MANAGEMENT'S DISCUSSION AND ANALYSIS

AND

CONDENSED INTERIM CONSOLIDATED

FINANCIAL STATEMENTS

(unaudited)

For the Three and Six Months ended June 30, 2024

(Expressed in US Dollars)

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF CAPSTONE COPPER CORP. FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024

Capstone Copper Corp. ("Capstone Copper" or the "Company" or "we") has prepared the following management's discussion and analysis (the "MD&A") as of August 1, 2024 and it should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto for the three and six months ended June 30, 2024. 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. Our Sustainable Development Strategy goals and strategies are based on a number of assumptions, including, but not limited to, 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; availability of resources to achieve the goals in a timely manner, 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 Mantoverde Development Project ("MVDP"), the timing and results of the Optimized Mantoverde Development Project ("MV Optimized FS") and Mantoverde Phase II study, the timing and results of PV District Growth Study (as defined below), the timing and results of Mantos Blancos Phase II Feasibility Study, the timing and success of the Mantoverde - Santo Domingo Cobalt Feasibility Study, the timing and results of the Santo Domingo FS Update and success of incorporating synergies previously identified in the Mantoverde - Santo Domingo District Integration Plan, the timing and results of exploration and potential opportunities at Sierra Norte, the realization of Mineral Reserve estimates, the timing and amount of estimated future production, the costs of production and capital expenditures and reclamation, the timing and costs of the Minto obligations and other obligations related to the closure of the Minto Mine, 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 development project, environmental and geotechnical risks, unanticipated reclamation expenses and title disputes, the success of the synergies and catalysts related to prior transactions, in particular but not limited to, 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, our estimates of available liquidity, and the risks included in our continuous disclosure filings on SEDAR+ at www.sedarplus.ca. The impact of global events such as pandemics, geopolitical conflict, or other events, 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 diseases, global economic uncertainties and outlook due to widespread diseases or geopolitical events or conflicts, 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.

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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, inflation, 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 and stock exchange rules, 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 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, 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, introduction or increase in carbon or other "green" taxes, aboriginal title claims and rights to consultation and accommodation, risks relating to widespread epidemics or pandemic outbreaks; the impact of communicable disease outbreaks 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 epidemics or pandemics, 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 development project, risks related to 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, Toronto Stock Exchange ("TSX") and Australian Securities Exchange ("ASX") listing compliance requirements, 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.sedarplus.ca. 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.

1.0 BUSINESS OVERVIEW

Capstone Copper Corp. ("Capstone Copper" or "the Company") is an Americas-focused copper mining company headquartered in Vancouver, Canada. We own and operate the Pinto Valley copper mine located in Arizona, USA, the Cozamin copper-silver mine located in Zacatecas, Mexico, the Mantos Blancos copper-silver mine located in the Antofagasta region, Chile and 70% of the Mantoverde copper-gold mine located in the Atacama region, Chile. In addition, we own the fully permitted Santo Domingo copper-iron-gold project, located approximately 30 kilometers northeast of Mantoverde in the Atacama region, Chile as well as a portfolio of exploration properties in the Americas. The Company is listed on the TSX, and effective February 2, 2024, the Company was admitted to the official list of the ASX as an ASX Foreign Exempt Listing.

2.0 Q2 2024 HIGHLIGHTS AND SIGNIFICANT ITEMS

Q2 2024 Financial and Operational Highlights

- **Consolidated H1 2024 copper production of 83,058 tonnes achieved guidance** of 80,000 to 90,000 tonnes. **Consolidated copper production for Q2 2024 was 40,937 tonnes at C1 cash costs[1] of $2.84/lb,** which consisted of 15,994 tonnes at Pinto Valley, 10,070 tonnes at Mantos Blancos, 8,721 tonnes at Mantoverde, and 6,152 tonnes at Cozamin.
- **Net income attributable to shareholders of $29.3 million, or $0.04 per share for Q2 2024** compared to net loss attributable to shareholders of $36.5 million, or $(0.05) per share for Q2 2023, primarily due to the higher realized copper price of $4.54/lb compared to $3.76/lb (prior to unrealized provision pricing adjustments) and the inclusion of a $53.9 million provision related to the Minto obligation in Q2 2023.
- **Adjusted net income attributable to shareholders[1] of $20.9 million, or $0.03 per share for Q2 2024**, adjusted net loss attributable to shareholders[1] of $12.2 million in Q2 2023, primarily due to a higher realized copper price.
- **Adjusted EBITDA[1] of $123.1 million for Q2 2024 compared to $43.4 million for Q2 2023.** The increase in Adjusted EBITDA[1] is primarily driven by a higher realized copper price of $4.54/lb compared to $3.76/lb (prior to unrealized provisional pricing adjustments).
- **Operating cash flow before changes in working capital of $102.9 million in Q2 2024** compared to $22.0 million in Q2 2023.
- **Net debt[1]** of **$741.3 million** as at June 30, 2024 was largely unchanged compared to net debt of $740.2 million as at March 31, 2024. **Total available liquidity[1] of $538.7 million as at June 30, 2024**, comprised of $138.7 million of cash and short-term investments, and $400.0 million of undrawn amounts on the corporate revolving credit facility.
- **First saleable copper concentrate was produced at the Mantoverde Development Project ("MVDP") in June,** as the mine advances commissioning and continues ramp up to full production levels. Achievement of nameplate operating rates is expected within the third quarter. Total capital for the MVDP remains unchanged at$870 million.
- The Company **reiterates 2024 guidance of 190,000 to 220,000 tonnes of copper at C1 cash costs of $2.30/lb to $2.50/lb**. Copper production is trending toward the lower end of the range, while cash costs are trending toward the higher end.
- Subsequent to quarter-end, the Company announced the results of an **updated Feasibility Study for its Santo Domingo development project** in Chile. The updated Feasibility Study outlines a $2.3 billion initial capital project with an **after-tax NPV(8%) of $1.7 billion** that represents the next phase of transformational growth in our world-class Mantoverde-Santo Domingo District.
- In July 2024, the Company **entered into a binding share purchase agreement with Inversiones Alxar S.A. and Empresas COPEC S.A. to acquire 100% of the shares of Compania Minera Sierra Norte, S.A.** for **$40 million** which is **payable in shares**.

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

Operating Highlights

	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Copper production (tonnes)				
Sulphide business				
Pinto Valley	**15,994**	12,632	**31,666**	25,532
Cozamin	**6,152**	6,661	**12,158**	11,861
Mantos Blancos	**8,170**	8,405	**17,333**	19,205
Mantoverde[2]	**58**	—	**58**	—
Total sulphides	**30,374**	27,698	**61,215**	56,598
Cathode business				
Mantos Blancos	**1,900**	3,267	**3,704**	6,567
Mantoverde[2]	**8,663**	8,322	**18,139**	16,822
Total cathodes	**10,563**	11,589	**21,843**	23,389
Consolidated	**40,937**	39,287	**83,058**	79,987
Copper sales				
Copper sold (tonnes)	**39,748**	40,755	**80,744**	78,211
Realized copper price[1] ($/pound)	**4.53**	3.71	**4.18**	3.93
C1 cash costs[1] ($/pound) produced				
Sulphide business				
Pinto Valley	**2.46**	2.98	**2.50**	3.03
Cozamin	**1.74**	1.63	**1.83**	1.67
Mantos Blancos	**3.43**	3.18	**3.18**	2.77
Total sulphides	**2.58**	2.72	**2.57**	2.66
Cathode business				
Mantos Blancos	**3.15**	3.08	**3.32**	3.22
Mantoverde	**3.68**	3.92	**3.75**	3.97
Total cathodes	**3.58**	3.68	**3.67**	3.76
Consolidated	**2.84**	3.01	**2.87**	2.99

[2] *Mantoverde production shown on a 100% basis.*

Consolidated

Q2 2024 copper production of 40,937 tonnes was 4% higher than Q2 2023 primarily as a result of higher production at Pinto Valley.

Q2 2024 C1 cash costs[1] of $2.84/lb were 6% lower than $3.01/lb Q2 2023 mainly due to higher production (-$0.09/lb) and lower operational costs (-$0.14/lb).

2024 YTD consolidated production of 83,058 tonnes of copper was 4% higher than 79,987 tonnes in 2023 YTD, due to higher production at Pinto Valley on higher mill throughput and grades and at Mantoverde on higher heap grades and first concentrate production in June 2024, partially offset by lower production at Mantos Blancos. Cozamin production was consistent with the same period prior year.

2024 YTD C1 cash costs[1] of $2.87/lb were 4% lower than $2.99/lb 2023 YTD on higher copper production along with lower production costs due to favourable main consumables prices and cost-saving initiatives.

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

Consolidated Financial Highlights

($ millions, except per share data)[2]	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Revenue	**393.1**	333.9	**733.0**	669.5
Net income (loss)	**27.5**	(33.9)	**21.7**	(62.9)
Net income (loss) attributable to shareholders	**29.3**	(36.5)	**24.5**	(56.5)
Net income (loss) attributable to shareholders per common share - basic and diluted ($)	***0.04***	*(0.05)*	***0.03***	*(0.08)*
Operating cash flow before changes in working capital	**102.9**	22.0	**165.1**	65.1
Adjusted EBITDA[1]	**123.1**	43.4	**203.2**	109.3
Adjusted net income (loss) attributable to shareholders[1]	**20.9**	(12.2)	**16.4**	5.2
Adjusted net income (loss) attributable to shareholders per common share - basic and diluted[1]	***0.03***	*(0.02)*	***0.02***	*0.01*
Realized copper price[1] ($/pound)	**4.53**	3.71	**4.18**	3.93

	June 30, 2024	December 31, 2023
Net (debt) / cash[1]	**(741.1)**	(927.2)
Attributable net (debt) / cash[1]	**(589.8)**	(776.6)

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

Mantoverde Development Project

Construction of all elements of the MVDP that were required to commence commissioning was completed by end of year 2023. The MVDP enables the Mantoverde mine to process 236 million tonnes of copper sulphide reserves over a 20-year expected mine life, in addition to existing oxide reserves. The MVDP involved the addition of a sulphide concentrator (nominal 32,000 ore tonnes per day ("tpd")) and tailings storage facility, and the expansion of the existing desalination plant and other minor infrastructure.

In 2024, Capstone has been focused on a safe, efficient and phased project commissioning and ramp-up. Key milestones during the commissioning and ramp-up include:

a. First ore to the primary crusher – completed in Q4 2023
b. First ore to the grinding circuit – completed in Q1 2024
c. First saleable concentrate – completed in Q2 2024
d. Achievement of nameplate operating rates – expected within Q3 2024

During Q2, steady progress was made commissioning the new concentrator and first saleable copper concentrate was produced in June, as previously announced.

So far in July, we have seen continued and steady progress as the Mantoverde operation ramps up to nameplate production levels. The focus is largely related to improving runtime, while also increasing throughput and recoveries. We have already seen daily throughputs above the nameplate capacity, and expect to reach sustained nameplate operating throughput rates, while exhibiting strong recoveries, within the third quarter.

[1] These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".

As of June 30, 2024, cash capital spent on the MVDP totalled $842 million, under the project capital estimate of $870 million.

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

MV Optimized Feasibility Study and Phase II

The Company is currently preparing a technical report with respect to the next expansion of the sulphide concentrator and the optimization of the heap leach and solvent extraction facilities. Capstone has identified that the desalination plant capacity and major components of the comminution and flotation circuits of the MVDP can sustain an average annual throughput of approximately 45,000 ore tpd, while copper cathode production can be increased, and acid consumption decreased, through conversion of the dynamic heap leach facility to a bio-leach facility. Capstone is working with Ausenco and Global Resource Engineering Ltd on the MV Optimized Feasibility Study, including evaluating the costs and timelines of debottlenecking the minor components of the plant to meet the potential increased throughput target. The MV Optimized Feasibility Study is expected to be released during Q3 2024.

Given the above, the Mantoverde Phase II opportunity will evaluate the addition of an entire second processing line, possibly a duplication of the first line, to process some of the approximately 0.3 billion tonnes of Measured & Indicated and 0.6 billion tonnes of Inferred sulphide resources not in reserves.

Santo Domingo Feasibility Study & Sierra Norte Acquisition

On July 31, 2024, Capstone announced the results of an updated feasibility study for its 100%-owned Santo Domingo copper-iron-gold project in Region III Chile, 35km northeast of Mantoverde. The updated feasibility study outlines the next phase of transformational growth for the Company in the world-class Mantoverde-Santo Domingo District.

The 2024 feasibility study for Santo Domingo outlines a robust copper-iron-gold project with an after-tax net present value at an 8% discount rate of $1.72 billion and an after-tax internal rate of return of 24.1%. Over the first seven years of the mine plan, production is expected to average 106,000 tonnes of copper and 3.7 million tonnes of iron ore magnetite at first quartile cash costs of $0.28 per payable pound of copper produced. Over the Santo Domingo 19-year mine life, production is expected to average 68,000 tonnes of copper and 3.6 million tonnes of iron ore magnetite at first quartile cash costs of $0.33 per payable pound of copper produced.

The 19-year Santo Domingo mine life is supported by an updated Mineral Reserve estimate of 436 million tonnes at a copper grade of 0.33%, iron ore grade of 26.5%, and a gold grade of 0.05 grams per tonne. Updated Measured and Indicated (“M&I”) Mineral Resources total 547 million tonnes at a copper grade of 0.31% and a gold grade of 0.04 grams per tonne, including 506 million tonnes with an iron grade of 25.8%.

Subsequent to the quarter-ended June 30, 2024, the Company entered into a binding share purchase agreement (the "SPA") with Inversiones Alxar S.A. and Empresas COPEC S.A., collectively the "sellers" to acquire 100% of the shares of Compania Minera Sierra Norte, S.A. ("Sierra Norte"). Sierra Norte is located approximately 15 kilometers northwest of the Santo Domingo Project and represents an opportunity to potentially be a future sulphide feed source for Santo Domingo, extending the higher grade copper sulphide life. Under the terms of the SPA, Capstone will pay the sellers $40 million in share consideration. Closing is expected within one-week.

For more details, please refer to the Santo Domingo Feasibility Study press release announced on July 31, 2024.

Mantoverde - Santo Domingo Cobalt Study

A district cobalt plant for Mantoverde - Santo Domingo may allow for low-cost by-product cobalt production while producing a by-product of sulphuric acid to be consumed internally to significantly lower operating costs in the cathode process at Mantoverde.

The cobalt recovery process comprises a pyrite flotation step to recover cobaltiferous pyrite from the MVDP and MSD tailings streams. The pyrite is then redirected to the dynamic heap leach pads which are upgraded to a bio-leach configuration (as part of the MV-Optimized study). The pyrite bio-oxidizes in the leach pads and the solubilized cobalt is recovered via an ion exchange plant that treats a bleed stream from the copper solvent extraction plant. The approach has been successfully demonstrated at the bench and pilot scale.

Engineering has commenced for a small plant treating only Mantoverde pyrite concentrates to produce up to 1,500 tonnes per annum ("tpa") of contained cobalt. In line with this, Santo Domingo has started a parallel study to assess, as part of the copper/iron circuit overall layout optimization being conducted by Ausenco, the optimum process configuration for the pyrite flotation and pumping transportation facilities needed to transport pyrite concentrate to Mantoverde's leach facilities. This information will be part of the MV-SD cobalt study expected by the end of 2024.

At a combined MV-SD target of 4.5 to 6.0 thousand tpa of mined cobalt production, this would be one of the largest and lowest cost cobalt producers in the world, outside of Indonesia and the DRC.

PV District Growth Study

The company continues to review and evaluate the consolidation potential of the Pinto Valley district. Opportunities under evaluation include a potential mill expansion and increased leaching capacity supported by optimized water, heap and dump leach, and tailings infrastructure. District consolidation could unlock significant ESG opportunities and may transform our approach to create value for all stakeholders in the Globe-Miami District.

Environmental, Social and Governance ("ESG") Highlights

Pinto Valley has signed the Copper Mark Letter of Commitment formalizing its participation in the Copper Mark assurance process.

The Company published its first Modern Slavery Report in May 2024.

Corporate Exploration Update

Cozamin: Exploration drilling recommenced Q2 2024 at Cozamin with a $2.3M (14,800 meter) program targeting step-outs up-dip and down-dip from the Mala Noche West Target and also down-dip of other historical Mala Noche Vein workings. Drilling is currently being conducted with one underground rig positioned at the level 19.1 cross-cut, with a second underground rig positioned at the level 12.7 cross-cut and one surface rig being added to the program in Q3 2024.

Copper Cities, Arizona: On January 20, 2022, Capstone Mining announced that it had entered into an 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. This access agreement was recently extended to July 2025. Drilling with two surface rigs twinning historical drill holes was completed in 2022 with metallurgical testing continuing in 2024. As explained in the PV District Growth Study section, district consolidation opportunities are being evaluated.

Mantoverde, Santo Domingo, and Mantos Blancos, Chile: Infill drilling was conducted during Q2 2024 in both Mantoverde and Mantos Blancos pits. Exploration drilling is expected to start at Mantos Blancos during Q3 2024 with a $1.4M program aiming to test Veronica oxide target and potential mineralized extension in Nora-Quinta area.

2.1 2024 Guidance

The Company reiterates its 2024 consolidated copper production and C1 cash costs[1] guidance of 190-220kt and $2.30 to $2.50 per payable pound, respectively. Capstone notes that production is trending toward the lower end of the guidance range, while cash costs are trending toward the upper end of the range, primarily due to a slower ramp-up to 20ktpd capacity at Mantos Blancos in addition to higher cathode costs.

In order to advance its copper growth strategy, the company has approved an additional $15 million in capital expenditures at Santo Domingo to continue to advance detailed engineering.

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

3.0 OPERATIONAL REVIEW

3.1 Pinto Valley Mine – Miami, Arizona

Operating Statistics

	2024			2023				
	Q1	Q2	Total	Q1	Q2	Q3	Q4	Total
Production (contained)[2]								
Copper in Concentrate (tonnes)	14,892	15,245	30,137	12,246	11,878	12,968	15,286	52,378
Cathode (tonnes)	780	749	1,529	595	813	657	647	2,712
Total Copper (tonnes)	15,672	15,994	31,666	12,841	12,691	13,625	15,933	55,090
Mining								
Waste (000s tonnes)	2,770	3,368	6,138	3,197	3,239	4,428	4,930	15,794
Ore (000s tonnes)	3,603	4,453	8,056	4,419	3,887	3,733	4,191	16,230
Total (000s tonnes)	6,373	7,821	14,194	7,616	7,126	8,161	9,121	32,024
Strip Ratio (Waste:Ore)	0.77	0.76	0.76	0.72	0.83	1.19	1.18	0.97
Rehandled ore and stockpile (000s tonnes)	2,088	1,386	3,474	1,844	1,079	1,697	1,722	6,342
Total material moved (000s tonnes)	8,461	9,207	17,668	9,460	8,205	9,858	10,843	38,366
Processing								
Throughput (000s tonnes)	4,774	5,043	9,817	4,699	4,035	4,363	4,888	17,985
Tonnes per day	52,458	55,420	53,939	52,207	44,336	47,426	53,134	49,273
Grade (%)[3]	0.36	0.36	0.34	0.30	0.34	0.34	0.36	0.33
Recoveries (%)[3]	87.7	87.7	88.2	86.8	87.4	87.4	86.5	87.2
Payable copper produced (tonnes)	15,151	15,460	30,611	12,413	12,276	13,171	15,397	53,257
Copper C1 cash cost[1] ($/pound payable copper produced)	2.53	2.46	2.50	3.09	2.98	2.83	2.36	2.79
Adjusted EBITDA[1] ($ millions)	38.8	81.0	119.8	41.2	17.8	24.9	41.8	125.7

[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.*

2024 versus 2023 Insights

Copper production of 16.0 thousand tonnes in Q2 2024 was 27% higher than in Q2 2023 due to higher mill throughput during the quarter (Q2 2024 - 55,420 tpd versus Q2 2023 - 44,336 tpd), due to a reduction in mechanical downtime, and higher grades (Q2 2024 – 0.36% versus Q2 2023 - 0.34%) due to mining in the higher-grade Castle Dome area of the mine. Recoveries were consistent quarter over quarter.

2024 YTD production was 24% higher than 2023 YTD due to higher mill throughput (53,939 2024 YTD versus 48,249 2023 YTD), higher feed grade (0.34% in 2024 YTD versus 0.32% in 2023 YTD) and higher recoveries (88.2% 2024 YTD versus 87.1% 2023 YTD).

C1 cash costs[1] of $2.46/lb in Q2 2024 were 17% lower than Q2 2023 of $2.98/lb primarily due to higher production volume (-$0.57/lb) and capitalized stripping (-$0.13/lb), partially offset by increases in operating costs driven by higher production, related to contractor spend, electricity cost, ball mill liner cost, explosive cost and mechanical parts, stockpile drawdown and higher treatment costs.

2024 YTD C1 cash costs[1] of $2.50/lb were 17% lower compared to the same period last year of $3.03/lb primarily due to higher production volume (-$0.57/lb) along with insurance costs, partially offset by increased mining costs due to spend on equipment maintenance, contractors and inflationary increases for electricity cost ($0.074/kWh in 2024 versus $0.065/kWh in 2023). Although processing costs per pound were slightly higher, favorable pricing contracts on grinding media and diesel were executed in 2024 ($3.31/gal in 2024 versus $3.70/gal in 2023).

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

Capital Expenditures

Sustaining capital[1] in Q2 2024 of $11.5 million was spent primarily on investing in infrastructure upgrades that will increase water reclaim, the tailings buttress project, electrical infrastructure and mining equipment component replacements. Capitalized stripping increased in Q2 2024, compared to the same period last year due to higher levels of waste removal from the northwest section of phase 3 as a result of increased truck availability.

