CAPSTONE COPPER

MANAGEMENT'S DISCUSSION AND ANALYSIS

AND

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024
(Expressed in US Dollars)

TABLE OF CONTENTS

MANAGEMENT’S DISCUSSION AND ANALYSIS OF
CAPSTONE COPPER CORP.
FOR THE YEAR ENDED DECEMBER 31, 2024

Capstone Copper Corp. (“Capstone Copper”, the “Company” or "we") has prepared the following management’s discussion and analysis (the “MD&A”) as of February 19, 2025 and it should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto for the year ended December 31, 2024. All financial information has been prepared in accordance with IFRS® as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and all dollar amounts presented are United States (“US”) dollars unless otherwise stated. “C$” refers to Canadian dollars and "A$" refers to Australian 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 the Company's expectations or beliefs regarding future events. The Company's Sustainable Development Strategy goals and strategies are based on a number of assumptions, including, but not limited to, the reliability of data sources; the biodiversity and climate-change consequences; availability and effectiveness of technologies needed to achieve the Company's sustainability goals and priorities; availability of land or other opportunities for conservation, rehabilitation or capacity building on commercially reasonable terms and the Company's 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, the Company's ability to successfully implement new technology; and the performance of new technologies in accordance with the Company's 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 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 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 the Company's mining operations, the continuing success of mineral exploration, the estimations for potential quantities and grade of inferred resources and exploration targets, the Company's ability to fund future exploration activities, the Company's 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, the Company's estimates of available liquidity, and the risks included in the Company's 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 the Company's 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.

In certain cases, forward-looking statements can be identified by the use of words such as “anticipates”, “approximately”, “believes”, “budget”, “estimates”, expects”, “forecasts”, “guidance”, intends”, “plans”, “scheduled”, “target”, or variations of such words and phrases, or statements that certain actions, events or results “be achieved”, “could”, “may”, “might”, “occur”, “should”, “will be taken” or “would” or the negative of these terms or comparable terminology. In this document certain forward-looking statements are identified by words including “anticipated”, “expected”, “guidance” and “plan”. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, amongst others, risks related to inherent hazards associated with mining operations and closure of mining projects, future prices of copper and other metals, compliance with financial covenants, inflation, surety bonding, the Company's ability to raise capital, Capstone Copper’s ability to acquire properties for growth, counterparty risks associated with sales of the Company's 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, the Company's ability to meet the requirements under the Cozamin Silver Stream Agreement with Wheaton Precious Metals Corp. ("Wheaton"), the Company's 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 the Company's 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 the Company's workforce, risks related to construction activities at the Company's operations and development projects, suppliers and other essential resources and what effect those impacts, if they occur, would have on the Company's business, including the Company's ability to access goods and supplies, the ability to transport the Company's 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 ("MVDP"), increased operating and capital costs, increased cost of reclamation, challenges to title to the Company's 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 the Company's 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 the Company's directors and officers, corruption and bribery, limitations inherent in the Company's 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, the Company's ability to integrate new acquisitions and new technology into the Company's 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 the Company's actual results, performance or achievements to differ materially from those described in the Company's forward-looking statements, there may be other factors that cause the Company's results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that the Company's forward-looking statements will prove to be accurate, as the Company's actual results, performance or achievements could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the Company's forward-looking statements.

1.0 BUSINESS OVERVIEW

Capstone Copper Corp. (“Capstone Copper”, the “Company” or "we") 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. Through a wholly owned subsidiary, we own 100% of the shares in Compania Minera Sierra Norte S.A ("Sierra Norte"). The Sierra Norte land package covers over 7,000 hectares in Region III, Chile, and is located approximately fifteen kilometers northwest of the Santo Domingo project. 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 Q4 2024 HIGHLIGHTS AND SIGNIFICANT ITEMS

Q4 2024 Financial and Operational Highlights

- **Consolidated copper production for Q4 2024 was 53,942 tonnes at C1 cash costs[1] of $2.56/lb.** Consolidated copper production consisted of 22,029 tonnes at Mantoverde, 13,563 tonnes at Mantos Blancos, 11,626 tonnes at Pinto Valley and 6,724 tonnes at Cozamin. Total Q4 2024 copper sold of 50,014 payable tonnes was approximately 2,300 tonnes below payable production. This was directly impacted by seasonal swells at load ports in Chile. **Record consolidated copper production for the full year ended December 31, 2024 was 184,460 tonnes at C1 cash costs[1] of $2.77/lb**.

- **Net income attributable to shareholders of $45.9 million, or $0.06 per share for Q4 2024** compared to net loss attributable to shareholders of $12.3 million, or $(0.02) per share for Q4 2023, primarily due to higher copper production and a higher realized copper price of $4.04/lb compared to $3.74/lb. **Net income attributable to shareholders for the full year was $82.9 million or $0.11 per share.**

- **Adjusted net income attributable to shareholders[1] of $29.6 million, or $0.04 per share for Q4 2024**, compared to adjusted net income attributable to shareholders[1] of $10.8 million in Q4 2023. **Adjusted net income attributable to shareholders[1] for the full year was $71.5 million or $0.10 per share.**

- **Adjusted EBITDA[1] nearly doubled to $171.9 million for Q4 2024 compared to $88.3 million for Q4 2023.** The increase in Adjusted EBITDA[1] is primarily driven by higher copper production and realized copper price and was impacted by the seasonal swells at load ports in Chile. **Adjusted EBITDA[1] for the full year was $496.1 million**.

- **Operating cash flow before changes in working capital of $132.8 million in Q4 2024** compared to $80.4 million in Q4 2023. **Operating cash flow before changes in working capital for the full year was $414.8 million**.

- **Net debt[1]** of **$742.0 million** as at December 31, 2024 was slightly lower compared to net debt of $750.7 million as at September 30, 2024 and significantly decreased compared to $927.2 million as at December 31, 2023, with the MVDP capital build complete. **Total available liquidity[1] of $506.4 million as at December 31, 2024**, comprising of $132.4 million of cash and short-term investments, and $374.0 million of undrawn amounts on the corporate revolving credit facility.

- During Q4 2024, the Company announced the results of a **Feasibility Study for its Mantoverde Optimized** brownfield expansion project. Mantoverde Optimized is a capital efficient expansion of the existing sulphide concentrator from throughput of 32,000 to 45,000 ore tpd. The study increased sulphide reserves from 236 million tonnes at 0.60% copper to 398 million tonnes at 0.49% copper and 0.10 g/t gold, which extended the mine life from 19 to 25 years. MV Optimized is a high return and low risk expansion project that is expected to bring on an additional 20,000 tonnes of copper per annum for approximately $146 million of expansionary capital.

- During Q4 2024, the Company announced its **leadership succession plan**. At the next Annual General Meeting on May 2, 2025, John MacKenzie will transition from CEO and be nominated to the role of Non-Executive Chair of the Board, with Cashel Meagher succeeding him as CEO and also to be nominated as a member of the Board, while James Whittaker will become COO. Founder of Capstone Mining Corp. and current Chair of Capstone Copper, Darren Pylot, will step down from the Board after more than 20 years of combined service to the Company.

