with a third party whereby the third party will purchase 100% of the copper concentrate produced by the Cozamin Mine up to the end of December 2022.

The Company has a number of annual and multi-year concentrate off-take agreements with third parties whereby they will purchase the copper concentrate produced by the Pinto Valley Mine.

The Company entered into an off-take agreement with Boliden Commercial AB ("Boliden") for 75 thousand tonnes of copper concentrates in each contract year. The off-take agreement expires ten years after the commencement of commercial production at the MVDP, subject to potential extension if less than 750 thousand tonnes of copper concentrates have been delivered at the contract term and subject to termination if commercial production does not commence by December 31, 2024.

MMC agreed to provide a $60 million COF in exchange for additional off-take of copper concentrate production under a 10-year contract. The off-take agreement includes Mantoverde agreeing to sell 30% of its annual copper production per year delivered for its equivalent in copper concentrates, plus an additional amount per annum of

20,000 to 30,000 tonnes of copper concentrate depending on the amount that is drawn by Mantoverde under the COF provided by MMC in connection with the MVDP. The agreement between MMC and Mantoverde to sell 30% of its annual copper production is for the duration of Mantoverde's commercial mine life. The amount payable for copper is based on average LME prices, subject to certain terms.

Construction and other operating contracts
The Company entered into the EPC with Ausenco Chile Limitada for an estimated aggregate cost of $525 million. As at September 30, 2022, capital expenditures committed, but not yet incurred, were $270.0 million.

The Company has a contractual agreement extending until 2033 to purchase water for operations at Mantos Blancos.

The Company has contractual agreements for the purchase of power for operations at Mantos Blancos and Mantoverde, extending until 2028 and 2039, respectively.

The Company has contractual arrangements at Mantos Blancos and Mantoverde for the purchase of acid in 2023 and 2024 of 325 ktonnes and 420 ktonnes, respectively.

Other
The Company has provided a guarantee to the Chilean Internal Revenue Service that all value added taxes and other taxes receivable amounts refunded, plus interest, will be repaid if construction of the Santo Domingo development project is not completed by August 31, 2026.

Provisions

Provisions of $274.7 million at September 30, 2022 includes the following:

- $243.8 million for reclamation and closure cost obligations at Capstone Copper's operating mines;
- $24.7 million related to other long-term obligations at the Cozamin and Chilean mines; and
- $6.2 million for the long-term portion of the share-based payment obligations associated with the Share Unit Plan. The current portion of the share-based payment obligations of $11.3 million is recorded in other liabilities.

Share-based payment obligations decreased by $60.7 million during 2022 YTD. The decrease was primarily driven by the decrease in share price during the period.

Precious Metal Streams

Cozamin Silver Stream

On February 19, 2021, Capstone Mining entered into a precious metals purchase arrangement with Wheaton whereby the Company received upfront cash consideration of $150 million against delivery of 50% of the silver production from the Company's Cozamin mine until 10 million ounces have been delivered, thereafter dropping to 33% of silver production for the remaining life of the mine.

In addition to the upfront payment of $150 million, as silver is delivered under the terms of the arrangement, the Company receives cash payments equal to 10% of the spot silver price at the time of delivery for each ounce delivered to Wheaton.

The Company recorded the upfront cash consideration received as deferred revenue and recognizes amounts in revenue as silver is delivered under the arrangement. For the period ended September 30, 2022, the amount of the deferred revenue liability recognized as revenue was $10.1 million.

Santo Domingo Gold Stream

On April 21, 2021, Capstone Mining received an early deposit of $30 million in relation to the precious metals purchase arrangement with Wheaton effective March 24, 2021. Additional deposits of $260 million are to be received over the Santo Domingo construction period, subject to sufficient financing having been obtained to cover total expected capital expenditures and other customary conditions, for total consideration of $290 million ("Deposit"). Wheaton will receive 100% of the gold production from the Company's Santo Domingo development project until 285,000 ounces have been delivered, thereafter dropping to 67% of the gold production.

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

In addition to the Deposit, as gold is delivered under the terms of the arrangement, the Company receives cash payments equal to 18% of the spot gold price at the time of delivery for each ounce delivered to Wheaton, until the Deposit has been reduced to zero, thereafter increasing to 22% of the spot gold price upon delivery.

The Company recorded the upfront early deposit of $30 million received as deferred revenue and will recognize amounts in revenue as gold is delivered under the arrangement. For the period ended September 30, 2022, there was no amortization of the deferred revenue liability recognized as revenue.

The non-current portion of the deferred revenue liability for both stream arrangements on the balance sheet at September 30, 2022 was $161.3 million.

Purchase of Non-Controlling Interest from KORES

At September 30, 2022, a liability of $39.9 million has been recognized in other non-current liabilities equal to the discounted amount of the remaining $45.0 million to be paid to KORES as part of the agreement to purchase its 30% share of Acquisition Co. The discounted amount of the remaining $45.0 million will be accreted up to its face value at 5% per year. During the nine months ended September 30, 2022, $3.0 million of accretion was recorded in other interest expense in the condensed interim consolidated statements of income.

Risks and Uncertainties

For full details on the risks and uncertainties affecting the Company, please refer to the Company's Management Information Circular dated January 27 2022 (See section entitled "Risk Factors") and the MD&A for the six months ended June 30, 2022. This document is available for viewing on the Company's website at www.capstonecopper.com or on the Company's profile on the SEDAR website at www.sedar.com.

Mining is inherently dangerous and subject to conditions or events beyond Capstone Copper's control.

Capstone's operations are subject to all the hazards and risks normally encountered in the exploration, development, construction, care and maintenance activities and production of copper and other metals, including, without limitation, workplace accidents, fires, wildfires, power outages, labour disruptions, port blockages, flooding, mudslides, explosions, cave-ins, landslides, ground or stope failures, tailings dam failures and other geotechnical instabilities, weather events, seismic events or major earthquakes, tsunamis, access to water, equipment failure or structural failure, metallurgical and other processing problems and other conditions involved in the mining and processing of minerals, any of which could result in damage to, or destruction of, our mines, mineral properties, plants and equipment, multiple personal injuries or loss of life, environmental damage to surrounding land, vegetation other biological and water resources, delays in mining, increased production costs, asset write-downs, monetary losses, legal liability and governmental action. Our mines have large tailings dams which could fail as a result of extreme weather events, seismic activity, or for other reasons. The occurrence of any of these events could result in a prolonged interruption in Capstone Copper's operations, increased costs for asset protection or care and maintenance activities that would have a material adverse effect on Capstone Copper's business, financial condition, results of operations and prospects. These conditions or events could lead to an adverse impact on public infrastructure and surrounding communities. The occurrence of one of more of these events could have a long-term impact on Capstone Copper employee's morale, Capstone Copper's reputation, and result in greater regulatory scrutiny and loss of or delays in obtaining licenses to operate.
Our operations are reliant on infrastructure including but not limited to water sources, public roadways, power and transmission facilities, warehouses, and ports. Wildfires and inclement weather conditions, whether occurring at Capstone Copper's sites, adjacent lands, or supplier and downstream sites, may impact our ability to operate, transport or access and supply sites, and increase overall costs or impact Capstone Copper's financial performance. In severe circumstances, civil authorities may impose evacuation orders. Our sites in Chile, Arizona and Mexico are subject to drought conditions and create a higher exposure to wildfire or man-made fire risk.

We face added risks and uncertainties of operating in foreign jurisdictions, including changes in regulation and policy, and community interest or opposition.

Capstone Copper's business operates in a number of foreign countries where there are added risks and uncertainties due to the different economic, cultural and political environments. Our mineral exploration and mining activities may be adversely affected by political instability and changes to government regulation relating to the mining industry. Changes in governmental leadership in the US, Chile, and Mexico, could impact Capstone

Copper's operations and local societal conditions. There may be additional risks and uncertainties following Chilean Presidential, Chamber and Senate elections. The President and the renovated Congress elected on November 21, 2021, took office on March 11, 2022. The Senate holds a 50/50 balance between right and left wing Senators. Although the government's legislative agenda is not yet fully known, it is known to include a tax reform as a priority. On September 4, 2022, the newly proposed constitution was rejected by Chileans. Discussions within Congress are still underway to determine next steps. As a result, the next 12 months will be important in determining whether the constitutional process will lead to further uncertainty and instability and Capstone Copper cannot give assurance that future political developments in Chile will not adversely affect its business, results of operations or financial condition.

Other risks of foreign operations include political or social and civil unrest, labour disputes and unrest, invalidation of governmental orders and permits, corruption, organized crime, theft, sabotage, war, civil disturbances and terrorist actions, arbitrary changes in law or policies of particular countries including nationalization of mines, government action or inaction on climate change, trade disputes, foreign taxation, royalties, price controls, delays in obtaining or renewing or the inability to obtain or renew necessary environmental permits, opposition to mining from local communities and environmental or other non-governmental organizations, social perception impacting our social licence to operate, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports and increased financing costs. Local economic conditions, including but not limited to higher incidences of criminal activity and violence in areas, such as Mexico can also adversely affect the security of our people, operations and the availability of supplies. Capstone Copper may encounter social and community issues including but not limited to public expression against our activities, protests, road blockages, work stoppages, or other forms of expression, which may have a negative impact on our reputation and operations or projects. Opposition to our mining activities by local landowners, the ejidos, communities, or activist groups may cause significant delays or increased costs to operations, and the advancement of exploration or development projects, and could require Capstone Copper to enter into agreements with such groups or local governments.

In addition, risks of operations in Mexico include extreme fluctuations in currency exchange rates, high rates of inflation, significant changes in laws and regulations including but not limited to tax and royalty regulations, labor regimes, failures of security, policing and justice systems, corruption, and incidents such as hostage taking and expropriation. There are uncertainties regarding Mexico's approved 2022 Economic Package and Tax Reform, that may have an impact on Cozamin's operations and profitability. These risks in Mexico and Chile may limit or disrupt Capstone Copper's projects, reduce financial viability of local operations, restrict the movement of funds, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation.

There can be no assurance that changes in the government, including but not limited to the change in the federal administration of the United States, or laws or changes in the regulatory environment for mining companies or for non-domiciled companies will not be made that would adversely affect Capstone Copper's business, financial condition, results of operation and prospects. There are uncertainties related to President Biden's Made in America Tax Plan which proposes corporate tax reforms that may increase Pinto Valley's future tax obligations.
Differences in interpretation or application of tax laws and regulations or accounting policies and rules and Capstone Copper's application of those tax laws and regulations or accounting policies and rules where the tax impact to the Company is materially different than contemplated may occur and adversely affect Capstone Copper's business, financial condition, results of operation and prospects. Capstone Copper is subject to a multitude of taxation regimes and any changes in law, policy or interpretation of law, policy may be difficult to react to in an efficient manner.

The maintenance and fostering of strong community relationships is integral to the success of Capstone Copper's operations. Failure to manage relationships with local communities, government and non-governmental organizations may adversely affect Capstone Copper's reputation, as well as its ability to bring projects into production, which could in turn adversely affect its business, results of operations or financial condition, potentially in a material manner.

Failure to recognize, respond and align to changing stakeholder expectations and requirements regarding issues such as environment, social and governance matters, particularly linked to climate change, tailings dams and carbon emissions, could affect Capstone Copper's growth opportunities and its future revenues and cash flows.

Stakeholder requirements and expectations continue to evolve, and different stakeholder groups can have opposing requirements and expectations of Capstone Copper.

The potential adoption of a mining royalty tax in Chile could adversely affect Capstone Copper's operations.
In late October 2022, an amended legislative proposal was re-introduced that, if implemented as proposed, would affect mining entities with sales of 50,000 metric tonnes of fine copper, or the equivalent substance converted into metric tonnes of fine copper and had two components. The first component is an ad valorem tax of 1% for companies that produce more than 50,000 and would not be assessed if operating margins are negative. The second component is a rate between 8% and 26% on the operational margin after depreciation. The proposal will need approval from both the Lower House and Senate and as such, the final form and timing of adoption of the mining royalty bill is still unknown.

If adopted and enacted, the proposed royalty bill may have an impact on Mantos Blancos, Mantoverde and Santo Domingo's operations and profitability and would have significant negative implications for future investment in the Chilean copper industry more broadly, reducing the attractiveness of new copper projects. Companies with tax stability agreements in place should be protected from the potential new royalty bill. Capstone Copper retains a tax stability agreement at Santo Domingo with respect to mining royalties which becomes effective post commercial production for a period of 15 years. Certain investment and other criteria need to be met to maintain the tax stability agreement. This may limit or disrupt Capstone Copper's projects, reduce financial viability of local operations, restrict the movement of funds or result in the deprivation of contract rights.

Surety bonding risks.
Capstone Copper secures its obligations for reclamation and closure costs with surety bonds provided by leading global insurance companies in favour of regulatory authorities in Arizona and Chile. The regulators could increase Capstone Copper's bonding obligations or request additional financial guarantees for reclamation and closure activities. Further, these surety bonds include the right of the surety bond provider to terminate the relationship with Capstone Copper or a Capstone Copper subsidiary on providing notice of up to 90 days. The surety bond provider would, however, remain liable to the regulatory authorities for all bonded obligations existing prior to the termination of the bond in the event Capstone Copper failed to deliver alternative security satisfactory to the regulator. There is no assurance that the Company will be successful in obtaining alternative surety bond providers or alternative financial guarantee mechanisms at satisfactory terms or at all and could have an impact on the Company's financial results and growth prospects. Failure to furnish a satisfactory financial guarantee to the regulators could result in a suspension of operations.

Capstone Mining remains an Indemnitor for Minto Metals Corp.'s surety bond obligations in the Yukon and could be liable for the bonded obligations in the event Minto Metals Corp. does not satisfy those obligations or if the surety requires additional or alternative security or the regulators require additional bonding amounts and Minto Metals Corp. is unable to satisfy the new requirements. If Minto Metals Corp. is unable to furnish satisfactory financial guarantee to the regulators, this could result in a default to the Minto Metals Corp. surety bond and Capstone Mining may become liable for the outstanding reclamation liabilities including but not limited to the costs up to the amount of the bond, which could have a material adverse effect on Capstone Copper's business, financial condition and prospects.

Labor disruptions involving Capstone Copper employees or the employees of its independent contractors could affect its production levels and costs. Our operations will be adversely affected if we fail to maintain satisfactory labour relations.
Approximately 94% of employees at Mantos Blancos and 96% of employees at Mantoverde are covered by agreements with one of the labor unions with a presence at the mining operations. In addition, contractors or subcontractors form a significant part of Mantos Blancos and Mantoverde workforce, making up approximately 40% of the total workforce. Pursuant to Chilean regulations, labor negotiations with a contractor's workforce are the responsibility of the relevant contractors. Mantos Blancos and Mantoverde may experience work slowdowns or disruptions in the future, whether of its own workforce or a contractor's workforce, and there can be no assurance that a work slowdown or work stoppage will not occur prior to or upon the expiration of the current long-term labor agreements. In 2016, the Government of Chile promulgated an extensive labor reform law (the "Labor Reform Law"), which became effective in 2017. The Labor Reform Law prevents Chilean companies from hiring temporary replacements for striking employees and also prevents the replacement of striking employees

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

with other existing employees of the company. This may have an adverse effect on Capstone Copper's overall employment and operating costs and may increase the likelihood of business disruptions in Chile.

Approximately 412 of the hourly employees at the Pinto Valley mine are represented by six unions, governed by one collective bargaining agreement negotiated by the United Steelworkers Union which is in effect until August 31, 2026. Additional groups of non-union employees may seek union representation in the future. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in jurisdictions where Capstone Copper conducts business. Changes in such legislation or otherwise in our relationship with our employees may result in higher ongoing labour costs, employee turnover, strikes, lockouts or other work stoppages, any of which could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to compete successfully with other mining companies.
The mining industry is competitive in all of its phases. Capstone Copper faces strong competition from other mining companies in connection with the acquisition of properties producing or capable of producing metals. Many of these companies have greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more diversification, more effective risk management policies and procedures and/or a greater ability than Capstone Copper to withstand losses. Our competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion or efficiency of their operations than we can. There is no guarantee that our investment in new technologies will result in improved operational or financial performance or our overall competitiveness in the long term, including but not limited to the Eriez HydroFloat Coarse Particle Flotation Technology and the Jetti catalyst technology. The performance of the Jetti catalyst technology may not result in the level of copper cathode recovery anticipated at our Sx-Ew plant. Once commissioned, the performance of our paste and backfill plant may not be as anticipated. There is no guarantee that the Mantoverde-Santo Domingo ("MV-SD") District Integration Plan will result in improved operational or financial performance. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships amongst themselves or with third parties.

