



NEWS RELEASE

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Capstone Copper Reports First Quarter 2023 Results

All amounts in US\$ unless otherwise indicated

Vancouver, British Columbia – Capstone Copper Corp. (“Capstone” or the “Company”) (TSX:CS) today reported financial results for the three months and quarter ended March 31, 2023 (“Q1 2023”). Q1 copper production totaled 40.7 tonnes at C1 cash costs¹ of \$2.96 per payable pound of copper produced. The Company reaffirmed its 2023 consolidated production, C1 cash costs¹, and capital (including capitalized stripping) guidance of 170-190kt of copper, \$2.50 to \$2.70 per payable pound, and \$620 million, respectively. Link [HERE](#) for Capstone’s Q1 2023 webcast presentation.

John MacKenzie, CEO of Capstone, commented, “We are pleased to report that construction at our transformational Mantoverde Development Project (“MVDP”) remains on-time and on-budget, with nearly 3 million tonnes of sulphide ore stockpiled to date ahead of our ramp-up commencing late this year. Furthermore, despite a challenging Q1 2023 marked by heavy rainfall at our Pinto Valley mine in Arizona, we are re-iterating our 2023 production, cost, and capital outlook. We anticipate production to increase sequentially, with a commensurate decrease in costs in the back half of 2023. This year is pivotal for Capstone, as we expect to complete MVDP construction in Q4, setting the stage for a doubling of consolidated cash flow and positioning us well for future growth”.

Q1 2023 OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Net loss of \$29.0 million, or \$(0.03) per share for Q1 2023. Adjusted net income¹ of \$8.5 million, or \$0.02 per share for Q1 2023. Q1 2023 results are lower compared to the same quarter last year due to a lower realized copper price, inflationary pressure on costs, and an inventory build-up due to a sales lag in the availability of ocean going vessels for cathode shipments which totaled 2.4 thousand tonnes of copper. Given the strengthening Chilean peso, net income includes a realized foreign exchange loss of \$8.5 million.
- Adjusted EBITDA¹ of \$65.3 million for Q1 2023 compared to \$123.4 million for Q1 2022. The decrease in Adjusted EBITDA¹ is driven by a lower realized copper price, a sales lag and inflationary pressure on costs, and realized foreign exchange loss of \$8.5 million and realized derivative loss of \$8.4 million.
- Operating cash flow before changes in working capital of \$41.7 million in Q1 2023 compared to \$70.4 million in Q1 2022.
- Consolidated copper production for Q1 2023 of 40.7 thousand tonnes at C1 cash costs¹ of \$2.96. Copper production was lower than expected in the first quarter due to unfavorable weather at Pinto Valley and maintenance downtime at Mantos Blancos focused on increasing mill throughput which translated into higher consolidated cash costs.
- The Company reiterates the 2023 guidance of 170-190kt of copper production at \$2.50-\$2.70 per pound, along with capital guidance (including capitalized stripping) of \$620 million. We expect production to be back-half weighted, with sequential quarter-over-quarter improvements in copper production, notably at Pinto Valley.

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

- Mantoverde Development Project ("MVDP") remains on budget and on schedule. Construction is progressing well on all key areas of the project. Total project spend inception-to-date was approximately \$654 million at the end of March 2023 of a total budget of \$825 million.
- Total available liquidity¹ of \$529.1 million as at March 31, 2023, composed of \$101.1 million of cash and short-term investments, and \$428.0 million of undrawn amounts on the corporate revolving credit facility.
- On March 20, 2023, Capstone Copper announced a new Sustainable Development Strategy and the adoption of greenhouse gases ("GHG") emissions reduction targets to support the Company's commitment to responsible copper production.
- On March 31, 2023, the Company and its largest shareholder, Orion Resource Partners ("Orion") completed a secondary bought offering of common shares whereby Orion sold an aggregate of 57,500,000 common shares at a price of C\$5.70 per share. Subsequent to the completion of the offering, Orion's shareholding decreased from approximately 32% to approximately 24%.
- Subsequent to quarter-end, the Company announced the results of a new Technical Report and life of mine plan for its Cozamin mine. The updated life of mine plan includes average annual copper production of 20 thousand tonnes of copper and 1.3 million ounces of silver over eight years at average C1 costs¹ of \$1.51 per payable pound of copper.

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OPERATIONAL OVERVIEW

Refer to Capstone's Q1 2023 MD&A and Financial Statements for detailed operating results.