($ millions)	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Capitalized stripping	**9.5**	2.6	**17.9**	3.1
Sustaining capital[1]	**11.5**	18.0	**17.3**	27.3
Expansionary capital[1]	**2.4**	1.0	**3.0**	1.6
Right-of-use assets (non-cash)	**—**	9.2	**—**	9.2
Pinto Valley mine additions	**23.4**	30.8	**38.2**	41.2

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

3.2 Mantos Blancos – Antofagasta, Chile

Operating Statistics

	2024			2023				
	Q1	Q2	Total	Q1	Q2	Q3	Q4	Total
Production (contained metal and cathode)[2]								
Copper in Concentrate (tonnes)	9,163	8,170	17,333	10,847	8,358	9,133	9,664	38,002
Cathode (tonnes)	1,804	1,900	3,704	3,275	3,292	3,030	1,923	11,520
Total Copper (tonnes)	10,967	10,070	21,037	14,122	11,650	12,163	11,587	49,522
Mining								
Waste (000s tonnes)	13,203	14,042	27,245	12,906	13,545	13,945	14,876	55,272
Ore (000s tonnes)	3,413	3,185	6,598	7,443	6,374	4,674	3,383	21,874
Total (000s tonnes)	16,616	17,227	33,843	20,349	19,919	18,619	18,259	77,146
Strip Ratio (Waste:Ore)	3.87	4.41	4.13	1.73	2.13	2.98	4.40	2.53
Rehandled ore and stockpile (000s tonnes)	1,603	1,662	3,265	1,758	1,674	1,702	1,356	6,490
Total material moved (000s tonnes)	18,219	18,889	37,108	22,107	21,593	20,321	19,615	83,636
Mill operations								
Throughput (000s tonnes)	1,293	1,476	2,769	1,442	1,325	1,304	1,271	5,342
Tonnes per day	14,214	16,219	15,216	16,023	14,555	14,176	13,814	14,635
Grade (%)[3]	0.87	0.76	0.81	0.94	0.85	0.92	0.92	0.91
Recoveries (%)[3]	81.2	73.2	77.2	80.2	73.9	76.3	82.9	78.4
Dump operations								
Throughput (000s tonnes)	1,721	1,896	3,617	2,635	2,946	2,038	1,542	9,161
Grade (%)[3]	0.17	0.16	0.16	0.18	0.16	0.16	0.17	0.17
Silver								
Production contained (000s ounces)	201	189	390	365	245	245	251	1,106
Payable copper produced (tonnes)	10,655	9,791	20,446	13,753	11,365	11,852	11,258	48,228
Sulphides C1 cash cost[1] ($/pound payable copper produced)	2.98	3.43	3.18	2.46	3.18	2.85	2.58	2.74
Cathode C1 cash cost[1] ($/pound payable copper produced)	3.43	3.15	3.32	3.36	3.08	2.75	3.32	3.11
Combined C1 cash cost[1] ($/pound payable copper produced)	3.05	3.38	3.21	2.68	3.15	2.82	2.71	2.83
Adjusted EBITDA[1] ($ millions)	20.5	21.1	41.6	37.4	12.0	22.5	26.9	98.8

[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

2024 versus 2023 Insights

Q2 2024 production was 10.1 thousand tonnes, composed of 8.2 thousand tonnes from sulphide operations and 1.9 thousand tonnes of cathode from oxide operations, which was 14% lower than the 11.7 thousand tonnes produced in Q2 2023. Sulphide production declined in Q2 2024 despite record throughput, due to lower grades and lower recoveries as a result of a short-term localized geotechnical issue that impacted mine sequencing. Lower production was also impacted by lower dump throughput in line with the 2024 plan.

The activities for the sulphide operations to reach 20ktpd on a sustainable basis are progressing despite an approximate two-month delay relative to our prior plan due to longer equipment lead times. As a result, in June, daily ore throughput averaged 17ktpd and the variability of the milling process has been significantly reduced. During Q3 2024, the installation and commissioning of a new holding tank and additional pumps in the tailings

[1] These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".

area, as well as other infrastructure improvements, will further enhance the throughput levels at the concentrator plant and is expected to allow the achievement of the 20ktpd capacity consistently.

2024 YTD production of 21.0 thousand tonnes, composed of 17.3 thousand tonnes from sulphide operations and 3.7 thousand tonnes of cathodes from oxide operations, was 18% lower than 2023 YTD, mainly explained by 44% lower cathode production due to lower dump throughput in line with the 2024 plan, and to a lesser extent by lower sulphides feed grades as a result of mine sequence (0.81% in 2024 YTD versus 0.90% in 2023 YTD).

Combined Q2 2024 C1 cash costs[1] were \$3.38/lb (\$3.43/lb sulphides and \$3.15/lb cathodes) were 7% higher compared to combined C1 cash costs[1] of \$3.15/lb in Q2 2023, mainly due to lower production (\$0.51/lb), partially offset by a decrease in mine movement (-\$0.17/lb) and lower acid consumption driven by the lower dump throughput (-\$0.15/lb).

Combined 2024 YTD C1 cash costs[1] of \$3.21/lb (\$3.18/lb sulphides and \$3.32/lb cathodes) were 11% higher compared to \$2.89/lb in 2023 YTD mainly due to lower production (\$0.60/lb), partially offset by lower acid and energy consumption due to lower production (-\$0.15/lb) and lower mine movements (-\$0.13/lb).

Capital Expenditures

Sustaining capital[1] in Q2 2024 of \$13.5 million was spent primarily on mining equipment component replacements, an environmental compliance program, and the 20ktpd plan. Capitalized stripping in Q2 2024 was \$17.8 million, 12% higher compared to the same period last year, consistent with the mine plan. Non-cash right-of-use assets of \$29.0 million represents leases for mobile mining equipment that commenced during the quarter.

Capitalized exploration expenditures totaled \$0.6 million for Q2 2024. This was primarily spent on infill drilling at the "Phase 16" pit.

(\$ millions)	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Capitalized stripping	**17.8**	15.9	**35.1**	34.5
Sustaining capital[1]	**13.5**	4.1	**21.3**	7.5
Brownfield exploration	**0.6**	—	**1.4**	—
Right-of-use assets (non-cash)	**29.0**	—	**29.0**	1.2
Mantos Blancos mine additions	**60.9**	20.0	**86.8**	43.2

[1] These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".

3.3 Mantoverde (70% ownership) – Atacama, Chile

Operating Statistics

	2024			2023				
	Q1	Q2	Total	Q1	Q2	Q3	Q4	Total
Production (contained)[2, 3]								
Copper in Concentrate (tonnes)	—	58	58	—	—	—	—	—
Cathode (tonnes)	9,476	8,663	18,139	8,532	8,290	8,560	10,019	35,401
Total Copper (tonnes)	9,476	8,721	18,197	8,532	8,290	8,560	10,019	35,401
Mining								
Waste (000s tonnes)	14,805	16,664	31,469	19,480	21,153	24,170	18,171	82,974
Ore (000s tonnes)	7,052	7,096	14,148	5,534	5,769	6,438	7,652	25,393
Total (000s tonnes)	21,857	23,760	45,617	25,014	26,922	30,608	25,823	108,367
Strip Ratio (Waste:Ore)	2.10	2.35	2.22	3.52	3.67	3.75	2.37	3.27
Rehandled Ore (000s tonnes)	3,529	2,923	6,452	4,926	5,604	4,386	3,073	17,989
Total material moved (000s tonnes)	25,386	26,683	52,069	29,940	32,526	34,994	28,896	126,356
Heap operations								
Throughput (000s tonnes)	2,785	2,326	5,111	2,754	2,657	2,684	2,831	10,926
Grade (%)	0.36	0.39	0.37	0.31	0.31	0.32	0.41	0.34
Recoveries (%)	74.9	71.7	73.2	69.0	73.4	66.5	64.6	68.0
Dump operations								
Throughput (000s tonnes)	3,828	3,772	7,600	3,895	3,707	2,756	4,277	14,635
Grade (%)	0.15	0.15	0.15	0.17	0.17	0.17	0.16	0.17
Recoveries (%)	32.6	39.8	36.1	39.9	37.4	59.4	37.7	42.4
Payable copper produced (tonnes)	9,476	8,663	18,139	8,532	8,290	8,560	10,019	35,401
Copper C1 cash cost[1] ($/pound payable copper produced)	3.82	3.68	3.75	4.02	3.92	3.74	3.68	3.83
Adjusted EBITDA[1] ($ millions)	2.6	10.9	13.5	(4.0)	(11.8)	1.2	(4.1)	(18.7)

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

2024 versus 2023 Insights

Q2 2024 copper production of 8.7 thousand tonnes was 4% higher compared to 8.3 thousand tonnes in Q2 2023. Higher grades processed at the heap operations, related to mining sequence, were partially offset by lower heap recoveries (71.7% in Q2 2024 versus 73.4% in Q2 2023). Moreover, the new concentrator (MVDP) produced its first copper concentrate in June 2024.

2024 YTD production of 18.2 thousand tonnes was 8% higher than 2023 YTD due to higher heap grades as a result of mine sequence (0.37% in 2024 YTD versus 0.31% in 2023 YTD). Dump throughput in 2024 YTD was consistent with the same period last year.

Q2 2024 C1 cash costs[1] were $3.68/lb, 6% lower than $3.92/lb in Q2 2023 due to higher production (-$0.19/lb), lower energy prices (-$0.35/lb) and lower acid consumption (-$0.23/lb), partially offset by an increase in contracted services, spare parts spend and labour cost mainly driven by higher mine movement ($0.50/lb). Energy prices averaged $0.09/kWh in Q2 2024 versus $0.22/kWh in Q2 2023.

2024 YTD C1 cash costs[1] were $3.75/lb, 6% lower than $3.97/lb in 2023 YTD, mainly related to lower main consumable prices (-$0.48/lb), higher production (-$0.30/lb), lower acid consumption (-$0.09/lb), which was partially offset by an increase in contracted services, spare parts spend and labour cost mainly driven by higher mine movement ($0.61/lb).

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

Capital Expenditures

Sustaining capital[1] in Q2 2024 of $8.3 million was spent primarily to enable a new leaching area (fourth level) and mining equipment component replacements. Expansionary capital[1] in Q2 2024 of $19.3 million related to MVDP. Non-cash right-of-use assets of $22.4 million represents leases for mobile mining equipment that commenced during the quarter.

Capitalized exploration expenditures totaled $2.1 million for Q2 2024. This was primarily spent on infill drilling at the Franco and Mantoverde pits.

($ millions)	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Capitalized stripping	**24.5**	32.2	**44.7**	59.9
Sustaining capital[1]	**8.3**	10.5	**13.8**	15.5
Expansionary capital[1]	**19.3**	62.5	**39.1**	171.7
Capitalized interest and other on construction in progress	**24.1**	17.0	**47.1**	30.0
Brownfield exploration	**2.1**	—	**3.4**	—
Right-of-use assets (non-cash)	**22.4**	7.9	**69.0**	15.1
Mantoverde mine additions	**100.7**	130.1	**217.1**	292.2

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

3.4 Cozamin Mine – Zacatecas, Mexico

Operating Statistics

	2024			2023				
	Q1	Q2	Total	Q1	Q2	Q3	Q4	Total
Production (contained)[2]								
Copper (tonnes)	6,006	6,152	12,158	5,239	6,622	5,915	6,564	24,340
Silver (000s ounces)	346	355	701	282	367	330	370	1,349
Mining								
Ore (000s tonnes)	306	325	631	306	347	347	338	1,338
Processing								
Milled (000s tonnes)	314	323	637	307	345	328	348	1,328
Tonnes per day	3,447	3,551	3,499	3,410	3,792	3,567	3,786	3,639
Copper								
Grade (%)[3]	1.98	1.97	1.97	1.77	1.98	1.86	1.95	1.89
Recoveries (%)	96.9	96.7	96.8	96.6	96.9	96.8	96.8	96.8
Silver								
Grade (g/t)[3]	40.6	40.6	41.4	35.1	40.1	37.7	39.9	38.3
Recoveries (%)	82.4	82.5	82.6	81.3	82.5	82.4	82.6	82.3
Payable copper produced (tonnes)	5,773	5,913	11,686	5,033	6,361	5,680	6,309	23,383
Copper C1 cash cost[1] ($/pound payable copper produced)	1.93	1.74	1.83	1.72	1.63	1.85	1.76	1.74
Adjusted EBITDA[1] ($ millions)	26.2	38.6	64.8	30.9	34.0	24.9	30.3	120.1

[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.*

2024 versus 2023 Insights

Q2 2024 copper production of 6.2 thousand tonnes was 7% lower than the same period prior year, mainly on lower mill throughput (3,551 tpd in Q2 2024 versus 3,792 tpd in Q2 2023) driven by mine sequence. Grades and recoveries were consistent quarter over quarter.

2024 YTD production was 3% higher than 2023 YTD due to higher grades (1.97% in 2024 YTD versus 1.88% in 2023 YTD), consistent with the mine plan, which was partially offset by lower mill throughput (3,499 tpd in 2024 YTD versus 3,602 tpd in 2023 YTD). Recoveries were consistent with the same period last year.

Q2 2024 C1 cash costs[1] were $1.74/lb, 7% higher than $1.63/lb in the same period last year, mainly due to lower Cu production in Q2 2024 than last year (7%), in addition to an increase in paste back fill plant expenses from the previous year in manpower and contractors for full operations ($0.18/lb), partially offset by higher by-product credits due to higher silver prices (-$0.07/lb).

2024 YTD C1 cash costs[1] were 10% higher than the same period last year primarily due to higher costs in manpower for hourly employees bonus profit sharing increase and the change in mining method which resulted in an increase in contractor utilization ($0.22/lb), partially offset by more pounds payable produced and higher by-product silver prices and volume.

Capital Expenditures

Sustaining capital[1] spending at Cozamin of $5.8 million for Q2 2024, mainly related to mine development and mine equipment.

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

Capitalized exploration expenditures totaled $0.2 million for Q2 2024. This was primarily spent on the start-up of step-out drilling at the Mala Noche Main Vein West Target.

($ millions)	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Sustaining capital[1]	**5.8**	7.6	**12.1**	14.4
Expansionary capital[1]	**—**	7.2	**—**	9.6
Brownfield exploration	**0.2**	0.6	**0.4**	0.9
Right-of-use assets (non-cash)	**—**	—	**0.1**	0.2
Cozamin mine additions	**6.0**	15.4	**12.6**	25.1

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

3.5 Santo Domingo Project – Chile (Copper and Iron)

Capital Expenditures

On July 31, 2024, Capstone announced the results of an updated feasibility study for its 100%-owned Santo Domingo copper-iron-gold project in Region III Chile, 35km northeast of Mantoverde. The updated feasibility study outlines the next phase of transformational growth for the Company in the world-class Mantoverde-Santo Domingo District.

The 2024 feasibility study for Santo Domingo outlines a robust copper-iron-gold project with an after-tax net present value at an 8% discount rate of $1.72 billion and an after-tax internal rate of return of 24.1%. Over the first seven years of the mine plan, production is expected to average 106,000 tonnes of copper and 3.7 million tonnes of iron ore magnetite at first quartile cash costs of $0.28 per payable pound of copper produced. Over the Santo Domingo 19-year mine life, production is expected to average 68,000 tonnes of copper and 3.6 million tonnes of iron ore magnetite at first quartile cash costs of $0.33 per payable pound of copper produced.

The 19-year Santo Domingo mine life is supported by an updated Mineral Reserve estimate of 436 million tonnes at a copper grade of 0.33%, iron ore grade of 26.5%, and a gold grade of 0.05 grams per tonne. Updated Measured and Indicated ("M&I") Mineral Resources total 547 million tonnes at a copper grade of 0.31% and a gold grade of 0.04 grams per tonne, including 506 million tonnes with an iron grade of 25.8%.

Subsequent to the quarter-ended June 30, 2024, the Company entered into a binding share purchase agreement (the "SPA") with Inversiones Alxar S.A. and Empresas COPEC S.A., collectively the "sellers" to acquire 100% of the shares of Compania Minera Sierra Norte, S.A. ("Sierra Norte"). Sierra Norte is located approximately 15 kilometers northwest of the Santo Domingo Project and represents an opportunity to potentially be a future sulphide feed source for Santo Domingo, extending the higher grade copper sulphide life. Under the terms of the SPA, Capstone will pay the sellers $40 million in share consideration. Closing is expected within one-week.

For more details, please refer to the Santo Domingo Feasibility Study press release announced on July 31, 2024.

($ millions)	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Capitalized project costs	**2.9**	4.9	**8.0**	8.8

3.6 Exploration

($ millions)	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Greenfield exploration (expensed to income statement)	**0.2**	1.6	**0.5**	2.8
Brownfield exploration (capitalized to mineral properties):				
Mantos Blancos	**0.6**	—	**1.4**	—
Mantoverde	**2.1**	—	**3.4**	—
Cozamin	**0.2**	0.6	**0.4**	0.9
Total exploration	**3.1**	2.2	**5.7**	3.7

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 also has a portfolio of 100% owned claims acquired by staking in Sonora, Mexico and in Northern Chile.

At Mantoverde and Mantos Blancos during Q2 2024, exploration activities focused primarily on infill drilling at Mantos Blancos and Mantoverde pits.

Exploration drilling is expected to start at Mantos Blancos during Q3, 2024 with a $1.3 million (6,000 meters) program aiming to test Veronica oxide target and potential mineralized extension in Nora-Quinta area.

At Cozamin during Q2 2024, exploration drilling recommenced with a $2.3 million (14,800 meters) program targeting step-outs up-dip and down-dip from the Mala Noche West Target and also down-dip of other historical Mala Noche Vein workings.

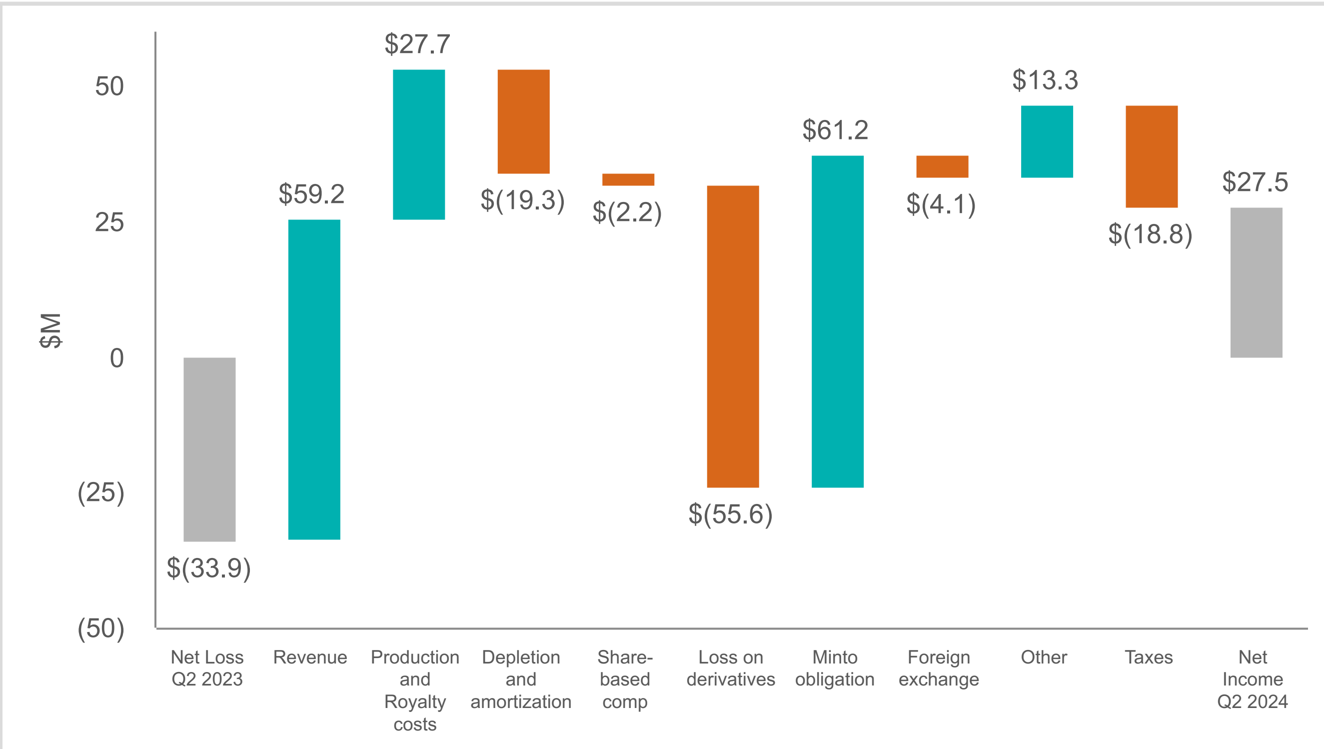
4.0 FINANCIAL REVIEW

4.1 Consolidated Results

Consolidated Net Income (Loss) Analysis

Net Income (Loss) for the Three Months Ended June 30, 2024 and 2023

The Company recorded net income of $27.5 million for the three months ended June 30, 2024, compared with net loss of $33.9 million in Q2 2023. The major differences are outlined below:



The difference quarter-over-quarter was driven by:

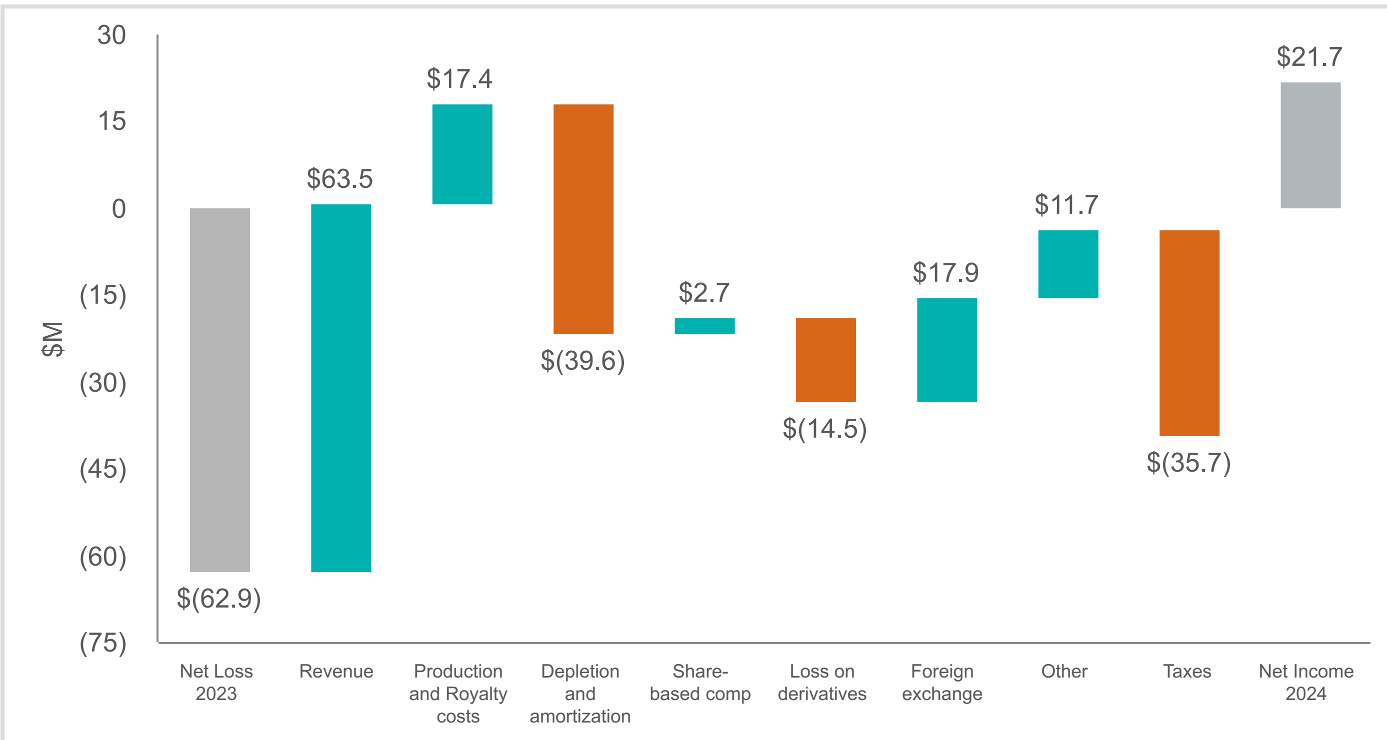
- Revenue: $59.2 million or 18% increase, driven by higher realized copper prices[1] (Q2 2024 - $4.53 per pound, Q2 2023 - $3.71 per pound) on slightly lower copper volumes sold (Q2 2024 – 39.7 thousand tonnes, Q2 2023 – 40.8 thousand tonnes) and higher production (Q2 2024 – 40.9 million tonnes, Q2 2023 – 39.3 million tonnes).
- Production and Royalty costs: $27.7 million decrease primarily driven by:
  - Pinto Valley recorded $6.1 million higher production costs in Q2 2024, compared to Q2 2023 as a result of higher contractor spending and mechanical parts costs, and higher copper volumes sold (Q2 2024 – 16.0 thousand tonnes, Q2 2023 – 12.1 thousand tonnes).
  - Cozamin recorded $0.1 million lower production costs in Q2 2024, compared to Q2 2023 as a result of lower copper volumes sold (Q2 2024 – 5.7 thousand tonnes, Q2 2023 – 6.5 thousand tonnes).
  - Mantos Blancos recorded $12.8 million lower production costs in Q2 2024, compared to Q2 2023 due to lower copper volumes sold (Q2 2024 – 9.5 thousand tonnes, Q2 2023 – 8.4 thousand tonnes) and lower production.
  - Mantoverde recorded $23.0 million lower production costs in Q2 2024, compared to Q2 2023 as a result of lower copper volumes sold (Q2 2024 – 8.5 thousand tonnes, Q2 2023 – 10.3 thousand tonnes), and lower key consumable prices.
- Depletion and amortization: $19.3 million increase primarily due to an increase in depreciable capital assets.
- Share-based compensation expense: $2.2 million increase quarter-over-quarter as a result of mark-to-market adjustments on share unit liabilities reflecting the increase in the share price during Q2 2024 vs. Q2 2023 (C$8.62 opening price as at March 31, 2024 to C$9.70 closing price as at June 30, 2024 vs. C$6.10 opening price as at March 31, 2023 to C$6.01 closing price as at June 30, 2023).

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

- Loss on derivatives: $55.6 million increase primarily due to a net loss vs. a net gain on copper commodity contracts (Q2 2024 – $10.6 million loss, Q2 2023 – $42.3 million gain). Copper forward curve prices increased from $4.02/lb as at March 31, 2024 to $4.35/lb as at June 30, 2024, compared with a decrease from $3.80/lb at March 31, 2023 to $3.77/lb at June 30, 2023. In addition, all copper commodity swaps have been fully settled in Q2 2024.
- Minto obligation: $61.2 million decrease as a result of a recovery on the surety bond trust account of $7.3 million in Q2 2024 vs. recognition of the Minto obligation expense of $53.9 million in Q2 2023.
- Net other income: $13.3 million decrease primarily due to the expensing of the union bonus at Mantos Blancos and the write-off of the $5 million receivable from Minto during Q2 2023, which were not present in Q2 2024.
- Income taxes expense: $18.8 million increase as a result of the above changes.

Net Income (Loss) for the Six Months Ended June 30, 2024 and 2023

The Company recorded a net income of $21.7 million for the six months ended June 30, 2024, compared with net loss of $62.9 million in 2023 YTD. The major differences are outlined below:



The difference year-over-year was driven by:

- Revenue: $63.5 million or 9% of the increase was driven by higher copper volumes sold (2024 YTD – 80.7 thousand tonnes, 2023 YTD – 78.2 thousand tonnes), and by higher realized copper prices[1] (2024 YTD - $4.18 per pound, 2023 YTD - $3.93 per pound).
- Production and Royalty costs: $17.4 million decrease primarily driven by:
  - Pinto Valley recorded $0.4 million lower production costs in 2024 YTD compared to 2023 YTD as a result of lower costs from favourable pricing contracts, and partially offset by higher copper volumes sold (2024 YTD – 30.7 thousand tonnes, 2023 YTD – 24.9 thousand tonnes).
  - Cozamin recorded $6.5 million higher production costs in 2024 YTD compared to 2023 YTD as a result of the change in mining method, and higher copper volumes sold (2024 YTD – 11.4 thousand tonnes, 2023 YTD – 11.3 thousand tonnes).
  - Mantos Blancos recorded $21.3 million lower production costs in 2024 YTD compared to 2023 YTD as a result of lower copper volumes sold (2024 YTD – 20.3 thousand tonnes, 2023 YTD – 24.9 thousand tonnes) and lower key consumable prices.
  - Mantoverde recorded $5.9 million lower production costs in 2024 YTD compared to 2023 YTD primarily as a result of lower key consumable prices, and partially offset by higher copper volumes sold (2024 YTD - 18.2 thousand tonnes vs. 2023 YTD - 17.1 thousand tonnes).

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

- Depletion and amortization: $39.6 million increase primarily due to higher copper volumes sold and an increased depreciation base.
- Share-based compensation: $2.7 million decrease primarily due to lower number of stock options and share units outstanding at June 30, 2024 versus at June 30, 2023.
- Loss on derivatives: $14.5 million increase primarily due to the change in copper commodity contracts (2024 YTD – $13.2 million loss, 2023 YTD – $3.4 million loss). Copper forward curve prices increased from $3.88/lb as at December 31, 2023 to $4.35/lb as at June 30, 2024, vs. an increase from $3.74/lb at December 31, 2022 to $3.77/lb at June 30, 2023. In addition, all copper commodity swaps have been fully settled in Q2 2024.
- Foreign exchange: $17.9 million change primarily due to foreign exchange impacts from Mantos Blancos and Mantoverde as a result of a weaker Chilean Peso in 2024 YTD vs. a stronger Chilean Peso in 2023 YTD, and partially offset by the impacts of the strengthening Mexican Peso at Cozamin.
- Net other income: $11.7 million decrease primarily due to the immediate expensing of a portion of Mantos Blancos union bargaining bonus of $8.9 million, and the bad debt provision for the $5 million uncollectible amount from Minto related to the sale in 2019 during 2023 YTD, which were not present in 2024 YTD, and due to lower interest expense incurred on lower net debt balances in 2024 YTD.
- Income taxes expense: $35.7 million increase due to a net income in 2024 YTD compared to a net loss in 2023 YTD.

4.2 Revenue Analysis

Revenue increased quarter-on-quarter ($393.1 million versus $333.9 million in Q2 2023) primarily due to a higher realized copper price[1] ($4.53 per pound versus $3.71 per pound in Q2 2023), and partially offset by lower copper volumes sold (39.7 thousand tonnes versus 40.8 thousand tonnes in Q2 2023).

YTD revenue increased year-on-year ($733.0 million versus $669.5 million in 2023 YTD) due to higher copper volumes sold (80.7 thousand tonnes versus 78.2 thousand tonnes in 2023 YTD), and a higher realized copper price[1] ($4.18 per pound versus $3.93 per pound in 2023 YTD).

Revenue by Mine

($ millions)	**Q2 2024[2]**		Q2 2023[2]		**2024 YTD[2]**		2023 YTD[2]	
Pinto Valley	**160.3**	**40.8 %**	88.1	26.4 %	**279.1**	**38.1 %**	212.2	31.7 %
Mantos Blancos	**93.1**	**23.7 %**	94.7	28.4 %	**181.2**	**24.7 %**	210.8	31.5 %
Mantoverde	**84.8**	**21.6 %**	83.3	24.9 %	**167.5**	**22.9 %**	144.3	21.6 %
Cozamin	**63.9**	**16.3 %**	58.7	17.6 %	**116.8**	**15.9 %**	109.3	16.3 %
Corporate[3]	**(9.0)**	**(2.4)%**	9.1	2.7 %	**(11.6)**	**(1.6)%**	(7.1)	(1.1)%
Total revenue	**393.1**	**100.0 %**	333.9	100.0 %	**733.0**	**100.0 %**	669.5	100.0 %

[2] *The current and subsequent periods may include final settlement quantity and/or price adjustments from prior shipments.*
[3] *The Corporate revenue is related to the net changes on quotational period hedges.*

Provisionally Priced Copper

Gross revenue for the three months ended June 30, 2024 includes 37.8 thousand tonnes of copper sold subject to final settlement. Of this, the prices for 12.8 thousand tonnes are final at a weighted average price of $4.41 per pound. The remaining 25.0 thousand tonnes are subject to price change upon final settlement at the end of the applicable quotational period, as follows:

						($/pound)
Quotational Period	**Pinto Valley**	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Total**	**Provisional Price**
Jul-2024	7.9	3.0	2.9	1.9	15.7	4.32
Aug-2024	2.5	0.7	—	—	3.2	4.34
Oct-2024	5.2	—	—	—	5.2	4.37
Not yet declared by customer	0.9	—	—	—	0.9	4.32
Total	16.5	3.7	2.9	1.9	25.0	4.33

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. The difference between provisional invoice price and final invoice price is recognized in net earnings.

Of the 25.0 thousand tonnes subject to price change upon final settlement, 5.7 thousand tonnes have been hedged as at June 30, 2024, and 5.8 thousand tonnes of June sales were hedged in July 2024. The remaining 13.5 thousand tonnes are not hedged as these volumes have a declared quotational period of July 2024, which the QP hedging program is designed to achieve average LME price of the month after month of shipment.

Reconciliation of Realized Copper Price[1]

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.

($ millions, except as noted)	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Gross copper revenue				
Gross copper revenue on new shipments	**392.6**	341.1	**739.5**	672.6
Realized pricing and volume adjustments on copper revenue	**5.0**	(4.2)	**6.3**	5.0
Unrealized pricing and volume adjustments on copper revenue	**(1.0)**	(3.8)	**(2.1)**	0.1
Gross copper revenue including pricing and volume adjustments	**396.6**	333.1	**743.7**	677.7
Gross copper revenue on new shipments ($/pound)	**4.48**	3.80	**4.15**	3.90
Realized pricing and volume adjustments on copper revenue ($/pound)	**0.06**	(0.04)	**0.04**	0.03
Unrealized pricing and volume adjustments on copper revenue ($/pound)	**(0.01)**	(0.05)	**(0.01)**	—
Realized copper price[1] ($/pound)	**4.53**	3.71	**4.18**	3.93
LME average copper price ($)	**4.42**	3.84	**4.13**	3.95
LME close price ($)	**4.30**	3.72	**4.30**	3.72
Gross copper revenue - reconciliation to financials				
Gross copper revenue including pricing and volume adjustments	**396.6**	333.1	**743.7**	677.8
Revenue from other metals	**13.3**	13.1	**22.7**	24.8
Treatment and selling	**(16.8)**	(12.3)	**(33.5)**	(33.0)
Revenue per financials	**393.1**	333.9	**733.0**	669.6
Payable copper sold (tonnes)	**39,748**	40,755	**80,744**	78,211

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

4.3 Consolidated Cash Flow Analysis

($ millions)	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Operating cash flow before changes in working capital	**102.9**	22.0	**165.1**	65.1
Changes in non-cash working capital	**(5.1)**	(13.6)	**(19.9)**	(55.8)
Other non-cash changes	**1.0**	(10.6)	**0.1**	(9.7)
Total cash flow from (used in) operating activities	**98.8**	(2.2)	**145.3**	(0.4)
Total cash flow used in investing activities	**(137.8)**	(152.0)	**(254.8)**	(336.8)
Total cash flow from financing activities	**46.0**	170.8	**123.0**	283.0
Effect of foreign exchange rates on cash and cash equivalents	**(0.2)**	—	**(1.6)**	—
Net change in cash and cash equivalents	**6.8**	16.6	**11.9**	(54.2)
Opening cash and cash equivalents	**131.1**	99.5	**126.0**	170.3
Closing cash and cash equivalents	**137.9**	116.1	**137.9**	116.1

	June 30, 2024	December 31, 2023
Total assets	**6,124.8**	5,873.9
Total non-current financial liabilities	**984.9**	1,205.3

Changes in Cash Flows for the Three Months Ended June 30, 2024 and 2023

The net change in cash was $6.8 million in Q2 2024, compared to $16.6 million in Q2 2023. The change was primarily due to:

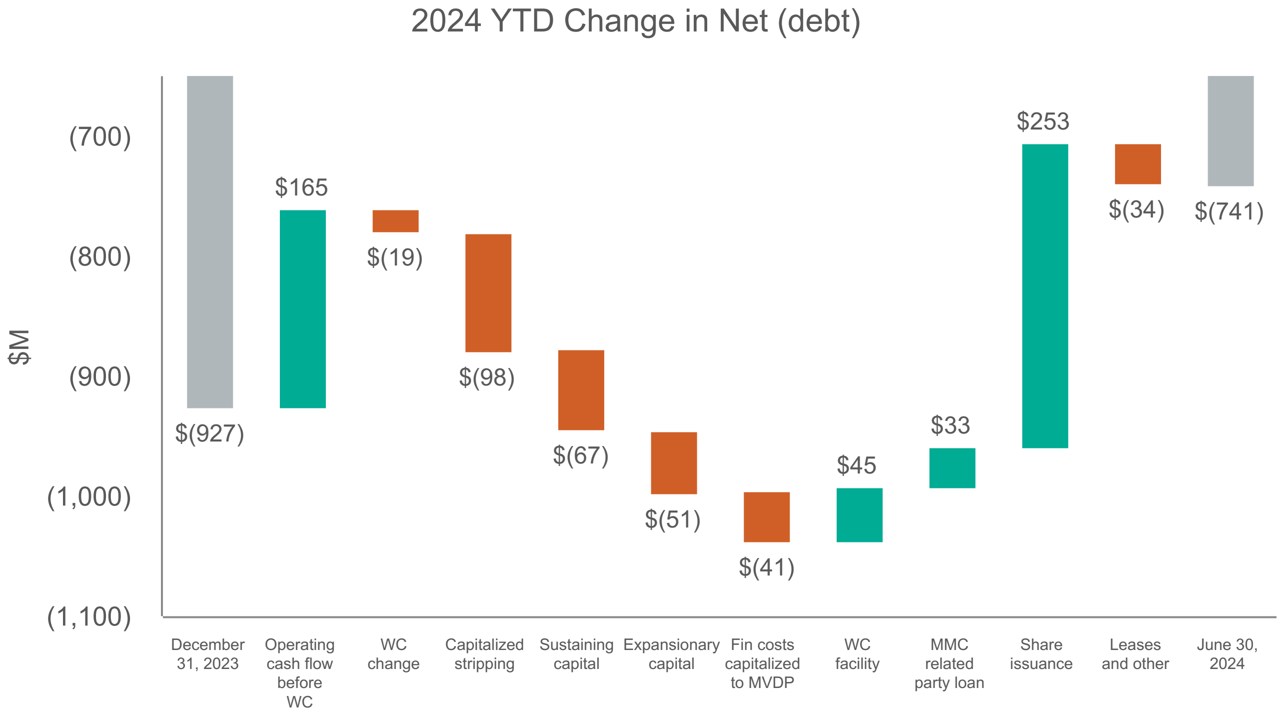
- Cash flow from operating activities before changes in working capital was higher by $80.9 million mainly due on higher operational margin: revenue less production costs were higher in Q2 2024 versus Q2 2023 by $88.9 million (Q2 2024 revenue of $393.1 million less production costs of $244.3 million compared to Q2 2023 revenue of $333.9 million less production costs of $274.0 million) which was partially offset by higher realized loss on derivative settlements.
- Changes in non-cash working capital in Q2 2024 were $8.5 million higher than in Q2 2023 mainly on an increase in accounts payable and accrued liabilities.
- Cash flow used in investing activities of $137.8 million in Q2 2024 relates to MVDP and other capital project spend.
- Cash flow from financing activities of $46.0 million in Q2 2024 relates to $53 million from net bank borrowings and $12 million from related party borrowings, partially offset by $14.4 million lease payments and payments on derivative settlements of $5.5 million.

Changes in Cash Flows for the Six Months Ended June 30, 2024 and 2023

The net change in cash was $11.9 million in 2024 YTD compared to $(54.2) million in 2023 YTD. The change was primarily due to:

- Operating cash flow before changes in working capital was higher by $100.0 million. Revenue less production costs were higher in 2024 YTD versus 2023 YTD by $84.6 million (2024 YTD revenue of $733.0 million less production costs of $493.3 million compared to 2023 YTD revenue of $669.5 million less production costs of $514.4 million). Moreover, taxes paid were $7.7 million lower, higher realized gain on foreign exchange rates and lower greenfield exploration expenses.
- Changes in non-cash working capital was higher by $35.9 million primarily due to an increase in accounts payable and accrued liabilities.
- Cash flow used in investing activities of $254.8 million primarily relates to MVDP and other capital project spend, partially offset by proceeds from asset disposal.
- Cash flow from financing activities of $123.0 million relates to net proceeds from the Q1 2024 share issuance of $253 million and from related party borrowing of $33 million, partially offset by net Revolving Credit Facility ("RCF") net repayment of $174 million, lease payments of $26.7 million, interest on debt and surety bond paid of $5.1 million and payment on derivative settlements of $5.1 million.

4.4 Liquidity and Financial Position



Our available liquidity[1] as at June 30, 2024 was $538.7 million, which included $138.7 million of cash and cash equivalents and short-term investments, and $400 million of undrawn amounts on our $700 million RCF.

The decrease in Net (debt)[1] as at June 30, 2024, compared to December 31, 2023, is primarily attributable to the net proceeds from share issuance and strong operating cash flow from a higher realized copper price, partially offset by capital spend on the MVDP and other capital projects including capitalized stripping.

Credit Facilities

Mantoverde Development Project Facility

In order to fund the construction of MVDP, the Company secured a senior secured amortizing project debt facility in an aggregate amount of $520 million (the "MVDP Facility", comprising the “Covered Facility” $250 million, the “Uncovered Facility” $210 million, and the “ECA Direct Facility” $60 million). The MVDP Facility amortizes from the earlier of September 30, 2024 and 180 days after project completion until December 2030 for the Uncovered Facility and December 2032 for the Covered Facility and ECA Direct Facility.

Mantoverde Cost Overrun Facility ("COF")

MMC agreed to provide a $60 million COF in exchange for additional offtake of copper concentrate production under a 10-year contract. The COF initially carried an interest rate of 3-month US$ LIBOR plus 1.70% and amortizing over 37 quarters from the earlier of September 30, 2024 or three quarters after project completion. As a result of Interest Rate Benchmark Reform, the Company completed the transition from LIBOR to an adjusted secured overnight financing rate ("SOFR") with MMC. The transition resulted in a variable rate of SOFR compounded daily to a 3-month period plus 0.2616% per annum, with margins unchanged.

Revolving Credit Facility

On September 22, 2023, Capstone amended its RCF to increase the aggregate commitments from $600 million to $700 million and extended the maturity from May 2026 to September 2027.