Accordingly, it is possible that new competitors or alliances amongst current and new competitors may emerge and gain significant market share to our detriment. Capstone Copper may also encounter increasing competition from other mining companies and producers particularly around sales, supply and labor prices, contractual terms and conditions, attracting and retaining qualified personnel and securing the services and supplies Capstone Copper's needs for its operations. Increased competition could adversely affect Capstone Copper's ability to attract necessary capital funding, to acquire it on acceptable terms, or to acquire suitable producing properties or prospects for mineral exploration in the future. As a result of this competition, we may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on our business, financial condition, results of operations and prospects. Further, Capstone Copper may become a target for a corporate takeover or may decide to engage in a strategic merger. Such activities may create uncertainty among shareholders and markets and therefore influence share prices.

Transactions with Related Parties

As described in the Nature of Business section, Capstone Copper has related party relationships, as defined by IFRS, with its key management personnel.

Related party transactions and balances are disclosed in the consolidated financial statements for the year ended December 31, 2021, except the following:

- MMC has a 30% non-controlling interest in Mantoverde S.A. as part of the project financing for Mantoverde's Development Project.
- MMC agreed to provide a $60 million COF in exchange for additional off-take of copper concentrate production under a 10-year contract. The COF carries an interest rate of LIBOR plus 1.70% and amortizing over 37 quarters from the earlier of September 30, 2024 or three quarters after project completion. As at September 30, 2022, the amount drawn on the COF was $22.9 million.
- Orion Resource Partners ("Orion") were Mantos' largest shareholder and on completion of the Transaction hold approximately 32% shareholder interest in Capstone Copper. The amounts previously due from a related party were a loan granted by Capstone Copper (previously Mantos Copper (Bermuda)

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Ltd.) to Orion Fund JV Ltd. Amounts previously due to a related party were a loan granted by Orion Fund JV Ltd. to Mantos Copper Holdings SpA. These amounts were settled during June 2022 via a non-cash assignment and offset agreement.

Off Balance Sheet Arrangements

As at September 30, 2022, the Company had no off-balance-sheet arrangements other than the following:

- those disclosed under Commitments in the condensed interim consolidated financial statements for the three and nine months ended September 30, 2022;
- capital expenditure commitments totaling $270.0 million;
- the indemnification for Minto as disclosed under Other Assets in the condensed interim consolidated financial statements for the three and nine months ended September 30, 2022; and
- seven surety bonds totaling $216.6 million.

Accounting Changes

In January 2020, the International Accounting Standards Board ("IASB") issued amendments to International Accounting Standards 1 ("IAS 1"), Presentation of Financial Statements, to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2023, with early adoption permitted. Retrospective application is required on adoption. The Company does not expect these amendments to have a material effect on the Company's financial statements.

In May 2020, the IASB issued an amendment to IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The amendment clarifies that the costs of fulfilling a contract when assessing whether a contract is onerous comprise both the incremental costs and an allocation of other costs that relate directly to fulfilling the contract. The amendment became effective January 1, 2022, and applies to contracts existing at the date when the amendments are first applied. On adoption of this amendment, there was no impact to the Company's consolidated financial statements.

In May 2020, the IASB issued an amendment to IAS 16, Property, Plant and Equipment - Proceeds before Intended Use. The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in the consolidated statements of income (loss). The amendment became effective January 1, 2022. The Company has assessed the impact of the amendment and it does not have a significant effect on the Company's financial statements.

In May 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which amended IAS 12 Income Taxes. The amendments will become effective January 1, 2023. The Company is assessing the impact of the amendment and does not expect it to have a significant effect on the Company's financial statements.

Changes in Accounting Policies and Critical Accounting Estimates and Judgments

Significant accounting policies as well as any changes in accounting policies are discussed in Note 3 "Significant Accounting Policies, Estimates and Judgements" of the September 30, 2022 condensed interim consolidated financial statements.

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.

Attributable Net debt / Net cash

Attributable net debt / net cash is a performance measure used by the Company to assess its financial position and is calculated as net debt / net cash excluding amounts attributable to non-controlling interests.

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.

Property Cost per Tonne Milled

Property cost per tonne milled 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 monitor costs and assess overall efficiency and effectiveness of the mining operations.

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.

Breakdown of C1 Cash Costs and All-in Sustaining Cost Per Pound of Payable Copper Produced
Three Months Ended September 30, 2022

	Q3 2022				
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total
Payable copper produced (000s pounds)	30,153	29,255	25,532	13,466	98,406
($ millions)					
Production costs of metal produced (per financials)	70.7	74.7	108.9	17.1	271.4
Transportation cost to point of sale	(3.7)	—	—	(1.2)	(4.9)
Inventory working capital adjustments	(0.9)	(1.8)	(11.2)	—	(13.9)
Cash production costs of metal produced	66.1	72.9	97.7	15.9	252.6
($/pound)					
Production costs					
Mining	0.56	0.70	0.97	0.69	0.73
Milling/Processing	1.32	1.61	2.67	0.27	1.61
G&A	0.31	0.18	0.19	0.22	0.23
C1P sub-total	2.19	2.49	3.83	1.18	2.57
By-product credits	(0.08)	(0.02)	—	(0.28)	(0.07)
Treatment and selling costs	0.49	0.21	0.04	0.30	0.26
C1 cash cost ($/pound)	2.60	2.68	3.87	1.20	2.76
($/pound)					
Royalties	0.01	—	—	0.03	0.01
Production-phase capitalized stripping / Mineralized drift	—	0.62	—	0.02	0.19
Sustaining capital	0.70	0.25	0.25	0.53	0.41
Sustaining leases	0.02	0.12	0.08	—	0.06
Accretion of reclamation obligation	0.02	0.01	0.01	0.01	0.02
Amortization of reclamation asset	0.01	—	0.01	0.01	0.01
Corporate G&A, excluding depreciation					0.06
All-in sustaining cost adjustments	0.76	1.00	0.35	0.60	0.76
All-in sustaining cost ($/pound)	3.36	3.68	4.22	1.80	3.52

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Three Months Ended September 30, 2021

	Q3 2021		
	Pinto Valley	**Cozamin**	**Total**
Payable copper produced (000s pounds)	29,252	13,601	42,853
($ millions)			
Production costs of metal produced (per financials)	63.5	17.1	80.6
Transportation cost to point of sale	(5.2)	(1.3)	(6.5)
Inventory write-down	(0.3)	—	(0.3)
Realized gain on Mexican Peso derivatives	—	(0.7)	(0.7)
Inventory working capital adjustments	4.6	0.2	4.8
Cash production costs of metal produced	62.6	15.3	77.9
($/pound)			
Production costs			
Mining	0.65	0.70	0.66
Milling/Processing	1.26	0.25	0.94
G&A	0.22	0.18	0.21
C1P sub-total	2.13	1.13	1.81
By-product credits	(0.07)	(0.48)	(0.20)
Treatment and selling costs	0.38	0.28	0.35
C1 cash cost ($/pound)	2.44	0.93	1.96
($/pound)			
Royalties	0.02	0.09	0.04
Production-phase capitalized stripping / Mineralized drift	0.05	0.04	0.05
Sustaining capital	0.33	0.39	0.35
Sustaining leases	0.02	—	0.01
Accretion of reclamation obligation	—	0.01	0.01
Amortization of reclamation asset	0.01	0.01	0.01
Corporate G&A, excluding depreciation			0.10
All-in sustaining cost adjustments	0.43	0.54	0.57
All-in sustaining cost ($/pound)	2.87	1.47	2.53

[1] These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".

Breakdown of C1 Cash Costs and All-in Sustaining Cost Per Pound of Payable Copper Produced
Nine Months Ended September 30, 2022

	2022 YTD				
	Pinto Valley	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Total**
Payable copper produced (000s pounds)	**89,146**	**58,223**	**56,963**	**39,555**	**243,887**
($ millions)					
Production costs of metal produced (per financials)	**228.3**	**149.9**	**233.0**	**51.0**	**662.2**
Transportation cost to point of sale	**(17.4)**	**—**	**—**	**(3.4)**	**(20.8)**
Inventory write-down	**(0.1)**	**—**	**—**	**—**	**(0.1)**
Inventory working capital adjustments	**(9.5)**	**1.0**	**(29.1)**	**0.5**	**(37.1)**
Cash production costs of metal produced	**201.3**	**150.9**	**203.9**	**48.1**	**604.2**
By-Product Credits Estimated	**(3.1)**	**—**	**—**	**(4.9)**	**(8.0)**
Selling Costs Estimated	**16.8**	**0.3**	**0.1**	**3.7**	**20.9**
Total Cash costs	**215.0**	**151.2**	**204.0**	**46.9**	**617.1**
($/pound)					
Production costs					
Mining	**0.64**	**0.80**	**0.90**	**0.72**	**0.76**
Milling/Processing	**1.31**	**1.59**	**2.49**	**0.27**	**1.48**
G&A	**0.31**	**0.20**	**0.19**	**0.22**	**0.24**
C1P sub-total	**2.26**	**2.59**	**3.58**	**1.21**	**2.48**
By-product credits	**(0.11)**	**(0.02)**	**—**	**(0.32)**	**(0.10)**
Treatment and selling costs	**0.52**	**0.21**	**0.04**	**0.30**	**0.30**
C1 cash cost ($/pound PRODUCED)	**2.67**	**2.78**	**3.62**	**1.19**	**2.68**
($/pound)					
Royalties	**0.02**	**0.02**	**—**	**0.07**	**0.02**
Production-phase capitalized stripping / Mineralized drift	**0.01**	**0.57**	**—**	**0.04**	**0.15**
Sustaining capital	**0.53**	**0.24**	**0.24**	**0.53**	**0.39**
Sustaining leases	**0.02**	**0.12**	**0.08**	**—**	**0.06**
Accretion of reclamation obligation	**0.01**	**0.01**	**0.01**	**0.02**	**0.01**
Amortization of reclamation asset	**0.02**	**—**	**0.01**	**0.01**	**0.01**
Corporate G&A, excluding depreciation					**0.07**
All-in sustaining cost adjustments	**0.61**	**0.96**	**0.34**	**0.67**	**0.71**
All-in sustaining cost ($/pound PRODUCED)	**3.28**	**3.74**	**3.96**	**1.86**	**3.39**

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Nine Months Ended September 30, 2021

	2021 YTD		
	Pinto Valley	**Cozamin**	**Total**
Payable copper produced (000s pounds)	92,968	37,761	130,729
($ millions)			
Production costs of metal produced (per financials)	200.3	47.5	247.8
Transportation cost to point of sale	(18.4)	(3.0)	(21.4)
Inventory write-down	(0.3)	—	(0.3)
Realized gain on Mexican Peso derivatives	—	(2.0)	(2.0)
Inventory working capital adjustments	(3.0)	0.1	(2.9)
Cash production costs of metal produced	178.6	42.6	221.2
By-Product Credits Estimated	(3.5)	(5.9)	(9.4)
Selling Costs Estimated	13.9	3.2	17.1
Total Cash costs	189.0	39.9	228.9
($/pound)			
Production costs			
Mining	0.58	0.68	0.60
Milling/Processing	1.11	0.27	0.87
G&A	0.23	0.18	0.22
C1P sub-total	1.92	1.13	1.69
By-product credits	(0.09)	(0.47)	(0.20)
Treatment and selling costs	0.39	0.29	0.36
C1 cash cost ($/pound PRODUCED)	2.22	0.95	1.85
($/pound)			
Royalties	0.01	0.13	0.04
Production-phase capitalized stripping / Mineralized drift	0.07	0.04	0.06
Sustaining capital	0.34	0.40	0.36
Sustaining leases	0.01	—	0.01
Accretion of reclamation obligation	—	0.01	0.01
Amortization of reclamation asset	0.01	0.01	0.01
Corporate G&A, excluding depreciation			0.09
All-in sustaining cost adjustments	0.44	0.59	0.58
All-in sustaining cost ($/pound PRODUCED)	2.66	1.54	2.43

[1] These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".

Reconciliation of Net (debt) / Net cash

($ millions)	September 30, 2022	December 31, 2021
Long term debt (per financials), excluding deferred financing costs of 3.2 and nil and PPA fair value adjustments of 7.7 and nil	**(505.0)**	—
Due to related party (per financials)	**(22.9)**	—
Add:		
Cash and cash equivalents (per financials)	**194.5**	262.1
Short term investments (per financials)	**1.9**	2.3
Net (debt)/cash	**(331.5)**	264.4

Attributable reconciliation of Net (debt) / Net cash

($ millions)	September 30, 2022	December 31, 2021
Attributable Long term debt, excluding deferred financing costs of 3.2 and nil and PPA fair value adjustments of 7.7 and nil	**(382.0)**	—
Attributable Due to related party	**(16.0)**	—
Add:		
Attributable Cash and cash equivalents	**165.5**	262.1
Attributable Short term investments	**1.9**	2.3
Attributable Net (debt)/cash	**(230.6)**	264.4

Reconciliation of Available Liquidity

($ millions)	September 30, 2022	December 31, 2021
Revolving credit facility capacity	**500.0**	225.0
MVDP debt facility	**520.0**	—
Long term debt (per financials), excluding deferred financing costs of 3.2 and nil and PPA fair value adjustments of 7.7 and nil	**(505.0)**	—
	515.0	225.0
Cash and cash equivalents (per financials)	**194.5**	262.1
Short term investments (per financials)	**1.9**	2.3
Available liquidity	**711.4**	489.4

Reconciliation of Cash Flow from Operating Activities per Common Share

($ millions, except share and per share amounts)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Cash flow from operating activities (per financials)	**11.2**	70.0	**63.0**	458.9
Weighted average common shares - basic (per financials)	**687,376,497**	406,701,553	**604,534,669**	405,096,229
Cash flow from operating activities per share	**0.02**	0.17	**0.10**	1.13

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

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

($ millions, except share and per share amounts)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Operating cash flow (per financials)	**11.2**	70.0	**63.0**	458.9
Adjustment for changes in working capital (per financials)	**(0.3)**	(22.4)	**60.3**	(26.5)
Other non-cash changes[2]	**3.0**	19.5	**1.5**	19.2
Operating cash flow before changes in working capital[1,2]	**13.9**	67.1	**124.8**	451.6
Weighted average common shares - basic (per financials)	**687,376,497**	406,701,553	**604,534,669**	405,096,229
Operating cash flow before changes in working capital[1] per share ($)	**0.02**	0.16	**0.21**	1.11

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

[1] These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".