	Q1 2023	Q1 2022
Copper production (000s tonnes)		
<i>Sulphide business</i>		
Pinto Valley	12.9	14.4
Cozamin	5.2	5.9
Mantos Blancos	10.8	0.7
Total sulphides	28.9	21.0
<i>Cathode business</i>		
Mantos Blancos	3.3	0.30
Mantoverde ²	8.5	1.20
Total cathodes	11.8	1.5
Consolidated	40.7	22.5
Copper sales		
Copper sold (000s tonnes)	37.5	25.5
Realized copper price ¹ (\$/pound)	4.17	4.78
C1 cash costs¹ (\$/pound) produced		
<i>Sulphides business</i>		
Pinto Valley	3.09	2.60
Cozamin	1.72	1.12
Mantos Blancos	2.46	2.89
Total sulphides	2.61	2.31
<i>Cathode business</i>		
Mantos Blancos	3.36	4.38
Mantoverde	4.02	3.63
Total cathodes	3.83	3.78
Consolidated	2.96	2.31

² Mantoverde production shown on a 100% basis.

³ Q1 2022 production represents only nine days production for Mantos Blancos and Mantoverde

Consolidated Production

Q1 2023 copper production of 40.7 thousand tonnes of copper is higher than the 22.5 thousand tonnes in Q1 2022, primarily as a result of the addition of full quarter Mantos Blancos and Mantoverde production.

Q1 2023 C1 cash costs¹ of \$2.96/lb are a mix of sulphide and cathode business units compared to Q1 2022 which was predominately sulphide production. Cash costs are higher than guidance for the quarter due to lower production and inflationary pressure on costs which included some carryover of higher cost sulphuric acid inventory.

Q1 2023 consolidated sulphide C1 cash costs¹ of \$2.61/lb were 13% higher than in Q1 2022 primarily due to inflationary price increases on main consumables.



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. 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 MVDP to be completed late in 2023.

Pinto Valley Mine

Q1 2023 production was 10% lower than Q1 2022 mainly due to lower mill throughput (52,207 tpd in Q1 2023 versus 58,412 tpd in Q1 2022) driven by heavy rainfall, including flooding, which resulted in plugged chutes and screens; in addition, there was unplanned maintenance on the secondary crusher. The mill feed grade was 6% lower (0.30% in Q1 2023 versus 0.32% in Q1 2022) due to mining sequence, which was partially offset by higher recoveries as a result of lower mill throughput.

Q1 2023 C1 cash costs¹ of \$3.09/lb were \$0.49/lb higher compared to the same period last year of \$2.60/lb primarily due to lower production (\$0.30/lb), increased mining costs due to inflationary pressures on diesel prices, explosives, grinding media and higher spend on rental equipment, mining equipment tools and contractors (\$0.24/lb), higher 2022 bonus payout (\$0.05/lb) and lower capitalized stripping (\$0.05/lb), partially offset by higher by-product credits on higher molybdenum production. The cash costs are expected to trend down as result of higher production but will be at the high end of the cost guidance range for Pinto Valley.

Mantos Blancos Mine

Q1 2023 production was 14.1 thousand tonnes, comprised of 10.8 thousand tonnes from the sulphide operations and 3.3 thousand tonnes of cathode from the oxide operations. Sulphide concentrate production increased by 9% quarter-over-quarter, driven by higher throughput (16,023 tpd vs. 15,246 tpd in Q4 2022) and higher recoveries (80.2% vs. 75.1% in Q4 2022). Copper grades remained strong at 0.94% (compared to 0.94% in Q4 2022). During Q1 2023, the focus was on preventative maintenance in order to increase reliability and improve online time. The quarter included 18 days operating at 20,000 tpd, and an average throughput rate of 19,000 tpd in February.

Combined Q1 2023 C1 cash costs¹ were \$2.68/lb (\$2.46/lb sulphides and \$3.36/lb cathodes). The cathode costs were significantly impacted by high sulphuric acid prices that averaged \$212/tonne in Q1 2023 including inland transport costs and 11,300 tonnes of high-acid cost inventory (\$240/tonne) as of the end of 2022. Recently, sulphuric acid prices have significantly decreased with contract prices of approximately \$130/tonne for 2023. In addition, for the rest of 2023 we expect a reduction in combined C1 cash costs as the production mix will have a higher ratio of concentrates to cathodes with the ramp up in sulphide production during the year. Cash costs in Q4 2022 were lower as a result of a stockpile adjustment that was recorded.

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

Mantoverde Mine

Q1 2023 production was 8.5 thousand tonnes. Heap operations grade was 0.31% and recoveries were 69.0%. Dump operations grade was 0.17% and recoveries were 39.9%. The heap operations will have a lower grade during 2023 in range of 0.31% to 0.33% as result of mine sequence as we transition towards the sulphide ore for MVDP. As a result of 30% lower grade, the cash costs for 2023 will be higher than 2022 and then subsequently decline in 2024 with the commencement of sulphide production.