- **Expected 2025 consolidated copper production growth of approximately 30%** mostly driven by a full-year of production from Mantoverde sulphides, resulting in 2025 production guidance of 220,000 to 255,000 tonnes of copper at approximately 15% lower C1 cash costs[1] of $2.20 to $2.50 per payable pound of copper.

- **In January 2025, Mantoverde sulphides produced a record 6,600 tonnes of copper** driven by mill throughput of 33,409 tpd, copper grades of 0.79%, and copper recoveries of 81.0%, marking the first month with average throughput exceeding the plant's nameplate capacity. In addition, Mantos Blancos sulphides produced 4,226 tonnes of copper in January 2025, driven by mill throughput of 20,628 tpd, copper grades of 0.83%, and copper recoveries of 80.1%, highlighting a third consecutive month operating above its nameplate capacity.

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

Operating Highlights

	Q4 2024	Q4 2023	2024	2023
Copper production (tonnes)				
Sulphide business				
Pinto Valley	**11,626**	15,890	**57,272**	55,090
Cozamin	**6,724**	6,540	**24,907**	24,340
Mantos Blancos	**12,165**	9,702	**37,744**	38,002
Mantoverde[2]	**13,580**	—	**21,777**	—
Total sulphides	**44,095**	32,132	**141,700**	117,432
Cathode business				
Mantos Blancos	**1,398**	1,920	**6,830**	11,520
Mantoverde[2]	**8,449**	10,001	**35,930**	35,401
Total cathodes	**9,847**	11,921	**42,760**	46,921
Consolidated	**53,942**	44,053	**184,460**	164,353
Copper sales				
Copper sold (tonnes)	**50,014**	43,283	**175,201**	160,194
Realized copper price[1] ($/pound)	**4.04**	3.74	**4.16**	3.84
C1 cash costs[1] ($/pound) produced				
Sulphide business				
Pinto Valley	**3.30**	2.36	**2.77**	2.79
Cozamin	**1.55**	1.76	**1.75**	1.74
Mantos Blancos	**2.30**	2.58	**2.95**	2.74
Mantoverde	**1.83**	—	**2.09**	—
Total sulphides	**2.31**	2.30	**2.53**	2.56
Cathode business				
Mantos Blancos	**3.70**	3.32	**3.41**	3.11
Mantoverde	**3.62**	3.68	**3.53**	3.83
Total cathodes	**3.63**	3.62	**3.51**	3.66
Consolidated	**2.56**	2.67	**2.77**	2.88

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

Consolidated

Q4 2024 copper production of 53,942 tonnes was 22% higher than Q4 2023 primarily as a result of sulphide production ramping up at Mantoverde and Mantos Blancos.

Q4 2024 C1 cash costs[1] of $2.56/lb were 4% lower than $2.67/lb Q4 2023 mainly due to higher production (-$0.24/lb), partially offset by lower capitalized stripping costs ($0.15/lb).

2024 consolidated production of 184,460 tonnes of copper was 12% higher than 164,353 tonnes in 2023, mainly due to the start of concentrate production at Mantoverde, partially offset by lower cathode production at Mantos Blancos. Cozamin and Pinto Valley production was consistent with the prior year.

2024 C1 cash costs[1] of $2.77/lb were 4% lower than $2.88/lb 2023 due to higher copper production (-$0.20/lb), partially offset by lower capitalized stripping costs ($0.09/lb).

[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]	Q4 2024	Q4 2023	2024	2023	2022
Revenue	**446.9**	353.7	**1,599.2**	1,345.5	1,296.0
Net income (loss)	**47.2**	(19.5)	**85.9**	(124.7)	136.1
Net income (loss) attributable to shareholders	**45.9**	(12.3)	**82.9**	(101.7)	122.2
Net income (loss) attributable to shareholders per common share - basic ($)	***0.06***	*(0.02)*	***0.11***	*(0.15)*	*0.20*
Net income (loss) attributable to shareholders per common share - diluted ($)	***0.06***	*(0.02)*	***0.11***	*(0.15)*	*0.19*
Operating cash flow before changes in working capital	**132.8**	80.4	**414.8**	204.8	184.8
Adjusted EBITDA[1]	**171.9**	88.3	**496.1**	260.3	356.7
Adjusted net income attributable to shareholders[1]	**29.6**	10.8	**71.5**	0.3	70.6
Adjusted net income attributable to shareholders per common share - basic and diluted[1]	***0.04***	*0.02*	***0.10***	—	*0.11*
Realized copper price[1] ($/pound)	**4.04**	3.74	**4.16**	3.84	3.76

	December 31, 2024	December 31, 2023	December 31, 2022
Net (debt) / cash[1]	**(742.0)**	(927.2)	(483.1)
Attributable net (debt) / cash[1]	**(600.6)**	(776.6)	(339.9)
Total assets	**6,365.0**	5,873.9	5,380.9
Total non-current financial liabilities	**977.9**	1,205.3	709.5

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

Mantoverde Development Project

The Mantoverde Development Project ("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 order to process sulphide ore. Mantoverde continues to process oxide ore through heap and dump run of mine leaching and a conventional solvent extraction and electrowinning ("SX-EW") plant. The final total project capital spent was $870 million which was in line with the revised budget of $870 million and compared to the initial Capstone Copper estimate of $825 million.

After producing first copper concentrate in June 2024, the MVDP achieved commercial production on September 21, 2024, and the mill ramped up to full nominal milling rates by year end, including a peak individual daily throughput of 37,989 tpd in 2024.

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

Mantoverde sulphides posted quarterly copper production of 13,580 tonnes from the new sulphide concentrator in Q4 2024. During the quarter, plant throughput averaged 24,848 tpd, copper grades averaged 0.80%, and copper recoveries averaged 74.4%. Plant throughput was impacted by a combination of planned and unplanned downtime, with the planned downtime used to improve recoveries, and the unplanned downtime mostly driven by typical ramp-up issues. Examples of the issues faced in the quarter included a drive shaft assembly failure in the stockpile apron feeder - which forced operations to continue with only one feeder - and a frozen charge event in the ball mill due to a variable frequency drive failure. Plant availability and recoveries have steadily increased since first copper production in June, and in December, plant throughput averaged 27,105 tpd (November: 26,278 tpd, October: 21,206 tpd), copper grades averaged 0.73% (November: 0.85%, October 0.83%), and copper recoveries averaged 84.8% (November 70.9%, October 67.0%).

Subsequent to quarter end in January 2025, Mantoverde sulphides posted record monthly copper production of 6,600 tonnes, driven by plant throughput of 33,409 tpd, copper grades of 0.79%, and copper recoveries of 81.0%. Peak individual daily throughput totaled 38,511 tpd in January.

MV Optimized Feasibility Study

The Company announced its Mantoverde Optimized ("MV Optimized") Feasibility Study ("FS") on October 1, 2024. The project is a capital-efficient expansion of Mantoverde's sulphide concentrator, increasing throughput from 32,000 to 45,000 ore tpd and extending the mine life from 19 to 25 years. With an updated sulphide Mineral Reserve of 398 million tonnes at a copper grade of 0.49% (compared to 236 million tonnes at 0.60% copper previously), the project will yield an additional 368,000 tonnes of copper and 215,000 ounces of gold, with an initial expansionary capital investment of $146 million and an implied capital intensity of approximately $7,500 per copper tonne. Capstone Copper anticipates starting construction after receiving the DIA environmental permit approval, which is expected around the middle of 2025. The MV Optimized FS also features a robust life of mine after-tax NPV (8%) of $2.9 billion for Mantoverde operation on a 100%-basis based on a long-term copper price of $4.10/lb and gold price of $1,800/oz.