Reconciliation of Adjusted Net Income

($ millions, except share and per share amounts)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Net income (per financials)	**37.5**	35.0	**164.5**	211.5
Inventory write-down - production costs	**3.3**	0.3	**3.9**	0.3
Inventory write-down - depletion and amortization	**0.1**	—	**0.1**	—
Unrealized (gain) loss on derivative contracts	**(78.2)**	0.9	**(200.5)**	2.2
Share-based compensation expense	**2.3**	1.2	**8.1**	47.0
Unrealized foreign exchange (gain) loss	**(10.5)**	(1.6)	**(27.9)**	0.5
Mantos acquisition transaction costs	**—**	—	**19.4**	—
Other expense - non-recurring fees	**9.0**	0.1	**12.1**	0.2
Restructuring costs	**0.1**	—	**2.8**	—
Change in fair value of contingent receivable (RE:Minto)	**—**	(1.0)	**—**	(5.1)
Gain on disposal of assets	**—**	—	**(0.4)**	—
Gain on extinguishment of debt	**(8.0)**	—	**(8.0)**	—
Reversal of impairment on mineral properties (RE: Santo Domingo)	**—**	—	**—**	(92.4)
Non-recurring fees on streaming transactions	**—**	0.1	**—**	1.0
G&A - care and maintenance	**0.1**	0.2	**0.3**	0.3
Insurance proceeds received	**—**	—	**(2.4)**	—
Tax effect on the above adjustments	**25.0**	0.1	**59.1**	2.9
Adjusted net (loss) income	**(19.3)**	35.3	**31.1**	168.4
Adjusted net (loss) income attributable to:				
Shareholders of Capstone Copper Corp.	**(12.7)**	35.3	**44.3**	168.4
Non-controlling interests	**(6.6)**	—	**(13.2)**	(0.5)
	(19.3)	35.3	**31.1**	167.9
Weighted average common shares - basic (per financials)	**687,376,497**	406,701,553	**604,534,669**	405,096,229
Adjusted net (loss) income attributable to shareholders of Capstone Copper Corp. per common share - basic ($)	**(0.02)**	0.09	**0.07**	0.42
Weighted average common shares - diluted (per financials)	**692,239,166**	415,287,789	**610,515,216**	413,386,183
Adjusted net (loss) income attributable to shareholders of Capstone Copper Corp. per common share - diluted ($)	**(0.02)**	0.09	**0.07**	0.41

Reconciliation of Adjusted EBITDA

($ millions)	Q3 2022	Q3 2021	2022 YTD	2021 YTD
Net income (per financials)	**37.5**	35.0	**164.5**	211.5
Net finance costs	**6.4**	5.2	**18.6**	12.4
Taxes	**26.9**	17.6	**88.3**	65.2
Depletion and amortization	**46.7**	20.7	**132.9**	68.5
EBITDA	**117.5**	78.5	**404.3**	357.6
Share-based compensation expense	**2.3**	1.2	**8.1**	47.0
Inventory write-down - production costs	**3.3**	0.3	**3.9**	0.3
Inventory write-down - depletion and amortization	**0.1**	—	**0.1**	—
Realized loss on MVDP financing derivatives	**10.5**	—	**35.6**	—
Unrealized (gain) loss on derivatives	**(78.2)**	0.9	**(200.5)**	2.2
Gain on disposal of assets	**—**	—	**(0.4)**	—
Gain on extinguishment of debt	**(8.0)**	—	**(8.0)**	—
Unrealized foreign exchange (gain) loss	**(10.5)**	(1.6)	**(27.9)**	0.5
Mantos acquisition transaction costs	**—**	—	**19.4**	—
Other expense - non-recurring fees	**9.0**	0.1	**12.1**	0.2
Restructuring costs	**0.1**	—	**2.8**	—
Unrealized provisional pricing adjustment (revenue)	**(10.9)**	(4.9)	**28.3**	11.4
Insurance proceeds received	**—**	—	**(2.4)**	—
Reversal of impairment on mineral properties	**—**	—	**—**	(92.4)
Amortization of deferred revenue - non-cash	**(1.1)**	(1.3)	**(3.1)**	(3.8)
Non-recurring financing fees on streaming	**—**	0.1	**—**	1.0
Change in fair value of contingent receivable	**—**	(1.0)	**—**	(5.1)
Adjusted EBITDA	**34.1**	72.3	**272.3**	318.9
Adjusted EBITDA by mine				
Pinto Valley	**16.7**	35.9	**135.9**	206.7
Mantos Blancos	**8.8**	—	**51.2**	—
Mantoverde	**(17.7)**	—	**(4.7)**	—
Cozamin	**23.9**	41.2	**105.3**	125.9
Other	**2.4**	(4.8)	**(15.4)**	(13.7)
Adjusted EBITDA	**34.1**	72.3	**272.3**	318.9

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Property Cost per Tonne Milled

($ millions, except as noted)	2022 YTD Pinto Valley	2022 YTD Cozamin	2021 YTD Pinto Valley	2021 YTD Cozamin
Tonnes of mill feed (000s)	**13,947**	**1,038**	14,220	1,004
Production costs of metal produced (per financials)	**228.3**	**51.0**	200.3	47.5
Transportation cost to point of sale	**(17.4)**	**(3.4)**	(18.4)	(3.0)
Inventory write-down	**(0.1)**	**—**	(0.3)	—
Realized gain on derivative contract	**—**	**—**	—	(2.0)
Inventory working capital adjustments	**(9.5)**	**0.5**	(3.0)	0.1
Cash production costs of metal produced	**201.3**	**48.1**	178.6	42.6
Deferred Stripping/Mineralized Drift costs	**13.0**	**1.4**	8.7	1.5
Cathode costs	**(9.5)**	**—**	(9.1)	—
Stockpile movement	**(0.1)**	**—**	0.3	—
Total property costs	**204.7**	**49.5**	178.5	44.1
Property cost per tonne milled ($)	**14.67**	**47.66**	12.55	43.92

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

($ millions, except as noted)	Q3 2022 Pinto Valley	Q3 2022 Cozamin	Q3 2021 Pinto Valley	Q3 2021 Cozamin
Tonnes of mill feed (000s)	**4,429**	**352**	4,517	355
Production costs of metal produced (per financials)	**70.7**	**17.1**	63.5	17.1
Transportation cost to point of sale	**(3.7)**	**(1.2)**	(5.2)	(1.3)
Inventory write-down	**—**	**—**	(0.3)	—
Realized gain on derivative contract	**—**	**—**	—	(0.7)
Inventory working capital adjustments	**(0.9)**	**—**	4.6	0.2
Cash production costs of metal produced	**66.1**	**15.9**	62.6	15.3
Deferred Stripping/Mineralized Drift costs	**7.4**	**0.3**	2.4	0.5
Cathode costs	**(3.4)**	**—**	(2.9)	—
Stockpile movement	**0.4**	**(0.1)**	0.3	(0.3)
Total property costs	**70.5**	**16.1**	62.4	15.5
Property cost per tonne milled ($)	**15.90**	**45.86**	13.76	44.10

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Additional Information and Reconciliations

Sales from Operations

	2022				2021				
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Q4	Total
Copper (tonnes)									
Concentrate									
Pinto Valley	14,888	12,884	13,058	40,830	17,017	13,150	11,516	14,292	55,975
Mantos Blancos	977	8,228	8,819	18,024	—	—	—	—	—
Cozamin	5,592	5,935	5,989	17,516	4,799	5,919	5,989	6,286	22,993
Total Concentrate	21,457	27,047	27,866	76,370	21,816	19,069	17,505	20,578	78,968
Cathode									
Pinto Valley	604	585	643	1,832	485	503	443	666	2,097
Mantos Blancos	699	3,638	4,097	8,434	—	—	—	—	—
Mantoverde	2,748	14,224	11,560	28,532	—	—	—	—	—
Total Cathode	4,051	18,447	16,300	38,798	485	503	443	666	2,097
Total Copper	25,508	45,494	44,166	115,168	22,301	19,572	17,948	21,244	81,065
Zinc (000 pounds)									
Cozamin	1,005	(11)	—	994	2,110	1,789	505	386	4,790
Lead (000 pounds)									
Cozamin	—	—	—	—	302	82	—	(1)	383
Molybdenum (tonnes)									
Pinto Valley	17	22	(2)	37	—	—	—	—	—
Silver (000s ounces)									
Cozamin	352	327	353	1,032	309	355	363	399	1,426
Mantos Blancos	—	378	252	630	—	—	—	—	—
Pinto Valley	66	68	54	188	86	55	57	72	270
Total	418	773	659	1,850	395	410	420	471	1,696
Gold (ounces)									
Pinto Valley	178	268	44	490	630	156	369	537	1,692
Cozamin	—	—	—	—	1	—	—	—	1
Total	178	268	44	490	631	156	369	537	1,693

[1] *These are alternative performance measures. Refer to the MD&A section entitled "Alternative Performance Measures".*

Continuity Schedule of Concentrate and Cathode Inventories

	Pinto Valley*		Mantos Blancos		Mantoverde	Cozamin
	Copper (dmt)	**Cathode** (tonnes)	**Copper** (dmt)	**Cathode** (tonnes)	**Cathode** (tonnes)	**Copper** (dmt)
Dec. 31, 2020	14,514	34	—	—	—	1,199
Production	63,935	527	—	—	—	19,897
Sales	(71,056)	(485)	—	—	—	(19,779)
Mar. 31, 2021	7,393	76	—	—	—	1,317
Production	49,738	497	—	—	—	23,583
Sales	(53,236)	(502)	—	—	—	(23,761)
Jun. 30, 2021	3,895	71	—	—	—	1,139
Production	46,553	538	—	—	—	23,792
Sales	(46,071)	(443)	—	—	—	(23,491)
Sep. 30, 2021	4,377	166	—	—	—	1,440
Production	64,133	621	—	—	—	24,379
Sales	(59,016)	(666)	—	—	—	(25,054)
Dec. 31, 2021	9,494	121	—	—	—	765
Production	56,676	636	—	—	—	21,982
Sales	(62,216)	(603)	—	—	—	(21,938)
Mar. 31, 2022	3,954	154	146	949	3,284	809
Production	50,308	555	8,652	3,714	12,687	24,102
Sales	(51,278)	(584)	(8,543)	(3,637)	(14,223)	(23,646)
Jun. 30, 2022	2,984	125	255	1,026	1,748	1,265
Production	49,015	719	9,593	4,003	11,593	23,642
Sales	(48,672)	(643)	(9,036)	(4,097)	(11,560)	(23,701)
Sep. 30, 2022	3,327	201	812	932	1,781	1,206

* *Reported copper concentrate production at Pinto Valley noted in the "Pinto Valley Mine" section of this document includes copper produced in concentrate and in circuit and therefore differs from the copper concentrate production amount noted above.*

Outstanding Share Data and Dilution Calculation

The Company is authorized to issue an unlimited number of common shares, without par value. The table below summarizes the Company's common shares and securities convertible into common shares as at October 31, 2022:

Issued and outstanding	690,506,974
Share options outstanding at a weighted average exercise price of $1.86	8,357,027
Treasury share units outstanding at a weighted average exercise price of $5.40	2,005,142
Fully diluted	700,869,143

Under the Treasury Share Unit Plan, the Company has the ability to settle the units in shares up to 3.5% of the total issued and outstanding common shares of Capstone Copper.

Management's Report on Internal Controls

Disclosure Controls and Procedures ("DC&P")

Capstone Copper's management, with the participation of its Chief Executive Officer & Director and Senior Vice President & Chief Financial Officer, has designed DC&P which provide reasonable assurance that material information related to Capstone Copper is identified and communicated in a timely manner.

Internal Control Over Financial Reporting ("ICFR")

Capstone Copper's management, with the participation of its Chief Executive Officer & Director and Senior Vice President & Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR"). Any system of ICFR, no matter how well designed, has inherent limitations and cannot provide absolute assurance that all misstatements and instances of fraud, if any, within the Company have been prevented or detected. Capstone Copper's ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company uses the 2013 Internal Control – Integrated Framework published by The Committee of Sponsoring Organizations of the Treadway Commission ("2013 COSO framework") as the basis for assessing its ICFR.

There have been no changes in the company's ICFR that materially affected, or are reasonably likely to materially affect, ICFR during the three and nine months ended September 30, 2022.

Other Information

Approval

The Board of Directors of Capstone Copper approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it from the Company. A copy of this MD&A is also available for viewing at the Company's website at www.capstonecopper.com or on the Company's profile on the SEDAR website at www.sedar.com.

Additional Information

Additional information is available for viewing at the Company's website at www.capstonecopper.com or on the Company's profile on the SEDAR website at www.sedar.com.

National Instrument 43-101 Compliance

Unless otherwise indicated, Capstone Copper has prepared the technical information in this MD&A ("Technical Information") based on information contained in the technical reports 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 MD&A 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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

September 30, 2022

(Expressed in United States ("US") Dollars)

Capstone Copper Corp.

Condensed Interim Consolidated Statements of Financial Position

unaudited - expressed in thousands of US dollars

ASSETS		September 30, 2022		December 31, 2021
Current				
Cash and cash equivalents	$	**194,457**	$	262,094
Short-term investments		**1,872**		2,259
Receivables *(Note 6)*		**117,922**		33,489
Inventories *(Note 7)*		**142,478**		62,825
Derivative assets *(Note 5)*		**30,486**		543
Other assets *(Note 9)*		**41,266**		5,450
		528,481		366,660
Mineral properties, plant and equipment *(Note 8)*		**4,623,340**		1,310,870
Deferred income tax assets *(Note 15)*		**18,867**		30,593
Derivative assets *(Note 5)*		**61,621**		—
Other assets *(Note 9)*		**28,490**		19,839
Total assets	$	**5,260,799**	$	1,727,962
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	**241,141**	$	97,384
Lease liabilities *(Note 12)*		**28,445**		3,410
Income taxes payable		**12,865**		29,375
Derivative liabilities *(Note 5)*		**18,565**		387
Other liabilities *(Note 10)*		**19,571**		99,671
		320,587		230,227
Long-term debt *(Note 13)*		**509,498**		—
Deferred revenue *(Note 14)*		**161,319**		165,740
Due to related parties *(Note 11)*		**22,917**		—
Lease liabilities *(Note 12)*		**74,277**		12,631
Provisions		**274,742**		161,088
Deferred income tax liabilities *(Note 15)*		**637,146**		95,786
Derivative liabilities *(Note 5)*		**2,780**		—
Other liabilities *(Note 10)*		**49,892**		46,063
Total liabilities	$	**2,053,158**	$	711,535
EQUITY				
Share capital	$	**2,445,498**	$	849,409
Other reserves		**39,969**		39,008
Retained earnings		**283,433**		128,010
Total equity attributable to equity holders of the Company		**2,768,900**		1,016,427
Non-controlling interest *(Note 11)*		**438,741**		—
Total equity		**3,207,641**		1,016,427
Total liabilities and equity	$	**5,260,799**	$	1,727,962

Commitments *(Note 20)*

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.
Condensed Interim Consolidated Statements of Income
Three and Nine Months Ended September 30, 2022 and 2021
unaudited - expressed in thousands of US dollars, except share and per share amounts

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Revenue *(Note 17)*	**$ 308,704**	$ 165,412	**$ 933,434**	$ 578,876
Operating costs				
Production costs	**(271,434)**	(80,544)	**(662,267)**	(247,818)
Royalties	**(2,190)**	(1,717)	**(7,119)**	(5,566)
Depletion and amortization	**(46,296)**	(20,387)	**(131,927)**	(67,506)
(Loss) earnings from mining operations	**(11,216)**	62,764	**132,121**	257,986
General and administrative expenses *(Note 21)*	**(6,289)**	(4,459)	**(18,829)**	(12,937)
Exploration expenses *(Note 8)*	**(1,777)**	(146)	**(7,041)**	(1,848)
Impairment reversal on mineral properties *(Note 8)*	**—**	—	**—**	92,392
Share-based compensation expense *(Note 16)*	**(2,309)**	(1,203)	**(8,071)**	(47,042)
(Loss) income from operations	**(21,591)**	56,956	**98,180**	288,551
Other income (expense)				
Foreign exchange gain (loss)	**9,260**	1,282	**15,857**	(1,098)
Realized and unrealized gains on derivative instruments *(Note 5)*	**78,260**	(189)	**175,523**	(164)
Gain on extinguishment of debt *(Note 13)*	**8,035**	—	**8,035**	—
Transaction costs *(Note 4)*	**—**	—	**(19,433)**	—
Other (expense) income *(Note 22)*	**(3,141)**	(156)	**(6,751)**	1,823
Interest on long-term debt and surety bonds *(Note 23)*	**(1,749)**	(966)	**(4,025)**	(3,815)
Other interest expense *(Note 23)*	**(4,674)**	(4,263)	**(14,525)**	(8,624)
Income before income taxes	**64,400**	52,664	**252,861**	276,673
Income tax expense *(Note 15)*	**(26,926)**	(17,626)	**(88,330)**	(65,222)
Net income	**$ 37,474**	$ 35,038	**$ 164,531**	$ 211,451
Net income attributable to:				
Shareholders of Capstone Copper Corp.	**$ 34,113**	$ 35,038	**$ 143,146**	$ 185,415
Non-controlling interest *(Note 11)*	**3,361**	—	**21,385**	26,036
	$ 37,474	$ 35,038	**$ 164,531**	$ 211,451
Net earnings per share				
Earnings per share - basic *(Note 18)*	**$ 0.05**	$ 0.09	**$ 0.24**	$ 0.46
Weighted average number of shares - basic *(Note 18)*	**687,376,497**	406,701,553	**604,534,669**	405,096,229
Earnings per share - diluted *(Note 18)*	**$ 0.05**	$ 0.08	**$ 0.23**	$ 0.45
Weighted average number of shares - diluted *(Note 18)*	**692,239,166**	415,287,789	**610,515,216**	413,386,183