Q1 2023 C1 cash costs¹ were \$4.02/lb and were significantly impacted by high energy costs, averaging 25.6 c/kWh due to high coal prices included in the pricing formula of the energy contract, and high sulphuric acid prices, averaging \$177/tonne for the quarter including inland transport costs and 17,600 tonnes of high-cost acid inventory as of the end of 2022. The impact of higher cost sulphuric acid in opening inventory was approximately \$1.3 million. For the rest of 2023, energy costs are expected to gradually decrease and in 2024 the coal price element will be eliminated from the pricing formula. In addition, sulphuric acid prices have significantly decreased with contract prices in the \$140/tonne range for 2023.

Cozamin Mine

Q1 2023 production was lower than Q1 2022 due to lower throughput as a result of change in mining method (cut-and-fill) (3,410 tpd in Q1 2023 versus 3,704 tpd in Q1 2022) and lower grades (1.77% in Q1 2023 versus 1.84% in Q1 2022). Recoveries were consistent quarter over quarter.

Q1 2023 C1 cash costs¹ were 54% higher than the same period last year primarily due to the change in mining method which resulted in an increase in employee headcount, higher power rates, planned higher spend on contractors and mechanical parts to increase equipment availability and reliability (\$0.20/lb). In addition, cash costs were impacted by lower production (\$0.17/lb) and lower zinc by-product credits due to planned lower zinc production, as well as lower silver prices (\$0.15/lb).

Mantoverde Development Project

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

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

MVDP is progressing under a lump-sum turn-key engineering, procurement, and construction (EPC) contract with Ausenco Limited, a multi-national EPC management company, with broad international

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experience in the design and construction of copper concentrator projects of this scale in the international market. The execution plan includes a Capstone Copper owner's team working with the contractors during the execution phase.

The Mantoverde Development Project is progressing well and remains on track for commissioning and feeding first ore to the mill in late 2023. Areas of focus in Q1 2023 were:

- Third electric rope shovel assembly and commissioning completed;
- Stockpiled nearly 3 million tonnes of sulphide ore grading ~0.6% copper;
- Structural and mechanical assembly completed in the primary crusher, while services facilities are progressing according to plan; and
- Installed critical equipment such as the SAG and ball mill, flotation cells, conveyor belts and other components in the final position and electromechanical assembly is progressing according to the planned schedule.

As of March 31, 2023, the cost of the different components of the project, including the lump-sum turnkey EPC, continue on track and on target. The total project capital remains at \$825 million and inception-to-date project spend, excluding finance costs, totals \$654 million.

The majority of the total project capital cost of \$825 million is fully encompassed by the turn-key contract with Ausenco. The EPC contract total budget is approximately \$525 million of which \$413 million has been spent as of March 31, 2023. In addition, major mining equipment for approximately \$140 million was price fixed prior to the elevated inflationary pressures observed this year.

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

Mantoverde - Santo Domingo District Integration Plan

The Company is focused on creating a world-class mining district in the Atacama region of Chile, targeting over 200,000 tonnes per year of low-cost copper production with the potential to also become one of the largest and lowest cost battery grade cobalt producers in the world. Capstone Copper has the opportunity to unlock a total of \$80-100 million per year in operating cost synergies, while also enabling additional copper and cobalt production, infrastructure capital savings, and the potential for significant tax synergies.

The district integration synergies include the following:

- Water and Power Infrastructure – a plan to expand the existing Mantoverde desalination plant to 840 litres per second, utilization of existing water pipelines, and upgraded energy transmission capacity to Santo Domingo.
- Port Infrastructure – opportunity to reduce Mantoverde's concentrate trucking costs by \$10 million per year by using the planned Santo Domingo port, located 65 kilometres from Mantoverde. This will also lower GHG emissions associated with transporting concentrate to customers.
- Integrated Operations – potential to lower district operating costs by \$20-30 million by streamlining the organizational chart across both operations, increasing purchasing power given district scale, and standardizing equipment to promote productivity gains.
- Santo Domingo Oxides – potential addition of 8,000-10,000 tonnes per annum ("tpa") of copper production over the first 10 years of production, by leaching copper oxides at Santo Domingo and processing the concentrated solutions at Mantoverde's underutilized SX-EW facility.

- Cobalt Opportunity – ability to reduce operating costs by approximately \$45 million per year by building the cobalt and sulphuric acid production facility at Mantoverde that will process cobaltiferous pyrite produced by both Mantoverde and Santo Domingo. The benefits would be realized through the by-product production of sulphuric acid as well as the elimination of related sulphuric acid port and trucking costs.