Santo Domingo Feasibility Study & Sierra Norte Acquisition

Capstone Copper announced the results of an updated FS for its 100%-owned Santo Domingo copper-iron-gold project in Region III Chile, 35km northeast of Mantoverde on July 31, 2024. The updated FS, completed by Ausenco, outlines the next phase of transformational growth for the Company in the world-class Mantoverde-Santo Domingo ("MV-SD") district.

The 2024 FS for Santo Domingo outlines a robust copper-iron-gold project with an after-tax NPV (8%) of $1.7 billion and an after-tax internal rate of return of 24.1%. Total initial capital cost of $2.3 billion drives a capital intensity of approximately $21,900 per tonne of annual copper equivalent production over the life of mine. 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 concentrate at first quartile cash costs of $0.28 per payable pound of copper produced.

The 19-year Santo Domingo mine life is supported by an increased Mineral Reserve estimate of 436 million tonnes (compared to 392 million tonnes previously) at a copper grade of 0.33%, iron ore grade of 26.5%, and a gold grade of 0.05 grams per tonne. Increased Measured & Indicated ("M&I") Mineral Resources total 547 million tonnes (compared to 537 million tonnes previously) 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%.

The FS updated the level of engineering to Association for the Advancement of Cost Engineering ("AACE") Class 3. Further detailed engineering will increase the precision of capital estimates to AACE Class 2 over the balance of 2025.

In Q3 2024, Capstone Copper acquired 100% of the shares of Sierra Norte for $40 million in share consideration. 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. Potential oxide material at Sierra Norte represents an opportunity to be a future oxide feed for Mantoverde's underutilized SX-EW plant.

The Company is progressing partnership and financing discussions for the Santo Domingo project, while in parallel advancing opportunities to incorporate the recently acquired Sierra Norte project and Santo Domingo's copper oxide material into the mine plan.

Copper Oxides Opportunity

Capstone Copper plans to progress drilling and studies regarding the processing of oxide material from the Company's Santo Domingo and Sierra Norte deposits by leveraging Mantoverde's infrastructure and excess SX-EW capacity. To date, oxide materials have been recognized in the shallower portions of the Santo Domingo, Iris Norte, and Estrellita sulphide ore bodies. Some of these oxide resources are considered as waste material in the Santo Domingo 2024 FS. Meanwhile, only slightly more than half of the processing capacity is being used at Mantoverde's SX-EW cathode copper plant. Exploration efforts at Santo Domingo will target a potential 80-100 million tonnes of oxide material, which could add up to 10 thousand tonnes per annum of copper production.

Exploration Opportunities in the MV-SD District

Capstone Copper has significant untapped exploration potential within MV-SD district. The Mantoverde Optimized plan was prepared without completing any expansionary drilling since 2019. At Mantoverde, there are 0.2 billion tonnes of M&I and 0.6 billion tonnes of Inferred sulphide resources not in reserves. Exploration targets also include the northern extension (~10km long) of the projection of the prospective Atacama fault system. At Santo Domingo, there are 0.1 billion tonnes of M&I and 0.2 billion tonnes of Inferred sulphide resources not in reserves. The recently acquired Sierra Norte property also represents an opportunity to potentially be a future feed source in the district. Capstone Copper intends to progress its exploration strategy to service its two eventual processing centers between Mantoverde and Santo Domingo, in addition to drilling that is currently underway at Mantoverde to evaluate the potential for Mantoverde Phase II, which could include the addition of an entire second processing line at Mantoverde.

Mantoverde - Santo Domingo Pyrite Augmentation & Cobalt Studies

A district cobalt plant for the MV-SD district is designed to unlock cobalt production while reducing sulphuric acid consumption and increasing heap leach copper production. The cobalt recovery process comprises a pyrite flotation step to recover cobaltiferous pyrite from the tailings streams at Mantoverde and Santo Domingo and redirect it to the dynamic heap leach pads, which will be upgraded to a bioleach configuration through the addition of an aeration system as part of MV Optimized. The pyrite oxidizes in the leach pads and the solubilized cobalt is recovered via an ion exchange plant treating a bleed stream from the copper solvent extraction plant. The approach has been successfully demonstrated at the bench and pilot scales.

As currently envisioned, a smaller capacity countercurrent ion-exchange plant will initially treat cobalt by-product streams from Mantoverde producing up to 1,500 tonnes per annum of cobalt, and following sanctioning of the Santo Domingo project, the facility will be expanded to accommodate by-product streams from Santo Domingo. An initial study focused on Mantoverde's pyrite augmentation and cobalt opportunity is expected in 2025, followed by a Santo Domingo study in 2026, for a combined MV-SD target of 4,500 to 6,000 tonnes per annum of mined cobalt production.

Mantos Blancos Phase II Study

The Company is currently evaluating the next phase of growth for Mantos Blancos, which is analyzing the potential to increase the concentrator plant's throughput to at least 27,000 tpd and increase cathode production from the underutilized SX-EW plant. The sulphide concentrator plant expansion is expected to utilize existing and unused or underutilized process equipment, such as two idled ball mills, plus additional equipment for concentrate filtration, thickening and filtering of tailings. The increase in cathode production is being evaluated based on an opportunity to re-leach spent ore from historical VAT leaching operations and coarse/fine tailings material. The increase in cathode production would utilize existing SX-EW plant capacity, with the addition of a dynamic leach pad, agglomeration and stacking infrastructure. The Mantos Blancos Phase II study is expected around the end of 2025.

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. Pinto Valley district consolidation could unlock significant ESG opportunities and may transform the Company's approach to create value for all stakeholders in the Globe-Miami District.

Leadership Succession Plan

As previously announced the following leadership changes will take effect at the next Annual General Meeting of the Company on May 2, 2025:

- John MacKenzie will transition from Chief Executive Officer and will be nominated to the role of Non-Executive Chair of the Capstone Copper Board of Directors;
- Cashel Meagher, current President and Chief Operating Officer, will succeed Mr. MacKenzie as CEO of Capstone Copper, and will also be nominated as a member of the Board;
- James Whittaker, current Senior Vice President, Head of Chile, will succeed Mr. Meagher as COO. This facilitates a flattening of the organizational structure with all mine general managers reporting directly to the COO;
- Darren M. Pylot, founder of Capstone Mining Corp. ("Capstone Mining") and current Chair of the Board, will end his term on the Board after over 20 years with Capstone Mining as a founder and CEO, and subsequently as Chair of the Board of Capstone Copper.

On January 13, 2025, Capstone Copper announced the appointment of Rick Coleman to the Board of Directors effective January 15, 2025.

Corporate Exploration Update

Cozamin: Exploration drilling continued in Q4 2024 at Cozamin 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 was conducted with one underground rig positioned at the level 19.1 cross-cut, a second underground rig positioned at the level 12.7 cross-cut, and one surface rig.