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.
Condensed Interim Consolidated Statements of Comprehensive Income
Three and Nine Months Ended September 30, 2022 and 2021
unaudited - expressed in thousands of US dollars

	Three months ended September		Nine months ended September	
	2022	2021	**2022**	2021
Net income	**$ 37,474**	$ 35,038	**$ 164,531**	$ 211,451
Other comprehensive (loss) income ("OCI")				
Items that will not be reclassified subsequently to profit or loss				
Change in fair value of marketable securities, net of tax of $289 and $262 (2021 - $nil and $nil)	**(679)**	(491)	**(4,207)**	2,230
Remeasurement for retirement benefit plans, net of tax of $nil (2021 - $nil)	**(18)**	—	**(118)**	—
	(697)	(491)	**(4,325)**	2,230
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation adjustment	**(507)**	(240)	**(646)**	(6)
	(507)	(240)	**(646)**	(6)
Total other comprehensive (loss) income for the period	**(1,204)**	(731)	**(4,971)**	2,224
Total comprehensive income	**$ 36,270**	$ 34,307	**$ 159,560**	$ 213,675
Total comprehensive income attributable to:				
Shareholders of Capstone Copper Corp.	**$ 32,909**	$ 34,307	**$ 138,175**	$ 187,639
Non-controlling interest *(Note 11)*	**3,361**	—	**21,385**	26,036
	$ 36,270	$ 34,307	**$ 159,560**	$ 213,675

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.
Condensed Interim Consolidated Statements of Cash Flows
Three and Nine Months Ended September 30, 2022 and 2021
unaudited - expressed in thousands of US dollars

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Cash provided by (used in):				
Operating activities				
Net income	**$ 37,474**	$ 35,038	**$ 164,531**	$ 211,451
Adjustments for:				
Depletion and amortization	**46,510**	20,719	**132,740**	68,496
Deferred income and mining tax expense	**26,926**	17,626	**88,330**	65,222
Impairment reversal on mineral properties *(Note 8)*	**—**	—	**—**	(92,392)
Inventory write-down	**3,449**	325	**4,015**	325
Share-based compensation expense	**2,309**	1,203	**8,071**	47,042
Net finance costs	**6,793**	5,229	**19,678**	12,439
Unrealized (gain) loss on foreign exchange	**(10,523)**	(1,664)	**(27,560)**	750
(Gain) loss on derivatives	**(78,141)**	137	**(183,868)**	624
Gain on extinguishment of debt *(Note 13)*	**(8,035)**	—	**(8,035)**	—
Gain on disposal of assets and other	**—**	—	**(391)**	(34)
Changes in contingent consideration *(Note 22)*	**—**	(998)	**—**	(5,067)
Amortization of deferred revenue and variable consideration adjustments *(Note 14)*	**(3,769)**	(4,071)	**(10,126)**	(12,959)
Precious metal stream deposits received *(Note 14)*	**—**	—	**—**	180,000
Income taxes paid	**(9,215)**	(6,436)	**(62,897)**	(25,393)
Income taxes received	**—**	7	**592**	1,097
Other payments (receipts)	**109**	3	**(212)**	(74)
Operating cash flow before working capital	**13,887**	**67,118**	**124,868**	**451,527**
Changes in non-cash working capital *(Note 19)*	**294**	22,385	**(60,337)**	26,533
Other non-cash changes *(Note 19)*	**(2,980)**	(19,473)	**(1,545)**	(19,210)
Operating cash flow	**11,201**	**70,030**	**62,986**	**458,850**
Investing activities				
Mineral properties, plant and equipment additions	**(185,273)**	(34,178)	**(408,099)**	(98,271)
Interest capitalized on construction in progress	**(6,569)**	—	**(14,656)**	—
Cash acquired on business combination with Mantos *(Note 4)*	**—**	—	**219,211**	—
(Purchase of) proceeds from short-term investments	**(3)**	1,203	**387**	1,305
Other assets	**135**	596	**(7,752)**	(9,208)
Investing cash flow	**(191,710)**	(32,379)	**(210,909)**	(106,174)
Financing activities				
Proceeds from borrowings *(Note 13)*	**195,000**	—	**295,000**	32,000
Repayment of borrowings *(Note 13)*	**(131,625)**	—	**(144,750)**	(216,925)
Proceeds from related party borrowings *(Note 11)*	**22,900**	—	**22,900**	—
Payment on purchase of non-controlling interest *(Note 11)*	**(34,731)**	—	**(34,731)**	(17,141)
KORES payment against promissory note *(Note 11)*	**—**	—	**—**	1,423
Repayment of lease obligations	**(9,568)**	(838)	**(20,583)**	(2,224)
Proceeds from the exercise of options	**627**	1,089	**2,496**	4,169
Payments for settlement of financial derivatives	**(14,571)**	—	**(37,509)**	(3,690)
Proceeds from settlement of financial derivatives	**1,624**	754	**1,624**	1,973
Interest paid on long-term debt and surety bonds	**(1,524)**	(680)	**(2,490)**	(2,784)
Financing cash flow	**28,132**	325	**81,957**	(203,199)
Effect of exchange rate changes on cash and cash equivalents	**(1,351)**	(117)	**(1,671)**	25
(Decrease in) increase in cash and cash equivalents	**(153,728)**	37,859	**(67,637)**	149,502
Cash and cash equivalents - beginning of period	**348,185**	168,223	**262,094**	56,580
Cash and cash equivalents - end of period	**$ 194,457**	$ 206,082	**$ 194,457**	$ 206,082
Supplemental cash flow information *(Note 19)*				

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.
Condensed Interim Consolidated Statements of Changes in Equity
Three and Nine Months Ended September 30, 2022 and 2021
unaudited - expressed in thousands of US dollars, except share amounts

	Attributable to equity holders of the Company									
	Number of shares	Share capital	Reserve for equity settled share-based transactions	Revaluation reserve	Foreign currency translation reserve	Share purchase reserve	Retained Earnings	Total attributable to equity holders	Non-controlling interest	Total equity
January 1, 2022	**413,482,355**	**$ 849,409**	**$ 53,264**	**$ 7,429**	**$ (16,551)**	**$ (5,134)**	**$ 128,010**	**$ 1,016,427**	**$ —**	**$ 1,016,427**
Shares issued on exercise of options *(Note 16)*	**2,673,449**	**2,786**	**(895)**	**—**	**—**	**—**	**—**	**1,891**	**—**	**1,891**
Share-based compensation *(Note 16)*	**—**	**—**	**4,201**	**—**	**—**	**—**	**—**	**4,201**	**—**	**4,201**
Settlement of share units	**—**	**—**	**—**	**—**	**—**	**2,626**	**12,277**	**14,903**	**—**	**14,903**
Shares issued as compensation	**131,775**	**624**	**—**	**—**	**—**	**—**	**—**	**624**	**—**	**624**
Business Combination Between Capstone and Mantos *(Note 4)*	**273,888,541**	**1,592,679**	**—**	**—**	**—**	**—**	**—**	**1,592,679**	**417,356**	**2,010,035**
Change in fair value of marketable securities	**—**	**—**	**—**	**(4,207)**	**—**	**—**	**—**	**(4,207)**	**—**	**(4,207)**
Remeasurements for retirement benefit plans	**—**	**—**	**—**	**(118)**	**—**	**—**	**—**	**(118)**	**—**	**(118)**
Net income	**—**	**—**	**—**	**—**	**—**	**—**	**143,146**	**143,146**	**21,385**	**164,531**
Foreign currency translation	**—**	**—**	**—**	**—**	**(646)**	**—**	**—**	**(646)**	**—**	**(646)**
September 30, 2022	**690,176,120**	**$ 2,445,498**	**$ 56,570**	**$ 3,104**	**$ (17,197)**	**$ (2,508)**	**$ 283,433**	**$ 2,768,900**	**$ 438,741**	**$ 3,207,641**
January 1, 2021	408,884,120	$ 842,789	$ 53,578	$ 3,429	$ (16,588)	$ (6,636)	$ (97,514)	$ 779,058	$ 110,109	$ 889,167
Shares issued on exercise of options *(Note 16)*	4,533,527	6,330	(2,161)	—	—	—	—	4,169	—	4,169
Share-based compensation	—	—	1,399	—	—	—	—	1,399	—	1,399
Settlement of share units	—	—	—	—	—	1,416	3,475	4,891	—	4,891
Change in fair value of marketable securities	—	—	—	2,230	—	—	—	2,230	—	2,230
Purchase of non-controlling interest in Acquisition Co.	—	—	—	—	—	—	(5,155)	(5,155)	(136,145)	(141,300)
Shares returned and cancelled	(107,099)	—	—	—	—	—	—	—	—	—
Net income	—	$ —	$ —	$ —	$ —	$ —	$ 185,415	$ 185,415	$ 26,036	$ 211,451
Foreign currency translation	—	$ —	$ —	$ —	$ (6)	$ —	$ —	$ (6)	$ —	$ (6)
September 30, 2021	413,310,548	$ 849,119	$ 52,816	$ 5,659	$ (16,594)	$ (5,220)	$ 86,221	$ 972,001	$ —	$ 972,001

See accompanying notes to these condensed interim consolidated financial statements.

1. Nature of Operations

The accompanying condensed interim consolidated financial statements have been prepared as at September 30, 2022, after giving effect to the business combination between Capstone Mining Corp. (“Capstone Mining”) and Mantos Copper (Bermuda) Ltd. (“Mantos”) which was completed on March 23, 2022 (the “Transaction”) (Note 4). After the Transaction, the combined entity changed its name to Capstone Copper Corp. (the "Company" or "Capstone Copper"). The Company is listed on the Toronto Stock Exchange.

Mantos was incorporated on August 15, 2015 and migrated to British Columbia, Canada on March 22, 2022, as part of the Transaction. Mantos, through a wholly owned Chilean subsidiary, Mantos Copper S.A., owned and operated the Mantos Blancos mine, located forty-five kilometers northeast of Antofagasta, Chile and the 70%-owned Mantoverde mine, through a Chilean subsidiary, Mantoverde S.A., located fifty kilometers southeast of Chanaral, Chile.

Capstone Mining was engaged in the production of and exploration for base metals in the United Sates (“US”), Mexico, and Chile, with a focus on copper. Pinto Valley Mining Corp. (“Pinto Valley”), a wholly owned US subsidiary, owns and operates the Pinto Valley mine located in Arizona, US. Capstone Gold, S.A. de C.V. (“Capstone Gold”), a wholly owned Mexican subsidiary, owns and operates the Cozamin Mine located in Zacatecas, Mexico, and has a portfolio of exploration properties in Mexico. Capstone Mining Chile SpA, a wholly owned Chilean subsidiary, is performing exploration for base metal deposits in Chile.

On March 24, 2021, Capstone Mining consolidated a 100% ownership interest in 0908113 B.C. Ltd. (“Acquisition Co.”) by purchasing the remaining 30% ownership interest from Korea Resources Corporation (“KORES”), resulting in the elimination of the non-controlling interest (“NCI”) in Acquisition Co. (*Note 11*). Minera Santo Domingo SCM, a wholly owned Chilean subsidiary of Acquisition Co, holds the Santo Domingo copper-iron development project in Chile.

The Company continues to evaluate the potential impacts arising from COVID-19 on all aspects of its business. For the three and nine months ended September 30, 2022 and 2021, there were no significant financial impacts on the Company.

The Company's head office, registered and records office and principal address of the Company are located at 2100 - 510 West Georgia Street, Vancouver, British Columbia, Canada and the Company is incorporated in British Columbia.

The condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on October 31, 2022.

2. Basis of preparation and consolidation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using the same accounting policies and methods of application as the audited annual consolidated financial statements of Capstone for the year ended December 31, 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”), except as noted below in Note 3. Accordingly, certain information and footnote disclosures normally included in annual financial statements have been omitted or condensed.

These condensed interim consolidated financial statements are prepared as a continuation of the financial statements of Capstone Mining, but reflecting the continuation of the share capital of Mantos. As a result, comparative information included from the three and nine months ended September 30, 2021, is solely that of Capstone Mining.

Certain comparative figures have been reclassified to conform with changes in the presentation of the current year.

3. Significant Accounting Policies, Estimates and Judgements

The Company's management makes judgements in its process of applying the Company's accounting policies in the preparation of these condensed interim consolidated financial statements. In addition, the preparation of the financial data requires that the Company's management makes assumptions and estimates of the impacts of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

In preparing the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2022, the Company applied the critical judgements and estimates disclosed in Note 2 of its consolidated financial statements for the year ended December 31, 2021, in addition to the accounting policies, critical judgements and estimates noted below.

<u>Business combination between Capstone and Mantos (Note 4)</u>

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the notional number of equity instruments that the legal subsidiary would have had to issue to the legal parent to give the owners of the legal parent the same percentage ownership in the combined entity. The results of businesses acquired during the year are included in the condensed interim consolidated financial statements from the effective date when control is obtained. The identifiable assets, liabilities and contingent liabilities of the business which can be measured reliably are recorded at provisional fair values at the date of acquisition. These provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. Provisional fair values are finalized at the earlier of (i) the date as soon as the acquirer received the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not available; or (ii) twelve months from the acquisition date. Acquisition related costs are expensed as incurred.

Goodwill arising in a business combination is measured as the excess of the sum of consideration transferred and the amount of any non-controlling interest over the net identifiable assets acquired and liabilities assumed.

As part of the Transaction, Mantos, the legal acquirer, issued 414.3 million shares to Capstone Mining shareholders. After the Transaction, the combined entity changed its name to Capstone Copper Corp. and is listed on the Toronto Stock Exchange.

IFRS 3 requires that one of Capstone Mining and Mantos be designated as the acquirer for accounting purposes. As such, Capstone Mining will be treated as the acquiring entity for accounting purposes. In making this assessment, factors such as the voting rights of the outstanding equity instruments, the corporate governance structure of the combined entity, the composition of senior management of the combined company and the relative size and net asset values of each of the companies were taken into consideration. No single factor was the sole determinant in the overall conclusion; rather all factors were considered in arriving at the conclusion.

New IFRS Pronouncements

In May 2020, the IASB issued an amendment to IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The amendment clarifies that the costs of fulfilling a contract when assessing whether a contract is onerous comprise both the incremental costs and an allocation of other costs that relate directly to fulfilling the contract. The amendment became effective January 1, 2022 and applies to contracts existing at the date when the amendments are first applied. On adoption of this amendment, the Company assessed the impact of the amendment and determined it does not have a significant effect on the Company's financial statements.

In May 2020, the IASB issued an amendment to IAS 16, Property, Plant and Equipment - Proceeds before Intended Use. The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in the condensed interim consolidated statements of income (loss). The amendment became effective January 1, 2022. The Company has assessed the impact of the amendment and it does not have a significant effect on the Company’s financial statements.

In January 2020, the International Accounting Standards Board ("IASB") issued amendments to International Accounting Standards 1 ("IAS 1"), Presentation of Financial Statements, to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Company is in the process of assessing the impact of this amendment to the Company's financial statements.

In May 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which amended IAS 12 Income Taxes. The amendments will become effective January 1, 2023. The Company is assessing the impact of the amendment and does not expect it to have a significant effect on the Company’s financial statements.

4. Business Combination Between Capstone and Mantos

Description of the Transaction

On March 23, 2022, Capstone Mining, from an accounting point of view, completed the acquisition of Mantos with the deemed issuance of 273,888,541 common shares with a fair value of $5.82 per share.

The combined entity owns and operates the Mantos Blancos and Mantoverde mines, located in the Antofagasta and Atacama regions, respectively, of Chile. The Mantoverde mine, in which Mitsubishi Material Corp. has a 30% interest, has a current 21-year expected mine life. Mantos Blancos produces copper concentrate and has a 17-year expected mine life. The mine is increasing production via the ongoing Mantos Blancos Concentrator Debottlenecking Project which upon completion is expected to increase production from approximately 45,000 tonnes in 2021 to 60,000 tonnes in 2022. The property contains a land package consisting of 57,620 hectares.

Management has concluded that Mantos constitutes a business and, therefore, the acquisition is accounted for in accordance with IFRS 3 - Business Combinations.