Santo Domingo

Santo Domingo has started the flowsheet optimization process previously announced by awarding Ausenco a Prefeasibility Study ("PFS") subsequently followed by a Feasibility Study ("FS") scope which explores betterments identified through the development of several technical assessments conducted by subject matter experts. Taking into consideration the previous feasibility study, Ausenco will put together a new Technical Report to update the market with the Santo Domingo current business case. The press release associated with the Technical Report is expected in December 2023. Also, project debottlenecking activities have continued to maintain Capstone Copper's "shovel ready" position by advancing permitting and formalizing agreements with third parties.

Mantoverde Optimization and Phase II

The Company is currently analyzing the next expansion of the sulphide concentrator. Capstone has identified that the desalination plant capacity and major components of the comminution and flotation circuits of the Mantoverde Development Project are capable of sustaining average annual throughput of between 40,000 and 45,000 tonnes per day with no major capital equipment upgrades. Capstone continues to work with Ausenco's engineering team to develop the Optimized Mantoverde Development Project (MVDP Optimized), including evaluating the costs and timelines of debottlenecking the minor components of the plant to meet the potential throughput target. The conceptual engineering study is expected to be completed in Q2 and the Feasibility Study is on track for completion late in H2 2023.

Given the above, the Mantoverde Phase II study will evaluate the addition of an entire second processing line, possibly a duplication of the first line, to process some of the additional 77% of resources not utilized by the optimized MVDP. Current activities are focused on understanding the optimum concentrator capacity and mine plan, along with the implications to the timing and permitting for the project.

Mantoverde - Santo Domingo Cobalt Feasibility Study Update

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

The cobalt recovery process consists of a concentration step, an oxidation step, and a cobalt recovery step. The concentration step considers a conventional froth flotation circuit treating copper flotation tails to produce a cobaltiferous pyrite concentrate which is expected to contain between 0.5% and 0.7% Co. Two cobalt processes are under evaluation, Roasting and Heap Leaching-Ion Exchange. In both cases, the technology is proven and is expected to deliver low cost cobalt production and GHG savings. The roasting case requires higher capital and would need a longer timeline for permitting and construction, while the heap leaching-ion exchange process is expected to have lower cobalt production but with a quicker timeline to production, and lower risk due to the use of heap leach infrastructure already in place at Mantoverde.

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

For the heap leaching-ion exchange case, the pyrite concentrate from Mantoverde and Santo Domingo would be recovered and added to the oxide heap leach feed agglomerate drums. The pyrite would oxidize in the heap, producing by-product sulfuric acid in situ and solubilizing a significant fraction of the cobalt. A bleed stream containing cobalt in solution will then be directed to a recovery plant consisting of various steps of impurity removal, continuous ion exchange, and hydroxide precipitation to produce a cobalt hydroxide precipitate. It is believed that this approach would require significantly less capital expenditure and could potentially accelerate the production of cobalt from the district. Test work has commenced as planned, including cobaltiferous pyrite roasting and leaching tests for Santo Domingo, column leaching and selective flotation tests using Mantoverde ore, and ion exchange separation tests using Mantoverde raffinates.

Mantos Blancos Phase II

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

PV4 Study

The PV4 PFS 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. Given our review of district consolidation potential, the release of the PV4 study will be deferred while we investigate the incorporation of district opportunities including a potential mill expansion and increased leaching capacity supported by optimized water, heap and dump leach, and tailings infrastructure. This could unlock significant ESG opportunities and may transform our approach to surface value for all stakeholders in the Globe-Miami District.

Cozamin Updated Technical Report

The Company is pleased to announce the results of a new Technical Report for its Cozamin Mine in Zacatecas, Mexico. As at January 1, 2023, Probable Mineral Reserves stood at 10.2 million tonnes grading 1.65% copper, 43 g/t silver, 0.54% zinc and 0.29% lead. Measured and Indicated Mineral Resources were

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19.7 million tonnes grading 1.58% copper, 47 g/t silver, 1.08% zinc and 0.41% lead. Inferred Resources were 12.3 million tonnes grading 0.72% copper, 38g/t silver, 1.97% zinc and 0.83% lead.

The updated life of mine plan includes average annual copper production of 20 thousand tonnes of copper and 1.3 million ounces of silver production over eight years at average C1 costs¹ of \$1.51 per payable pound of copper. Over the next five years from 2023 to 2027, average projected annual production is higher at 24 thousand tonnes of copper and 1.7 million ounces of silver, at lower average projected C1 costs¹ of \$1.46 per payable pound of copper.

Based on our experience mining the Mala Noche Footwall Zone ("MNFWZ") orebody at Cozamin to date, management believes the combination of mining methods outlined in the Technical Report will result in optimal mine performance, particularly in ore extraction. Furthermore, as Cozamin builds its skill set in paste backfill and cut and fill mining, there are several possibilities to extend the mine life and improve mining productivity and dilution. Specifically, the Technical Report outlines a number of opportunities to expand the mine that are not included in the life of mine plan and are not reflected in the mineral reserve estimate as of January 1, 2023, including: through exploration on drill targets open to the southeast, northwest, and down-dip (at depth), by converting material classified as Inferred with additional drilling and studies, through the implementation of selective mining techniques to decrease dilution and lower mining costs, and through enhanced pillar recovery, leveraging the benefits of the paste backfill plant.