Working Capital Facilities

During Q2 2023, two of the Company's Chilean subsidiaries entered into a series of short-term export credit facilities with a weigthed average interest rate of 6.71% for the purpose of working capital management. As at June 30, 2024, the aggregate balance of the facilities was $70.7 million, including accrued interest of $0.7 million.

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled “Non-GAAP and Other Performance Measures”.*

The working capital Facilities are included in Current - Other Liabilities on the consolidated statement of financial position.

As at June 30, 2024, Capstone Copper was in a net (debt)[1] position of $741.3 million with $820.0 million long-term debt drawn in total, and $60.0 million drawn on the COF with MMC, which is presented in Due to Related Party on the consolidated balance sheet. As at June 30, 2024, the $820.0 million of long-term debt consists of $520.0 million drawn on the MVDP facility and $300.0 million drawn on the RCF. The current portion of the MVDP facility is $68.2 million.

Hedging

The Company has hedging programs for copper commodity, foreign exchange rates, interest rates, and provisionally priced sales contracts. Below is a summary of the fair values of unsettled derivative financial instruments for the Company's hedging contracts recorded on the consolidated statement of financial position. As at June 30, 2024, the Company held no derivatives designated as hedged instruments.

		June 30, 2024		December 31, 2023
Derivative financial assets:				
Foreign currency contracts	**$**	**144**	$	2,139
Quotational pricing contracts		**716**		—
Interest rate swap contracts		**29,407**		33,410
Total derivative financial assets	**$**	**30,267**	$	35,549
Derivative financial liabilities:				
Foreign currency contracts		**1,773**		1,503
Copper commodity contracts		**—**		13,484
Quotational pricing contracts		**—**		1,801
Total derivative financial liabilities	**$**	**1,773**	$	16,788

In addition, Pinto Valley contracted for fixed diesel prices with a supplier on its expected 2024 diesel consumption at $3.32/gallon from February to December 2024. The contracted diesel price has resulted in cost savings of $0.4 million and $0.4 million during the three and six months ended June 30, 2024, 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]. We have reasonable expectations for our operating performance, additional liquidity options are available such as debt and capital market access, the Corporate RCF of $700 million, $400 million of which is undrawn, and the hedging programs described above, which all provide protection and significant available liquidity as the Mantoverde Development Project ramps up to name plate capacity.

In February 2024, the Company and Orion closed a bought deal financing with a syndicate of underwriters. In connection with the Offering, 56,548,000 Common Shares were issued by the Company with a value of C$6.30 per common share raising total proceeds, net of transaction costs, of $252.9 million.

On April 5, 2024, the Company and Orion announced that Orion entered into a block trade agreement to sell 62.4 million CHESS depository interests ("CDIs") of Capstone (or the equivalent of 62.4 million fully paid Common Shares of Capstone) at a price of A$9.50 per CDI, for gross proceeds to Orion of approximately A$592.8 million. Post transaction, Orion owns 90.5 million common shares, representing approximately 12.0% of the outstanding common shares of Capstone.

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

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 August 1, 2024:

Issued and outstanding	754,115,412
Share options outstanding at a weighted average exercise price of $5.56	3,342,432
Treasury share units outstanding at a weighted average exercise price of $5.70	3,801,605
Fully diluted	761,259,449

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.

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.

4.5 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 Osisko Bermuda Limited ("Osisko")

Pursuant to a long-term streaming agreement made in 2015, that covers the life of mine, the Company delivers 100% of the payable silver sold by Mantos Blancos to Osisko Bermuda Limited ("Osisko"). Osisko pays a cash price of 8% of the spot price at the time of each delivery, in addition to an upfront acquisition price previously paid. After 19.3 million ounces of silver have been delivered under the agreement, the stream will be reduced to 40%. Mantos Blancos has delivered 6.0 million silver ounces since contract inception until June 30, 2024.

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.

Offtake agreements

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

The Company has sales commitments equal to 100% of its copper cathode production at Mantoverde and Mantos Blancos under offtake agreements with Anglo American Marketing Limited ("AAML") and expect to deliver into the commitments by mid-September 2024, subject to mine production.

The Company has concentrate offtake agreements with third parties whereby they will purchase 100% of the copper concentrate produced by the Cozamin mine up to the end of December 2024.

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

The Company entered into an offtake agreement with Boliden Commercial AB ("Boliden") for 75,000 tonnes of copper concentrates in each contract year. The offtake 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 offtake of copper concentrate production under a 10-year contract. The offtake 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 of 30,000 tonnes of copper concentrate as a result of fully utilizing the COF that was 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 the Mantoverde 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 June 30, 2024, capital expenditures committed for all the company's mine sites, but not yet incurred, were $58.9 million.

The Company has contractual agreements extending until 2026 and 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 2038 and 2039, respectively. The Company also entered into a contractual agreement for access to a power transmission plant for the Santo Domingo development project, for a period of 12 years from the date the transmission facility construction was completed, in Q4 2023.

The Company has contractual arrangements at Mantos Blancos and Mantoverde for the purchase of 210,000 tonnes of acid during the remainder of 2024, 100,000 tonnes in 2025 and 100,000 tonnes in 2026.

Other
The Company has provided a guarantee to the Chilean Internal Revenue Service that $13.9 million of all value-added taxes previously refunded, plus interest, will be repaid if construction of the Santo Domingo development project is not completed by August 31, 2026. The Company may request an extension to the date that aligns with a future Santo Domingo construction decision.

Provisions

Provisions of $256.5 million at June 30, 2024 includes the following:

- $214.1 million for reclamation and closure cost obligations at Capstone Copper's operating mines;
- $31.0 million related to other long-term closure obligations at the Cozamin and Chilean mines; and
- $2.5 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 $6.2 million is recorded in other liabilities.
- $8.9 million for the long-term portion of the Minto obligation as Minto ceased operations during Q2 2023 (see below).

Minto Obligation

On June 3, 2019, the Company completed the sale of its 100% interest in the Minto Mine and in conjunction with the completion of the sale, Minto had posted a surety bond to cover potential future reclamation liabilities. The Company remains an indemnitor for Minto's C$72 million surety bond obligation in the Yukon. During Q2 2023, Minto ceased operations and the Yukon Government took over all reclamation activities. As Minto defaulted on the surety bond in Q2 2023, Capstone has recognized a provision related to the Company's obligations towards the issuer of the surety bond. During the three and six months ended June 30, 2024, the Company made payments of $5.3 million and $8.2 million, respectively, to the Yukon Government for reclamation work performed. As at June 30, 2024, the total remaining provision is $33.4 million, and $24.6 million recorded in other current liabilities represents the current portion.

During Q2 2024, the Company has agreed with the issuer of the surety bond, who held title to a C$10 million trust account for payment of future reclamation costs, that these funds would be released to Capstone over the course of the year. As at June 30, 2024, a receivable of C$10 million was recorded in other current receivables, of which C$2 million was received in July 2024.

Precious Metal Streams

Cozamin Silver Stream

On February 19, 2021, Capstone Mining concluded the precious metals purchase arrangement with Wheaton Precious Metals Corp. ("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. Cozamin has delivered 2.2 million silver ounces since contract inception until June 30, 2024. The agreement with Wheaton includes a completion test, which requires the completion of the paste backfill plant by December 31, 2023, and production of at least 105,000 cubic meters of suitable paste backfill for use in the underground operations at Cozamin over a consecutive 90-day period. During Q2 2024, the Company reached an agreement with Wheaton to extend the completion test period of the use of suitable paste backfill in the underground operations to September 30, 2024 and believes the potential exposure is now $nil.

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 June 30, 2024, the amount of the deferred revenue liability recognized as revenue was $7.1 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. If completion has not been achieved on or before the third-anniversary date of receiving the early deposit, an early deposit delay payment will be triggered that would require the Company to sell and deliver 104 ounces of refined gold per month until the earlier of: the month completion is achieved, the month in which the early deposit is repaid to Wheaton or the month which refined gold is first sold and delivered to Wheaton. In the fourth quarter of 2023, the Company recorded an obligation under the gold stream of $7.1 million. As at June 30, 2024 the value of the obligation is $7.3 million. During Q2 2024, the Company delivered 0.2 million gold ounces to Wheaton as part of the early deposit delay payment.

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 June 30, 2024, there was no amortization of the deferred revenue liability recognized as revenue.

Purchase of Non-Controlling Interest from KORES

At June 30, 2024, a liability of $43.3 million was recognized in other current liabilities equal to the discounted amount of the remaining $45.0 million to be paid to KORES on March 24, 2025 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 three and six months ended June 30, 2024, $0.4 million and $0.9 million, respectively, of accretion was recorded in other non-cash interest expenses in the condensed interim consolidated statements of income (loss).

Off-Balance Sheet Arrangements

As at June 30, 2024, 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 six months ended June 30, 2024;
- capital expenditure commitments totalling $58.9 million;
- seven surety bonds totalling $255.9 million.

4.6 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 condensed interim consolidated financial statements for the period ended June 30, 2024, except the following:

- Total funds, excluding interest, advanced by MMC as at June 30, 2024 was $222.9 million (December 31, 2023 - $60.0 million), which comprises $60.0 million for the COF and $162.9 million in shareholder loans. $12.0 million has been accrued as interest on the shareholder loan.

4.7 Accounting Changes

Changes in Accounting Policies and Material Accounting Estimates and Judgments

Accounting policies as well as any changes in accounting policies are discussed in Note 3 "Material Accounting Policy Information, Estimates and Judgements" of the June 30, 2024 condensed interim consolidated financial statements.

New IFRS Pronouncements

New IFRS Pronouncements are discussed in Note 4 "Adoption of New and Revised IFRS and IFRS Not Yet Effective" of the June 30, 2024 condensed interim consolidated financial statements.

4.8 Subsequent Event

Subsequent to the quarter-ended June 30, 2024, the Company entered into a binding share purchase agreement (the "SPA") with Inversiones Alxar S.A. and Empresas COPEC S.A., collectively the "sellers" to acquire 100% of the shares of Compania Minera Sierra Norte, S.A. ("Sierra Norte"). Under the terms of the SPA, Capstone will pay the sellers $40 million in share consideration. Closing is expected within one-week.

The financial effects of this acquisition will be reflected in subsequent reporting periods.

5.0 NON-GAAP AND OTHER PERFORMANCE MEASURES

The Company uses certain performance measures in its analysis. 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 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 from 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.

Breakdown of C1 Cash Costs and All-in Sustaining Cost Per Pound of Payable 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 the 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 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.

Three Months Ended June 30, 2024

	Q2 2024				
	Pinto Valley	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Total**
Payable copper produced (000s pounds)	**34,085**	**21,587**	**19,222**	**13,036**	**87,930**
($ millions)					
Production costs of metal produced (per financials)	**80.5**	**68.7**	**70.5**	**24.5**	**244.2**
Transportation cost to point of sale	**(7.9)**	**(2.3)**	**(0.2)**	**(1.3)**	**(11.7)**
Inventory (write-down) reversal	**—**	**(0.7)**	**0.6**	**—**	**(0.1)**
Inventory working capital adjustments	**(2.5)**	**2.0**	**(1.2)**	**0.1**	**(1.6)**
Cash production costs of metal produced	**70.1**	**67.7**	**69.7**	**23.3**	**230.8**
($/pound)					
Production costs					
Mining	**0.56**	**1.01**	**1.09**	**1.10**	**0.87**
Milling/Processing	**1.22**	**1.88**	**2.19**	**0.42**	**1.47**
G&A	**0.26**	**0.25**	**0.35**	**0.27**	**0.28**
C1P sub-total	**2.04**	**3.14**	**3.63**	**1.79**	**2.62**
By-product credits	**(0.11)**	**(0.01)**	**—**	**(0.39)**	**(0.10)**
Treatment and selling costs	**0.53**	**0.25**	**0.05**	**0.34**	**0.32**
C1 cash cost ($/pound produced)	**2.46**	**3.38**	**3.68**	**1.74**	**2.84**
($/pound)					
Royalties	**0.02**	**0.06**	**—**	**0.09**	**0.04**
Production-phase capitalized stripping / Mineralized drift	**—**	**0.83**	**0.03**	**0.02**	**0.21**
Sustaining capital	**0.34**	**0.62**	**0.43**	**0.43**	**0.44**
Sustaining leases	**0.06**	**0.12**	**0.22**	**—**	**0.10**
Accretion of reclamation obligation	**0.01**	**0.03**	**0.03**	**0.05**	**0.03**
Amortization of reclamation asset	**—**	**0.01**	**—**	**0.05**	**0.01**
Corporate G&A, excluding depreciation					**0.10**
All-in sustaining cost adjustments	**0.43**	**1.67**	**0.71**	**0.64**	**0.93**
All-in sustaining cost ($/pound produced)	**2.89**	**5.05**	**4.39**	**2.38**	**3.77**

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

Three Months Ended June 30, 2023

	Q2 2023				
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total
Payable copper produced (000s pounds)	27,063	25,057	18,274	14,024	84,418
($ millions)					
Production costs of metal produced (per financials)	74.4	81.5	93.5	24.6	274.0
Transportation cost to point of sale	(5.4)	(3.1)	(0.3)	(1.4)	(10.2)
Inventory (write-down) reversal	(0.6)	0.4	(1.3)	—	(1.5)
Inventory working capital adjustments	2.4	(5.0)	(21.0)	(0.6)	(24.2)
Cash production costs of metal produced[2]	70.8	73.8	70.9	22.6	238.1
($/pound)					
Production costs					
Mining	0.85	0.97	0.68	1.00	0.87
Milling/Processing	1.45	1.72	2.86	0.36	1.66
G&A	0.32	0.25	0.33	0.24	0.29
C1P sub-total	2.62	2.94	3.87	1.60	2.82
By-product credits	(0.11)	(0.01)	—	(0.32)	(0.09)
Treatment and selling costs	0.47	0.22	0.05	0.35	0.28
C1 cash cost ($/pound produced)	2.98	3.15	3.92	1.63	3.01
($/pound)					
Royalties	0.03	0.05	—	0.07	0.04
Production-phase capitalized stripping / Mineralized drift	—	0.65	0.45	0.03	0.29
Sustaining capital	0.65	0.17	0.57	0.52	0.47
Sustaining leases	0.04	0.13	0.09	—	0.07
Accretion of reclamation obligation	0.02	0.03	0.04	0.03	0.03
Amortization of reclamation asset	—	0.01	0.01	0.03	0.01
Corporate G&A, excluding depreciation					0.08
All-in sustaining cost adjustments	0.74	1.04	1.16	0.68	0.99
All-in sustaining cost ($/pound produced)	3.72	4.19	5.08	2.31	4.00

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

Six Months Ended June 30, 2024

	2024 YTD				
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total
Payable copper produced (000s pounds)	67,486	45,077	40,113	25,762	178,438
($ millions)					
Production costs of metal produced (per financials)	156.3	135.9	151.2	49.9	493.3
Transportation cost to point of sale	(15.3)	(4.7)	(0.7)	(2.8)	(23.5)
Inventory (write-down) reversal	—	(0.6)	1.3	—	0.7
Inventory working capital adjustments	(1.5)	2.8	(3.3)	0.4	(1.6)
Cash production costs of metal produced	139.5	133.4	148.5	47.5	468.9
($/pound)					
Production costs					
Mining	0.58	0.92	1.23	1.14	0.89
Milling/Processing	1.22	1.80	2.13	0.42	1.46
G&A	0.27	0.24	0.34	0.28	0.28
C1P sub-total	2.07	2.96	3.70	1.84	2.63
By-product credits	(0.08)	(0.01)	—	(0.35)	(0.09)
Treatment and selling costs	0.51	0.26	0.05	0.34	0.33
C1 cash cost ($/pound produced)	2.50	3.21	3.75	1.83	2.87
($/pound)					
Royalties	0.02	0.06	—	0.08	0.03
Production-phase capitalized stripping / Mineralized drift	—	0.78	0.05	0.02	0.21
Sustaining capital	0.26	0.44	0.33	0.45	0.34
Sustaining leases	0.06	0.11	0.17	0.01	0.09
Accretion of reclamation obligation	0.01	0.03	0.03	0.05	0.03
Amortization of reclamation asset	—	0.01	—	0.05	0.01
Corporate G&A, excluding depreciation					0.09
All-in sustaining cost adjustments	0.35	1.43	0.58	0.66	0.80
All-in sustaining cost ($/pound produced)	2.85	4.64	4.33	2.49	3.67

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

Six Months Ended June 30, 2023

	2023 YTD				
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total
Payable copper produced (000s pounds)	54,428	55,378	37,084	25,120	172,010
($ millions)					
Production costs of metal produced (per financials)	156.7	157.2	157.1	43.4	514.4
Transportation cost to point of sale	(11.9)	(6.3)	(0.7)	(2.6)	(21.5)
Inventory (write-down) reversal	(0.7)	—	(1.8)	—	(2.5)
Inventory working capital adjustments	2.3	(2.7)	(9.0)	—	(9.4)
Cash production costs of metal produced[2]	146.4	148.2	145.6	40.8	481.0
($/pound)					
Production costs					
Mining	0.94	0.87	0.71	1.01	0.88
Milling/Processing	1.41	1.59	2.90	0.35	1.63
G&A	0.34	0.22	0.31	0.26	0.29
C1P sub-total	2.69	2.68	3.92	1.62	2.80
By-product credits	(0.15)	(0.02)	—	(0.30)	(0.10)
Treatment and selling costs	0.49	0.23	0.05	0.35	0.29
C1 cash cost ($/pound produced)	3.03	2.89	3.97	1.67	2.99
($/pound)					
Royalties	0.02	0.06	—	0.07	0.03
Production-phase capitalized stripping / Mineralized drift	—	0.62	0.29	0.03	0.27
Sustaining capital	0.50	0.13	0.41	0.54	0.38
Sustaining leases	0.03	0.12	0.08	0.01	0.06
Accretion of reclamation obligation	0.02	0.03	0.04	0.03	0.03
Amortization of reclamation asset	—	0.01	0.01	0.03	0.01
Corporate G&A, excluding depreciation					0.07
All-in sustaining cost adjustments	0.57	0.97	0.83	0.71	0.85
All-in sustaining cost ($/pound produced)	3.60	3.86	4.80	2.38	3.84

[1] *These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures".*

Reconciliation of 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, Short-term investments, and excluding shareholder loans.

($ millions)	June 30, 2024	December 31, 2023
Long-term debt (per financials), excluding deferred financing costs of 1.7 and 1.9 and PPA fair value adjustments of 6.1 and 6.6	**(820.0)**	(994.0)
COF	**(60.0)**	(60.0)
Add:		
Cash and cash equivalents (per financials)	**137.9**	126.0
Short-term investments (per financials)	**0.8**	0.8
Net (debt)/cash	**(741.3)**	(927.2)

Reconciliation of 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.

($ millions)	June 30, 2024	December 31, 2023
Attributable Long-term debt, excluding deferred financing costs of 1.7 and 1.9 and PPA fair value adjustments of 6.1 and 6.6	**(664.0)**	(838.0)
Attributable COF	**(42.0)**	(42.0)
Add:		
Attributable Cash and cash equivalents	**115.4**	102.6
Attributable Short-term investments	**0.8**	0.8
Attributable Net (debt)/cash	**(589.8)**	(776.6)

Reconciliation of 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 the 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 development project as they are not available for general purposes.

($ millions)	June 30, 2024	December 31, 2023
Revolving credit facility capacity	**700.0**	700.0
MVDP debt facility	**520.0**	520.0
Long-term debt (per financials), excluding deferred financing costs of 1.7 and 1.9 and PPA fair value adjustments of 6.1 and 6.6	**(820.0)**	(994.0)
	400.0	226.0
Cash and cash equivalents (per financials)	**137.9**	126.0
Short-term investments (per financials)	**0.8**	0.8
Available liquidity	**538.7**	352.8

Reconciliation of Adjusted Net Income (Loss) Attributable To Shareholders

Adjusted net income (loss) attributable to shareholders is a non-GAAP measure of Net income (loss) 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.

($ millions, except share and per share amounts)[2]	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Net income (loss) attributable to shareholders	**29.3**	(36.5)	**24.5**	(56.5)
Inventory write-down	**(0.5)**	(0.1)	**(1.5)**	3.7
Unrealized gain on derivative contracts	**(9.5)**	(55.2)	**(7.2)**	(20.6)
Share-based compensation expense	**4.6**	2.4	**11.7**	14.4
Unrealized foreign exchange loss (gain)	**1.1**	(2.1)	**(6.3)**	(1.4)
Other expense - non-recurring fees	**—**	14.1	**—**	14.3
Gold stream obligation	**0.1**		**0.7**	
Minto obligation (recovery) expense	**(7.4)**	53.9	**(7.4)**	53.9
(Gain) loss on disposal of assets	**—**	0.2	**(1.3)**	—
G&A - care and maintenance	**0.1**	0.1	**0.2**	0.2
Tax effect on the above adjustments	**3.1**	11.0	**3.0**	(2.8)
Adjusted net income (loss) attributable to shareholders	**20.9**	(12.2)	**16.4**	5.2
Adjusted net income (loss) attributable to shareholders attributable to:				
Shareholders of Capstone Copper Corp.	**20.9**	(16.5)	**16.4**	5.2
Non-controlling interests	**—**	4.3	**—**	—
	20.9	(12.2)	**16.4**	5.2
Weighted average common shares - basic (per financials)	**753,741,708**	693,783,922	**741,104,566**	692,823,554
Adjusted net income (loss) attributable to shareholders of Capstone Copper Corp. per common share - basic ($)	**0.03**	(0.02)	**0.02**	0.01
Weighted average common shares - diluted (per financials)	**756,735,903**	696,694,428	**743,630,003**	695,707,267
Adjusted net income (loss) attributable to shareholders of Capstone Copper Corp. per common share - diluted ($)	**0.03**	(0.02)	**0.02**	0.01

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

Reconciliation of Adjusted EBITDA

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

Adjusted EBITDA is non-GAAP measure of EBITDA before the pre-tax effect of the adjustments made to net income (loss) (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 net income (loss) and Adjusted EBITDA allow management and readers to analyze our results more clearly and understand the cash-generating potential of the Company.