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

The Company is completing a full and detailed valuation of the fair value of the net assets of Mantos with the assistance of independent valuation experts. Therefore, it is likely that the fair values of the assets acquired, and liabilities assumed will vary from those shown below and the differences may be material. The allocation of the purchase price is based on management's preliminary estimates and certain assumptions with respect to the fair value increment associated with the assets acquired and the liabilities assumed. The purchase price allocation is not final as the Company is continuing to obtain and verify information required to determine the fair value of assets and liabilities and the amount of deferred income taxes arising on their recognition. Consequently, the actual allocation of the purchase price may result in different adjustments than those in these unaudited condensed interim consolidated financial statements. IFRS 3 requires that, as of the acquisition date, the identifiable assets acquired and liabilities assumed should be classified or designated as necessary to apply the IFRS Accounting Standards going forward. The Company is in the process of completing those classifications or designations on the basis of the contractual terms, economic conditions, accounting policies and other relevant conditions as they existed as of the acquisition date of March 23, 2022.

Total transaction costs of $nil and $19.4 million related to the acquisition were expensed during the three and nine months ended September 30, 2022.

Consideration and Purchase Price Allocation

Total consideration for the acquisition was valued at $1,593 million on the acquisition date. The preliminary purchase price allocation, which is subject to final adjustments, is estimated as follows:

Total Consideration		
273,888,541 shares deemed issued to Mantos' shareholders with a fair value of US$5.82 per share	$	1,592,679
Total consideration	**$**	**1,592,679**

Allocation of Purchase Price		**Preliminary as reported March 31, 2022**		**Adjustments**		**Revised as reported September 30, 2022**
Cash and cash equivalents	$	219,211	$	—	$	219,211
Receivables *(i)*		118,028		16,563		134,591
Inventories		77,136		32,066		109,202
Due from related party *(ii)*		259,843		—		259,843
Mineral properties, plant and equipment		3,006,687		(17,950)		2,988,737
Other assets		36,376		(12,851)		23,525
Derivative assets		25,504		1,300		26,804
Accounts payable and accrued liabilities		(268,100)		2,971		(265,129)
Due to related party *(ii)*		(259,843)		—		(259,843)
Income taxes payable		(9,983)		—		(9,983)
Long-term debt		(354,438)		(17,204)		(371,642)
Derivative liabilities		(155,386)		—		(155,386)
Lease liabilities		(81,865)		3,719		(78,146)
Deferred income tax liabilities		(484,553)		(15,787)		(500,340)
Provisions		(111,409)		—		(111,409)
Net assets acquired before non-controlling interest	**$**	**2,017,208**	**$**	**(7,173)**	**$**	**2,010,035**
Non-controlling interest *(Note 11)*		(424,529)		7,173		(417,356)
Net assets acquired	**$**	**1,592,679**	**$**	**—**	**$**	**1,592,679**

i. Trade receivables acquired as part of the acquisition have a fair value of $64.2 million which is equal to their gross contractual value. Other receivables acquired have a fair value of $64.5 million which is equal to their gross contractual value. Trade and other receivables are expected to be collected during the next 12 months.
ii. The amounts previously due from a related party relates to a loan granted by Capstone Copper (previously Mantos Copper (Bermuda) Ltd.) to Orion Fund JV Limited, a shareholder of the Company. Amounts previously due to a related party relates to a loan granted by Orion Fund JV Ltd. to Mantos Copper Holdings SpA. These amounts were settled during June 2022 via a non-cash assignment and offset agreement.

Financial and operating results of Mantos are included in the Company's condensed interim consolidated financial statements effective March 23, 2022. During the three and nine months ended September 30, 2022, the acquisition of Mantos contributed $169.3 million and $419.9 million of revenue and $11.8 million and $88.7 million of net income, respectively.

Had the business combination been effected at January 1, 2022, revenue and net income for the nine months ended September 30, 2022, would have been $1,119.0 million, and $175.1 million, respectively.

5. Financial Instruments

Fair value of financial instruments

Certain of the Company's financial assets and liabilities are measured at fair value on a recurring basis and classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of fair value hierarchy that prioritize the inputs to the valuation techniques used to measure fair value, with Level 1 having the highest priority. The levels and valuations techniques used to value the financial assets and liabilities are as follows:

Level 1 – Fair values measured using unadjusted quoted prices in active markets for identical instruments.

Marketable securities are valued using quoted market prices in active markets. Accordingly, these items are included in Level 1 of the fair value hierarchy.

Level 2 – Fair values measured using directly or indirectly observable inputs, other than those included in level 1.

Derivative instruments and embedded derivatives are included in Level 2 of the fair value hierarchy as they are valued using pricing models or discounted cash flow models. These models require a variety of inputs, including, but not limited to, market prices, forward price curves, yield curve and credit spreads. These inputs are obtained from or corroborated with the market. Also included in Level 2 are receivables from provisional pricing on copper concentrate and cathode sales because they are valued using quoted market prices derived based on forward curves for the respective commodities and published priced assessments.

Level 3 – Fair values measured using inputs that are not based on observable market data.

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

As of September 30, 2022 the Company's classification of financial instruments within the fair value hierarchy are summarized below:

	Level 1	Level 2	Level 3	Total
Financial assets				
Short-term investments	$ —	$ 1,872	$ —	$ 1,872
Copper concentrate receivables *(Note 6)*	—	21,900	—	21,900
Copper cathode receivables *(Note 6)*	—	48,050	—	48,050
Derivative assets	—	92,107	—	92,107
Investment in marketable securities *(Note 9)*	1,756	—	—	1,756
	$ 1,756	$ 163,929	$ —	**$ 165,685**
Financial liabilities				
Derivative liabilities	$ —	$ 21,345	$ —	$ 21,345
	$ —	$ 21,345	$ —	**$ 21,345**

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between Level 1, Level 2 and Level 3 during the three and nine months ended September 30, 2022.

Set out below are the Company's financial assets by category:

	September 30, 2022			
	Fair value through profit or loss	**Fair value through OCI**	**Amortized cost**	**Total**
Cash and cash equivalents	**$ —**	**$ —**	**$ 194,457**	**$ 194,457**
Short-term investments	**1,872**	**—**	**—**	**1,872**
Copper concentrate receivables *(Note 6)*	**21,900**	**—**	**—**	**21,900**
Copper cathode receivables *(Note 6)*	**48,050**	**—**	**—**	**48,050**
Other receivables *(Note 6)*	**—**	**—**	**9,953**	**9,953**
Derivative assets	**92,107**	**—**	**—**	**92,107**
Investment in marketable securities *(Note 9)*	**—**	**1,756**	**—**	**1,756**
Receivable on sale of Minto *(Note 6)*	**—**	**—**	**5,000**	**5,000**
	$ 163,929	**$ 1,756**	**$ 209,410**	**$ 375,095**

	December 31, 2021			
	Fair value through profit or loss	Fair value through OCI	Amortized cost	Total
Cash and cash equivalents	$ —	$ —	$ 262,094	$ 262,094
Short-term investments	2,259	—	—	2,259
Concentrate receivables *(Note 6)*	24,686	—	—	24,686
Other receivables *(Note 6)*	—	—	1,292	1,292
Derivative assets	543	—	—	543
Investment in marketable securities *(Note 9)*	—	6,079	—	6,079
Receivable on sale of Minto *(Note 6)*	—	—	5,000	5,000
	$ 27,488	$ 6,079	$ 268,386	$ 301,953

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

Set out below are the Company's financial liabilities by category:

	September 30, 2022		
	Fair value through profit or loss	**Amortized cost**	**Total**
Accounts payable and accrued liabilities	**$ —**	**$ 241,141**	**$ 241,141**
Payable on purchase of non-controlling interest *(Note 10)*	**—**	**39,872**	**39,872**
Long-term debt *(Note 13)*	**—**	**509,498**	**509,498**
Derivative liabilities	**21,345**	**—**	**21,345**
	$ 21,345	**$ 790,511**	**$ 811,856**

	December 31, 2021		
	Fair value through profit or loss	Amortized cost	Total
Accounts payable and accrued liabilities	$ —	$ 97,384	$ 97,384
Payable on purchase of non-controlling interest *(Note 10)*	—	81,829	81,829
Derivative liabilities	387	—	387
	$ 387	$ 179,213	$ 179,600

Apart from the assessment and categorization of the financial assets and liabilities acquired during the Mantos acquisition, there have been no changes during the three and nine months ended September 30, 2022 in how the Company categorizes its financial assets and liabilities by fair value through profit or loss, fair value through OCI, and amortized cost.

Observable and unobservable inputs that would have been impacted by the COVID-19 pandemic have been appropriately considered into the fair value measurements of the Company's financial instruments for the three and nine months ended September 30, 2022.

Financial instruments and related risks

The Company's activities expose it to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are commodity price risk, credit risk, foreign exchange risk, liquidity risk and interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis. There have been no significant changes in the Company's exposure to these financial risks. During the three and six months ended September 30, 2022, the Company's exposure to these financial risks has not been significantly impacted by COVID-19.

Derivative instruments

As at September 30, 2022, the Company's derivative financial instruments are composed of copper commodity swap contracts, copper zero-cost collar contracts, interest rate swap contracts, foreign currency zero-cost collars ("ZCC"), forward and swap contracts, quotational pricing contracts and share purchase warrants.

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

(a) Commodity Price Risk Management

As part of the Mantoverde Development Project ("MVDP") financing arrangements, Mantos was required to enter into a number of fixed-for-floating swaps to hedge LME copper prices. Under the agreements, a subsidiary of the Company has hedged a total of 39,134 metric tonnes consisting of 6,561 metric tonnes for the remainder of 2022, 20,310 metric tonnes in 2023 and 12,263 metric tonnes in the first half of 2024. At September 30, 2022, the fair value of these derivatives is $1.7 million (2021 - $nil).

In addition, the Company entered into zero cost collar ("ZCC") contracts whereby it sold a series of call options contracts and purchased a series of put option contracts for $nil cash premium, and also entered into fixed-for-floating swaps. The intent is to ensure positive operating margins on the production of cathodes and balance sheet protection in a lower copper price environment. At September 30, 2022, the fair value of these derivatives is $38.7 million (2021 - $nil).

The Company's outstanding commodity derivative instruments as of September 30, 2022, are as follows:

Type	Remaining term	Average price per pound	Notional
Fixed-for-Floating Swaps Copper	October 2022 - June 2024	$3.43	39,134
Fixed-for-Floating Swaps Copper	January - December 2023	$3.64	37,375

Type	Remaining term	Put strike (floor)	Call strike (ceiling)	Notional
ZCC - Call and Put Option Contracts	October - December-2022	$4.00/lb	$4.86/lb	10,000
ZCC - Call and Put Option Contracts	January - December-2023	$3.20/lb	$4.15/lb	27,500

(b) Interest Rate Risk Management

The Company has exposure to interest rates, specifically the 3-month US$ London Inter-bank Offered Rate ("LIBOR") rate related to the debt financing facility associated with the MVDP. To mitigate the risk of movements in interest rates, and in compliance with a covenant in the MVDP financing, a subsidiary of the Company entered into a fixed-for-floating LIBOR swap at 1.015% until March 2030, with a 0% floor on the LIBOR rate until September 2025.

The Company's outstanding interest rate derivative instruments as of September 30, 2022 are as follows:

Type	Remaining term	Fixed Rate	Notional
Fixed-for-floating swaps	October 2022 - March 2030	1.015%	6,888,319
Floor options	October 2022 - September 2025	0%	5,312,671

Fixed for floating swap notional represents a series of quarterly contracts, with notional amounts in line with planned quarterly balances based on expected project finance debt drawdown and expected amortization. At September 30, 2022, the fair value of the fixed-for-floating swaps and floor option derivative contracts is $51.1 million (2021 - $nil).

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

(c) *Foreign Currency Risk Management*

The Company operates on an international basis and therefore, foreign exchange risk exposures arise from transactions denominated in a foreign currency. The Company's foreign exchange risk arises primarily with respect to the Chilean Peso ("CLP"), the Chilean Unidad de Fometo ("UF"), the Mexican Peso ("MXN") and the Canadian dollar ("CDN"). The UF is an artificial inflation-indexed monetary unit used in Chile to denominate certain contracts. The Company's cash flows from Chilean and Mexican operations are exposed to foreign exchange risk, as commodity sales are denominated in US dollars and a substantial portion of operating expenses is denominated in local currencies. As such, the group may use foreign exchange forward and swap contracts and ZCCs to mitigate changes in foreign exchange rates. As a covenant in the MVDP financing, a subsidiary of the Company, entered into contracts in February 2021 to hedge the foreign exchange risk related to the capital expenditures for the MVDP.

At September 30, 2022, the fair value of these derivatives is $(15.7) million (2021 - $nil).

The Company's outstanding foreign exchange forwards and swaps as of September 30, 2022, are as follows:

Type	Remaining term	Average Price	Notional
Foreign Exchange Forwards - CLP	October 2022 - March 2024	727.7	20,308,771
Foreign Exchange Swaps - UF	October 2022 - May 2024	41.7	1,389

In September 2022, the Company entered into US dollar to CAD foreign exchange forward contracts whereby it purchased $12.2 million CAD and sold $8.9 million USD at an average rate of 1.372. The contracts mature in February 2023. At September 30, 2022, the fair value of these derivatives is $(0.1) million (2021 - $nil).

The Company's outstanding foreign exchange ZCCs are as follows:

In 2021, the Company entered into ZCCs CLP to US dollar foreign exchange option contracts covering the period from January through December 2022, representing approximately 75% of Santo Domingo's expected CLP capital costs during this period.

In February 2022, the Company entered into ZCCs CLP to US dollar foreign exchange option contracts covering the period from April 2022 through December 2023, representing approximately 50% of Mantoverde's and Mantos Blancos' expected CLP operating costs during this period.

At September 30, 2022, the fair value of the outstanding CLP contracts is $(5.5) million (2021 - $(0.4) million).

In 2021, the Company entered into MXN zero cost collars to US dollar foreign exchange option contracts covering the period from January through December 2022, representing approximately 75% of the expected MXN costs of the Cozamin mine during this period.

At September 30, 2022, the fair value of outstanding MXN contracts is $0.1 million (December 31, 2021 - $0.1 million).

The details of the foreign exchange ZCCs outstanding at September 30, 2022 are as follows:

Quantity	Remaining term	Put strike (floor)	Call strike (ceiling)
19.0 billion CLP	October - December 2022	750.0	931.0 - 976.0
62.7 billion CLP	January - December 2023	775.0	965.0 - 1,046.0
126 million MXN	October - December 2022	20.0	24.75

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

(d) Quotational pricing contracts

The Company enters into copper time-spread swaps in order to manage the risk associated with provisional pricing in terms of copper concentrate sales agreements. As at September 30, 2022 the Company had 9,330 metric tonnes of copper swaps outstanding at an effective average cost of $49 per tonne and settling across November 2022 to January 2023. At September 30, 2022, the fair value of the outstanding contracts is $0.5 million.

Set out below are the Company's derivative financial assets and financial liabilities:

	September 30, 2022	December 31, 2021
Derivative financial assets:		
Foreign currency contracts	**$ 49**	$ 76
Interest rate swap contracts	**16,664**	—
Copper commodity contracts	**13,273**	—
Quotational pricing contracts	**500**	—
Share purchase warrants	**—**	467
Total derivative financial assets - current	**30,486**	543
Interest rate swap contracts	**34,469**	—
Copper commodity contracts	**27,152**	—
Total derivative financial assets - non-current	**$ 61,621**	$ —
Derivative financial liabilities:		
Foreign currency contracts	**18,478**	387
Copper commodity contracts	**87**	—
Total derivative financial liabilities - current	**$ 18,565**	$ 387
Foreign currency contracts	**2,780**	—
Total derivative financial liabilities - non-current	**$ 2,780**	$ —

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

Set out below are the Company's realized and unrealized gains and losses on derivative financial instruments:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Unrealized gain (loss) on derivative financial instruments:				
Foreign currency contracts	**$ 769**	$ (831)	**$ (9,342)**	$ (2,326)
Copper commodity contracts	**61,918**	—	**184,168**	—
Interest rate swap contracts	**14,953**	—	**25,541**	—
Quotational pricing contracts	**500**	—	**500**	—
Unrealized (loss) gain on warrants	**—**	(59)	**(387)**	172
Total unrealized gain (loss) on derivative financial instruments	**78,140**	**(890)**	**200,480**	**(2,154)**
Realized gain (loss) on derivative financial instruments:				
Foreign currency contracts	**(11,577)**	701	**(18,710)**	2,039
Copper commodity contracts	**10,457**	—	**(7,480)**	—
Interest rate swap contracts	**1,240**	—	**1,233**	(49)
Total realized (loss) gain on derivative financial instruments	**120**	**701**	**(24,957)**	**1,990**
Total unrealized and realized gain (loss) on derivative financial instruments:	**$ 78,260**	**$ (189)**	**$ 175,523**	**$ (164)**

6. Receivables

Details are as follows:

	September 30, 2022	December 31, 2021
Copper cathode	**$ 48,050**	$ —
Copper concentrate	**21,900**	24,686
Value added taxes and other taxes receivable	**27,282**	2,135
Income taxes receivable	**5,737**	—
Receivable on sale of Minto	**5,000**	5,000
Other	**9,953**	1,668
Total receivables	**$ 117,922**	$ 33,489

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

7. Inventories

Details are as follows:

	September 30, 2022	December 31, 2021
Raw materials and consumables	**$ 76,998**	$ 41,290
Work-in-progress	**31,663**	4,463
Finished goods - copper cathode	**21,020**	635
Finished goods - copper concentrate	**12,797**	16,437
Total inventories	**$ 142,478**	$ 62,825

During the three and nine months ended September 30, 2022, concentrate and cathode inventories recognized as production costs, including depletion and amortization, amounted to $273.0 million and $749.4 million (2021 – $100.9 million and $315.3 million).