The company has filed on SEDAR a technical report titled "NI 43-101 Technical Report on the Cozamin Mine, Zacatecas, Mexico" that has an effective date of January 1, 2023. The Technical Report was prepared in accordance with the Canadian Securities Administrator's NI 43-101 Standards of Disclosure for Mineral Projects; and is available for review under the Company's profile on SEDAR at www.sedar.com and the Company's web site at www.capstonecopper.com.

Cozamin Updated Life of Mine Plan 2023 to 2030

Life of Mine Plan ²	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Cu Production (Kt)	23.8	25.4	23.8	25.3	22.3	17.8	15.6	5.3
Ag Production (Koz)	1,411	1,576	1,678	1,829	1,832	1,549	1,353	404
Pb Production (Kt)	0.2	0.4	3.2	2.7	4.5	4.4	7.5	2.2
Zn Production (Kt)	0.8	0.8	3.5	2.9	5.3	5.6	9.0	2.6
Tonnes milled (M tonnes)	1.38	1.38	1.36	1.41	1.47	1.32	1.42	0.48
Cu Grade (%)	1.80	1.92	1.84	1.88	1.60	1.44	1.19	1.19
Cu Recovery (%)	95.62	95.84	95.54	95.57	94.66	93.85	92.45	92.96
Ag Grade (g/t)	38	42	46	48	48	46	39	35
Ag Recovery (%)	83.64	84.68	83.66	84.04	80.82	79.37	76.02	75.07
Pb Grade (%)	0.04	0.05	0.27	0.23	0.35	0.39	0.60	0.51
Pb Recovery (%)	31.26	54.52	87.19	84.40	87.11	84.72	88.44	89.64
Zn Grade (%)	0.34	0.29	0.49	0.43	0.57	0.64	0.91	0.89
Zn Recovery (%)	17.39	20.80	53.33	47.73	63.83	65.78	69.52	61.34
Operating Cost per Tonne (\$/t milled)	58.78	60.73	58.17	57.95	60.58	59.22	59.94	59.84
C1 Costs³ (\$/lb)	1.63	1.56	1.31	1.32	1.49	1.57	1.73	1.86
Sustaining capex (\$M)	27.6	19.7	15.2	20.9	14.8	12.2	3.1	-
Expansion capex (\$M)	7.6	-	-	-	-	-	-	-

² Cozamin's Life of Mine Plan has been updated based on the Mineral Reserves as of January 1, 2023. Operating and capital costs assume an exchange rate of MXN\$20 per USD\$1.

3 C1 Costs assume by-product pricing of Ag = \$20.00/oz in 2023, Ag = \$22.00/oz in 2024-2025, and Ag = \$21.00/oz thereafter; Pb = \$0.90/lb and Zn = \$1.10/lb in all periods. C1 Costs are net of by-products and includes the 50% silver stream, which provides 10% of silver price to Capstone for 50% of silver produced, and is an alternative performance measure. Please see the "Alternative Performance Measures" section.

Mineral Reserve Estimate as of January 1, 2023

Classification	Tonnes	Cu	Ag	Zn Grade	Pb Grade	Cu	Ag	Zn Metal	Pb Metal
	(kt)	(%)	(g/t)	(%)	(%)	(kt)	(koz)	(kt)	(kt)
Proven	-	-	-	-	-	-	-	-	-
Probable	10,210	1.65	43.44	0.54	0.29	168	14,258	55	29
Total	10,210	1.65	43.44	0.54	0.29	168	14,258	55	29

Reserve Table Notes:

- The Mineral Reserve is reported at the point of delivery to the process plant, using the 2014 CIM Definition Standards, and has an effective date of January 1, 2023.
- The Qualified Person for the estimate is Mr. Clay Craig, P.Eng., a Capstone employee.
- The Mineral Reserve is reported within fully diluted mineable stope shapes generated by the Deswik Mineable Shape Optimiser software. Mining methods include long-hole stoping and cut-and-fill methods.
- The Mineral Reserve is reported at or above a blended cut-off of \$60.54/t NSR for long-hole stoping and \$65.55/t NSR for cut-and-fill mining.
- The NSR cut-off is based on operational mining and milling costs plus general and administrative costs. The NSR formulae vary by zone. Three separate NSR formulae are used based on zone mineralization and metallurgical recoveries. Copper-silver dominant zones use the NSR formula: $(Cu*66.638 + Ag*0.484)*(1-NSRRoyalty\%)$. MNFWZ zinc-silver zones use the NSR formula: $(Ag*0.290 + Zn*13.723 + Pb*13.131)*(1-NSRRoyalty\%)$. MNV zinc-silver dominant zones use the NSR formula: $(Ag*0.228 + Zn*12.121 + Pb*11.363)*(1-NSRRoyalty\%)$. Metal price assumptions (in USD) of Cu \$3.55/lb, Ag = \$20.00/oz, Pb = \$0.90/lb, Zn = \$1.15/lb and metal recoveries of 96% Cu, 86% Ag, 0% Pb and 0% Zn in copper-silver dominant zones, 0% Cu, 61% Ag, 93% Pb and 88% Zn in MNFWZ zinc-silver dominant zones, and 0% Cu, 56% Ag, 80% Pb and 77% Zn in MNV zinc-silver dominant zones. The formulae include consideration of confidential current smelter contract terms, transportation costs and 1–3% net smelter return royalty payments. Royalties are dependent on the mining concession, and are treated as costs in the Mineral Reserve estimates.
- Totals may not sum due to rounding.

Mineral Resource Estimate as of January 1, 2023

Classification	Tonnes	Cu Grade	Ag Grade	Zn Grade	Pb Grade	Cu Metal	Ag Metal	Zn Metal	Pb Metal
	(kt)	(%)	(g/t)	(%)	(%)	(kt)	(koz)	(kt)	(kt)
Measured	400	1.25	53.8	1.23	0.40	5	692	5	2
Indicated	19,264	1.59	46.8	1.08	0.41	306	28,970	207	79
Measured + Indicated	19,664	1.58	46.9	1.08	0.41	311	29,662	212	81
Inferred	12,283	0.72	38.3	1.97	0.83	88	15,123	242	102

Resource Table Notes:

- The Mineral Resource is reported insitu, using the 2014 CIM Definition Standards, and have an effective date of January 1, 2023.
- The Qualified Person for the estimate is Mr. Clay Craig, P.Eng., a Capstone employee.
- The Mineral Resource is reported inclusive of the Mineral Resource converted to Mineral Reserve. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- The Mineral Resource was estimated assuming underground mining by longhole stoping and post-pillar cut-and-fill with mineral processing by flotation. Mineral Resource estimates do not account for mining loss and dilution.
- The Mineral Resource is reported above a net smelter return of US\$59/t. Metal price assumptions in the NSR formulae were \$3.75/lb Cu, US\$22.00/oz Ag, US\$1.35/lb Zn and US\$1.00/lb Pb.



6. Metallurgical recoveries used in the NSR formulae are based on mineralization. Metallurgical recoveries vary by domain and NSR formula. The NSR formula for MNV zinc zones is $(Ag \times 0.241 + Zn \times 15.511 + Pb \times 12.993) \times (1 - NSR \text{ Royalty} \%)$ using metallurgical recoveries of 55% Ag, 80% Zn and 80% Pb. The NSR formula for MNV copper-zinc zones is $(Cu \times 69.739 + Ag \times 0.498 + Zn \times 12.956) \times (1 - NSR \text{ Royalty} \%)$ using metallurgical recoveries of 95% Cu, 85% Ag and 67% Zn. Copper-silver dominant zones use the NSR formula: $(Cu \times \$70.72 + Ag \text{ g/t} \times \$0.53) \times (1 - NSR \text{ Royalty} \%)$. Copper-silver dominant zones use the following metallurgical recoveries: 96.16% Cu and 85.83% Ag. Copper-zinc zones use the NSR formula: $(Cu \times \$69.74 + Ag \text{ g/t} \times \$0.50 + Zn \times \$12.96) \times (1 - NSR \text{ Royalty} \%)$. Copper-zinc zones use the following metallurgical recoveries: 94.82% Cu, 83.82% Ag, 66.95% Zn, and 0% Pb. MNFWZ zinc-silver dominant zones use the NSR formula: $(Ag \text{ g/t} \times \$0.35 + Zn \times \$16.80 + Pb \times \$15.11) \times (1 - NSR \text{ Royalty} \%)$. Zinc-silver dominant zones use the following metallurgical recoveries: 66.50% Ag, 86.79% Zn, and 92.86% Pb. The formulae include consideration of confidential current smelter contract terms, transportation costs and 1-3% net smelter return royalty payments.

7. Totals may not sum due to rounding.

Corporate Exploration Update

Cozamin: Q1 2023 focused on infilling the Mala Noche Main Vein West Target with one underground rig from the west exploration crosscut station. Development of the proposed lower elevation mine cross-cut will allow for additional infill drilling starting in late Q3 2023 to develop an updated mineral resource estimate in 2024.