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. District consolidation opportunities are being evaluated.

Mantoverde, Santo Domingo, Sierra Norte and Mantos Blancos, Chile: Mantoverde's exploration drill program commenced in Q4 2024. The program will first target the areas closer to MV Optimized pit focusing on improving copper grades and mineralization continuity within and nearby the pit boundaries. The program will also test areas to the north of the pit to potentially increase the mineral resource. An Induced Polarization (IP) geophysical survey began in Q4 at Mantoverde with the focus to cover the northern extension (~10km long) of the projection of the prospective Atacama fault system. At Sierra Norte work commenced with a revision and validation of the historic drilling database and geological model. Infill drilling continues during Q4 2024 at Mantos Blancos in Phases 15 and 16 and exploration drilling progressed testing the Nora-Quinta target. A high-resolution magnetic survey was also completed at Mantos Blancos during Q4 2024.

2.1 2025 Guidance

2025 forecasted production volumes of 220,000 to 255,000 tonnes of copper are expected to increase by approximately 19% to 38%, while 2025 forecasted C1 cash costs of $2.20 to $2.50 per payable pound of copper are expected to decrease by approximately 10% to 20%, compared to 2024.

Capstone Copper's 2025 production and cost guidance are as follows:

	Full Year 2025 Guidance	
	Copper Production (‘000s tonnes)	**C1 Cash Costs[2] (US$ per payable lb Cu Produced)**
Sulphides Business		
Pinto Valley[2]	51 – 58	$2.55 – $2.85
Cozamin	23 – 26	$1.60 – $1.80
Mantos Blancos	43 – 51	$2.20 – $2.50
Mantoverde	68 – 80	$1.25 – $1.55
Total Sulphides	**185 – 215**	**$1.85 – $2.15**
Cathode Business		
Mantos Blancos	6 – 8	$3.40 – $3.70
Mantoverde[3]	29 – 32	$4.10 – $4.40
Total Cathodes	**35 – 40**	**$3.95 – $4.25**
Consolidated Copper	**220 – 255**	**$2.20 – $2.50**

[2] *Pinto Valley production and C1 include immaterial cathode production.*
[3] *Mantoverde shown on a 100% basis.*

Key C1 Cash costs input assumptions:

CLP/USD: 900:1 MXN/USD: 18.50:1 Silver: $27/oz Molybdenum: $18/lb Gold: $2,350/oz

In 2025, the Company plans to a spend a total of $315 million in sustaining and expansionary capital expenditures at its operating mines and the Santo Domingo project. This is broken down into $255 million on sustaining capital and $60 million on expansionary capital.

The sustaining capital expenditure includes approximately $80 million of spending related to ESG initiatives, largely related to upgrading tailings storage facilities at Pinto Valley and Mantos Blancos, as well as improving tailings stewardship as the Company works towards implementing the Global Industry Standard for Tailings Management (“GISTM”) by year end 2028. Pinto Valley sustaining capital includes approximately $50 million related to ESG initiatives ($10 million attributable to improving dust control and $25 million on GISTM upgrades), while Mantos Blancos sustaining capital includes approximately $30 million ($15 million attributable to a new tailings thickener and $10 million related to other GISTM initiatives).

Expansionary capital includes $10 million of early works spending for the Mantoverde Optimized Project, and approximately $50 million at Santo Domingo. At Mantoverde Optimized, a DIA permit amendment is anticipated around the middle of 2025, after which the Company will look to sanction the project, subject to necessary approvals, and revisit expansionary capital expenditure guidance during the second half of 2025. At Santo Domingo, the Company plans to advance detailed engineering, district infrastructure opportunities, partnership discussions and its financing strategy throughout 2025. A potential project sanctioning decision is not anticipated prior to 2026.

	Pinto Valley	Cozamin	Mantos Blancos	Mantoverde*	Santo Domingo	Total
Capital Expenditure ($ millions)						
Sustaining Capital[2]	85	25	70	75	—	255
Expansionary Capital[2]	—	—	—	10	50	60
Total Capital Expenditures	**85**	**25**	**70**	**85**	**50**	**315**

** Mantoverde shown on a 100% basis.*
[2]*Excludes exploration at all sites and reclamation at Cozamin.*

In addition, the Company plans to spend a total of $210 million in capitalized stripping at its three open pit mines.

	Pinto Valley	Mantos Blancos	Mantoverde *	Total
Capitalized Stripping ($ millions)	**50**	**85**	**75**	**210**

** Mantoverde Shown on a 100% basis.*

The Company plans to spend $25 million in brownfield and greenfield exploration activities in 2025. The brownfield exploration is focused on resource conversion at Pinto Valley, Mantoverde, Mantos Blancos, Cozamin and Santo Domingo. The greenfield exploration relates to expansionary work in the highly prospective northern area of the Mantoverde land package and at Sierra Norte.

3.0 OPERATIONAL REVIEW

3.1 Pinto Valley Mine – Miami, Arizona

Operating Statistics

	2024					2023				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Production (contained)[2]										
Copper in Concentrate (tonnes)	14,892	15,245	13,257	10,746	54,140	12,246	11,878	12,968	15,286	52,378
Cathode (tonnes)	780	749	723	880	3,132	595	813	657	647	2,712
Total Copper (tonnes)	15,672	15,994	13,980	11,626	57,272	12,841	12,691	13,625	15,933	55,090
Mining										
Waste (000s tonnes)	2,770	3,368	3,442	3,131	12,711	3,197	3,239	4,428	4,930	15,794
Ore (000s tonnes)	3,603	4,453	2,750	3,181	13,987	4,419	3,887	3,733	4,191	16,230
Total (000s tonnes)	6,373	7,821	6,192	6,312	26,698	7,616	7,126	8,161	9,121	32,024
Strip Ratio (Waste:Ore)	0.77	0.76	1.25	0.98	0.91	0.72	0.83	1.19	1.18	0.97
Rehandled ore and stockpile (000s tonnes)	2,088	1,386	2,640	2,147	8,261	1,844	1,079	1,697	1,722	6,342
Total material moved (000s tonnes)	8,461	9,207	8,832	8,459	34,959	9,460	8,205	9,858	10,843	38,366
Mill operations										
Throughput (000s tonnes)	4,774	5,043	4,132	4,154	18,103	4,699	4,035	4,363	4,888	17,985
Tonnes per day	52,458	55,420	44,915	45,148	49,461	52,207	44,336	47,426	53,134	49,273
Grade (%)[3]	0.36	0.36	0.37	0.30	0.34	0.30	0.34	0.34	0.36	0.33
Recoveries (%)[3]	87.7	87.7	87.4	86.0	87.4	86.8	87.4	87.4	86.5	87.2
Payable copper produced (tonnes)	15,151	15,460	13,516	11,250	55,377	12,413	12,276	13,171	15,397	53,257
Copper C1 cash cost[1] ($/pound payable copper produced)	2.53	2.46	2.92	3.30	2.77	3.09	2.98	2.83	2.36	2.79
Adjusted EBITDA[1] ($ millions)	38.8	81.0	38.9	5.9	164.6	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 11.6 thousand tonnes in Q4 2024 was 27% lower than in Q4 2023 due to ore face position resulting in lower grades (Q4 2024 – 0.30% versus Q4 2023 - 0.36%) and lower mill throughput during the quarter (Q4 2024 - 45,148 tpd versus Q4 2023 - 53,134 tpd). Mill throughput in Q4 2024 was impacted by unplanned downtime as a result of mechanical failures and electrical issues, and unscheduled maintenance on one of the six ball mills which led to the concentrator operating at a reduced rate for a period of 18 days.

