
August 1, 2024

Capstone Copper Reports Second Quarter 2024 Results

All amounts in US\$ unless otherwise indicated

Vancouver, British Columbia – Capstone Copper Corp. (“Capstone” or the “Company”) (TSX: CS) (ASX: CSC) today reported financial results for the six months and quarter ended June 30, 2024 (“Q2 2024”). Copper production in Q2 2024 totaled 40,937 tonnes at C1 cash costs¹ of \$2.84 per payable pound of copper produced. Link [HERE](#) for Capstone’s Q2 2024 webcast presentation.

John MacKenzie, CEO of Capstone, commented, “We had another solid quarter in Q2 as we executed on our operating plans and delivered strong financial results. At our Mantoverde Development Project, we are making excellent progress ramping up to nameplate production levels, which will be transformational to our results moving forward. Yesterday we released an updated feasibility study for our fully-permitted Santo Domingo project, which sits 35km northeast of Mantoverde, and represents the next major phase in our plan to create a world class district in the Atacama region of Chile. With the updated study in hand, we now plan to progress financing and partnership discussions at Santo Domingo, while advancing work on the detailed engineering.”

Q2 2024 OPERATIONAL AND FINANCIAL 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 costs¹ 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 provisional pricing adjustments) and the inclusion of a \$53.9 million provision related to the Minto obligation in Q2 2023.
- **Adjusted net income attributable to shareholders¹ of \$20.9 million, or \$0.03 per share for Q2 2024**, adjusted net loss attributable to shareholders¹ of \$12.2 million in Q2 2023, primarily due to a higher realized copper price.
- **Adjusted EBITDA¹ of \$123.1 million for Q2 2024** compared to \$43.4 million for Q2 2023. The increase in Adjusted EBITDA¹ 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 debt¹ 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 liquidity¹ 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.

¹ These are Non-GAAP performance measures. Refer to the section titled “Non-GAAP and Other Performance Measures”.

- 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.**

OPERATIONAL OVERVIEW

Refer to Capstone's Q2 2024 MD&A and Financial Statements for detailed operating results.

	Q2 2024	Q2 2023	2024 YTD	2023 YTD
Copper production (tonnes)				
<i>Sulphide business</i>				
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
<i>Cathode business</i>				
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 (000s tonnes)	39,748	40,755	80,744	78,211
Realized copper price ¹ (\$/pound)	4.53	3.71	4.18	3.93
C1 cash costs¹ (\$/pound) produced				
<i>Sulphides business</i>				
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
<i>Cathode business</i>				
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 Production

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 costs¹ 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).

Pinto Valley Mine

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.

C1 cash costs¹ 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.

Mantos Blancos Mine

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 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.

Combined Q2 2024 C1 cash costs¹ were \$3.38/lb (\$3.43/lb sulphides and \$3.15/lb cathodes) were 7% higher compared to combined C1 cash costs¹ 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).

¹ These are Non-GAAP performance measures. Refer to the section titled "Non-GAAP and Other Performance Measures".



Mantoverde Mine

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.

Q2 2024 C1 cash costs¹ 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.

Cozamin Mine

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.

Q2 2024 C1 cash costs¹ 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).

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:

1. First ore to the primary crusher – completed in Q4 2023
2. First ore to the grinding circuit – completed in Q1 2024
3. First saleable concentrate – completed in Q2 2024
4. 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 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 Update

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.

¹ These are Non-GAAP performance measures. Refer to the section titled "Non-GAAP and Other Performance Measures".



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.

¹ These are Non-GAAP performance measures. Refer to the section titled "Non-GAAP and Other Performance Measures".



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.

2024 Guidance

The Company reiterates its 2024 consolidated copper production and C1 cash costs¹ 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 section titled "Non-GAAP and Other Performance Measures".



FINANCIAL OVERVIEW

Please refer to Capstone's Q2 2024 MD&A and Financial Statements for detailed financial results.

(\$ millions, except per share data)	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)
<i>Net income (loss) attributable to shareholders per common share - basic and diluted (\$)</i>	0.04	(0.05)	0.03	(0.08)
Adjusted net income (loss)¹	20.9	(12.2)	16.4	5.2
<i>Adjusted net income (loss) attributable to shareholders per common share - basic and diluted</i>	0.03	(0.02)	0.02	0.01
Operating cash flow before changes in working capital	102.9	22.0	165.1	65.1
Adjusted EBITDA¹	123.1	43.4	203.2	109.3
Realized copper price¹ (\$/pound)	4.53	3.71	4.18	3.93

(\$ millions)	June 30, 2024	December 31, 2023
Net debt ¹	(741.3)	(927.2)
Attributable net (debt)/cash ¹	(589.8)	(776.6)

CONFERENCE CALL AND WEBCAST DETAILS

Capstone will host a conference call and webcast on Thursday, August 1, 2024 at 5:00 pm Eastern Time / 2:00 pm Pacific Time (Friday, August 2, 2024, 7:00 am Australian Eastern Standard Time). Link to the audio webcast: <https://app.webinar.net/rvoN9NB96e0>

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

Toronto: 416-764-8650
 Vancouver: 778-383-7413
 Australia: 613-627-2402
 North America toll free: 888-664-6383

A replay of the conference call will be available until August 8, 2024. Dial-in numbers for Toronto: (+1) 416-764-8677 and North American toll free: 888-390-0541. The replay code is 142180#. Following the replay, an

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audio file will be available on Capstone's website at <https://capstonecopper.com/investors/events-and-presentations/>.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements relate to future events or future performance and reflect our expectations or beliefs regarding future events. Our Sustainable Development Strategy goals and strategies are based on a number of assumptions, including, 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

¹ These are Non-GAAP performance measures. Refer to the section titled "Non-GAAP and Other Performance Measures".

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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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.

COMPLIANCE WITH NI 43-101

Unless otherwise indicated, Capstone Copper has prepared the technical information in this document ("Technical Information") based on information contained in the technical reports, Annual Information Form and news releases (collectively the "Disclosure Documents") available under Capstone Copper's company profile on SEDAR+ at www.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.

¹ These are Non-GAAP performance measures. Refer to the section titled "Non-GAAP and Other Performance Measures".



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

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

Non-GAAP and Other Performance Measures

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

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

C1 Cash Costs Per Payable Pound of Copper Produced

C1 cash costs per payable pound of copper produced is a measure reflective of operating costs per unit. C1 cash costs is calculated as cash production costs of metal produced net of by-product credits and is a key performance measure that management uses to monitor performance. Management uses this measure to assess how well the Company's producing mines are performing and to assess 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

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

¹ These are Non-GAAP performance measures. Refer to the section titled "Non-GAAP and Other Performance Measures".



performance. Management uses this measure to analyze margins achieved on existing assets while sustaining and maintaining production at current levels. Consolidated All-in sustaining costs includes sustaining capital and corporate general and administrative costs.

Net debt / Net cash

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

Attributable Net debt / Net cash

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

Available Liquidity

Available liquidity is a non-GAAP performance measure used by the Company to assess its financial position and is composed of RCF credit capacity, the \$520 million Mantoverde DP facility capacity, Cash and cash equivalents and Short-term investments. For clarity, Available liquidity does not include 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.

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.

EBITDA

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

Adjusted EBITDA

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

Sustaining Capital

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

¹ These are Non-GAAP performance measures. Refer to the section titled "Non-GAAP and Other Performance Measures".

**Expansionary Capital**

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

Realized copper price (per pound)

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

¹ These are Non-GAAP performance measures. Refer to the section titled "Non-GAAP and Other Performance Measures".