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. An amendment to the agreement was completed in March 2023 extending the term by another six months. Drilling with two surface rigs twinning historical drill holes was completed in 2022 with metallurgical testing continuing in 2023. As explained in the PV4 Study section, district consolidation opportunities are being evaluated.

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"), was completed in Q1 2023. During Q1 Capstone and Lara amended the Planalto Option Agreement extending the timeframe to complete the feasibility study until 2026 and Capstone now plans to complete 10,000 metres of exploration drilling during 2023.

2023 Outlook

The Company reiterates the 2023 consolidated production, C1 cash costs¹ and capital guidance (including capitalized stripping) of 170-190kt of copper, \$2.50 to \$2.70 per payable pound and \$620 million, respectively. We expect production to be back-half weighted, with sequential quarter-over-quarter improvements in copper production, notably at Pinto Valley.

MVDP remains on track and on budget for commissioning and feeding first ore to the mill in late 2023.

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



FINANCIAL OVERVIEW

Please refer to Capstone's Q1 2023 MD&A and Financial Statements for detailed financial results.

(\$ millions, except per share data)	Q1 2023	Q1 2022
Revenue	335.6	268.1
Net (loss) income	(29.0)	35.1
Net (loss) income attributable to shareholders	(20.0)	34.0
<i>Net (loss) income attributable to shareholders per common share - basic and diluted (\$)</i>	(0.03)	0.08
Adjusted net income¹	8.5	61.1
<i>Adjusted net income attributable to shareholders per common share - basic and diluted</i>	0.02	0.14
Adjusted EBITDA¹	65.3	123.4
Cash flow from operating activities	3.8	(7.8)
<i>Cash flow from (used in) operating activities per common share¹ - basic (\$)</i>	0.01	(0.02)
Operating cash flow before changes in working capital¹	41.7	70.4
<i>Operating cash flow before changes in working capital per common share¹ - basic (\$)</i>	0.06	0.16

(\$ millions)	March 31, 2023	December 31, 2022
Total assets	5,503.7	5,380.9
Long term debt (excluding financing fees and purchase price allocation fair value adjustments) ¹	692.0	595.0
Total non-current financial liabilities	829.3	709.5
Total non-current liabilities	1,941.7	1,792.5
Cash and cash equivalents and short-term investments	101.1	171.9
Net debt ¹	(650.9)	(483.1)
Attributable net (debt)/cash ¹	(491.7)	(34.1)

CONFERENCE CALL AND WEBCAST DETAILS

Capstone will host a conference call and webcast on Wednesday, May 3, 2023 at 08:00 am PT/11:00 am ET. Link to the audio webcast: <https://app.webinar.net/ZrDgayqINXe>

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

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



A replay of the conference call will be available until May 10, 2023. Dial-in numbers for Toronto: (+1) 416-764-8677 and North American toll free: 888-390-0541. The replay code is 844836#. Following the replay, an audio file will be available on Capstone's website at <https://capstonecopper.com/investors/events-and-presentations/>.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements relate to future events or future performance and reflect our expectations or beliefs regarding future events. Our sustainable Development Strategy goals and strategies are based on a number of assumptions, including regarding the biodiversity and climate-change consequences; availability and effectiveness of technologies needed to achieve our sustainability goals and priorities; availability of land or other opportunities for conservation, rehabilitation or capacity building on commercially reasonable terms and our ability to obtain any required external approvals or consensus for such opportunities; the availability of clean energy sources and zero-emissions alternatives for transportation on reasonable terms; our ability to successfully implement new technology; and the performance of new technologies in accordance with our expectations.

Forward-looking statements include, but are not limited to, statements with respect to the estimation of Mineral Resources and Mineral Reserves, the success of the underground paste backfill and tailings filtration projects at Cozamin, the timing and cost of the construction of the paste backfill and dry stack tailings plant at Cozamin, the success and timing of the MB-CDP (as defined below), the timing and cost of the MV Development Project, the timing and results of the Pinto Valley pre-feasibility study ("PV4 PFS"), 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, environmental risks, unanticipated reclamation expenses and title disputes, the success of the synergies and catalysts related to prior transactions, in particular the potential synergies with Mantoverde