2024 production was 4% higher than 2023 due to slightly higher mill throughput (49,461 tpd in 2024 versus 49,273 tpd in 2023), higher feed grade tied to mine plan sequence (0.34% in 2024 versus 0.33% in 2023) and slightly higher recoveries (87.4% 2024 versus 87.2% 2023).

C1 cash costs[1] of $3.30/lb in Q4 2024 were 40% higher than Q4 2023 of $2.36/lb primarily due to lower production volume ($1.13/lb) and with minimal impact from operating costs ($0.05/lb), partially offset by lower treatment costs (-$0.24/lb).

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

2024 C1 cash costs[1] of $2.77/lb were 1% lower compared to the same period last year of $2.79/lb primarily due to higher production volume (-$0.11/lb) and increased deferred stripping (-$0.18/lb), partially offset by increased operating costs ($0.17/lb) due to spend on equipment maintenance and contractors and higher electricity rates ($0.091/kWh in 2024 versus $0.079/kWh in 2023), and lower by-product credits ($0.09/lb).

Capital Expenditures

Sustaining capital[1] in Q4 2024 of $37.6 million was spent primarily on the purchase of a new shovel, infrastructure upgrades for the tailings buttress project, a booster pump for the SX-EW plant, and mining equipment component replacements. Capitalized stripping decreased in Q4 2024, compared to the same period last year due to lower levels of waste removal from the northwest section of phase 3.

($ millions)	**Q4 2024**	**Q4 2023**	**2024**	**2023**
Capitalized stripping	**5.1**	9.5	**34.8**	20.4
Sustaining capital[1]	**37.6**	2.5	**74.8**	52.8
Expansionary capital[1]	**0.6**	—	**4.4**	3.7
Right-of-use assets (non-cash)	**—**	3.5	**15.9**	26.4
Pinto Valley mine additions	**43.3**	15.5	**129.9**	103.3

[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	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Production (contained metal and cathode)[2]										
Copper in Concentrate (tonnes)	9,163	8,170	8,246	12,165	37,744	10,847	8,358	9,133	9,664	38,002
Cathode (tonnes)	1,804	1,900	1,728	1,398	6,830	3,275	3,292	3,030	1,923	11,520
Total Copper (tonnes)	10,967	10,070	9,974	13,563	44,574	14,122	11,650	12,163	11,587	49,522
Mining										
Waste (000s tonnes)	13,203	14,042	14,310	14,263	55,818	12,906	13,545	13,945	14,876	55,272
Ore (000s tonnes)	3,413	3,185	3,671	2,526	12,795	7,443	6,374	4,674	3,383	21,874
Total (000s tonnes)	16,616	17,227	17,981	16,789	68,613	20,349	19,919	18,619	18,259	77,146
Strip Ratio (Waste:Ore)	3.87	4.41	3.90	5.65	4.36	1.73	2.13	2.98	4.40	2.53
Rehandled ore and stockpile (000s tonnes)	1,603	1,662	1,614	2,272	7,151	1,758	1,674	1,702	1,356	6,490
Total material moved (000s tonnes)	18,219	18,889	19,595	19,061	75,764	22,107	21,593	20,321	19,615	83,636
Mill operations										
Throughput (000s tonnes)	1,293	1,476	1,296	1,801	5,866	1,442	1,325	1,304	1,271	5,342
Tonnes per day	14,214	16,219	14,079	19,579	16,027	16,023	14,555	14,176	13,814	14,635
Grade (%)[3]	0.87	0.76	0.77	0.84	0.81	0.94	0.85	0.92	0.92	0.91
Recoveries (%)[3]	81.2	73.2	82.4	80.1	79.2	80.2	73.9	76.3	82.9	78.4
Dump operations										
Throughput (000s tonnes)	1,721	1,896	1,950	1,128	6,695	2,635	2,946	2,038	1,542	9,161
Grade (%)[3]	0.17	0.16	0.12	0.13	0.15	0.18	0.16	0.16	0.17	0.17
Silver										
Production contained (000s ounces)	201	189	189	251	830	365	245	245	251	1,106
Payable copper produced (tonnes)	10,655	9,791	9,694	13,150	43,290	13,753	11,365	11,852	11,258	48,228
Sulphides C1 cash cost[1] ($/pound payable copper produced)	2.98	3.43	3.40	2.30	2.95	2.46	3.18	2.85	2.58	2.74
Cathode C1 cash cost[1] ($/pound payable copper produced)	3.43	3.15	3.44	3.70	3.41	3.36	3.08	2.75	3.32	3.11
Combined C1 cash cost[1] ($/pound payable copper produced)	3.05	3.38	3.41	2.45	3.02	2.68	3.15	2.82	2.71	2.83
Adjusted EBITDA[1] ($ millions)	20.5	21.1	10.7	51.7	104.0	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

Q4 2024 production was 13.6 thousand tonnes, composed of 12.2 thousand tonnes from sulphide operations and 1.4 thousand tonnes of cathode from oxide operations, which was 17% higher than the 11.6 thousand tonnes produced in Q4 2023. Sulphide production increased in Q4 2024 driven by the successful ramp-up of the concentrator after the installation of new equipment in the tailings handling area during Q3 2024. Overall in Q4 2024, Mantos Blancos averaged sulphide plant throughput of approximately 19,579 tpd, including an average of 20,137 tpd through November and December (compared to 16,027 tpd overall in 2024 and 14,635 tpd in 2023).

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

Lower cathode production was impacted by lower planned dump throughput and grade in line with the 2024 mine plan.

2024 production of 44.6 thousand tonnes, composed of 37.7 thousand tonnes of copper in concentrate and 6.8 thousand tonnes of cathodes, was 10% lower than 2023, mainly explained by 43% lower cathode production due to lower dump throughput and grade 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 versus 0.91% in 2023).

Combined Q4 2024 C1 cash costs[1] of $2.45/lb ($2.30/lb sulphides and $3.70/lb cathodes) were 10% lower compared to combined C1 cash costs[1] of $2.71/lb in Q4 2023, mainly due to higher copper concentrate production (-$0.39/lb) and lower diesel prices (-$0.06/lb), partially offset by higher mine expense as a result of mine sequence ($0.18/lb).

Combined 2024 C1 cash costs[1] of $3.02/lb ($2.95/lb sulphides and $3.41/lb cathodes) were 7% higher compared to $2.83/lb in 2023 mainly due to lower production in line with plan ($0.32/lb) partially offset by lower acid and energy consumption (-$0.10/lb).

Capital Expenditures

Sustaining capital[1] in Q4 2024 of $30.7 million was spent primarily on mining and plant equipment component replacements, an environmental compliance program, and the new equipment in the tailings handling area including a surge tank and displacement pump required to achieve 20ktpd. Capitalized stripping in Q4 2024 was $19.6 million, lower than the same period last year due to mine sequence. Right-of-use-assets additions related to leases for new shovels and trucks to replace legacy contractor and rental fleets.