During the three and nine months ended September 30, 2022, the Company recorded write-downs of $3.4 million and $4.0 million related to Mantoverde's cathode inventories and Pinto Valley's ore stockpile and supplies inventories. Of the $3.4 million and $4.0 million of write-downs during the three and nine months ended September 30, 2022, $3.3 million and $3.9 million and $0.1 million and $0.1 million was recorded as production costs and depletion and amortization, respectively.

During the three and nine months ended September 30, 2021, the Company recorded write-downs of $0.3 million related to Pinto Valley's molybdenum concentrate inventories. Of the $0.3 million of write-downs during the three and nine months ended September 30, 2021, $0.3 million and $nil was recorded as production costs and depletion and amortization, respectively.

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

8. Mineral Properties, Plant and Equipment

Details are as follows:

	Mineral properties			Plant and equipment			
	Depletable		Non-depletable	Subject to amortization		Not subject to amortization	
	Producing mineral properties	Deferred stripping	Mineral exploration and development properties	Plant & equipment	Right of use assets	Construction in progress	Total
At January 1, 2022, net	$ 413,573	$ 89,245	$ 411,154	$ 293,938	$ 14,622	$ 88,338	$ 1,310,870
Business combination with Mantos	1,887,089	—	206,860	117,991	78,146	698,651	2,988,737
Additions	71,643	51,365	38,442	4,290	27,163	273,693	466,596
Rehabilitation provision adjustments	(106)	—	—	—	—	—	(106)
Reclassifications	23,943	—	(23,684)	27,885	(4,871)	(23,273)	—
Depletion and amortization	(63,334)	(23,562)	—	(38,496)	(17,365)	—	(142,757)
At September 30, 2022, net	$ 2,332,808	$ 117,048	$ 632,772	$ 405,608	$ 97,695	$ 1,037,409	$ 4,623,340
At September 30, 2022:							
Cost	$ 2,742,489	$ 218,449	$ 632,772	$ 1,979,436	$ 202,803	$ 1,037,409	$ 6,813,358
Accumulated amortization and impairment	(409,681)	(101,401)	—	(1,573,828)	(105,108)	—	(2,190,018)
Net carrying amount	$ 2,332,808	$ 117,048	$ 632,772	$ 405,608	$ 97,695	$ 1,037,409	$ 4,623,340

The Company's exploration costs were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Exploration capitalized to mineral properties	**$ 1,591**	$ 1,391	**$ 3,971**	$ 5,480
Greenfield exploration expensed to the statement of income	**1,777**	146	**7,041**	1,848
	$ 3,368	$ 1,537	**$ 11,012**	$ 7,328

Exploration capitalized to mineral properties during the three and nine months ended September 30, 2022 and 2021, relates primarily to brownfield exploration at the Cozamin mine. Greenfield exploration expenses during the three and nine months ended September 30, 2022 and 2021 relate primarily to exploration efforts in the US and Brazil.

As at September 30, 2022, construction in progress primarily relates to capital costs incurred in connection with the Mantos Blancos Concentrator Development Project ("Mantos Blancos CDP"), the MVDP, expansionary and sustaining capital at the Pinto Valley and Cozamin mines and the exploration at the Santo Domingo development project. As at December 31, 2021, construction in progress primarily relates to capital costs incurred in connection with sustaining capital at the Pinto Valley and Cozamin mines and the exploration and the Santo Domingo development project. Capital expenditures committed as at September 30, 2022, but not yet incurred is $270.0 million (December 31, 2021 - $21.5 million).

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

As at September 30, 2022, the Revolving Credit Facility ("RCF") *(Note 13)* was secured by the Pinto Valley, Cozamin and Mantos Blacos mineral properties, plant and equipment with a net carrying value of $1,447.9 million (December 31, 2021 – $920.1 million).

Mineral property impairment reversal

On March 31, 2021, the Company identified indicators of impairment reversal related to the Santo Domingo cash generating unit (“CGU”). The Company had recorded impairments of the Santo Domingo CGU in 2015 and 2016 totalling $302.0 million based on discounted cash flow models due to declining long-term copper and iron ore prices, which negatively impacted future estimated cash flows.

Indicators of impairment reversal included improvements in the long-term outlook for copper and iron ore prices and improved project economics, including the announcement of the $290 million gold stream (“Gold PMPA”) with Wheaton Precious Metals Corp. (“Wheaton”), were considered to be indicators of impairment reversal related to Santo Domingo.

The recoverable amount of $368.0 million for the Santo Domingo CGU, based on the fair value of the CGU, was determined to be higher than the carrying value by $92.4 million. The amount of the impairment reversal was determined using management’s best estimates, including pricing parameters implied by the market value of selected comparable transactions involving the sale of similar companies and mineral properties. Valuation methodology differs from the previous discounted cash flow model to reflect trading multiples applied by market participants in valuing development stage projects. Due to the combination of observable and unobservable inputs used in the cash flow models, the valuation falls within Level 3 of the fair value hierarchy. As a result, $92.4 million of the previously recorded impairment was reversed during the three months ended March 31, 2021.

Long-term copper and iron prices used in the impairment reversal tests were as follows:

		March 31, 2021
Iron ore price (62% China) - $/t	$	70
Premiums for 65% iron grade - $/t	$	31
Shipping - iron cape sized - $/t	$	(20)
Final iron price to model - $/t	$	81
Copper price ($/lb)	$	3.00

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

9. Other Assets

Details are as follows:

		September 30, 2022		December 31, 2021
Current:				
Prepaids and other	**$**	**33,148**	$	5,450
Other		**8,118**		—
Total other assets - current	**$**	**41,266**	$	5,450
Non-current:				
Prepayments	**$**	**18,046**	$	12,046
Investments in marketable securities		**1,756**		6,079
Finance lease receivable		**521**		861
Capitalized finance fees *(Note 13)*		**—**		566
Deposits		**8,167**		287
Total other assets - non-current	**$**	**28,490**	$	19,839

10. Other Liabilities

Details are as follows:

		September 30, 2022		December 31, 2021
Current:				
Current portion of share-based payment obligations		**11,306**		50,140
Current portion of payable on purchase of NCI *(Note 11)*		**—**		43,401
Current portion of deferred revenue *(Note 14)*		**7,926**		6,130
Other		**339**		—
Total other liabilities - current	**$**	**19,571**	$	99,671
Non-current:				
Retirement benefit liabilities		**7,559**		5,105
Non-current portion of payable on purchase of NCI *(Note 11)*		**39,872**		38,428
Other		**2,461**		2,530
Total other liabilities - non-current	**$**	**49,892**	$	46,063

11. Non-Controlling Interest

Mitsubishi Materials Corporation ("MMC")

As part of the financing for the MVDP, MMC acquired a 30% non-controlling interest in Mantoverde S.A., and agreed to make an additional $20 million contingent payment upon satisfaction of certain technical requirements relating to the expansion of the tailings storage facility.

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

In addition to the contingent arrangement, MMC agreed to provide a $60 million Cost Overrun Facility ("COF") in exchange for additional off-take of copper concentrate production under a 10-year contract. The COF carries an interest rate of LIBOR plus 1.70% and amortizing over 37 quarters from the earlier of September 30, 2024 or three quarters after project completion. As at September 30, 2022, the drawn amount of the COF was $22.9 million.

The off-take agreement includes Mantoverde agreeing to sell 30% of its annual copper production per year delivered for its equivalent in copper concentrates, plus an additional amount per annum of 20,000 to 30,000 tonnes of copper concentrate depending on the amount that is drawn by Mantoverde under the COF provided by MMC in connection with the MVDP. The agreement between MMC and Mantoverde to sell 30% of its annual copper production is for the duration of Mantoverde's commercial mine life. The amount payable for copper is based on average LME prices, subject to certain terms (Note 20).

The table below presents a condensed summary of the financial information for Mantoverde S.A. shown on a 100% basis:

	September 30, 2022
Cash and cash equivalents	$ 96,740
Mineral properties, plant and equipment	2,295,228
Other assets	161,475
Total assets	**2,553,443**
Accounts payable and accrued liabilities	94,102
Long-term debt	417,730
Amounts due to related party - Cost Overrun Facility	22,917
Deferred income tax liabilities	427,859
Other liabilities	122,724
Total liabilities	**1,085,332**
Equity attributable to owners of Mantoverde SA	1,029,370
Non-controlling interest	438,741

	Three months ended September 30, 2022	Nine months ended September 30, 2022
Net Revenue	$ 82,621	$ 227,583
Earnings (loss) from mining operations	(35,568)	(33,382)
Realized and unrealized gain on derivative instruments	44,034	131,188
Income tax and other expense	2,737	(26,522)
Net income for the period ended September 30, 2022	**11,203**	**71,284**
Profit attributable to owners of Mantoverde SA	7,842	49,899
Profit attributable to the non-controlling interest	3,361	21,385
Profit for the period	**$ 11,203**	**$ 71,284**
Business combination with Mantos (*Note 4)*	435,380	417,356
Share of profit for the period ended September 30, 2022	3,361	21,385
Balance at September 30, 2022	**$ 438,741**	**$ 438,741**

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

Purchase of Non-Controlling Interest from KORES

On March 24, 2021, Capstone Mining completed a Share Purchase Agreement (the "SPA") with KORES to purchase KORES' 30% ownership interest in Acquisition Co. for cash consideration of $120 million and non-cash consideration of $32.4 million, enabling Capstone Mining's consolidation of 100% ownership in Santo Domingo *(Note 1)*.
The cash consideration of $120 million consists of three payments, payable as follows and subject to withholding taxes:

a. $30 million paid on closing (paid $17.1 million to KORES net of withholding taxes of $12.9 million on March 24, 2021);
b. $45 million payable 18 months following closing (paid $34.7 million to KORES net of withholding taxes of $10.3 million on September 26, 2022); *and*
c. $45 million payable 48 months following closing *(Note 10)*

The non-cash consideration consisted of Capstone Mining assuming the KORES promissory note of $32.4 million.

Details of the purchase price allocation are as follows:

Cash consideration	$	120,000
Discount rate		5 %
Fair value of cash consideration		108,846
Non-cash consideration		32,424
Purchase price		141,270
Accumulated KORES NCI		(136,145)
Portion of purchase price allocated to equity		5,125
Transaction costs		30
Total allocation to equity	$	5,155

Details of changes in the balance of the KORES promissory note are as follows:

Balance, December 31, 2020	$	33,847
Cash calls against the promissory note		(1,423)
KORES promissory note assumed by Capstone		(32,424)
Balance, December 31, 2021	$	—

If Capstone Mining subsequently sold Santo Domingo within 18 months of the purchase of the NCI, and the sale met any of the triggering events set out in the SPA, then the second deferred payment to KORES of $45 million would have been accelerated. As at September 30, 2022, an unsecured liability of $39.9 million (December 31, 2021 - $81.8 million) has been recognized in the condensed interim consolidated statement of financial position equal to the discounted amount of the remaining $45 million to be paid *(Note 10)*. The discounted amount of the remaining $45 million will be accreted up to its face value at 5% per annum. During the three and nine months ended September 30, 2022, $1.0 million and $3.0 million (September 30, 2021 - $1.0 million & $2.0 million) of accretion was recorded in other interest expense in the condensed interim consolidated statements of income.

The net income attributable to the NCI during the three and nine months ended September 30, 2022 was $nil and $nil (2021 – $nil and $26.0 million), which resulted from the 30% interest owned by KORES in Acquisition Co. prior to this transaction. During the three and nine months ended September 30, 2022, Acquisition Co.'s net (loss) income was $(0.5) million and $(2.7) million (2021 - $(0.8) million and $85.1 million).

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

12. Lease Liabilities

Details are as follows:

	September 30, 2022	December 31, 2021
Lease liabilities *(i)*	**$ 102,722**	$ 16,041
Less: current portion	**(28,445)**	(3,410)
Non-current portion	**$ 74,277**	$ 12,631

i. $78.1 million in lease liabilities were acquired through the business combination between Capstone and Mantos.

Undiscounted lease payments:

	September 30, 2022
Not later than 1 year	**$ 33,567**
Later than 1 year and not later than 5 years	**67,502**
Later than 5 years	**15,401**
	$ 116,470

13. Long-Term Debt

Details of the long-term debt balances are as follows:

	September 30, 2022
Mantoverde Development Project Facility [(i)]	**$ 417,730**
Revolving Credit Facility	**91,768**
Long-term debt	**$ 509,498**

i. At September 30, 2022, $410 million was drawn on the facility with the remaining $7.7 million an adjustment to record the debt at its fair value as required as part of the accounting for the business combination with Mantos. This fair value adjustment amortizes down to its historical cost over the duration of the facility.

Mantoverde Development Project Facility

Mantoverde secured $572 million in debt financing facility to fund the construction of the MVDP. The debt facility comprises a senior secured amortizing project debt facility in an aggregate amount of $520 million (the "Covered Facility" $250 million, the "Uncovered Facility" $210 million, and the "ECA Direct Facility" $60 million) and a $52 million senior secured mine closure bonding facility (the "Bonding Facility"). These project finance facilities are subject to affirmative, financial and restrictive covenants that include obligations to maintain the security interests in favour of the lenders over substantially all of the respective project's property and shares, insurance coverage, maintenance of off-take agreements, compliance with environmental and social matters, restrictions on new financial indebtedness, distributions and dispositions, and compliance with certain financial ratios. As at September 30, 2022, the Company was in compliance with these covenants.

As a condition to the financing facilities, the Company was required to effect certain hedging strategies as detailed in the lending agreement. The agreement indicates that the Company must implement hedging programs related to copper prices, foreign exchange rates and interest rates during the financing period. The Company has complied with all obligations related to the financing agreements and the financing for the MVDP.

Interest on borrowings under the MVDP Facility is payable quarterly at a variable rate of 3-month US$ LIBOR plus a margin per annum (i.e., 1.65% for the Covered Facility and, with respect to the Uncovered Facility, a rate of 3.75% and with respect to the ECA Direct Facility, a rate of 4.00% pre-completion of the MVDP, and decreasing to 3.50% and 3.75% respectively post-completion of the MVDP). Pursuant to the Covered Facility, an export credit agency guaranteed premium of 2.05% per annum is also payable quarterly and calculated over amounts outstanding under the Covered Facility. The MVDP is secured by a comprehensive security package covering substantially all of Mantoverde's assets. These facilities amortize from the earlier of September 30, 2024 and 180 days after project completion. The Uncovered Facility amortizes over a 10 year period and the Covered Facility and ECA Direct Facility amortize over 12 years.

Revolving Credit Facility

On May 12, 2022, Capstone Mining amended its corporate RCF. The amended RCF was increased to $500 million, plus $100 million accordion option available 180 days after closing, and has a maturity of four years from closing and an interest cost of adjusted term Secured Overnight Financing Rate ("SOFR") plus a margin of 1.875% - 2.75% depending on the total net leverage ratio. The amended RCF became effective on July 22, 2022 after all the required security was in place and customary closing conditions were met.

The interest rate at September 30, 2022 was adjusted term SOFR plus 1.875% (2021 - US LIBOR plus 2.50%) with a standby fee of 0.42% (2021 – 0.56%) payable on the undrawn balance (adjustable in certain circumstances).