and Santo Domingo, the anticipated future production, costs of production, including the cost of sulphuric acid and oil and other fuel, capital expenditures and reclamation of 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's ability to manage challenges and restrictions arising from COVID-19 in the communities in which Capstone operates and our ability to continue to safely operate. The impact of COVID-19 to Capstone 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 certain cases, forward-looking statements can be identified by the use of words such as "anticipates", "approximately", "believes", "budget", "estimates", "expects", "forecasts", "guidance", "intends", "plans", "scheduled", "target", or variations of such words and phrases, or statements that certain actions, events or results "be achieved", "could", "may", "might", "occur", "should", "will be taken" or "would" or the negative of these terms or comparable terminology. In this document certain forward-looking statements are identified by words including "anticipated", "expected", "guidance" and "plan". By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, amongst others, risks related to inherent hazards associated with mining operations and closure of mining projects, future prices of copper and other metals, compliance with financial covenants, surety bonding, our ability to raise capital, Capstone Copper's ability to acquire properties for growth, counterparty risks associated with sales of our metals, use of financial derivative instruments and associated counterparty risks, foreign currency exchange rate fluctuations, market access restrictions or tariffs, changes in general economic conditions, availability and quality of water, accuracy of Mineral Resource and Mineral Reserve estimates, operating in foreign jurisdictions with risk of changes to governmental regulation, compliance with governmental regulations, compliance with environmental laws and regulations, reliance on approvals, licences and permits from governmental authorities and potential legal challenges to permit applications, contractual risks including but not limited to, our ability to meet the completion test requirements under the Cozamin Silver Stream Agreement with Wheaton Precious Metals Corp. ("Wheaton"), our ability to meet certain closing conditions under the Santo Domingo Gold Stream Agreement with Wheaton, acting as Indemnitor for Minto Metals Corp.'s surety bond obligations post divestiture, impact of climate change and changes to climatic conditions at our operations and projects, changes in regulatory requirements and policy related to climate change and greenhouse gas ("GHG") emissions, land reclamation and mine closure obligations, aboriginal title claims and rights to consultation and accommodation, risks relating to widespread epidemics or pandemic outbreak including the COVID-19 pandemic; the impact of COVID-19 on our workforce, risks related to construction activities at our operations and development projects, suppliers and other essential resources and what effect those impacts, if they occur, would have on our business, including our ability to access goods and supplies, the ability to transport our products and impacts on employee productivity, the risks in connection with the operations, cash flow and results of Capstone Copper relating to the unknown duration and impact of the COVID-19 pandemic, impacts of inflation, geopolitical events and the effects of global supply chain disruptions, uncertainties and risks related to the potential

development of the Santo Domingo project, risks related to the Mantos Blancos Concentrator Debottlenecking Project and the Mantoverde Development Project, increased operating and capital costs, increased cost of reclamation, challenges to title to our mineral properties, increased taxes in jurisdictions the Company operates or is subject to tax, changes in tax regimes we are subject to and any changes in law or interpretation of law may be difficult to react to in an efficient manner, maintaining ongoing social licence to operate, seismicity and its effects on our operations and communities in which we operate, dependence on key management personnel, potential conflicts of interest involving our directors and officers, corruption and bribery, limitations inherent in our insurance coverage, labour relations, increasing input costs such as those related to sulphuric acid, electricity, fuel and supplies, increasing inflation rates, competition in the mining industry including but not limited to competition for skilled labour, risks associated with joint venture partners and non-controlling shareholders or associates, our ability to integrate new acquisitions and new technology into our operations, cybersecurity threats, legal proceedings, the volatility of the price of the common shares, the uncertainty of maintaining a liquid trading market for the common shares, risks related to dilution to existing shareholders if stock options or other convertible securities are exercised, the history of Capstone Copper with respect to not paying dividends and anticipation of not paying dividends in the foreseeable future and sales of common shares by existing shareholders can reduce trading prices, and other risks of the mining industry as well as those factors detailed from time to time in the Company's interim and annual financial statements and MD&A of those statements and Annual Information Form, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause our actual results, performance or achievements to differ materially from those described in our forward-looking statements, there may be other factors that cause our results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that our forward-looking statements will prove to be accurate, as our actual results, performance or achievements could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on our forward-looking statements.

COMPLIANCE WITH NI 43-101

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

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



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

Alternative Performance Measures

Alternative performance measures are furnished to provide additional information. These non-GAAP performance measures are included in this document because these statistics are key performance measures that management uses to monitor performance, to assess how the Company is performing, and to plan and assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

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

C1 Cash Costs Per Payable Pound of Copper Produced

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

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 non-GAAP 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 non-GAAP performance measure used by the Company to assess its financial position and is composed of Long-term debt (excluding deferred financing costs and purchase price accounting ("PPA") fair value adjustments), Cost overrun facility from MMC, Cash and cash equivalents and Short-term investments.

Attributable Net debt / Net cash

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

Operating Cash Flow before Changes in Working Capital per Common Share

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

Adjusted Net Income

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

Adjusted net income attributable to shareholders

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

EBITDA

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

Adjusted EBITDA

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

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

**Sustaining Capital**

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

Expansionary Capital

Expansionary capital is expenditures to increase current or future production capacity, cash flow or earnings potential. A reconciliation of this non-GAAP measure to GAAP segment MPPE additions is included within the mine site sections of this document.

Realized copper price (per pound)

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