($ millions)	**Q4 2024**	**Q4 2023**	**2024**	**2023**
Capitalized stripping	**19.6**	23.4	**73.9**	77.7
Sustaining capital[1]	**30.7**	19.0	**71.5**	32.5
Brownfield exploration	**1.2**	—	**2.6**	—
Right-of-use assets (non-cash)	**—**	—	**67.3**	1.2
Mantos Blancos mine additions	**51.5**	42.4	**215.3**	111.4

[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	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Production (contained)[2, 3]										
Cu in Concentrate (tonnes)	—	58	8,139	13,580	21,777	—	—	—	—	—
Cathode (tonnes)	9,476	8,663	9,342	8,449	35,930	8,532	8,290	8,560	10,019	35,401
Total Copper (tonnes)	9,476	8,721	17,481	22,029	57,707	8,532	8,290	8,560	10,019	35,401
Gold (ounces)	—	—	3,842	5,395	9,237	—	—	—	—	—
Mining										
Waste (000s tonnes)	14,805	16,664	20,719	20,720	72,908	19,480	21,153	24,170	18,171	82,974
Ore (000s tonnes)	7,052	7,096	7,328	8,466	29,942	5,534	5,769	6,438	7,652	25,393
Total (000s tonnes)	21,857	23,760	28,047	29,186	102,850	25,014	26,922	30,608	25,823	108,367
Strip Ratio (W:O)	2.10	2.35	2.83	2.45	2.43	3.52	3.67	3.75	2.37	3.27
Rehandled Ore (000s tonnes)	3,529	2,923	4,697	5,337	16,486	4,926	5,604	4,386	3,073	17,989
Total material moved (000s tonnes)	25,386	26,683	32,744	34,523	119,336	29,940	32,526	34,994	28,896	126,356
Mill operations										
Throughput (000s tonnes)	—	—	1,689	2,286	3,975	—	—	—	—	—
Tonnes per day	—	—	18,359	24,848	21,603	—	—	—	—	—
Cu Grade (%)[3]	—	—	0.71	0.80	0.76	—	—	—	—	—
Cu Recoveries (%)[3]	—	—	68.20	74.4	71.1	—	—	—	—	—
Au Grade (g/t)[3]	—	—	0.12	0.10	0.11	—	—	—	—	—
Au Recoveries (%)[3]	—	—	59.70	71.9	66.3	—	—	—	—	—
Heap operations										
Throughput (000s tonnes)	2,785	2,326	2,586	2,512	10,209	2,754	2,657	2,684	2,831	10,926
Grade (%)	0.36	0.39	0.36	0.31	0.35	0.31	0.31	0.32	0.41	0.34
Recoveries (%)	74.9	71.7	76.1	79.7	75.6	69.0	73.4	66.5	64.6	68.0
Dump operations										
Throughput (000s tonnes)	3,828	3,772	3,831	2,775	14,206	3,895	3,707	2,756	4,277	14,635
Grade (%)	0.15	0.15	0.15	0.14	0.15	0.17	0.17	0.17	0.16	0.17
Recoveries (%)	32.6	39.8	37.9	57.8	40.9	39.9	37.4	59.4	37.7	42.4
Payable copper produced (tonnes)	9,476	8,663	17,260	21,567	56,966	8,532	8,290	8,560	10,019	35,401
Sulphides C1 cash cost[1] ($/pound payable copper produced)	—	—	2.52	1.83	2.09	—	—	—	—	—
Cathode C1 cash cost[1] ($/pound payable copper produced)	3.82	3.68	3.00	3.62	3.53	4.02	3.92	3.74	3.68	3.83
Combined C1 cash cost[1] ($/pound payable copper produced)	3.82	3.68	2.78	2.53	3.00	4.02	3.92	3.74	3.68	3.83
Adjusted EBITDA[1] ($ millions)	2.6	10.9	45.1	78.2	136.8	(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*

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

2024 versus 2023 Insights

Q4 2024 copper production of 22.0 thousand tonnes, composed of 13.6 thousand tonnes of copper from sulphide operations and 8.4 thousand tonnes of cathode, was 120% higher compared to 10.0 thousand tonnes in Q4 2023 driven by the ramp-up of MVDP. Heap production decreased in Q4 2024 driven by lower grades (0.31% in Q3 2024 versus 0.41% in Q4 2023) as expected by the mining sequence and lower throughput (2,512kt in Q4 2024 versus 2,831kt in Q4 2023), which was partially offset by higher recoveries (79.7% in Q4 2024 versus 64.6% in Q4 2023).

Mantoverde sulphides posted record quarterly copper production of 13,580 tonnes from the new sulphide concentrator in Q4 2024. During the quarter, plant throughput averaged 24,848 tpd, copper grades averaged 0.80%, and physical copper recoveries averaged 74.4%. Plant throughput was impacted by a combination of planned and unplanned downtime, with the planned downtime used to improve recoveries, and the unplanned downtime mostly driven by typical ramp-up issues. Plant availability and recoveries have steadily increased since first copper production in June, and in December, plant throughput averaged 27,105 tpd, copper grades averaged 0.73%, and physical copper recoveries averaged 84.8%.

2024 production of 57.7 thousand tonnes was 63% higher than 2023 mainly due to copper in concentrate production of 21.8 thousand tonnes and higher cathode production by 0.5 thousand tonnes mainly driven by higher heap recovery and grade as a result of mine sequence (0.35% in 2024 versus 0.34% in 2023).

Q4 2024 C1 cash costs[1] were $2.53/lb, 31% lower than $3.68/lb in Q4 2023 due to higher production of low-cost sulphides (-$1.19/lb), lower energy prices (-$0.16/lb) which averaged $0.09/kWh in Q4 2024 versus $0.17/kWh in Q4 2023, and lower acid consumption related to lower throughput (-$0.12/lb), partially offset by an increase in contracted services, spare parts and labour cost mainly driven by higher mine movement ($0.34/lb).

2024 C1 cash costs[1] were $3.00/lb, 22% lower than $3.83/lb in 2023, mainly related to higher production (-$0.91/lb), lower energy price due to contract conditions effective January 2024 (-$0.26/lb), lower acid prices and consumption related to lower throughput (-$0.14/lb), which was partially offset by an increase in contracted services, spare parts and labour cost mainly driven by higher mine movement ($0.49/lb).

Capital Expenditures

Sustaining capital[1] in Q4 2024 of $21.2 million was spent primarily in sulphide plant capital spares, works at the desalination plant, maintenance of oxide infrastructure, mining major components, tailings works and to enable a new leaching area (South Dump II). Capitalized stripping in Q4 2024 was $15.3 million, lower than the same period last year due to last year stripping in sulphide pushbacks.

The final MVDP project capital spent was $870 million compared to the initial Capstone Copper estimate of $825 million. The MVDP project capital was reclassified to available for use property, plant and equipment at September 30, 2024, upon achieving the commercial production criteria.

Capitalized exploration expenditures totaled $0.5 million for Q4 2024. This was primarily spent on infill drilling at Mantoverde pits.