	Three months ended June 30, 2024					
($ millions)[2]	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	$ 44.7	$ (5.9)	$ (6.2)	$ 14.3	$ (19.4)	$ 27.5
Net finance costs	1.0	1.8	2.0	2.3	0.4	7.5
Taxes	10.7	(2.6)	(3.0)	12.0	2.9	20.0
Depletion and amortization	21.3	24.6	15.4	10.3	(0.1)	71.5
EBITDA	77.7	17.9	8.2	38.9	(16.2)	126.5
Share-based compensation expense	—	—	—	—	4.6	4.6
Total inventory write-down (reversal)	—	1.2	(1.7)	—	—	(0.5)
Realized (gain) loss on MVDP derivative contracts	—	—	7.0	—	—	7.0
Unrealized (gain) loss on derivatives	—	—	(3.8)	—	(5.7)	(9.5)
Unrealized foreign exchange loss (gain)	0.1	0.5	1.0	(0.7)	0.2	1.1
Gold stream obligation	—	—	—	—	0.1	0.1
Minto obligation (recovery) expense	—	—	—	—	(7.4)	(7.4)
Unrealized provisional pricing and volume adjustments on revenue	3.2	1.5	0.2	0.4	(4.2)	1.1
Adjusted EBITDA	81.0	21.1	10.9	38.6	(28.5)	123.1

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

($ millions)[2]	Three months ended June 30, 2023 Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	$ (2.9)	$ (13.3)	$ 4.1	$ 20.6	$ (42.4)	$ (33.9)
Net finance costs	0.7	1.7	(0.5)	2.3	3.3	7.5
Taxes	(2.6)	(3.7)	1.2	4.6	1.7	1.2
Depletion and amortization	17.4	17.8	9.8	6.9	0.2	52.1
EBITDA	12.6	2.5	14.6	34.4	(37.2)	26.9
Share-based compensation expense	—	—	—	—	2.4	2.4
Total inventory write-down (reversal)	0.8	(1.0)	—	—	—	(0.2)
Realized (gain) loss on MVDP derivative contracts	—	—	(0.6)	—	—	(0.6)
Unrealized (gain) loss on derivatives	—	—	(25.9)	—	(29.3)	(55.2)
(Gain) loss on disposal of assets	—	0.2	—	—	—	0.2
Unrealized foreign exchange loss (gain)	0.1	(0.8)	(0.3)	(1.2)	0.1	(2.1)
Other expense - non-recurring	—	8.9	—	—	5.2	14.1
Unrealized provisional pricing and volume adjustments on revenue	4.3	2.2	0.4	0.1	(3.1)	3.9
Insurance proceeds received	—	—	—	—	—	—
Adjusted EBITDA	17.8	12.0	(11.8)	33.3	(8.0)	43.3

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

($ millions)[2]	Six months ended June 30, 2024 Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	**$ 61.3**	**$ (7.1)**	**$ (9.3)**	**$ 23.8**	**$ (47.0)**	**$ 21.7**
Net finance costs	**2.1**	**3.3**	**2.6**	**4.6**	**3.4**	**16.0**
Taxes	**13.4**	**(2.0)**	**(4.3)**	**16.0**	**3.6**	**26.7**
Depletion and amortization	**43.2**	**44.9**	**32.1**	**20.5**	**—**	**140.7**
EBITDA	**120.0**	**39.1**	**21.1**	**64.9**	**(40.0)**	**205.1**
Share-based compensation expense	**—**	**—**	**—**	**—**	**11.7**	**11.7**
Total inventory write-down (reversal)	**—**	**1.2**	**(2.7)**	**—**	**—**	**(1.5)**
Realized (gain) loss on MVDP derivative contracts	**—**	**—**	**7.7**	**—**	**—**	**7.7**
Unrealized (gain) loss on derivatives	**—**	**—**	**(9.2)**	**—**	**2.0**	**(7.2)**
(Gain) loss on disposal of assets	**—**	**—**	**(1.3)**	**0.1**	**(0.1)**	**(1.3)**
Unrealized foreign exchange gain	**(0.1)**	**(2.5)**	**(2.2)**	**(0.5)**	**(1.0)**	**(6.3)**
Gold stream obligation	**—**	**—**	**—**	**—**	**0.7**	**0.7**
Minto obligation (recovery) expense	**—**	**—**	**—**	**—**	**(7.4)**	**(7.4)**
Unrealized provisional pricing and volume adjustments on revenue	**(0.1)**	**3.8**	**0.1**	**0.3**	**(2.5)**	**1.6**
Adjusted EBITDA	**119.8**	**41.6**	**13.5**	**64.8**	**(36.5)**	**203.2**

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

($ millions)[2]	Six months ended June 30, 2023 Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	$ 14.0	$ 0.3	$ (21.2)	$ 39.6	$ (95.6)	$ (62.9)
Net finance costs	1.5	3.3	(0.4)	4.5	6.5	15.4
Taxes	(0.8)	0.7	(9.9)	9.6	(8.6)	(9.0)
Depletion and amortization	39.0	30.6	17.5	12.8	0.3	100.2
EBITDA	53.7	34.9	(14.0)	66.5	(97.4)	43.7
Share-based compensation expense	—	—	—	—	14.4	14.4
Total inventory write-down (reversal)	1.0	—	2.7	—	—	3.7
Realized (gain) loss on MVDP derivative contracts	—	—	1.2	—	—	1.2
Unrealized (gain) loss on derivatives	—	—	(7.5)	—	(13.1)	(20.6)
Unrealized foreign exchange loss (gain)	0.1	1.0	0.3	(2.4)	(0.4)	(1.4)
Other expense - non-recurring	—	8.9	—	—	5.4	14.3
Unrealized provisional pricing and volume adjustments on revenue	4.2	4.6	1.5	0.8	(11.0)	0.1
Adjusted EBITDA	59.0	49.4	(15.8)	64.9	(48.2)	109.3

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

Other Non-GAAP measures

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.

Additional Information and Reconciliations

Sales from Operations

	2024			2023				
	Q1	Q2	Total	Q1	Q2	Q3	Q4	Total
Copper (tonnes)								
Concentrate								
Pinto Valley	13,818	15,198	29,016	12,196	11,385	11,736	15,013	50,330
Mantos Blancos	8,981	7,620	16,601	9,497	8,380	8,870	10,453	37,200
Cozamin	5,709	5,718	11,427	4,823	6,452	5,309	6,065	22,649
Total Concentrate	28,508	28,536	57,044	26,516	26,217	25,915	31,531	110,179
Cathode								
Pinto Valley	904	823	1,727	603	683	824	643	2,753
Mantos Blancos	1,806	1,926	3,732	3,474	3,570	3,248	1,796	12,088
Mantoverde	9,778	8,463	18,241	6,863	10,285	8,713	9,313	35,174
Total Cathode	12,488	11,212	23,700	10,940	14,538	12,785	11,752	50,015
Total Copper	40,996	39,748	80,744	37,456	40,755	38,700	43,283	160,194
Zinc (000 pounds)								
Cozamin	(4)	—	(4)	—	(10)	250	—	240
Molybdenum (tonnes)								
Pinto Valley	18	25	43	55	17	20	28	120
Silver (000s ounces)								
Cozamin	410	462	872	349	502	400	448	1,699
Mantos Blancos	215	188	403	330	248	235	269	1,082
Pinto Valley	60	75	135	58	49	65	87	259
Total	685	725	1,410	737	799	700	804	3,040
Gold (ounces)								
Pinto Valley	(462)	209	(253)	389	537	3,099	2,581	6,606
Total	(462)	209	(253)	389	537	3,099	2,581	6,606

6.0 SELECTED QUARTERLY FINANCIAL INFORMATION

($ millions, except per share data)[2]	Q2 2024	Q1 2024	Q4 2023	Q3 2023[(i)]	Q2 2023[(ii)]	Q1 2023[(iii)]	Q4 2022[(iv)]	Q3 2022
Revenue	**393.1**	339.9	353.7	322.2	333.9	335.6	362.1	309.2
Earnings (loss) from mining operations	**72.5**	18.1	21.6	12.0	5.0	44.4	75.7	(11.2)
Net income (loss) attributable to shareholders	**29.3**	(4.8)	(12.3)	(32.9)	(36.5)	(20.0)	(20.9)	34.1
Net earnings (loss) per share attributable to shareholders - basic and diluted	**0.04**	(0.01)	(0.02)	(0.05)	(0.05)	(0.03)	(0.03)	0.05
Operating cash flow before changes in non-cash working capital	**102.9**	62.1	80.4	59.3	22.0	41.7	76.1	13.9
Capital expenditures (including capitalized stripping)	**194.6**	170.0	182.1	228.3	201.3	209.4	204.9	148.5

(i) Net Loss in Q3 2023 includes $24 million of Deferred income tax expense related to the adoption of the Chilean Tax Reform.
(ii) Net Loss in Q2 2023 includes $59 million of Minto obligation.
(iii) Net Loss in Q1 2023 includes $44 million of net loss on derivative instruments.
(iv) Net loss in Q4 2022 includes $24 million of share unit expense and $64 million of net loss on derivative instruments.
2 Certain of prior period comparative figures have been reclassified to conform with the current year's presentation.

7.0 MANAGEMENT'S REPORT ON INTERNAL CONTROLS AND OTHER INFORMATION

Disclosure Controls and Procedures (“DC&P”)

As at June 30, 2024, 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 period ended in June 30, 2024.

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.sedarplus.ca.

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.sedarplus.ca.

8.0 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.sedarplus.ca. 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 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.

9.0 RISKS AND UNCERTAINTIES

For full details on the risks and uncertainties affecting the Company, please refer to the Annual Information Form dated March 18, 2024 (See section entitled "Risk Factors"). 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.sedarplus.ca. Please also refer to the prospectus dated March 6, 2024 that is available on the Company's market announcements platform at www.asx.com.au and under our issuer profile on SEDAR+ at www.sedarplus.ca.

Risks in connection with the Cozamin Silver Stream Agreement with Wheaton.

The Cozamin Silver Stream Agreement is subject to pricing risk. Unexpected spikes in silver prices may result in an increase in silver credit payables compared to receivables and the use of hedging mechanisms may not be economical to reduce such risks. Capstone is required to meet certain completion requirements before September 30, 2024, under the Cozamin Silver Stream Agreement, namely, Capstone was required to construct a paste backfill plant to produce at least 105,000 cubic metres of suitable paste backfill that is used in the underground operations at Cozamin over a period of 90 consecutive days during which a completion test has been performed.

Concentration of Share Ownership of Capstone Copper.

As at the date hereof, Orion Fund JV Limited, Orion Mine Finance Fund II LP and Orion Mine Finance (Master) Fund 1-A LP (collectively, "Orion") own approximately 12.02%% of the outstanding Common Shares and Hadrian Capital Partners Inc. owns approximately 13.37% of the outstanding Common Shares. See news release "Capstone Copper and Orion Announce Closing of C$328 Million Secondary Bought Deal Offering of Common Shares" dated March 31, 2023, and "Capstone Copper and Orion Announce Closing of $431 Million Bought Deal" dated February 8, 2024. Following the closing of the Offering, Orion, in the aggregate, beneficially own 152,936,179 Common Shares, representing 20.3% of the outstanding Common Shares. Subsequently, after the sale of Capstone's CDIs on the ASX as described in the news release "Orion Undertakes A$593 Million Sale of Capstone CDIs on the ASX" on April 5, 2024, Orion's ownership was reduced to 90,536,179 Common Shares, representing 12.02% of the outstanding Common Shares. As long as these shareholders maintain their significant positions in Capstone, they will have the ability to exercise influence with respect to the affairs of Capstone and significantly affect the outcome of matters upon which shareholders are entitled to vote. Furthermore, there is a risk that Capstone's securities are less liquid and trade at a relative discount compared to circumstances where these shareholders did not have the ability to influence or determine matters affecting Capstone. Moreover, there is a risk that their significant interests in Capstone discourages transactions involving a change of control of Capstone, including transactions in which an investor, as a holder of Capstone's securities, would otherwise receive a premium for its Capstone's securities over the then-current market price. A disposition of shares by these shareholders could adversely affect the market price of the Common Shares.

Pursuant to the Registration and Nomination Rights Agreement (as defined below) between Capstone Mining and Orion dated March 23, 2022, provided Orion maintains certain levels of ownership of the Common Shares, Orion: (i) has rights to nominate up to two individuals to sit on the Board of Directors and (ii) may demand we file one or more prospectuses or otherwise facilitate sales of Orion's shares. Subsequently following the recent transaction, which resulted in Orion's ownership decreasing to 12.02% and falling below the 20% threshold, this right has now been reduced to nominating just one individual. See "Material Contracts" in the AIF for further information regarding the Registration and Nomination Rights Agreement.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

June 30, 2024

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

Capstone Copper Corp.

Condensed Interim Consolidated Statements of Financial Position

unaudited - expressed in thousands of US dollars

ASSETS	**June 30, 2024**	December 31, 2023
Current		
Cash and cash equivalents	**$ 137,851**	$ 126,016
Short-term investments *(Note 5)*	**777**	804
Receivables *(Note 6)*	**148,964**	147,318
Inventories *(Note 7)*	**168,919**	149,613
Derivative assets *(Note 5)*	**17,323**	18,984
Other assets *(Note 9)*	**52,136**	44,122
	525,970	486,857
Mineral properties, plant and equipment *(Note 8)*	**5,504,682**	5,286,257
Derivative assets *(Note 5)*	**12,944**	16,565
Deferred income tax assets	**51,150**	53,401
Other assets *(Note 9)*	**30,071**	30,835
Total assets	**$ 6,124,817**	$ 5,873,915
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 273,161**	$ 272,277
Current portion of long-term debt *(Note 13)*	**68,191**	28,398
Current portion of due to related party *(Note 11)*	**6,486**	3,243
Lease liabilities *(Note 12)*	**41,900**	33,516
Derivative liabilities *(Note 5)*	**1,493**	16,788
Income taxes payable	**10,815**	6,186
Other liabilities *(Note 10)*	**157,840**	71,412
	559,886	431,820
Long-term debt *(Note 13)*	**756,277**	970,258
Due to related party *(Note 11)*	**228,371**	192,628
Deferred revenue *(Note 14)*	**144,670**	147,619
Lease liabilities *(Note 12)*	**171,739**	102,983
Derivative liabilities *(Note 5)*	**280**	—
Provisions *(Note 16)*	**256,545**	268,132
Deferred income tax liabilities	**635,314**	630,225
Other liabilities *(Note 10)*	**21,043**	64,128
Total liabilities	**$ 2,774,125**	$ 2,807,793
EQUITY		
Share capital	**$ 2,708,540**	$ 2,451,572
Other reserves	**43,769**	40,129
Retained earnings	**195,631**	168,886
Total equity attributable to equity holders of the Company	**2,947,940**	2,660,587
Non-controlling interest *(Note 11)*	**402,752**	405,535
Total equity	**3,350,692**	3,066,122
Total liabilities and equity	**$ 6,124,817**	$ 5,873,915

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.
Condensed Interim Consolidated Statements of Income (Loss)
Three and Six Months Ended June 30, 2024 and 2023
unaudited - expressed in thousands of US dollars, except share and per share amounts

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Revenue *(Note 18)*	**$ 393,053**	$ 333,938	**$ 732,950**	$ 669,534
Operating costs				
Production costs	**(244,287)**	(274,007)	**(493,323)**	(514,388)
Royalties	**(5,109)**	(3,056)	**(9,709)**	(6,006)
Depletion and amortization	**(71,147)**	(51,874)	**(139,335)**	(99,753)
Earnings from mining operations	**72,510**	5,001	**90,583**	49,387
General and administrative expenses	**(8,262)**	(7,223)	**(14,167)**	(12,865)
Exploration expenses *(Note 8)*	**(165)**	(1,646)	**(475)**	(2,845)
Share-based compensation expense *(Note 17)*	**(4,575)**	(2,389)	**(11,702)**	(14,407)
Income (loss) from operations	**59,508**	(6,257)	**64,239**	19,270
Other (expense) income				
Foreign exchange (loss) gain	**(3,526)**	581	**9,217**	(8,681)
Realized and unrealized (losses) gains on derivative instruments *(Note 5)*	**(4,140)**	51,470	**(7,878)**	6,635
Minto obligation recovery (expense) *(Note 16)*	**7,261**	(53,921)	**7,261**	(53,921)
Other expense *(Note 22)*	**(4,085)**	(17,069)	**(8,365)**	(19,785)
Finance income *(Note 23)*	**1,149**	1,936	**2,795**	3,318
Finance expense *(Note 23)*	**(8,688)**	(9,427)	**(18,817)**	(18,691)
Income (loss) before income taxes	**47,479**	(32,687)	**48,452**	(71,855)
Income tax (expense) recovery *(Note 15)*	**(19,988)**	(1,224)	**(26,727)**	8,994
Net income (loss)	**$ 27,491**	$ (33,911)	**$ 21,725**	$ (62,861)
Net income (loss) attributable to:				
Shareholders of Capstone Copper Corp.	**$ 29,345**	$ (36,510)	**$ 24,508**	$ (56,512)
Non-controlling interest *(Note 11)*	**(1,854)**	2,599	**(2,783)**	(6,349)
	$ 27,491	$ (33,911)	**$ 21,725**	$ (62,861)
Net earnings (loss) per share attributable to shareholders of Capstone Copper Corp.				
Earnings (loss) per share - basic *(Note 19)*	**$ 0.04**	$ (0.05)	**$ 0.03**	$ (0.08)
Weighted average number of shares - basic *(Note 19)*	**753,741,708**	693,783,922	**741,104,566**	692,823,554
Earnings (loss) per share - diluted *(Note 19)*	**$ 0.04**	$ (0.05)	**$ 0.03**	$ (0.08)
Weighted average number of shares - diluted *(Note 19)*	**756,735,903**	693,783,922	**743,630,003**	692,823,554

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

Three and Six Months Ended June 30, 2024 and 2023

unaudited - expressed in thousands of US dollars

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Net income (loss)	**$ 27,491**	$ (33,911)	**$ 21,725**	$ (62,861)
Other comprehensive income (loss) ("OCI")				
Items that will not be reclassified subsequently to profit or loss				
Change in fair value of marketable securities, net of tax of $nil and $nil (2023 - $nil and $nil)	**313**	(764)	**382**	(299)
Remeasurement for retirement benefit plans, net of tax of $nil and $nil (2023 - $nil and $nil)	**—**	—	**—**	(79)
	313	(764)	**382**	(378)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation adjustment	**—**	179	**—**	185
	—	179	**—**	185
Total other comprehensive income (loss) for the period	**313**	(585)	**382**	(193)
Total comprehensive income (loss)	**$ 27,804**	$ (34,496)	**$ 22,107**	$ (63,054)
Total comprehensive income (loss) attributable to:				
Shareholders of Capstone Copper Corp.	**$ 29,658**	$ (37,095)	**$ 24,890**	$ (56,705)
Non-controlling interest *(Note 11)*	**(1,854)**	2,599	**(2,783)**	(6,349)
	$ 27,804	$ (34,496)	**$ 22,107**	$ (63,054)

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.
Condensed Interim Consolidated Statements of Cash Flows
Three and Six Months Ended June 30, 2024 and 2023
unaudited - expressed in thousands of US dollars