The RCF in effect as of September 30, 2022 is secured against the present and future real and personal property, assets and undertakings of Capstone Copper (other than defined excluded entities, Acquisition Co., Far West Mining Ltd., Minera Santo Domingo SCM, and Far West Exploration S.A., Mantoverde Holding SpA, Mantoverde S.A., Mantos Copper Delaware LLC and subject to certain exclusions for Capstone Mining Chile SpA).

The credit facility requires Capstone to maintain certain financial ratios relating to debt and interest coverage. Capstone was in compliance with these covenants as at September 30, 2022. As at September 30, 2022, the balance of the RCF was $91.8 million (December 31, 2021 - $nil).

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

Details of the balance are as follows:

		September 30, 2022
Balance drawn on the RCF	$	95,000
Deferred financing fees		(3,232)
Total RCF balance	$	91,768

As at September 30, 2022, there were seven surety bonds totaling $216.6 million to support various reclamation obligation bonding requirements. This comprises $167.6 million securing reclamation obligations at Pinto Valley, $4.0 million provided as security as part of a power supply agreement at Pinto Valley, $1.7 million related to the construction of a port for the Santo Domingo development project in Chile, $19.5 million at Mantoverde, and $23.9 million at Mantos Blancos, respectively, securing reclamation obligations.

Mantos Blancos Concentrator Development Project Debt Facility

A subsidiary of the Company entered into a $150 million debt facility with Glencore Chile SpA ("Glencore") in connection with the Mantos Blancos CDP, with an associated off-take agreement with Complejo Metalúrgico Altonorte S.A. for 75% of the concentrates produced including the silver contained (both agreements expire on December 31, 2026). Interest on borrowings under the Mantos Blancos CDP Facility is payable quarterly at a variable rate of 3-month US$ LIBOR plus a margin of 4.5% per annum and repayment terms require that the Company make repayment installments quarterly, equal to a percentage of the aggregate loans outstanding at the end of the period. On July 22, 2022, the Company fully repaid the Mantos Blancos CDP debt facility and the facility was cancelled.

14. Deferred Revenue

Silver Precious Metals Purchase Arrangement ("Silver PMPA")

On February 19, 2021, Capstone Mining closed the Silver PMPA with Wheaton whereby Capstone received an upfront cash consideration of $150 million against delivery of 50% of the silver production from the Cozamin mine until 10 million ounces have been delivered, thereafter dropping to 33% of silver production for the remaining life of mine. In addition to the upfront cash consideration of $150 million, as silver is delivered under the terms of the Silver PMPA, the Company receives cash payments equal to 10% of the spot silver price at the time of delivery for each ounce delivered to Wheaton. The Silver PMPA is effective December 1, 2020. Wheaton has been provided certain security in support of the Company’s obligations under the Silver PMPA.

The Company recorded the upfront cash consideration received of $150 million as deferred revenue and recognizes amounts in revenue as silver is delivered under the Silver PMPA. Capstone determines the amortization of deferred revenue to the condensed interim consolidated statements of income on a per unit basis using the estimated total number of silver ounces expected to be delivered over the life of the Cozamin mine. The amortization rate requires the use of proven and probable mineral reserves and certain mineral resources which management is reasonably confident will be transferred to mineral reserves. The Company estimates the current portion of deferred revenue based on deliveries anticipated over the next twelve months. During the three and nine months ended September 30, 2022, the Company delivered 172,732 and 466,626 ounces (2021 - 176,243 and 561,008 ounces) of silver to Wheaton under the Silver PMPA.

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

Gold Precious Metals Purchase Arrangement ("Gold PMPA")

On April 21, 2021, Capstone Mining received an early deposit of $30 million ("the Early Deposit") in relation to the Gold PMPA with Wheaton effective March 24, 2021. Additional deposits of $260 million are to be received under the Gold PMPA over the Santo Domingo construction period, subject to sufficient financing having been obtained to cover total expected capital expenditures and other customary conditions, for total consideration of $290 million (collectively "the Deposit"). Wheaton will receive 100% of the gold production from the Company's Santo Domingo development project until 285,000 ounces have been delivered, thereafter dropping to 67% of the gold production for the remaining life of mine.

In addition to the deposits of $290 million, as gold is delivered under the terms of the Gold PMPA, Capstone receives cash payments equal to 18% of the spot gold price at the time of delivery for each ounce delivered to Wheaton, until the Deposit has been reduced to zero, thereafter increasing to 22% of the spot gold price upon delivery. Wheaton has been provided certain security in support of the Company's obligations under the Gold PMPA. The initial term of the Gold PMPA is 20 years.

Details of changes in the balance of deferred revenue are as follows:

	Silver PMPA	Gold PMPA	**Total**
Balance, December 31, 2021	$ 140,510	$ 31,360	**$ 171,870**
Non-cash finance costs	5,901	1,599	**7,500**
Recognized as revenue on delivery of silver and gold	(10,126)	—	**(10,126)**
Balance, September 30, 2022	$ 136,285	$ 32,959	**$ 169,244**

Consideration from the PMPAs is considered variable, as silver and gold stream revenues can be subject to cumulative adjustments when the number of ounces to be delivered under the contracts change, when there is an increase in the Company's mineral reserve and resource estimates or when there are changes to the mine plans.

Details of the deferred revenue balance are as follows:

	September 30, 2022	December 31, 2021
Deferred revenue	**$ 169,244**	$ 171,870
Less: current portion *(Note 10)*	**(7,925)**	(6,130)
Non-current portion	**$ 161,319**	$ 165,740

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

15. Income Taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Income before income taxes	**$ 64,400**	$ 52,664	**$ 252,861**	$ 276,673
Canadian federal and provincial income tax rates	**27.00 %**	27.00 %	**27.00 %**	27.00 %
Income tax expense based on the above rates	**17,388**	14,219	**68,272**	74,702
Increase (decrease) due to:				
Non-deductible expenditures	**(261)**	440	**9,395**	1,080
Effects of different statutory tax rates on losses (income) of subsidiaries	**899**	231	**789**	(3,385)
Mexican and Chilean mining royalty taxes	**2,937**	2,119	**9,001**	5,747
Current period losses for which deferred tax assets (were) were not recognized	**3,280**	(1,405)	**(2,527)**	5,338
Non-recognition of tax liabilities related to impairment reversal	**—**	—	**—**	(20,991)
Withholding taxes	**1,921**	685	**1,921**	1,211
Adjustments to tax estimates in prior years	**306**	—	**300**	(552)
Foreign exchange and other translation adjustments	**67**	784	**(298)**	1,163
Other	**389**	553	**1,477**	909
Income tax expense	**$ 26,926**	$ 17,626	**$ 88,330**	$ 65,222
Current income and mining tax expense	**$ 12,404**	$ 14,232	**$ 36,005**	$ 37,043
Deferred income tax expense	**14,522**	3,394	**52,325**	28,179
Income tax expense	**$ 26,926**	$ 17,626	**$ 88,330**	$ 65,222

16. Share Capital

Authorized
An unlimited number of common voting shares without par value.

Stock options
Pursuant to the Company's amended stock option plan, directors may authorize the granting of options to directors, officers and employees of the Company to a maximum of 10% of the issued and outstanding common shares at the time of grant, with a maximum of 5% of the Company's issued and outstanding shares reserved for any one person annually. Options granted under the plan have a term not to exceed five years, with the vesting term at the discretion of the Board. The exercise price of options granted are denominated in Canadian dollars ("C$").

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

The continuity of stock options issued and outstanding is as follows:

	Options outstanding	Weighted average exercise price (C$)
Outstanding, December 31, 2021	10,443,887	$ 1.14
Granted	1,008,320	6.41
Exercised	(2,673,449)	0.89
Expired	(6,389)	3.90
Forfeited	(97,950)	1.54
Outstanding, September 30, 2022	8,674,419	$ 1.82

As at September 30, 2022, the following options were outstanding and outstanding and exercisable:

	Outstanding			Outstanding & exercisable		
Exercise prices (C$)	Number of options	Weighted average exercise price (C$)	Weighted average remaining life (years)	Number of options	Weighted average exercise price (C$)	Weighted average remaining life (years)
$0.54 - $0.91	5,717,645	$ 0.67	2.2	4,362,265	$ 0.66	2.1
$1.44	871,773	1.44	0.4	871,773	1.44	0.4
$3.23 - $3.90	1,066,802	3.90	3.4	468,871	3.90	3.4
$4.72	41,939	4.72	4.6	—	—	—
$5.08 - $6.97	976,260	$ 6.50	4.5	141,040	$ 6.74	4.4
	8,674,419	$ 1.82	2.4	5,843,949	$ 1.18	2.0

During the three and nine months ended September 30, 2022, the total fair value of options granted was $0.1 million and $2.1 million (2021 – $nil and $1.4 million) and had a weighted average grant-date fair value of C$1.64 and C$2.97 (2021 – C$nil and C$1.65) per option. During the three and nine months ended September 30, 2022, the weighted average share price of the 0.1 million and 2.7 million options exercised during the period was C$3.27 and C$6.46 (2021 - 1.6 million and 4.5 million options and C$5.48 and C$5.02, respectively).

Weighted average assumptions used in calculating the fair values of options granted during the period were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Risk-free interest rate	**2.87 %**	N/A	**1.88 %**	0.34 %
Expected dividend yield	**nil**	N/A	**nil**	nil
Expected share price volatility	**63 %**	N/A	**61 %**	59 %
Expected forfeiture rate	**6.24 %**	N/A	**6.24 %**	6.14 %
Expected life	**3.8 years**	N/A	**3.8 years**	3.7 years

Other share-based compensation plans

Under the Share Unit Plan ("SUP"), the Company grants Performance Share Units ("PSUs") and Restricted Share Units ("RSUs"). PSUs granted to executives vest after three years and are subject to a performance measure of 0% to 200%. RSUs granted to executives and employees vest 1/3 per year starting on the first anniversary of the grant date. Under the Director's Deferred Share Unit Plan, the Company grants Deferred Share Units ("DSUs"). DSUs granted to directors vest upon issuance but are not redeemable until cessation of service on the Board.

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

Under the SUP, PSU and RSU obligations can be settled in cash, shares delivered from a Share Purchase Trust or a combination thereof, as determined by and at the discretion of the Human Resources and Compensation Committee of the Company's Board of Directors. DSU obligations, under the Director's Deferred Share Unit Plan, are redeemed in cash.

During the three and nine months ended September 30, 2022, the total fair value of DSUs, RSUs, and PSUs granted under the SUP was $0.1 million and $5.4 million (2021 – $nil and $3.2 million), and had a weighted average grant-date fair value of C$3.23 and C$6.90 (2021 – C$nil C$3.94) per unit.

Beginning in 2021, PSUs and RSU's awarded to executives have been granted under a Treasury Share Unit Plan ("TSUP"). Treasury PSUs granted to executives vest after three years and are subject to a performance measure of 0% to 200%. Treasury RSUs granted to executives vest 1/3 per year starting on the first anniversary of the grant date. Canadian based executives are able to retain the PSUs and RSUs after vesting and elect when to redeem the units within 10 years of the grant date. Under the TSUP, PSU and RSU obligations can be settled in shares from treasury or cash, at the election of the Company.

During the three and nine months ended September 30, 2022, the total fair value of units granted under the TSUP was $nil and $3.5 million (2021 – $nil and $2.1 million), and had a weighted average grant-date fair value of C$nil and C$4.53 (2021 – $nil and C$2.61) per unit.

Weighted average assumptions used in calculating the fair values of units granted under the TSUP during the period were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Risk-free interest rate	**N/A**	N/A	**1.90 %**	0.67 %
Expected dividend yield	**N/A**	N/A	**nil**	nil
Expected share price volatility	**N/A**	N/A	**60 %**	60 %
Expected forfeiture rate	**N/A**	N/A	**nil**	nil
Expected life	**N/A**	N/A	**9.2 years**	10 years

No Capstone shares were purchased by the Share Purchase Trust during the three and nine months ended September 30, 2022 and 2021.

The continuity of DSUs, RSUs, and PSUs issued and outstanding is as follows:

	Share Unit Plan			Treasury Share Unit Plan	
	DSUs	RSUs	PSUs	RSUs	PSUs
Outstanding, December 31, 2021	3,116,341	8,294,406	6,102,367	347,033	694,063
Granted	65,102	878,824	44,843	350,323	700,640
Transferred		24,485	48,970	(24,485)	(48,970)
Forfeited	—	(162,372)	—	—	—
Settled	(909,702)	(6,193,883)	(2,766,920)	—	—
Outstanding, September 30, 2022	2,271,741	2,841,460	3,429,260	672,871	1,345,733

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

Share-based compensation expense

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Share-based compensation expense related to stock options	**$ 371**	$ 297	**$ 2,569**	$ 840
Share-based compensation expense related to RSUs and PSUs (TSUP)	**479**	239	**1,633**	559
Share-based compensation expense related to DSUs, RSUs and PSUs (SUP)	**1,459**	667	**3,869**	45,643
Total share-based compensation expense	**$ 2,309**	$ 1,203	**$ 8,071**	$ 47,042

17. Revenue

The Company's revenue breakdown by metal is as follows:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Copper concentrate	**$ 200,399**	$ 164,146	**$ 640,054**	$ 573,154
Copper cathode	**119,706**	—	**315,360**	—
Silver	**7,741**	8,872	**25,661**	29,439
Molybdenum	**771**	—	**2,693**	—
Zinc	**—**	739	**1,712**	6,016
Gold	**34**	679	**851**	2,064
Lead	**—**	(7)	**—**	359
Total gross revenue	**328,651**	174,429	**986,331**	611,032
Less: treatment and selling costs	**(19,947)**	(9,017)	**(52,897)**	(32,156)
Revenue	**$ 308,704**	$ 165,412	**$ 933,434**	$ 578,876

Revenue recognized in the reporting period for provisional pricing changes recorded in the above table:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Copper concentrate	**$ 10,886**	$ 4,448	**$ (24,217)**	$ (10,710)
Copper cathode	**131**	—	**(3,439)**	—
Silver	**213**	378	**(201)**	(598)
Gold	**(274)**	213	**(359)**	(51)
Zinc	**—**	(90)	**(35)**	(21)
Lead	**—**	(7)	**—**	(9)
Molybdenum	**(84)**	—	**(87)**	—
Revenue adjustments from provisional pricing arrangements	**$ 10,872**	$ 4,942	**$ (28,338)**	$ (11,389)

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

18. Earnings Per Share

Earnings per share, calculated on a basic and diluted basis, is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Earnings per share				
Basic	**$ 0.05**	$ 0.09	**$ 0.24**	$ 0.46
Diluted	**0.05**	0.08	**0.23**	0.45
Net earnings				
Net earnings attributable to common shareholders - basic and diluted	**$ 34,113**	$ 35,038	**$ 143,146**	$ 185,415
Weighted average shares outstanding - basic	**687,376,497**	406,701,553	**604,534,669**	405,096,229
Dilutive securities				
Stock options	**4,862,669**	8,316,425	**5,779,954**	8,095,013
TSUP units	**—**	269,811	**200,593**	194,941
Weighted average shares outstanding - diluted	**692,239,166**	415,287,789	**610,515,216**	413,386,183
Potentially dilutive securities excluded (as anti-dilutive)				
Stock options	**3,811,750**	2,299,269	**2,894,465**	2,520,681
TSUP units	**2,018,604**	771,285	**1,818,011**	846,155

19. Supplemental Cash Flow Information

The changes in non-cash working capital items are composed as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Receivables	**$ 6,062**	$ (8,430)	**$ 40,658**	$ 1,783
Inventories	**10,677**	(5,215)	**5,763**	1,426
Other assets	**7,281**	(15,709)	**(3,045)**	(12,777)
Accounts payable and accrued liabilities	**(23,452)**	12,907	**(67,263)**	8,038
Other liabilities	**(274)**	38,832	**(36,450)**	28,063
Net change in non-cash working capital	**$ 294**	$ 22,385	**$ (60,337)**	$ 26,533

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

The changes in other non-cash items are composed as follows:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
VAT receivable	**$ (93)**	$ 7,307	**$ (258)**	$ 6,384
Other non-current assets	**(3,373)**	15,086	**(3,374)**	15,292
Other non-current liabilities	**486**	(41,866)	**2,087**	(40,886)
Net change in other non-cash items	**$ (2,980)**	$ (19,473)	**$ (1,545)**	$ (19,210)

The significant non-cash financing and investing transactions during the year are as follows:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Decrease (increase) in accounts payable and accrued liabilities related to mineral properties, plant and equipment	**$ 15,673**	$ (860)	**$ 6,129**	$ 5,017
Amortization of mining equipment capitalized to deferred stripping assets	**2,138**	778	**4,113**	3,001
Fair value of stock options allocated to share capital upon exercise	**9**	550	**895**	2,161
Business combination with Mantos (*Note 4)*	**—**	—	**1,592,679**	—
	$ 17,822	$ 470	**$ 1,603,818**	$ 10,181

20. Commitments

Royalty Agreements

Under the terms of the December 2003 option agreement with Grupo Minera Bacis S.A. de C.V. ("Bacis"), Capstone Mining assumed a 100% interest in the Cozamin Mine with a 3% net smelter royalty paid to Bacis on all payable metal sold from production on the property covered by the agreement.