($ millions)	Q4 2024	Q4 2023	2024	2023
Capitalized stripping	**15.3**	25.2	**76.5**	119.4
Sustaining capital[1]	**21.2**	6.0	**43.5**	32.2
Expansionary capital[1]	**0.3**	41.0	**67.2**	275.3
Capitalized interest and other on construction in progress	**—**	22.3	**72.2**	72.2
Brownfield exploration	**0.5**	—	**4.5**	—
Right-of-use assets (non-cash)	**—**	1.8	**72.0**	30.1
Mantoverde mine additions	**37.3**	96.3	**335.9**	529.2

3.4 Cozamin Mine – Zacatecas, Mexico

Operating Statistics

	2024					2023				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Production (contained)[2]										
Copper (tonnes)	6,006	6,152	6,025	6,724	24,907	5,239	6,622	5,915	6,564	24,340
Silver (000s ounces)	346	355	369	392	1,462	282	367	330	370	1,349
Mining										
Ore (000s tonnes)	306	325	337	335	1,303	306	347	347	338	1,338
Mill operations										
Milled (000s tonnes)	314	323	332	342	1,311	307	345	328	348	1,328
Tonnes per day	3,447	3,551	3,609	3,716	3,581	3,410	3,792	3,567	3,786	3,639
Copper										
Grade (%)[3]	1.98	1.97	1.88	2.03	1.96	1.77	1.98	1.86	1.95	1.89
Recoveries (%)	96.9	96.7	96.6	96.9	96.8	96.6	96.9	96.8	96.8	96.8
Silver										
Grade (g/t)[3]	40.6	40.6	42.9	43.3	41.9	35.1	40.1	37.7	39.9	38.3
Recoveries (%)	82.4	82.5	82.7	83.1	82.7	81.3	82.5	82.4	82.6	82.3
Payable copper produced (tonnes)	5,773	5,913	5,788	6,461	23,935	5,033	6,361	5,680	6,309	23,383
Copper C1 cash cost[1] ($/pound payable copper produced)	1.93	1.74	1.82	1.55	1.75	1.72	1.63	1.85	1.76	1.74
Adjusted EBITDA[1] ($ millions)	26.2	38.6	32.3	31.2	128.3	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

Q4 2024 copper production of 6.7 thousand tonnes was 2% higher than in the prior year, mainly on higher grades (2.03% in Q4 2024 versus 1.95% in Q4 2023) driven by mine sequence. Mill throughput and recoveries were consistent quarter over quarter.

2024 production was 2% higher than 2023 due to higher grades (1.96% in 2024 versus 1.89% in 2023), consistent with the mine plan, which was partially offset by slightly lower mill throughput (3,581 tpd in 2024 versus 3,639 tpd in 2023). Recoveries were consistent with the same period previous year.

Q4 2024 C1 cash costs[1] were $1.55/lb, 12% lower than in the same period previous year, mainly due to higher production, higher silver by-product volume and price (-$0.12/lb), as well as lower operating costs than the previous year (-$0.07/lb) impacted by a weakening of the Mexican peso relative to the US dollar.

2024 C1 cash costs[1] were consistent with the previous year: higher costs in manpower for hourly employees bonus profit sharing increase and the change in mining method which resulted in an increase in higher contractor utilization, which were offset by more pounds payable produced and higher by-product silver prices and volume.

Capital Expenditures

Sustaining capital[1] spending at Cozamin of $5.2 million for Q4 2024, mainly related to mine development and mine equipment.

Capitalized exploration expenditures totaled $1.2 million for Q4 2024. This was primarily spent on step-out and infill drilling at the Mala Noche Main Vein West Target, and step-out drilling down-dip of other historical Mala Noche Vein workings.

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

($ millions)	**Q4 2024**	**Q4 2023**	**2024**	**2023**
Sustaining capital[1]	**5.2**	6.5	**22.6**	27.6
Expansionary capital[1]	**—**	—	**—**	9.6
Brownfield exploration	**1.2**	1.1	**2.2**	2.4
Right-of-use assets (non-cash)	**—**	—	**0.1**	0.2
Cozamin mine additions	**6.4**	7.6	**24.9**	39.8

3.5 Santo Domingo Project – Chile (Copper and Iron)

Capital Expenditures

Expansionary capital[1] in Q4 2024 of $7 million was primarily spent on interim engineering, permits and communities commitments, labour and office costs.

($ millions)	Q4 2024	Q4 2023	2024	2023
Capitalized project costs	**7.0**	4.2	**16.6**	21.1

3.6 Exploration

($ millions)	Q4 2024	Q4 2023	2024	2023
Greenfield exploration (expensed to income statement)	**0.6**	0.3	**1.1**	5.0
Brownfield exploration (capitalized to mineral properties):				
Mantos Blancos	**1.2**	—	**2.6**	—
Mantoverde	**0.5**	—	**4.5**	—
Cozamin	**1.2**	1.1	**2.2**	2.4
Total exploration	**3.5**	1.4	**10.4**	7.4

Capstone Copper's exploration team is predominantly focused on organic growth opportunities to expand mineral resources and mineral reserves at all four mines and the Santo Domingo development project. Capstone Copper also has recently acquired Sierra Norte and maintains a portfolio of 100% owned claims acquired by staking in Sonora, Mexico and in Northern Chile.

At Mantoverde during Q4 2024, exploration activities focused on commencing the exploration drill program. The program considers a first phase of $10 million budget (~30,000 meters) to target the areas closer to MV Optimized pit focusing on improving copper grades and mineralization continuity within and nearby the pit boundaries and additionally to test selected areas north of the pit with the potential to increase the mineral resource. A 46 line-km Induced Polarization (IP) geophysical survey began in Q4 2024 with the focus to follow-up on previous results and to fully cover the northern extension (~10km long) of the projection of the prospective Atacama Fault System.

Infill and exploration drilling continued at Mantos Blancos during Q4 2024, focusing on phase 15 and phase 16 and in testing the Veronica oxide target and the potential mineralized extension in the Nora-Quinta. A high-resolution drone magnetic survey covering Mantos Blancos and their surrounding area was completed in Q4 2024.

At Sierra Norte, work began in Q4 2024, with the review and validation of the historical drilling database and the geological model of the deposit.

At Cozamin during Q4 2024, exploration drilling continued 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.