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Cash provided by (used in):				
Operating activities				
Net income (loss)	**$ 27,491**	$ (33,911)	**$ 21,725**	$ (62,861)
Adjustments for:				
Depletion and amortization *(Note 20)*	**72,625**	53,901	**142,196**	99,180
Income tax expense *(Note 15)*	**19,987**	1,224	**26,726**	(8,994)
Inventory write-down *(Note 7)*	**(490)**	(131)	**(1,491)**	3,754
Share-based compensation expense *(Note 17)*	**4,575**	2,389	**11,702**	14,407
Net finance costs	**7,540**	7,491	**16,023**	15,373
Unrealized loss (gain) on foreign exchange	**1,056**	(2,096)	**(6,346)**	(1,418)
Unrealized gain on derivatives	**(9,552)**	(55,181)	**(7,218)**	(20,606)
Gold stream obligation *(Note 22)*	**100**	—	**700**	—
Loss (gain) on disposal of assets and other	**—**	224	**(1,263)**	24
Amortization of deferred revenue and variable consideration adjustments *(Note 14)*	**(4,130)**	(6,859)	**(7,129)**	(9,300)
Minto obligation (recovery) expense	**(7,261)**	58,921	**(7,261)**	58,921
Income taxes paid	**(3,490)**	(2,051)	**(14,072)**	(21,773)
Income taxes received	**996**	—	**996**	—
Payments on Minto obligation *(Note 16)*	**(5,306)**	—	**(8,189)**	—
Other payments	**(1,195)**	(1,959)	**(2,028)**	(1,639)
Operating cash flow before working capital and other non-cash changes	**102,946**	21,962	**165,071**	65,068
Changes in non-cash working capital *(Note 20)*	**(5,103)**	(13,647)	**(19,931)**	(55,827)
Other non-cash changes *(Note 20)*	**971**	(10,519)	**64**	(9,610)
Operating cash flow	**98,814**	(2,204)	**145,204**	(369)
Investing activities				
Mineral properties, plant and equipment additions	**(118,126)**	(137,135)	**(215,200)**	(311,483)
Finance costs capitalized on construction in progress	**(19,718)**	(15,258)	**(40,970)**	(27,558)
Proceeds on disposal of assets and other	**26**	463	**1,415**	2,236
Investing cash flow	**(137,818)**	(151,930)	**(254,755)**	(336,805)
Financing activities				
Proceeds from borrowings *(Note 13)*	**93,000**	176,875	**169,500**	303,875
Repayment of borrowings *(Note 13)*	**(40,000)**	(40,875)	**(298,500)**	(70,875)
Proceeds from related party *(Note 11)*	**12,000**	45,000	**33,000**	69,000
Repayment of lease obligations *(Note 12)*	**(14,391)**	(10,145)	**(26,683)**	(19,719)
Proceeds from the exercise of options	**1,430**	533	**2,071**	2,904
Net proceeds from issuance of shares *(Note 17)*	**—**	—	**252,947**	—
Net payments for settlement of derivatives	**(5,501)**	(196)	**(5,093)**	(1,272)
Interest paid on long-term debt and surety bonds	**(521)**	(398)	**(4,266)**	(894)
Financing cash flow	**46,017**	170,794	**122,976**	283,019
Effect of exchange rate changes on cash and cash equivalents	**(193)**	(4)	**(1,590)**	2
Increase in (decrease in) cash and cash equivalents	**6,820**	16,656	**11,835**	(54,153)
Cash and cash equivalents - beginning of period	**131,031**	99,498	**126,016**	170,307
Cash and cash equivalents - end of period	**$ 137,851**	$ 116,154	**$ 137,851**	$ 116,154
Supplemental cash flow information *(Note 20)*				

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.
Condensed Interim Consolidated Statements of Changes in Equity
Three and Six Months Ended June 30, 2024 and 2023
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, 2024	**696,073,153**	**$ 2,451,572**	**$ 59,241**	**$ (1,306)**	**$ (17,101)**	**$ (705)**	**$ 168,886**	**$ 2,660,587**	**$ 405,535**	**$ 3,066,122**
Shares issued on exercise of options *(Note 17)*	**1,120,610**	**3,043**	**(974)**	**—**	**—**	**—**	**—**	**2,069**	**—**	**2,069**
Shares issued under TSUP *(Note 17)*	**368,572**	**978**	**(978)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Share-based compensation *(Note 17)*	**—**	**—**	**4,505**	**—**	**—**	**—**	**—**	**4,505**	**—**	**4,505**
Settlement of share units	**—**	**—**	**—**	**—**	**—**	**705**	**2,237**	**2,942**	**—**	**2,942**
Shares issued under the Offering	**56,548,000**	**252,947**	**—**	**—**	**—**	**—**	**—**	**252,947**	**—**	**252,947**
Change in fair value of marketable securities	**—**	**—**	**—**	**382**	**—**	**—**	**—**	**382**	**—**	**382**
Net income (loss)	**—**	**—**	**—**	**—**	**—**	**—**	**24,508**	**24,508**	**(2,783)**	**21,725**
June 30, 2024	**754,110,335**	**$ 2,708,540**	**$ 61,794**	**$ (924)**	**$ (17,101)**	**$ —**	**$ 195,631**	**$ 2,947,940**	**$ 402,752**	**$ 3,350,692**

	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, 2023	691,639,972	2,447,377	56,752	4,178	(17,102)	(2,499)	262,512	2,751,218	428,639	3,179,857
Shares issued on exercise of options	2,851,069	2,700	(862)	—	—	—	—	1,838	—	1,838
Share-based compensation	—	—	1,965	—	—	—	—	1,965	—	1,965
Shares issued under TSUP	61,836	204	(204)	—	—	—	—	—	—	—
Settlement of share units	—	—	—	—	—	1,839	7,971	9,810	—	9,810
Change in fair value of marketable securities	—	—	—	(299)	—	—	—	(299)	—	(299)
Remeasurements for retirement benefit plans	—	—	—	(79)	—	—	—	(79)	—	(79)
Net loss	—	—	—	—	—	—	(56,512)	(56,512)	(6,349)	(62,861)
Foreign currency translation	—	—	—	—	185	—	—	185	—	185
June 30, 2023	694,552,877	$ 2,450,281	$ 57,651	$ 3,800	$ (16,917)	$ (660)	$ 213,971	$ 2,708,126	$ 422,290	$ 3,130,416

See accompanying notes to these condensed interim consolidated financial statements.

1. Nature of Operations

The accompanying condensed interim consolidated financial statements for Capstone Copper Corp. (the "Company" or "Capstone Copper") have been prepared as at June 30, 2024. The Company is listed on the Toronto Stock Exchange, and, effective February 2, 2024, on the Australian Securities Exchange ("ASX") as an ASX Foreign Exempt Listing.

Capstone Copper Corp., through a wholly owned Chilean subsidiary, Mantos Copper S.A., owns and operates 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.

The Company is also engaged in the production of and exploration for base metals in the United States ("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. Minera Santo Domingo SCM, a wholly owned Chilean subsidiary of Acquisition Co, holds the fully permitted Santo Domingo copper-iron-gold-cobalt development project in the Atacama region of Chile, 35km northeast of Mantoverde. Capstone Mining Chile SpA, a wholly owned Chilean subsidiary, is performing exploration for base metal deposits in Chile.

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

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on August 1, 2024.

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, 2023, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The condensed interim consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value. The policies were consistently applied to all of the periods presented, except as noted below.

These condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2023.

Certain comparative figures have been reclassified to conform with changes in the presentation of the current year. These reclassifications had no effect on the previously reported operating cash flow, net income and net equity for the comparative period.

3 Material Accounting Policy Information, 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 six months ended June 30, 2024, the Company applied the critical judgements and estimates disclosed in Note 3 of its consolidated financial statements for the year ended December 31, 2023, in addition to the accounting policies noted below.

4 Adoption of New and Revised IFRS and IFRS Not Yet Effective

<u>New IFRS Pronouncements</u>

Issued and effective January 1, 2024

In January 2020 and October 2022, the 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. Rights are in existence if covenants are complied with at the end of the reporting period. Settlement refers to the transfer to the counterparty of cash, equity instruments, or other assets or services. In addition, the amendment required entities to disclose information to enable users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments became effective January 1, 2024, with retrospective application required on adoption. The Company assessed the impact of this amendment and determined it does not have a significant effect on the Company's financial statements.

In September 2022, the IASB issued amendments to IFRS 16, Lease Liability in a Sale and Leaseback. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application. The amendments became effective January 1, 2024. The Company assessed the impact of this amendment and determined it does not have a significant effect on the Company's financial statements.

In May 2023, the IASB issued amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments Disclosures to provide guidance on disclosures related to supplier finance arrangements that enable users of financial statements to assess the effects of these arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments became effective for annual periods beginning on or after January 1, 2024. The Company assessed the impact of this amendment and determined it does not have a significant effect on the Company's financial statements and has updated required disclosures accordingly.

Issued but not yet effective

In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. The standard will become effective January 1, 2027, with early adoption permitted. The Company is in the process of assessing the impact of this new standard on the Company's financial statements.

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments, which updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they solely meet the payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs, and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. These amendments become effective January 1, 2026 with early application permitted. The Company is in the process of assessing the impact of this new standard on the Company's financial statements.

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.

Short term investments and 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 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 June 30, 2024 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	$ 777	$ —	$ —	$ 777
Copper concentrate receivables *(Note 6)*	—	64,237	—	64,237
Copper cathode receivables *(Note 6)*	—	41,919	—	41,919
Derivative assets	—	30,267	—	30,267
Investment in marketable securities *(Note 9)*	1,177	—	—	1,177
	$ 1,954	$ 136,423	$ —	$ 138,377
Financial liabilities				
Derivative liabilities	$ —	$ 1,773	$ —	$ 1,773
Gold stream liability *(Note 10)*	—	—	7,341	7,341
	$ —	$ 1,773	$ 7,341	$ 9,114

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 six months ended June 30, 2024.

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

	June 30, 2024			
	Fair value through profit or loss	**Fair value through OCI**	**Amortized cost**	**Total**
Cash and cash equivalents	$ —	$ —	$ 137,851	$ 137,851
Short-term investments	777	—	—	777
Copper concentrate receivables *(Note 6)*	64,237	—	—	64,237
Copper cathode receivables *(Note 6)*	41,919	—	—	41,919
Other receivables *(Note 6)*	—	—	21,352	21,352
Derivative assets	30,267	—	—	30,267
Investment in marketable securities *(Note 9)*	—	1,177	—	1,177
	$ 137,200	$ 1,177	$ 159,203	$ 297,580

	December 31, 2023			
	Fair value through profit or loss	Fair value through OCI	Amortized cost	Total
Cash and cash equivalents	$ —	$ —	$ 126,016	$ 126,016
Short-term investments	804	—	—	804
Copper concentrate receivables *(Note 6)*	73,800	—	—	73,800
Copper cathode receivables *(Note 6)*	34,549	—	—	34,549
Other receivables *(Note 6)*	—	—	14,671	14,671
Derivative assets	35,549	—	—	35,549
Investment in marketable securities *(Note 9)*	—	824	—	824
	$ 144,702	$ 824	$ 140,687	$ 286,213

(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:

	June 30, 2024		
	Fair value through profit or loss	**Amortized cost**	**Total**
Accounts payable and accrued liabilities	**$ —**	**$ 273,161**	**$ 273,161**
Long-term debt ***(Note 13)***	**—**	**824,468**	**824,468**
Due to related party ***(Note 11)***	**—**	**234,857**	**234,857**
Derivative liabilities	**1,773**	**—**	**1,773**
Working capital facility ***(Note 10)***	**—**	**70,701**	**70,701**
Payable on purchase of non-controlling interest ***(Note 10)***	**—**	**43,269**	**43,269**
Gold stream obligation ***(Note 10)***	**7,341**	**—**	**7,341**
	$ 9,114	**$ 1,446,456**	**$ 1,455,570**

	December 31, 2023		
	Fair value through profit or loss	Amortized cost	Total
Accounts payable and accrued liabilities	$ —	$ 272,277	$ 272,277
Long-term debt *(Note 13)*	—	998,655	998,655
Due to related party *(Note 11)*	—	195,872	195,872
Derivative liabilities	16,788	—	16,788
Working capital facility *(Note 10)*	—	25,618	25,618
Payable on purchase of non-controlling interest *(Note 10)*	—	42,389	42,389
Gold stream obligation *(Note 10)*	7,100	—	7,100
	$ 23,888	$ 1,534,811	$ 1,558,699

There have been no changes during the three and six months ended June 30, 2024, in how the Company categorizes its financial assets and liabilities by fair value through profit or loss, fair value through OCI, or amortized cost.

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.

Derivative instruments

As at June 30, 2024, the Company's derivative financial instruments are composed of copper quotational pricing contracts, interest rate swap contracts, foreign currency zero-cost collars ("ZCC") and forward and swap contracts.

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

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 certain portion of operating and capital expenses is denominated in local currencies. As such, the Company may use foreign exchange forward and swap contracts and ZCCs to mitigate changes in foreign exchange rates.

The Company's outstanding derivative instruments as of June 30, 2024, are as follows:

Type	Contract description	Remaining term	Put strike	Call strike / Fixed rate	Notional tonnes / Quantity
Interest rate	Fixed-for-floating swaps adjusted SOFR	July 2024 - March 2030	—	1.015%	$466 million USD
Interest rate	Floor options adjusted SOFR	July 2024 - September 2025	—	0%	$466 million USD
Foreign currency	Foreign exchange ZCC - CLP	July - December 2024	825.00 835.00	922.50 955.00	66.6 billion CLP
Foreign currency	Foreign exchange ZCC - CLP	January - December 2025	900.00 930.00	981.50 1,044.38	77.1 billion CLP
Foreign currency	Foreign exchange ZCC - CLP	January - December 2026	850.00	970.00	5.7 billion CLP
Foreign currency	Foreign exchange ZCC - CAD	July - December 2024	1.35	1.39	$5.0 million CAD
Foreign currency	Foreign exchange ZCC - MXN	July - December 2024	18.00 18.25	20.20 20.50	326 million MXN
Quotational pricing contracts	Copper time-spread swaps	July - August 2024	—	—	5,731 tonnes

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

		June 30, 2024		December 31, 2023
Derivative financial assets:				
Foreign currency contracts	$	**144**	$	2,139
Quotation pricing contracts		**716**		—
Interest rate swap contracts		**16,463**		16,845
Total derivative financial assets - current		**17,323**		18,984
Interest rate swap contracts		**12,944**		16,565
Total derivative financial assets - non-current	$	**12,944**	$	16,565
Derivative financial liabilities:				
Foreign currency contracts		**1,493**		1,503
Copper commodity contracts		**—**		13,484
Quotational pricing contracts		**—**		1,801
Total derivative financial liabilities - current	$	**1,493**	$	16,788
Foreign currency contracts		**280**		—
Total derivative financial liabilities - non-current	$	**280**	$	—

(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 June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Unrealized gain (loss) on derivative financial instruments:				
Foreign currency contracts	**$ 4,237**	$ (1,059)	**$ (2,264)**	$ 1,900
Copper commodity contracts	**9,350**	51,132	**13,484**	20,888
Interest rate swap contracts	**(4,035)**	5,108	**(4,002)**	(2,182)
Total unrealized loss on derivative financial instruments	**9,552**	55,181	**7,218**	20,606
Realized gain (loss) on derivative financial instruments:				
Foreign currency contracts	**151**	(134)	**(548)**	751
Copper commodity contracts	**(19,957)**	(8,811)	**(26,641)**	(24,320)
Interest rate swap contracts	**6,114**	5,234	**12,093**	9,598
Total realized loss on derivative financial instruments	**(13,692)**	(3,711)	**(15,096)**	(13,971)
Total unrealized and realized (loss) gain on derivative financial instruments:	**$ (4,140)**	$ 51,470	**$ (7,878)**	$ 6,635

** Amounts above do not include unrealized and realized gains and losses related to the Company's quotational pricing contracts as these amounts are included in pricing and volume adjustments on copper concentrate sales (Note 18).*

6. Receivables

Details are as follows:

	June 30, 2024	December 31, 2023
Copper cathode	**$ 41,919**	$ 34,549
Copper concentrate	**64,237**	73,800
Value added taxes and other taxes receivable	**15,510**	16,345
Income taxes receivable	**5,946**	7,953
Other	**21,352**	14,671
Total receivables	**$ 148,964**	$ 147,318

During the three months ended June 30, 2024, the Company came to an agreement with the issuer of the surety bond who held title to a C$10 million trust account designated for payment of future costs related to the Minto obligation, in which these funds would be released to Capstone over the course of the next year. As at June 30, 2024, a receivable of C$10 million (US$ 7.4 million) was recorded in other receivables. Subsequent to the quarter-end, C$2 million was received.

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

7. Inventories

Details are as follows:

		June 30, 2024		December 31, 2023
Current:				
Materials and consumables	**$**	**95,934**	$	82,478
Ore stockpiles		**16,364**		14,003
Work-in-progress		**21,169**		21,477
Finished goods - copper cathode		**18,829**		16,400
Finished goods - copper concentrate		**16,623**		15,255
Total inventories - current	**$**	**168,919**	$	149,613
Non-current:				
Ore stockpiles *(Note 9) (i)*		**9,180**		8,474
Total inventories - non-current	**$**	**9,180**	$	8,474

i. Non-current inventory is composed of ore stockpiles at the Mantos Blancos mine.

During the three and six months ended June 30, 2024, concentrate and cathode inventories recognized as production costs, including depletion and amortization, amounted to $315.4 million and $632.7 million (2023 – $325.9 million and $614.1 million).

During the three and six months ended June 30, 2024, the Company recorded recovery of write-downs of $0.5 million and $1.5 million related to Mantoverde's cathode inventories which was recorded as production costs.

During the three and six months ended June 30, 2023, the Company recorded net reversals of write-downs and write-downs of $(0.1) million and $3.7 million related to Mantoverde's cathode inventories and Pinto Valley's copper concentrate and supplies inventories which were recorded as production costs.

(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, 2024, net	$ 1,672,727	$ 307,681	$ 837,812	$ 1,162,403	$ 134,096	$ 1,171,538	$ 5,286,257
Additions	—	97,643	21,978	6,317	98,072	140,565	364,575
Disposals	—	—	(37)	(107)	—	—	(144)
Rehabilitation provision adjustments	(4,666)	—	—	—	—	—	(4,666)
Reclassifications	34,757	4,152	(33,300)	101,186	(8,293)	(98,502)	—
Depletion and amortization	(40,697)	(36,489)	—	(55,124)	(9,030)	—	(141,340)
At June 30, 2024, net	**$ 1,662,121**	**$ 372,987**	**$ 826,453**	**$ 1,214,675**	**$ 214,845**	**$ 1,213,601**	**$ 5,504,682**
At June 30, 2024:							
Cost	$ 2,212,177	$ 571,121	$ 826,453	$ 2,992,833	$ 338,977	$ 1,213,601	$ 8,155,162
Accumulated amortization and impairment	(550,056)	(198,134)	—	(1,778,158)	(124,132)	—	(2,650,480)
Net carrying amount	**$ 1,662,121**	**$ 372,987**	**$ 826,453**	**$ 1,214,675**	**$ 214,845**	**$ 1,213,601**	**$ 5,504,682**

During the three and six month period ended June 30, 2024, the Company capitalized $25.5 million and $47.1 million (2023 - $17.0 million and $30.0 million) of finance costs to Construction in Progress, at a weighted average interest rate of 7.8%.

During the three and six month period ended June 30, 2024, the Company capitalized $51.4 million and $98.1 million (2023 - $8.0 million and $16.5 million) in lease costs to right of use assets primarily related to the Mantoverde mine.

During the three and six month period ended June 30, 2024, the Company capitalized $51.7 million and $97.6 million (2023 - $50.7 million and $97.5 million) of stripping costs to deferred stripping and depletable mineral properties.

The Company's exploration costs were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Exploration capitalized to mineral properties	**$ 2,864**	$ 518	**$ 5,167**	$ 866
Greenfield exploration expensed to the statement of income (loss)	**165**	1,646	**475**	2,845
	$ 3,029	$ 2,164	**$ 5,642**	$ 3,711

Exploration capitalized to mineral properties during the period ended June 30, 2024 and 2023, relates to brownfield exploration at the Mantoverde, Mantos Blancos and Cozamin mines. Greenfield exploration expenses during the period ended June 30, 2024 and 2023 related primarily to exploration efforts in the US and Chile.

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

As at June 30, 2024, construction in progress primarily relates to capital costs incurred in connection with the Mantoverde Development Project ("MVDP"), and expansionary and sustaining capital at the Mantos Blancos and Pinto Valley mines. Capital expenditures committed as at June 30, 2024, but not yet incurred, is $58.9 million (December 31, 2023 - $32.9 million).

As at June 30, 2024, the Revolving Credit Facility ("RCF") *(Note 13)* was secured by the Pinto Valley, Cozamin and Mantos Blancos mineral properties, and plant and equipment with a net carrying value of $2,053.1 million (December 31, 2023 – $2,027.0 million).

9. Other Assets

Details are as follows:

		June 30, 2024		December 31, 2023
Current:				
Prepaids	**$**	**44,447**	$	36,612
Deposits		**4,844**		4,710
Other		**2,845**		2,800
Total other assets - current	**$**	**52,136**	$	44,122
Non-current:				
Prepayments	**$**	**18,045**	$	18,045
Ore stockpiles *(Note 7)*		**9,180**		8,474
Investments in marketable securities		**1,177**		824
Deposits		**51**		390
Other		**1,618**		3,102
Total other assets - non-current	**$**	**30,071**	$	30,835

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

10. Other Liabilities

Details are as follows:

		June 30, 2024		December 31, 2023
Current:				
Current portion of share-based payment obligations (*Note 16*)	$	**6,245**	$	8,455
Current portion of payable on purchase of NCI		**43,269**		—
Current portion of deferred revenue *(Note 14)*		**12,647**		12,139
Current portion of Minto obligation *(Note 16)*		**24,581**		23,943
Working capital facility		**70,701**		25,618
Other		**397**		1,257
Total other liabilities - current	$	**157,840**	$	71,412
Non-current:				
Retirement benefit liabilities	$	**13,673**	$	13,036
Non-current portion of payable on purchase of NCI		**—**		42,389
Gold stream obligation (*Note 14*)		**7,341**		7,100
Other		**29**		1,603
Total other liabilities - non-current	$	**21,043**	$	64,128

Working Capital Facilities

During the period ended June 30, 2024, two of the Company's Chilean subsidiaries entered into a series of short-term facilities with a weighted-average interest rate of 6.71% for the purpose of working capital management. As at June 30, 2024, the aggregate balance of the facilities was $70.7 million, including accrued interest of $0.7 million.

Payable on purchase of Non-Controlling Interest ("NCI")

On March 24, 2021, the Company completed a Share Purchase Agreement (the “SPA”) with Korea Resources Corporation (“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 the Company's consolidation of 100% ownership in the Santo Domingo property.

As at June 30, 2024, an unsecured liability of $43.3 million (December 31, 2023 - $42.4 million) has been recognized in the consolidated statement of financial position equal to the discounted amount of the remaining $45 million of cash consideration to be paid to KORES on March 24, 2025. The discounted amount of the remaining $45 million will be accreted up to its face value at 5% per annum. During the three months and six months ended June 30, 2024, $0.4 million and $0.9 million (June 30, 2023 - $0.5 million and $1.0 million) of accretion was recorded in Finance expense in the consolidated statements of loss.