In connection with the financing of the Mantos Blancos Debottlenecking Development Project, Mantos Copper S.A. entered into a royalty agreement with Southern Cross Royalties Limited ("Southern Cross"). Southern Cross is entitled to a 1.525% net smelter royalty on copper production. The royalty is for a period initially through January 1, 2035 that may be extended by Southern Cross at its sole discretion through the duration of the mining rights and is subject to the Company's option to reduce the royalty amount by 50% any time after January 1, 2023, subject to a one-time payment.

Agreement with Jetti Resources, LLC ("Jetti")

Under the terms of the 2019 agreement, the Company is required to make quarterly royalty payments to Jetti based on an additional net profits calculation resulting from cathode production at the Pinto Valley mine. The initial term of the agreement is ten years, renewable for 5-year terms thereafter.

Off-take agreements

The Company has sales commitments of copper concentrate production at Mantos Blancos under off-take agreements with Glencore (Note 13).

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

The Company has sales commitments equal to 100% of its copper cathode production at Mantoverde and Mantos Blancos under off-take agreements with Anglo American Marketing Limited ("AAML") up to the end of December 2027.

The Company has a concentrate off-take agreement with a third party whereby the third party will purchase 100% of the copper concentrate produced by the Cozamin Mine up to the end of December 2022.

The Company has a number of annual and multi-year concentrate off-take agreements with third parties whereby they will purchase the copper concentrate produced by the Pinto Valley Mine.

The Company entered into an off-take agreement with Boliden Commercial AB (“Boliden”) for 75 thousand tonnes of copper concentrates in each contract year. The off-take agreement expires ten years after the commencement of commercial production at the MVDP, subject to potential extension if less than 750 thousand tonnes of copper concentrates have been delivered at the contract term and subject to termination if commercial production does not commence by December 31, 2024.

MMC agreed to provide a $60 million COF in exchange for additional off-take of copper concentrate production under a 10-year contract. The off-take agreement includes Mantoverde agreeing to sell 30% of its annual copper production per year delivered for its equivalent in copper concentrates, plus an additional amount per annum of 20,000 to 30,000 tonnes of copper concentrate depending on the amount that is drawn by Mantoverde under the COF provided by MMC in connection with the MVDP. The agreement between MMC and Mantoverde to sell 30% of its annual copper production is for the duration of Mantoverde's commercial mine life. The amount payable for copper is based on average LME prices, subject to certain terms (Note 11).

Other

The Company has a contractual agreement extending until 2033 to purchase water for operations at Mantos Blancos.

The Company has contractual agreements for the purchase of power for operations at Mantos Blancos and Mantoverde, extending until 2028 and 2039, respectively.

The Company has contractual arrangements at Mantos Blancos and Mantoverde for the purchase of acid in 2023 and 2024 of 325 ktonnes and 420 ktonnes, respectively.

Included in value added taxes ("VAT") and other taxes receivable is $1.3 million of VAT related to Minera Santo Domingo which has been reclassified from non-current other assets (Note 6). The Company has provided a guarantee to the Chilean Internal Revenue Service that all VAT amounts refunded, plus interest, will be repaid if construction of the Santo Domingo development project is not completed by August 31, 2026.

21. General & Administrative Expenses

Details are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
General & administrative	**$ 6,147**	$ 4,289	**$ 18,358**	$ 12,438
Corporate depreciation	**142**	170	**471**	499
	$ 6,289	$ 4,459	**$ 18,829**	$ 12,937

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

22. Other (Expense) Income

Details are as follows:

	Three months ended September 30, **2022**	Three months ended September 30, 2021	Nine months ended September 30, **2022**	Nine months ended September 30, 2021
Mantos integration costs	**$ (281)**	$ —	**$ (3,401)**	$ —
Insurance proceeds	**—**	—	**2,368**	—
Mark-to-market gain on contingent consideration *(Note 9)*	**—**	998	**—**	5,067
Streaming arrangement transaction costs	**—**	(100)	**—**	(1,029)
Business development costs	**—**	(509)	**—**	(1,110)
Other expense	**(2,860)**	(545)	**(5,718)**	(1,105)
	$ (3,141)	$ (156)	**$ (6,751)**	$ 1,823

23. Finance Costs

Details of interest on long-term debt and surety bonds are as follows:

	Three months ended September 30, **2022**	Three months ended September 30, 2021	Nine months ended September 30, **2022**	Nine months ended September 30, 2021
Interest and standby fees on RCF and surety bonds	**$ 1,524**	$ 683	**$ 3,233**	$ 2,966
Amortization of financing fees *(Note 9)*	**225**	283	**792**	849
	$ 1,749	$ 966	**$ 4,025**	$ 3,815

Details of other interest are as follows:

	Three months ended September 30, **2022**	Three months ended September 30, 2021	Nine months ended September 30, **2022**	Nine months ended September 30, 2021
Interest accretion on deferred revenue *(Note 14) (i)*	**$ 2,500**	$ 2,950	**$ 7,500**	$ 5,750
Interest on leases	**1,451**	165	**3,005**	470
Accretion on payable on purchase of NCI *(Note 11) (ii)*	**971**	987	**3,037**	1,963
Accretion on asset retirement obligations	**823**	169	**2,338**	505
Other interest (income) expense	**(1,071)**	(8)	**(1,355)**	(64)
	$ 4,674	$ 4,263	**$ 14,525**	$ 8,624

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

24. Segmented Information

The Company is engaged in mining, exploration and development of mineral properties, and has operating mines in the US, Chile and Mexico. The Company has six reportable segments as identified by the individual mining operations of Pinto Valley (US), Mantos Blancos (Chile), Mantoverde (Chile), Cozamin (Mexico), as well as the Santo Domingo development project (Chile) and Other. The business combination with Mantos was completed on March 23, 2022, therefore no results for the Mantos Blancos and Mantoverde segments are reflected in the prior period comparative figures. Early stage exploration, other and corporate operations are reported in the Other segment. Intercompany revenue and expense amounts have been eliminated within each segment in order to report on the basis that management uses internally for evaluating segment performance. Total assets and liabilities do not reflect intercompany balances, which have been eliminated on consolidation. Segments are operations reviewed by the CEO, who is considered to be the chief operating decision maker.

Operating segment details are as follows:

	Three months ended September 30, 2022						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate	$ 94,826	$ 61,930	$ —	$ 43,643	$ —	$ —	$ 200,399
Copper cathode	4,983	30,508	84,215	—	—	—	119,706
Silver	694	424	—	6,623	—	—	7,741
Molybdenum	771	—	—	—	—	—	771
Gold	34	—	—	—	—	—	34
Treatment and selling costs	(9,400)	(6,191)	(1,594)	(2,762)	—	—	(19,947)
Net revenue	91,908	86,671	82,621	47,504	—	—	308,704
Production costs	(70,719)	(74,680)	(108,903)	(17,132)	—	—	(271,434)
Royalties	(385)	(1,400)	—	(405)	—	—	(2,190)
Depletion and amortization	(18,764)	(14,283)	(9,286)	(3,963)	—	—	(46,296)
Income (loss) from mining operations	2,040	(3,692)	(35,568)	26,004	—	—	(11,216)
General and administrative expenses	(85)	—	—	(18)	(18)	(6,168)	(6,289)
Exploration expenses	—	—	(1)	(9)	(3)	(1,764)	(1,777)
Share-based compensation expense	—	—	—	—	—	(2,309)	(2,309)
Income (loss) from operations	1,955	(3,692)	(35,569)	25,977	(21)	(10,241)	(21,591)
Realized and unrealized gains on derivative instruments	—	—	44,034	—	—	34,226	78,260
Other (expense) income	(459)	11,368	2,887	119	(271)	510	14,154
Net finance costs	(1,282)	(467)	48	(2,091)	(533)	(2,098)	(6,423)
Income (loss) before income taxes	214	7,209	11,400	24,005	(825)	22,397	64,400
Income tax recovery (expense)	941	(6,594)	(197)	(8,223)	—	(12,853)	(26,926)
Total net income (loss)	$ 1,155	$ 615	$ 11,203	$ 15,782	$ (825)	$ 9,544	$ 37,474
Mineral properties, plant & equipment additions	$ 36,796	$ 21,903	$ 64,128	$ 17,599	$ 8,082	$ —	$ 148,508

i. Intersegment sales and transfers are eliminated in the table above. For the three months ended September 30, 2022, intersegment revenue for Cozamin and the Other segment was $3.4 million and $0.3 million (2021 - $4.1 million and $0.4 million), respectively.

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

	Three months ended September 30, 2021				
	Pinto Valley	Cozamin	Santo Domingo	Other	Total
Revenue					
Copper	$ 108,130	$ 56,016	$ —	$ —	$ 164,146
Cathode	—	—	—	—	—
Silver	1,197	7,675		—	8,872
Zinc	—	739	—	—	739
Gold	679	—	—	—	679
Lead	—	(7)	—	—	(7)
Treatment and selling costs	(6,143)	(2,874)	—	—	(9,017)
Net revenue	103,863	61,549	—	—	165,412
Production costs	(63,506)	(17,038)	—	—	(80,544)
Royalties	(506)	(1,211)	—	—	(1,717)
Depletion and amortization	(16,676)	(3,711)	—	—	(20,387)
Earnings from mining operations	23,175	39,589	—	—	62,764
General and administrative expenses	(535)	(61)	(1)	(3,857)	(4,454)
Exploration expenses	—	(33)	(3)	(130)	(166)
Share-based compensation expense	—	—	—	(1,203)	(1,203)
Earnings (loss) from operations	22,392	39,495	(4)	(5,190)	56,693
Unrealized and realized gains on derivative instruments	—	—	—	555	555
Other income (expense)	142	942	(62)	(998)	24
Net finance costs	(456)	(2,304)	—	(1,619)	(4,379)
Earnings (loss) before income taxes	22,078	38,133	(66)	(7,252)	52,893
Income tax expense	(3,389)	(13,783)	—	(454)	(17,626)
Total net income (loss)	$ 18,689	$ 24,350	$ (66)	$ (7,706)	$ 35,267
Mineral properties, plant & equipment additions	$ 20,628	$ 9,569	$ 7,547	$ 60	$ 37,804

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

	Nine months ended September 30, 2022						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate	356,083	135,798	—	148,173	—	—	640,054
Copper cathode	16,634	67,880	230,846	—	—	—	315,360
Silver	3,651	983	—	21,027	—	—	25,661
Molybdenum	2,693	—	—	—	—	—	2,693
Zinc	—	—	—	1,712	—	—	1,712
Gold	851	—	—	—	—	—	851
Treatment and selling costs	(28,769)	(12,387)	(3,263)	(8,478)	—	—	(52,897)
Net revenue	351,143	192,274	227,583	162,434	—	—	933,434
Production costs	(228,333)	(149,905)	(233,014)	(51,015)	—	—	(662,267)
Royalties	(1,622)	(2,708)	—	(2,789)	—	—	(7,119)
Depletion and amortization	(63,627)	(28,155)	(27,951)	(12,194)	—	—	(131,927)
Income from mining operations	57,561	11,506	(33,382)	96,436	—	—	132,121
General and administrative expenses	(461)	—	—	(77)	(72)	(18,219)	(18,829)
Exploration expenses	—	—	(1)	(60)	(38)	(6,942)	(7,041)
Share-based compensation expense	—	—	—	—	—	(8,071)	(8,071)
Income (loss) from operations	57,100	11,506	(33,383)	96,299	(110)	(33,232)	98,180
Realized and unrealized gains on derivative instruments	—	—	131,188	—	—	44,335	175,523
Other (expense) income	(1,168)	21,425	(816)	(480)	(665)	(20,588)	(2,292)
Net finance costs	(2,459)	(1,114)	(988)	(6,515)	(1,599)	(5,875)	(18,550)
Income (loss) before income taxes	53,473	31,817	96,001	89,304	(2,374)	(15,360)	252,861
Income tax expense	(5,754)	(14,393)	(24,717)	(29,135)	—	(14,331)	(88,330)
Total net income (loss)	$ 47,719	$ 17,424	$ 71,284	$ 60,169	$ (2,374)	$ (29,691)	$ 164,531
Mineral properties, plant & equipment additions	$ 77,226	$ 94,446	$ 218,047	$ 53,306	$ 23,556	$ 15	$ 466,596

i. Intersegment sales and transfers are eliminated in the table above. For the nine months ended September 30, 2022, intersegment revenue for Cozamin and the Other segment was $10.5 million and $1.0 million (2021 - $10.7 million and $1.4 million), respectively.

(tabular amounts expressed in thousands of US dollars, except share and per share amounts)

	Nine months ended September 30, 2021				
	Pinto Valley	Cozamin	Santo Domingo	Other	Total
Revenue					
Copper	414,330	158,824	—	—	573,154
Cathode	—	—	—	—	—
Silver	4,918	24,521	—	—	29,439
Zinc	—	6,016	—	—	6,016
Gold	2,062	2	—	—	2,064
Lead	—	359	—	—	359
Treatment and selling costs	(22,524)	(9,632)	—	—	(32,156)
Net revenue	398,786	180,090	—	—	578,876
Production costs	(200,346)	(47,472)	—	—	(247,818)
Royalties	(843)	(4,723)	—	—	(5,566)
Depletion and amortization	(56,012)	(11,494)	—	—	(67,506)
Earnings from mining operations	141,585	116,401	—	—	257,986
General and administrative expenses	(716)	(239)	(7)	(11,975)	(12,937)
Exploration expenses	—	(1,061)	(25)	(762)	(1,848)
Impairment reversal on mineral properties	—	—	92,392	—	92,392
Share-based compensation expense	—	—	—	(47,042)	(47,042)
Earnings (loss) from operations	140,120	115,101	92,360	(59,779)	287,802
Unrealized and realized gain on derivative instruments	—	—	—	25	25
Other income (expense)	77	1,204	(647)	62	696
Net finance costs	(1,417)	(5,512)	(850)	(4,660)	(12,439)
Earnings (loss) before income taxes	138,780	110,793	90,863	(64,352)	276,084
Income tax (expense) recovery	(24,052)	(37,555)	(3,961)	346	(65,222)
Total net income (loss)	$ 114,728	$ 73,238	$ 86,902	$ (64,006)	$ 210,862
Mineral properties, plant & equipment additions	$ 65,741	$ 28,308	$ 20,674	$ 117	$ 114,840

	As at September 30, 2022						
	Pinto Valley	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Santo Domingo**	**Other**	**Total**
Mineral properties, plant and equipment	**$ 749,285**	**$ 941,945**	**$ 2,295,228**	**$ 221,700**	**$ 414,244**	**$ 938**	**$4,623,340**
Total assets	**$ 854,022**	**$1,053,406**	**$ 2,553,443**	**$ 268,279**	**$ 481,482**	**$ 50,167**	**$5,260,799**
Total liabilities	**$ 245,965**	**$ 290,397**	**$ 1,085,332**	**$ 217,330**	**$ 41,764**	**$ 172,370**	**$2,053,158**

	As at December 31, 2021				
	Pinto Valley	Santo Domingo	Cozamin	Other	Total
Mineral properties, plant and equipment	$ 737,878	$ 390,721	$ 180,873	$ 1,398	$ 1,310,870
Total assets	$ 912,132	$ 434,797	$ 281,718	$ 99,315	$ 1,727,962
Total liabilities	$ 243,704	$ 36,585	$ 247,379	$ 183,867	$ 711,535