Gold stream obligation

During the fourth quarter of 2023, the Company recognized an obligation related to a completion test on the Santo Domingo gold stream. The fair value of the embedded derivative at June 30, 2024 was a liability of $7.3 million (December 31, 2023 - $7.1 million).

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

11. Non-Controlling Interest

As part of the financing for the MVDP, Mitsubishi Materials Corporation ("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.

In addition to the contingent arrangement, MMC agreed to provide a $60 million Cost Overrun Facility ("COF") in exchange for additional offtake of copper concentrate production under a 10-year contract (Note 24). The COF initially carried an interest rate of 3-month US$ LIBOR plus 1.70% and amortizing over 37 quarters from the earlier of September 30, 2024 or three quarters after project completion. As a result of Interest Rate Benchmark Reform, the Company completed the transition from LIBOR to an adjusted secured overnight financing rate ("SOFR") with MMC. The transition resulted in a variable rate of SOFR compounded daily to a 3-month period plus 0.2616% per annum, with margins unchanged.

In addition to the COF, MMC advanced its pro-rata share of funding requests, which amounted to an additional $162.9 million, to Mantoverde in the form of shareholder loans forming part of the financing for the MVDP. Total funds advanced by MMC at June 30, 2024, including accrued interest of $12.0 million (December 31, 2023 - $6.0 million), was $234.9 million (December 31, 2023 - $195.9 million).

Details of the due to related party balances are as follows:

	COF	Shareholder Loans	Total
Balance, December 31, 2022	$ 60,000	$ —	$ 60,000
Additions	—	69,000	69,000
Interest expense	2,071	1,438	3,509
Interest repayments	(2,071)	—	(2,071)
Balance, June 30, 2023	**$ 60,000**	**$ 70,438**	**$ 130,438**
Additions	—	60,900	60,900
Interest expense	2,206	4,533	6,739
Interest repayments	(1,097)	—	(1,097)
Unpaid interest at year-end	(1,109)	—	(1,109)
Balance, December 31, 2023	**$ 60,000**	**$ 135,871**	**$ 195,871**
Additions	**—**	**33,000**	**33,000**
Interest expense	**2,219**	**5,986**	**8,205**
Interest repayments	**(2,219)**	**—**	**(2,219)**
Balance, June 30, 2024	**$ 60,000**	**$ 174,857**	**234,857**
Less: current portion	(6,486)	—	(6,486)
Non-current portion	**$ 53,514**	**$ 174,857**	**$ 228,371**

For a summary of the financial information for Mantoverde refer to Note 24 where it is shown on a 100% basis:

	Period ended June 30, 2024	Year ended December 31, 2023
Opening balance	**$ 405,535**	$ 428,639
Share of comprehensive (loss) profit for the period	**(2,783)**	(23,104)
Non-controlling interest	**$ 402,752**	$ 405,535

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

12. Lease Liabilities

Details are as follows:

		Total
Balance, December 31, 2022	$	103,897
Additions		25,655
Payments		(19,719)
Accretion expense		3,875
Foreign currency translation adjustment		410
Balance, June 30, 2023	**$**	**114,118**
Additions		43,842
Payments		(23,008)
Reclassifications (i)		(3,300)
Accretion expense		4,804
Foreign currency translation adjustment		43
Balance, December 31, 2023	**$**	**136,499**
Additions		**98,072**
Payments		**(26,685)**
Accretion expense		**6,047**
Foreign currency translation adjustment		**(294)**
Balance, June 30, 2024	**$**	**213,639**
Less: current portion		(41,900)
Non-current portion	**$**	**171,739**

i. Relates to an advance payment made during the year ended December 31, 2022, reclassified against the lease liability.

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

13. Long-Term Debt

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

	Mantoverde Development Project Facility	Revolving Credit Facility	Total
Balance, December 31, 2022	$ 527,498	$ 71,577	$ 599,075
Additions	—	290,500	290,500
Repayments	—	(67,500)	(67,500)
Financing fee amortization	(456)	534	78
Deferred financing fee	—	(82)	(82)
Balance, June 30, 2023	**$ 527,042**	**$ 295,029**	**$ 822,071**
Additions	—	213,500	213,500
Repayments	—	(37,500)	(37,500)
Financing fee amortization	(463)	477	14
Deferred financing fee	—	(2,150)	(2,150)
Loss on debt extinguishment	—	2,721	2,721
Balance, December 31, 2023	**$ 526,579**	**$ 472,077**	**$ 998,656**
Additions	**—**	**124,500**	**124,500**
Repayments	**—**	**(298,500)**	**(298,500)**
Financing fee amortization	**(458)**	**337**	**(121)**
Deferred financing fee	**—**	**(67)**	**(67)**
Balance, June 30, 2024	**$ 526,121**	**$ 298,347**	**$ 824,468**
Less: current portion	(68,191)	—	(68,191)
Non-current portion	**$ 457,930**	**$ 298,347**	**$ 756,277**

Mantoverde Development Project Facility

In order to fund the construction of MVDP, the Company secured a senior secured amortizing project debt facility in an aggregate amount of $520 million (the "MVDP Facility", comprising the “Covered Facility” $250 million, the “Uncovered Facility” $210 million, and the “ECA Direct Facility” $60 million). 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 Mantoverde assets, insurance coverage, maintenance of offtake agreements, environmental and social compliance, restrictions on new financial indebtedness, distributions and dispositions, and compliance with certain financial ratios. As at June 30, 2024, the Company was in compliance with these covenants.

At June 30, 2024, $520 million was drawn on the MVDP Facility with $6.1 million recognized as an adjustment to record the debt at its fair value as required as part of the accounting for the business combination with Mantos (December 31, 2023 - $520 million and $6.6 million). This fair value adjustment amortizes down to its historical cost over the duration of the MVDP Facility.

Interest on borrowings under the MVDP Facility is payable quarterly. As a result of Interest Rate Benchmark Reform, the Company has completed the transition from LIBOR to an adjusted SOFR for its MVDP debt financing facility. The transition resulted in a variable rate of SOFR compounded daily to a 3-month period plus 0.2616% per annum, with margins unchanged (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 Facility is secured by a comprehensive security package covering substantially all of the Mantoverde assets. The MVDP Facility amortizes from the earlier of September 30, 2024 and 180 days after project completion until December 2030 for the Uncovered Facility and December 2032 for the Covered Facility and ECA Direct Facility.

To mitigate the risk of movements in interest rates, and in compliance with a covenant in the MVDP Facility, a subsidiary of the Company entered into a fixed-for-floating SOFR swap at 1.015% with floating rate of daily SOFR, compounded to a quarterly rate, plus 0.2616% adjustment. The fixed-for-floating swap notional represents the notional amount as of the reporting period. The derivative instruments are a series of quarterly contracts, with notional amounts in line with planned quarterly balances based on expected project finance debt drawdown and expected amortization.

Revolving Credit Facility

On September 22, 2023, Capstone amended its RCF to increase the aggregate commitments from $600 million to $700 million and extended the maturity from May 2026 to September 2027. The Amended RCF bears interest on a sliding scale of adjusted term SOFR plus a margin of 2.000% to 2.875%. This amendment was treated as an extinguishment of the previous debt facility, resulting in $2.7 million of deferred financing fees being written off during the year ended December 31, 2023.

The interest rate at June 30, 2024 was one-month adjusted term SOFR of 5.44% plus 2.000% (December 2023 - adjusted term SOFR of 5.46% plus 2.125%) with a standby fee of 0.45% (2023 – 0.48%) payable on the undrawn balance (adjustable in certain circumstances).

The RCF is secured against the present and future real and personal property, assets and undertakings of Capstone Copper other than defined excluded entities which comprise the Mantoverde mine property and the Santo Domingo development project property.

The RCF requires Capstone to maintain certain financial ratios relating to debt and interest coverage. Capstone was in compliance with these covenants as at June 30, 2024.

Surety Bonds

As at June 30, 2024, the Company has in place seven surety bonds totaling $255.9 million to support various reclamation and other obligation bonding requirements. These comprise $182.0 million securing reclamation obligations at Pinto Valley, $4.0 million provided as security as part of a power supply agreement at Pinto Valley, $1.8 million related to the construction of a port for the Santo Domingo development project in Chile, $27.6 million at Mantoverde, and $40.5 million at Mantos Blancos, respectively, securing reclamation obligations. The Company is also an Indemnitor to the surety bond provider for the surety bond obligations of Minto Metals Corp. ("Minto Metals") (*Note 16*).

14. Deferred Revenue

Silver Precious Metals Purchase Arrangement ("Silver PMPA")

On February 19, 2021, Capstone Mining concluded the Silver PMPA with Wheaton Precious Metals ("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 consolidated statements of income (loss) 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 six months ended June 30, 2024, the Company delivered 165,037 and 283,374 ounces (2023 - 174,521 and 286,385 and ounces) of silver to Wheaton under the Silver PMPA.

The agreement with Wheaton includes a completion test which requires the completion of the paste backfill plant by September 30, 2024 and production of at least 105,000 cubic meters of suitable paste backfill for use in the underground operations at Cozamin over a consecutive 90-day period. During Q2 2024, the Company reached an agreement with Wheaton to extend the completion test period of the use of suitable paste backfill in the underground operations to September 30, 2024 and believes the potential exposure is now $nil.

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 at Santo Domingo with Wheaton effective March 24, 2021. If completion has not been achieved on or before the third anniversary date of receiving the early deposit, and early deposit delay payment will be triggered that would require the Company to sell and deliver 104 ounces of refined gold per month until the earlier of: the month completion is achieved, the month in which the early deposit is repaid to Wheaton or the month which refined gold is first sold and delivered to Wheaton. In the fourth quarter of 2023, the Company recorded an obligation under the gold stream of $7.1 million. As of June 30, 2024, the value of the obligation was $7.3 million.

Additional deposits of $260 million are to be received under the Gold PMPA over the Santo Domingo development project 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.

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

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

	Silver PMPA	Gold PMPA	Total
Balance, December 31, 2022	$ 135,494	$ 33,492	$ 168,986
Accretion expense	7,528	2,277	9,805
Recognized as revenue on delivery of silver	(13,707)	—	(13,707)
Variable consideration adjustment	(5,326)	—	(5,326)
Balance, December 31, 2023	$ 123,989	$ 35,769	$ 159,758
Accretion expense	3,472	1,216	4,688
Recognized as revenue on delivery of silver	(7,129)	**—**	(7,129)
Balance, June 30, 2024	**$ 120,332**	**$ 36,985**	**$ 157,317**
Less: current portion (*Note 10*)	(12,647)	—	(12,647)
Non-current portion	**$ 107,685**	**$ 36,985**	**$ 144,670**

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.

15. Income Taxes

Income tax expense (recovery) 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 June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Income (loss) before income taxes	**$ 47,479**	$ (32,687)	**$ 48,452**	$ (71,855)
Canadian federal and provincial income tax rates	**27.00 %**	27.00 %	**27.00 %**	27.00 %
Income tax expense (recovery) based on the above rates	**12,819**	(8,825)	**13,082**	(19,401)
Increase (decrease) due to:				
Non-deductible expenditures	**1,204**	3,491	**3,185**	3,834
Effects of different statutory tax rates on (income) losses of subsidiaries	**(2,209)**	1,485	**(2,354)**	1,742
Chilean mining royalty tax	**—**	—	**—**	—
Mexican and Chilean mining royalty taxes	**1,876**	(249)	**2,779**	955
Current period losses for which deferred tax assets (were) were not recognized	**2,905**	16,618	**5,998**	16,993
Adjustments to tax estimates in prior years	**—**	(8,540)	**—**	(8,540)
Foreign exchange and other translation adjustments	**2,782**	(2,598)	**1,842**	(5,062)
Other	**611**	(158)	**2,195**	485
Income tax expense (recovery)	**$ 19,988**	$ 1,224	**$ 26,727**	$ (8,994)
Current income and mining tax expense	**$ 11,589**	$ 5,762	**$ 18,338**	$ 3,875
Deferred income tax expense (recovery)	**8,399**	(4,538)	**8,389**	(12,869)
Income tax expense (recovery)	**$ 19,988**	$ 1,224	**$ 26,727**	$ (8,994)

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

In June 2024, Canada enacted the Global Minimum Tax ("GMT") that was developed within the framework of the Organization for Economic Co-operation and Development ("OECD")'s Pillar Two Model rules, with effect from January 1, 2024. The Company applied the mandatory temporary exception to the recognition and disclosure for deferred taxes related to OECD Pillar Two income taxes under IAS 12 *Income Taxes*. No current taxes related to the GMT have been recorded, as the Company falls within the safe harbour provisions provided within the framework.

16 Provisions

The reclamation and closure cost obligations relate to the operations of the Pinto Valley, Cozamin, Mantos Blancos and Mantoverde mines.

Details of changes in the balances are as follows:

	Reclamation & closure cost obligations	Minto obligation	Other closure provisions	Share-based payment obligations	Total
Balance, January 1, 2024	**$ 214,197**	**$ 41,186**	**$ 35,360**	**$ 9,787**	**$ 300,530**
Share-based payment expense *(Note 17)*	**—**	**—**	**—**	**7,197**	**7,197**
Change in estimates	**(4,666)**	**443**	**1,312**	**—**	**(2,911)**
Interest expense from discounting obligations	**4,637**	**923**	**1,339**	**—**	**6,899**
Settlements during the period	**(53)**	**(8,189)**	**(4,338)**	**(8,261)**	**(20,841)**
Currency translation adjustments	**—**	**(930)**	**(2,584)**	**11**	**(3,503)**
Balance, June 30, 2024	**$ 214,115**	**$ 33,433**	**$ 31,089**	**$ 8,734**	**$ 287,371**
Less: Current portion included within other liabilities *(Note 10)*	**—**	**(24,581)**	**—**	**(6,245)**	**(30,826)**
Total provisions - non-current	**$ 214,115**	**$ 8,852**	**$ 31,089**	**$ 2,489**	**$ 256,545**
Balance, January 1, 2023	$ 199,739	$ —	$ 29,929	$ 40,464	$ 270,132
Additions	—	53,923	—	—	53,923
Share-based payment expense *(Note 17)*	—	—	—	15,045	15,045
Change in estimates	6,741	(2,035)	8,467	—	13,173
Interest expense from discounting obligations	8,960	—	1,437	—	10,397
Settlements during the year	(1,243)	(10,407)	(4,791)	(46,071)	(62,512)
Currency translation adjustments	—	(295)	318	349	372
Balance, December 31, 2023	$ 214,197	$ 41,186	$ 35,360	$ 9,787	$ 300,530
Less: Current portion included within other liabilities *(Note 10)*	—	(23,943)	—	(8,455)	(32,398)
Total provisions - non-current	$ 214,197	$ 17,243	$ 35,360	$ 1,332	$ 268,132

Minto Obligation

In June 2019, the Company completed the sale of its 100% interest in the Minto mine to Pembridge Resources PLC ("Pembridge"). In conjunction with the sale, Minto Metals Corp. ("Minto Metals") posted a surety bond to cover potential future reclamation liabilities. While this surety bond is outstanding, the Company remains an Indemnitor to the surety bond provider for Minto Metal's surety bond obligations in the Yukon.

In May 2023, Minto Metals announced that it had ceased all operations at the Minto mine located within the Selkirk First Nation's territory in central Yukon Territories and that the Yukon Government assumed care and control of the site. As Minto Metals had defaulted on the surety bond, in Q2 2023 Capstone recognized an initial liability of approximately US$55 million (C$72 million) related to the Company's obligations towards the issuer of the surety bond. In estimating the provision, the Company has made assumptions regarding the timing of cash outflows and discount rate. Due to the associated uncertainty of the timing of cash outflows, it is possible that estimates may need to be revised. The Company's exposure on calls against the surety bond is capped at approximately C$72 million therefore the timing of cash outflows and changes in the C$:US$ exchange rate are the largest contributors to the measurement uncertainty.

As at June 30, 2024, the Company has made payments of $18.6 million (December 31, 2023 - $10.4 million) to the Yukon Government for reclamation work performed. As at June 30, 2024, the Company has reclassified C$33.6 million (US$24.6 million) to other liabilities.

During Q2 2024, the Company has agreed with the issuer of the surety bond, who held title to a C$10 million trust account for payment of future reclamation costs, in which these funds would be released to Capstone over the course of the year. As at June 30, 2024, a receivable of C$10 million was recorded in other current receivables, of which C$2 million was received in July 2024.

17. Share Capital

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

On February 8, 2024, the Company and Orion Fund JV Limited, Orion Mine Finance Fund II LP and Orion Mine Finance (Master) Fund I-A LP (collectively, “Orion”) closed a bought deal financing with a syndicate of underwriters ("the Offering"). Pursuant to the Offering, the Underwriters purchased on a bought deal basis from the Company and Orion, a total of 68,448,000 common shares of Capstone (“Common Shares”) at a price of C$6.30 per Common Share (the "Offering Price"), which included the exercise in full of the Underwriters' over-allotment option of 8,928,000 Common Shares from the Company, for aggregate gross proceeds under the Offering of C$431,222,400.

In connection with the Offering, 56,548,000 Common Shares were issued by the Company for gross proceeds to the Company of C$356.3 million and 11,900,000 shares were sold by Orion for gross proceeds to Orion of C$75.0 million. The Company did not receive any proceeds from the secondary sale, which were paid directly to Orion.

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, 2023	3,542,343	$ 4.16
Granted	958,560	7.25
Exercised	(1,120,610)	2.60
Expired	(20,389)	6.76
Forfeited	(12,406)	6.40
Outstanding, June 30, 2024	3,347,498	$ 5.55

As at June 30, 2024, 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)
$0.70	366,555	$ 0.70	0.9	366,555	$ 0.70	0.9
$3.47 - $3.90	463,567	3.88	2.0	463,567	3.80	2.0
$4.43 - $4.72	47,528	4.60	3.4	13,046	4.43	3.7
$5.08 - $5.79	202,637	5.11	3.1	73,921	5.17	3.1
$6.00 - $6.97	1,318,302	$ 6.36	3.5	608,275	$ 6.51	3.3
$7.25	948,909	$ 7.25	9.9	—	$ —	—
	3,347,498	$ 5.55	4.3	1,525,364	$ 4.21	2.1

During the three and six months ended June 30, 2024, the total fair value of options granted was $nil and $2.9 million (2023 – $0.1 million and $2.0 million) and had a weighted average grant-date fair value of C$4.59 (2023 – C$3.16 and C$2.99) per option. During the three and six months ended June 30, 2024, the weighted average share price of the 0.7 and 1.1 million options exercised during the period was C$9.98 and C$9.14 (2023 - 0.5 million and 2.4 million options and C$6.48 and C$6.30).

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Risk-free interest rate	**N/A**	3.09 %	**3.35 %**	2.99 %
Expected dividend yield	**N/A**	nil	**nil**	nil
Expected share price volatility	**N/A**	63 %	**60 %**	63 %
Expected forfeiture rate	**N/A**	6.35 %	**6.51 %**	6.35 %
Expected life	**N/A**	3.9	**3.7 years**	3.9 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.

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.

Deferred Share Units
The Company has established a Deferred Share Unit Plan (the "DSU Plan") whereby DSUs are issued to directors as long-term incentive compensation. DSUs issued under the DSU Plan are fully vested upon issuance and entitle the holder to a cash payment only following cessation of service on the Board of Directors. The value of the DSUs when converted to cash will be equal to the number of DSUs granted multiplied by the quoted market value of a Capstone common share at the time the conversion takes place.

Compensation expense related to DSUs is recorded immediately and is adjusted at each reporting period to reflect the change in quoted market value of the Company's common shares. DSU obligations, under the DSU Plan, are redeemed in cash.

Restricted Share Units and Performance Share Units
The Company has established a Share Unit Plan (the "Plan") whereby RSUs and PSUs are issued as long-term incentive compensation. RSUs are issued to employees. PSUs are issued to executives.

RSUs issued under the Plan entitle the holder to a cash payment, shares delivered from a Share Purchase Trust or a combination thereof, at the end of the vesting period equal to the number of RSUs granted, multiplied by the quoted market value of a Capstone common share on the completion of the vesting period. RSUs granted to employees vest 1/3 per year over their three-year term.

PSUs issued under the Plan entitle the holder to a cash payment, shares delivered from a Share Purchase Trust or a combination thereof, at the end of a three-year performance period equal to the number of PSUs granted, adjusted for a performance factor and multiplied by the quoted market value of a Capstone common share on the completion of the performance period. The performance factor can range from 0% to 200% and is determined by comparing the Company's total shareholder return to those achieved by a peer group of companies.

Compensation expense related to RSUs and PSUs is recorded over the three-year vesting period. The amount of compensation expense is adjusted at each reporting period to reflect the change in quoted market value of the Company's common shares, the number of RSUs and PSUs expected to vest, and in the case of PSUs, the expected performance factor. RSU and PSU obligations, under the Share Unit Plan, 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.

During the three and six months ended June 30, 2024, the total fair value of DSUs, RSUs, and PSUs granted under the SUP was $nil and $8.8 million (2023 – $0.2 million and $6.5 million), and had a weighted average grant-date fair value of $nil and C$7.25 (2023 – C$6.32 and C$6.01) per unit.

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 six months ended June 30, 2024, the total fair value of units granted under the TSUP was $nil and $4.6 million (2023 – $nil and $2.4 million), and had a weighted average grant-date fair value of $nil and C$4.53 (2023 – $ nil and C$5.77) per unit.

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

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Risk-free interest rate	**N/A**	N/A	**3.08 %**	2.76 %
Expected dividend yield	**N/A**	N/A	**nil**	nil
Expected share price volatility	**N/A**	N/A	**61 %**	64 %
Expected forfeiture rate	**N/A**	N/A	**1.66 %**	nil
Expected life	**N/A**	N/A	**8.2 years**	8.7 years

No Capstone shares were purchased by the Share Purchase Trust during the three and six months ended June 30, 2024 and 2023.

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, 2023	957,331	1,487,114	80,017	876,550	1,853,278
Granted	104,486	1,370,746	179,870	246,469	1,193,880
Forfeited	—	(195,773)	—	—	—
Settled	(536,723)	(707,047)	(97,940)	(59,852)	(308,720)
Outstanding, June 30, 2024	525,094	1,955,040	161,947	1,063,167	2,738,438

Share-based compensation expense:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Share-based compensation expense related to stock options	**$ 585**	$ 389	**$ 1,159**	$ 877
Share-based compensation expense related to RSUs and PSUs (TSUP)	**857**	594	**3,346**	1,088
Share-based compensation expense related to DSUs, RSUs and PSUs (SUP)	**3,133**	1,406	**7,197**	12,442
Total share-based compensation expense	**$ 4,575**	$ 2,389	**$ 11,702**	$ 14,407

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

18. Revenue

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Copper concentrate	**$ 298,284**	$ 210,975	**$ 543,421**	$ 474,083
Copper cathode	**112,423**	119,942	**216,548**	221,583
Silver	**11,621**	12,709	**20,556**	20,046
Molybdenum	**1,158**	(610)	**1,760**	3,132
Gold	**635**	1,076	**(138)**	1,857
Zinc	**—**	(24)	**(2)**	(24)
Total gross revenue	**424,121**	344,068	**782,145**	720,677
Less: treatment and selling costs	**(16,801)**	(12,305)	**(33,457)**	(33,038)
Less: pricing and volume adjustments	**(14,267)**	2,175	**(15,738)**	(18,105)
Revenue	**$ 393,053**	$ 333,938	**$ 732,950**	$ 669,534

Pricing and volume adjustments represent mark-to-market adjustments on initial estimates of provisionally priced sales, offsetting realized and unrealized changes to fair value for time swaps, and adjustments to originally invoiced weights and assays.

19. Earnings (Loss) Per Share

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Earnings (loss) per share				
Basic and diluted	**0.04**	(0.05)	**0.03**	(0.08)
Net earnings (loss)				
Net earnings (loss) attributable to common shareholders - basic and diluted	**$ 29,345**	$ (36,510)	**$ 24,508**	$ (56,512)
Weighted average shares outstanding - basic	**753,741,708**	693,783,922	**741,104,566**	692,823,554
Dilutive securities				
Stock options	**1,430,474**	—	**1,214,195**	—
TSUP units	**1,563,721**	—	**1,311,242**	—
Weighted average shares outstanding - diluted	**756,735,903**	693,783,922	**743,630,003**	692,823,554
Potentially dilutive securities excluded (as anti-dilutive)				
Stock options	**—**	5,116,805	**—**	5,116,805
TSUP units	**—**	2,712,331	**—**	2,712,331

For periods where the Company records a loss, Capstone Copper calculates diluted loss per share using the basic weighted average number of shares. If the diluted weighted average number of shares were used, the result would be a further reduction in the loss per share.

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

20. Supplemental Cash Flow Information

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Receivables	**$ 22,440**	$ 13,209	**$ 3,824**	$ 37,167
Inventories	**(12,964)**	16,966	**(18,670)**	3,302
Other assets	**(8,300)**	(5,227)	**(8,015)**	(13,311)
Accounts payable and accrued liabilities	**4,137**	(41,358)	**7,589**	(58,131)
Other liabilities	**(10,416)**	2,763	**(4,659)**	(24,854)
Net change in non-cash working capital	**$ (5,103)**	$ (13,647)	**$ (19,931)**	$ (55,827)

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
VAT receivable	**$ —**	$ (36)	**$ 218**	$ (36)
Other non-current assets	**997**	(8,238)	**546**	(7,972)
Other non-current liabilities	**(26)**	(2,245)	**(700)**	(1,602)
Net change in other non-cash items	**$ 971**	$ (10,519)	**$ 64**	$ (9,610)

Below is a reconciliation of depreciation in operating cash-flows in the consolidated statement of cash-flows to the Mineral Properties, Plant and Equipment (Note 8):

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Depreciation and depletion per mineral properties, plant and equipment *(Note 8)*	**74,282**	49,933	**141,340**	105,152
Depreciation included in general and administrative expense	**—**	58	**88**	196
Depreciation included in care and maintenance	**961**	177	**1,923**	275
Non-cash inventory recovery of write-down	**(517)**	1,791	**(851)**	(1,044)
Change in depreciation and depletion capitalized to inventory, capitalized stripping and construction in progress	**(2,101)**	1,942	**(304)**	(5,399)
Depreciation and depletion expense	**$ 72,625**	$ 53,901	**$ 142,196**	$ 99,180

Below is a reconciliation of additions in investing cash-flows in the consolidated statement of cash-flows to the Mineral Properties, Plant and Equipment (Note 8):

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Additions / expenditures on mining interests *(Note 8)*	**(194,584)**	(201,264)	**(364,575)**	(410,642)
Lease additions *(Note 12)*	**51,344**	17,126	**98,072**	25,656
Changes in working capital and other items *(i)*	**5,396**	31,745	**10,333**	45,945
Expenditures on mining interests *(ii)*	**$ (137,844)**	$ (152,393)	**$ (256,170)**	$ (339,041)

i. The changes in working capital relate to the movement in accounts payable and prepayments related primarily to capital expenditures on the MVDP.
ii. Includes $19.7 million and $41.0 million of capitalized finance costs for the three and six months ended June 30, 2024 (2023 - $15.3 million and $27.6 million).

21. 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 Osisko Bermuda Limited ("Osisko")

Pursuant to a long-term streaming agreement made in 2015, that covers the life of mine, the Company delivers 100% of the payable silver sold by Mantos Blancos to Osisko Bermuda Limited ("Osisko"). Osisko pays a cash price of 8% of the spot price at the time of each delivery, in addition to an upfront acquisition price previously paid. After 19.3 million ounces of silver have been delivered under the agreement, the stream will be reduced to 40%. Mantos Blancos has delivered 6.0 million silver ounces since contract inception until June 30, 2024.

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.

Offtake agreements

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

The Company has sales commitments equal to 100% of its copper cathode production at Mantoverde and Mantos Blancos under offtake agreements with Anglo American Marketing Limited ("AAML") and expect to deliver into the commitments by mid-September 2024, subject to mine production.

The Company has concentrate offtake agreements with third parties whereby they will purchase 100% of the copper concentrate produced by the Cozamin mine up to the end of December 2024.

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

The Company entered into an offtake agreement with Boliden Commercial AB (“Boliden”) for 75,000 tonnes of copper concentrates in each contract year. The offtake 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.

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

MMC agreed to provide a $60 million COF in exchange for additional offtake of copper concentrate production under a 10-year contract. The offtake 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 of 30,000 tonnes of copper concentrate as a result of fully utilizing the COF that was 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 the Mantoverde commercial mine life. The amount payable for copper is based on average LME prices, subject to certain terms (Note 11).

Other

The Company has contractual agreements extending until 2026 and 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 2038 and 2039, respectively. The Company also entered into a contractual agreement for access to a power transmission plant for the Santo Domingo development project, for a period of 12 years from the date the transmission facility construction was completed, in Q4 2023.

The Company has contractual arrangements at Mantos Blancos and Mantoverde for the purchase of 210,000 tonnes of acid during the remainder of 2024, 100,000 tonnes in 2025 and 100,000 tonnes in 2026.

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.

22. Other Expense

Details are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Care and maintenance expense	**$ (1,051)**	$ —	**$ (2,125)**	$ —
Gold stream obligation	**(100)**	—	**(700)**	—
Restructuring costs	**(10)**	—	**(422)**	—
Gain on disposal of MPP&E	**—**	—	**1,262**	—
Collective bargaining costs	**—**	(8,923)	**—**	(8,923)
Miscellaneous other expense	**(2,924)**	(8,146)	**(6,380)**	(10,862)
Total other expense	**$ (4,085)**	$ (17,069)	**$ (8,365)**	$ (19,785)

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

23. Finance Income and Costs

Details of finance income and costs are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Interest income	**$ 1,149**	$ 1,936	**$ 2,795**	$ 3,318
Interest on RCF	**(6,397)**	(4,983)	**(14,814)**	(7,555)
Interest on MVDP facility	**(11,142)**	(10,450)	**(22,040)**	(20,279)
Interest on shareholder loans and COF	**(4,244)**	(2,254)	**(8,204)**	(3,509)
Commitment and guarantee fees	**(1,328)**	(1,456)	**(2,748)**	(2,913)
Lease liability interest *(i)*	**(1,789)**	(1,959)	**(2,797)**	(3,875)
Accretion of deferred revenue	**(2,344)**	(2,474)	**(4,688)**	(4,925)
Accretion on decommissioning & restoration provisions	**(3,574)**	(2,437)	**(5,870)**	(4,711)
Accretion on payable on purchase of NCI	**(423)**	(503)	**(945)**	(1,000)
Accretion on Minto obligation	**(420)**	—	**(923)**	—
Amortization of financing fees	**(11)**	(263)	**(186)**	(529)
Other interest expense	**(2,516)**	(1,045)	**(2,652)**	605
Sub-total	**$ (33,039)**	$ (25,888)	**$ (63,072)**	$ (45,373)
Less finance costs capitalized on construction in progress	**25,500**	18,397	**47,050**	30,000
Total finance cost, net	**$ (7,539)**	$ (7,491)	**$ (16,022)**	$ (15,373)

i. A portion of accretion on leases has been capitalized to Construction in Progress related to the MVDP.

Finance income (expense) are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Finance income	**$ 1,149**	$ 1,936	**$ 2,795**	$ 3,318
Finance cost	**(8,688)**	(9,427)	**(18,817)**	(18,691)
Total finance cost, net	**$ (7,539)**	$ (7,491)	**$ (16,022)**	$ (15,373)

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. 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.

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

Operating segment details are as follows:

	Three months ended June 30, 2024						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate	$ 161,845	$ 78,453	$ —	$ 57,986	$ —	$ —	$ 298,284
Copper cathode	8,114	19,085	85,224	—	—	—	112,423
Silver	2,196	331	—	9,094	—	—	11,621
Molybdenum	1,158	—	—	—	—	—	1,158
Gold	635	—	—	—	—	—	635
Treatment and selling costs	(10,367)	(3,311)	(307)	(2,816)	—	—	(16,801)
Pricing and volume adjustments	(3,236)	(1,459)	(166)	(358)	—	(9,048)	(14,267)
Net revenue	160,345	93,099	84,751	63,906	—	(9,048)	393,053
Production costs	(80,551)	(68,740)	(70,506)	(24,490)	—	—	(244,287)
Royalties	(808)	(2,280)	(828)	(1,193)	—	—	(5,109)
Depletion and amortization	(20,279)	(25,164)	(15,382)	(10,322)	—	—	(71,147)
Income (loss) from mining operations	58,707	(3,085)	(1,965)	27,901	—	(9,048)	72,510
General and administrative expenses	(38)	—	—	(8)	(22)	(8,194)	(8,262)
Exploration expenses	(1)	—	—	(12)	—	(152)	(165)
Share-based compensation expense	—	—	—	—	—	(4,575)	(4,575)
Income (loss) from operations	58,668	(3,085)	(1,965)	27,881	(22)	(21,969)	59,508
Realized and unrealized gains (losses) on derivative instruments	—	—	(3,191)	—	—	(949)	(4,140)
Other (expense) income - net	(2,251)	(3,653)	(2,066)	608	(104)	7,116	(350)
Net finance costs	(1,000)	(1,813)	(1,955)	(2,267)	(529)	25	(7,539)
Income (loss) before income taxes	55,417	(8,551)	(9,177)	26,222	(655)	(15,777)	47,479
Income tax expense	(10,703)	2,621	2,994	(11,955)	—	(2,945)	(19,988)
Total net income (loss)	$ 44,714	$ (5,930)	$ (6,183)	$ 14,267	$ (655)	$ (18,722)	$ 27,491
Mineral properties, plant & equipment additions	$ 23,368	$ 60,890	$ 100,706	$ 6,030	$ 2,870	$ 720	$ 194,584

i. Included in pricing and volume adjustments are realized and unrealized gains (losses) on the Company's quotational pricing copper contracts.
ii. Intersegment sales and transfers are eliminated in the table above. For the three months ended June 30, 2024, intersegment revenue for Cozamin and the Other segment was $5.0 million and $0.5 million (2023 - $4.1 million and $0.5 million), respectively.

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

	Three months ended June 30, 2023						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate	$ 92,520	$ 67,241	$ —	$ 51,214	$ —	$ —	$ 210,975
Copper cathode	5,854	30,032	84,056	—	—	—	119,942
Silver	1,150	576	—	10,983	—	—	12,709
Molybdenum	(610)	—	—	—	—	—	(610)
Gold	—	—	—	(24)	—	—	(24)
Zinc	1,076	—	—	—	—	—	1,076
Treatment and selling costs	(7,539)	(996)	(379)	(3,391)	—	—	(12,305)
Pricing and volume adjustments	(4,307)	(2,187)	(359)	(83)	—	9,111	2,175
Net revenue	88,144	94,666	83,318	58,699	—	9,111	333,938
Production costs	(74,470)	(81,474)	(93,460)	(24,603)	—	—	(274,007)
Royalties	(747)	(1,345)	—	(964)	—	—	(3,056)
Depletion and amortization	(17,227)	(17,805)	(9,892)	(6,950)	—	—	(51,874)
(Loss) income from mining operations	(4,300)	(5,958)	(20,034)	26,182	—	9,111	5,001
General and administrative expenses	(32)	—	—	(28)	(19)	(7,144)	(7,223)
Exploration expenses	—	—	—	(31)	(2)	(1,613)	(1,646)
Share-based compensation expense	—	—	—	—	—	(2,389)	(2,389)
Loss from operations	(4,332)	(5,958)	(20,034)	26,123	(21)	(2,035)	(6,257)
Unrealized and realized gains on derivative instruments	—	—	26,613	—	—	24,857	51,470
Other (expense) income - net	(470)	(9,262)	(1,676)	1,353	(149)	(60,205)	(70,409)
Net finance costs	(778)	(1,708)	489	(2,266)	(482)	(2,746)	(7,491)
Loss before income taxes	(5,580)	(16,928)	5,392	25,210	(652)	(40,129)	(32,687)
Income tax recovery (expense)	2,626	3,667	(1,251)	(4,646)	—	(1,620)	(1,224)
Total net loss	$ (2,954)	$ (13,261)	$ 4,141	$ 20,564	$ (652)	$ (41,749)	$ (33,911)
Mineral properties, plant & equipment additions	30,812	19,963	130,153	15,367	4,969	—	201,264

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

	Six months ended June 30, 2024						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate	$ 279,792	$ 157,358	$ —	$ 106,271	$ —	$ —	$ 543,421
Copper cathode	13,796	34,302	168,450	—	—	—	216,548
Silver	3,641	517	—	16,398	—	—	20,556
Molybdenum	1,760	—	—	—	—	—	1,760
Gold	(138)	—	—	—	—	—	(138)
Zinc	—	—	—	(2)	—	—	(2)
Treatment and selling costs	(19,857)	(7,174)	(823)	(5,603)	—	—	(33,457)
Pricing and volume adjustments *(i)*	79	(3,795)	(83)	(282)	—	(11,657)	(15,738)
Net revenue	279,073	181,208	167,544	116,782	—	(11,657)	732,950
Production costs	(156,308)	(135,894)	(151,218)	(49,903)	—	—	(493,323)
Royalties	(1,360)	(4,483)	(1,655)	(2,211)	—	—	(9,709)
Depletion and amortization	(41,245)	(45,424)	(32,121)	(20,545)	—	—	(139,335)
Income (loss) from mining operations	80,160	(4,593)	(17,450)	44,123	—	(11,657)	90,583
General and administrative expenses	(54)	—	—	(41)	(46)	(14,026)	(14,167)
Exploration expenses	(1)	—	—	(17)	(15)	(442)	(475)
Share-based compensation expense	—	—	—	—	—	(11,702)	(11,702)
Income (loss) from operations	80,105	(4,593)	(17,450)	44,065	(61)	(37,827)	64,239
Realized and unrealized gains (losses) on derivative instruments	—	—	1,482	—	—	(9,360)	(7,878)
Other (expense) income - net	(3,287)	(1,145)	4,954	299	(542)	7,834	8,113
Net finance (costs) income	(2,128)	(3,337)	(2,571)	(4,595)	(1,050)	(2,341)	(16,022)
Income (loss) before income taxes	74,690	(9,075)	(13,585)	39,769	(1,653)	(41,694)	48,452
Income tax (expense) recovery	(13,387)	1,984	4,307	(15,965)	—	(3,666)	(26,727)
Total net income (loss)	$ 61,303	$ (7,091)	$ (9,278)	$ 23,804	$ (1,653)	$ (45,360)	$ 21,725
Mineral properties, plant & equipment additions	$ 38,207	$ 86,812	$ 217,112	$ 12,588	$ 8,033	$ 1,823	$ 364,575

i. Included in pricing and volume adjustments are realized and unrealized gains (losses) on the Company's quotational pricing copper contracts.
ii. Intersegment sales and transfers are eliminated in the table above. For the six months ended June 30, 2024, intersegment revenue for Cozamin and the Other segment was $7.8 million and $0.8 million (2023 - $6.6 million and $0.7 million), respectively.

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

	Six months ended June 30, 2023						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate	$ 214,524	$ 159,947	$ —	$ 99,612	$ —	$ —	$ 474,083
Copper cathode	11,306	63,222	147,055	—	—	—	221,583
Silver	2,502	1,100	—	16,444	—	—	20,046
Molybdenum	3,132	—	—	—	—	—	3,132
Gold	1,857	—	—	—	—	—	1,857
Zinc	—	—	—	(24)	—	—	(24)
Treatment and selling costs	(16,930)	(8,850)	(1,307)	(5,951)	—	—	(33,038)
Pricing and volume adjustments	(4,194)	(4,598)	(1,461)	(762)	—	(7,090)	(18,105)
Net revenue	212,197	210,821	144,287	109,319	—	(7,090)	669,534
Production costs	(156,726)	(157,230)	(157,053)	(43,379)	—	—	(514,388)
Royalties	(1,066)	(3,120)	—	(1,820)	—	—	(6,006)
Depletion and amortization	(38,737)	(30,634)	(17,549)	(12,833)	—	—	(99,753)
Income (loss) from mining operations	15,668	19,837	(30,315)	51,287	—	(7,090)	49,387
General and administrative expenses	(52)	—	—	(51)	(54)	(12,708)	(12,865)
Exploration expenses	(1)	—	—	(42)	(40)	(2,762)	(2,845)
Share-based compensation expense	—	—	—	—	—	(14,407)	(14,407)
Income (loss) from operations	15,615	19,837	(30,315)	51,194	(94)	(36,967)	19,270
Unrealized and realized gain on derivative instruments	—	—	6,374	—	—	261	6,635
Other (expense) income - net	(906)	(15,462)	(7,503)	2,519	(246)	(60,789)	(82,387)
Net finance costs	(1,550)	(3,339)	418	(4,504)	(1,041)	(5,357)	(15,373)
Income (loss) before income taxes	13,159	1,036	(31,026)	49,209	(1,381)	(102,852)	(71,855)
Income tax recovery (expense)	805	(736)	9,860	(9,649)	—	8,714	8,994
Total net income (loss)	$ 13,964	$ 300	$ (21,166)	$ 39,560	$ (1,381)	$ (94,138)	$ (62,861)
Mineral properties, plant & equipment additions	41,241	43,209	292,239	25,106	8,847	—	410,642

	As at June 30, 2024						
	Pinto Valley	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Santo Domingo**	**Other**	**Total**
Mineral properties, plant and equipment	**$ 755,730**	**$1,046,173**	**$ 2,985,936**	**$ 251,246**	**$ 461,942**	**$ 3,655**	**$5,504,682**
Total assets	**$ 892,513**	**$1,161,927**	**$ 3,211,395**	**$ 299,104**	**$ 471,517**	**$ 88,361**	**$6,124,817**
Total liabilities	**$ 236,782**	**$ 370,847**	**$ 1,471,457**	**$ 233,012**	**$ 61,567**	**$ 400,460**	**$2,774,125**

	As at December 31, 2023						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Mineral properties, plant and equipment	$ 758,846	$1,008,874	$ 2,803,818	$ 259,245	$ 453,908	$ 1,566	$5,286,257
Total assets	$ 876,456	$1,133,560	$ 3,018,904	$ 302,805	$ 490,671	$ 51,519	$5,873,915
Total liabilities	$ 232,368	$ 337,665	$ 1,358,651	$ 109,055	$ 18,415	$ 751,639	$2,807,793

25. Subsequent Events

Subsequent to the quarter-ended June 30, 2024, the Company entered into a binding share purchase agreement (the "SPA") with Inversiones Alxar S.A. and Empresas COPEC S.A., collectively the "sellers" to acquire 100% of the shares of Compania Minera Sierra Norte, S.A. ("Sierra Norte"). Under the terms of the SPA, Capstone will pay the sellers $40 million in share consideration. Closing is expected within one-week.

The financial effects of this acquisition will be reflected in subsequent reporting periods.