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

4.0 FINANCIAL REVIEW

4.1 Consolidated Results

Consolidated Net Income (Loss) Analysis

Net Income (Loss) for the Three Months Ended December 31, 2024 and 2023

The Company recorded net income of $47.2 million for the three months ended December 31, 2024, compared with a net loss of $19.5 million in Q4 2023. The major differences are outlined below:

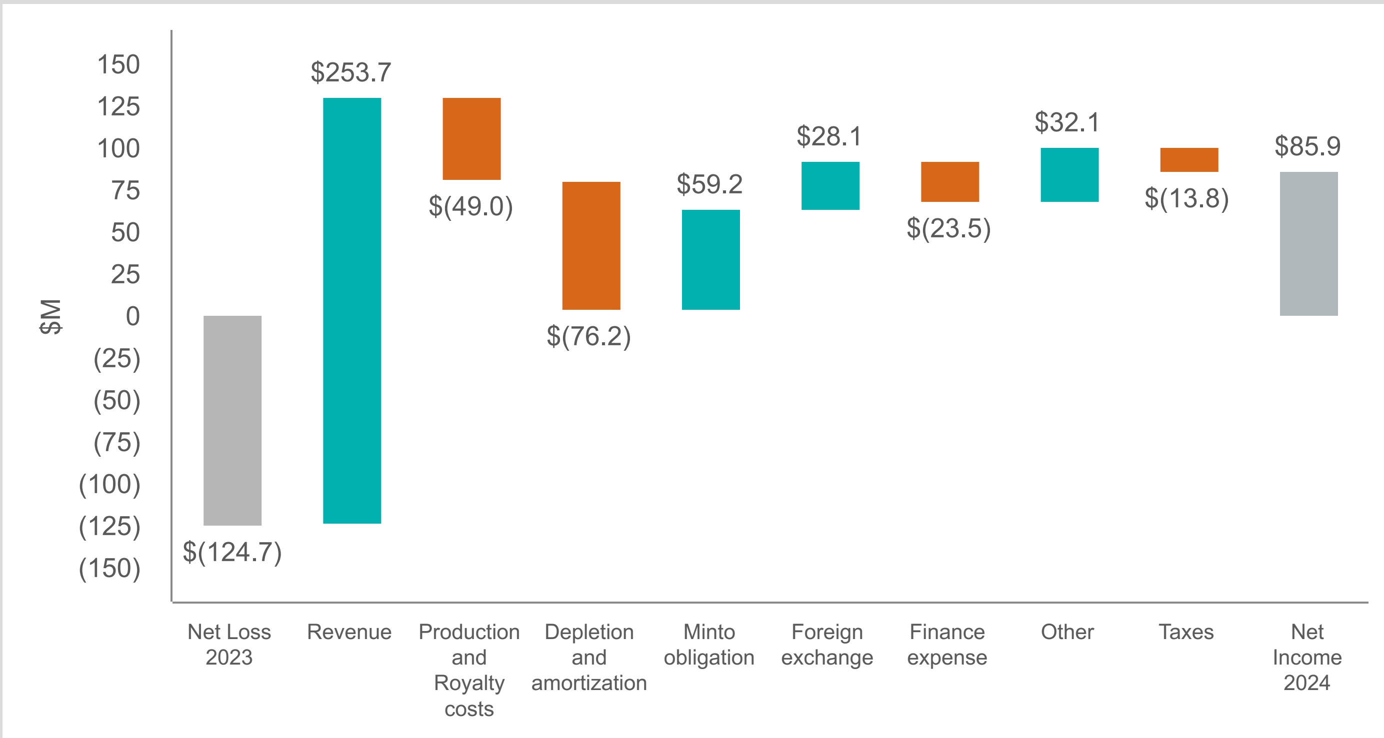
The difference quarter-over-quarter was driven by:

- Revenue: $93.2 million or 26% increase, driven by higher realized copper prices[1] (Q4 2024 - $4.04 per pound, Q4 2023 - $3.74 per pound) on higher copper volumes sold (Q4 2024 – 50.0 thousand tonnes, Q4 2023 – 43.3 thousand tonnes) primarily related to the ramp-up at MVDP.
- Production and Royalty costs: $30.2 million increase primarily driven by:
  - Mantoverde recorded $30.9 million higher production costs in Q4 2024, compared to Q4 2023 primarily due to the ramp-up of copper concentrates at MVDP resulting in higher copper volumes sold (Q4 2024 – 19.5 thousand tonnes, Q4 2023 – 9.3 thousand tonnes).
- Depletion and amortization: $27.5 million increase primarily related to higher volumes sold and the start of depletion and amortization at MVDP post commercial production (approximately $10 million).
- Derivatives: $15.7 million change due to a net gain on derivatives in Q4 2024 related to an unrealized gain on copper commodity contracts and a realized gain on interest rate swaps offset by an unrealized loss on foreign currency contracts compared to a net loss on derivatives in Q4 2023 primarily due to a net loss on interest rate swaps and copper commodity contracts.
- Foreign exchange: $29.0 million change primarily due to foreign exchange impacts from Mantos Blancos and Mantoverde as a result of a weaker Chilean peso in Q4 2024 compared to Q4 2023.
- Finance expense: $24.8 million increase primarily due to an increase in interest on debt which includes MVDP interest no longer capitalized as commercial production was achieved.
- Net other income: $18.2 million increase due to a net other income in Q4 2024 related to a $6.6 million gain from a change in estimate on the rehabilitation provision compared to a net other expense in Q4 2023.
- Income taxes: $6.9 million increase due to a net income during Q4 2024 compared to a net loss in Q4 2023.

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

Net Income (Loss) for the Years Ended December 31, 2024 and 2023

The Company recorded a net income of $85.9 million for the year ended December 31, 2024, compared with a net loss of $124.7 million in 2023. The major differences are outlined below:



The difference year-over-year was driven by:

- Revenue: $253.7 million or 19% increase, driven by higher realized copper prices[1] (2024 - $4.16 per pound, 2023 - $3.84 per pound) and higher copper volumes sold (2024 – 175.2 thousand tonnes, 2023 – 160.2 thousand tonnes) on higher production (2024 – 184.5 million tonnes, 2023 – 164.4 million tonnes) primarily related to the ramp-up at MVDP.
- Production and Royalty costs: $49.0 million increase primarily driven by:
  - Mantoverde recorded $53.8 million higher production costs in 2024 compared to 2023 primarily due to the ramp-up of copper concentrates at MVDP resulting in higher copper volumes sold (2024 - 53.1 thousand tonnes vs. 2023 - 35.2 thousand tonnes).
  - Cozamin recorded $11.1 million higher production costs in 2024 compared to 2023 as a result of higher copper volumes sold (2024 – 23.6 thousand tonnes, 2023 – 22.6 thousand tonnes), and the change in mining method.
  - Mantos Blancos recorded $24.0 million lower production costs in 2024 compared to 2023 as a result of lower copper volumes sold (2024 – 43.2 thousand tonnes, 2023 – 49.3 thousand tonnes) and lower key consumable prices.
- Depletion and amortization: $76.2 million increase primarily related to higher copper volumes sold and the start of depletion and amortization at MVDP post commercial production (approximately $10 million).
- Minto obligation: $59.2 million positive as a result of a recovery on the surety bond trust account of $7.3 million in Q4 2024 vs. prior period included the recognition of the Minto obligation expense of $51.9 million in Q4 2023.
- Foreign exchange: $28.1 million change primarily due to foreign exchange impacts from Mantos Blancos and Mantoverde as a result of a weaker Chilean Peso in 2024 compared to 2023.
- Finance expense: $23.5 million increase primarily due to increase in accretion and interest on leases, and interest on debt which includes MVDP interest no longer capitalized as commercial production was achieved.
- Net other income: $32.1 million increase 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, which were not present in 2024, as well as a $6.6 million gain from a change in estimate on the rehabilitation provision in 2024.

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

- Income taxes expense: $13.8 million increase due to a net income in 2024 compared to a net loss in 2023 in addition to Q3 2023.

4.2 Revenue Analysis

Revenue increased quarter-on-quarter ($446.9 million versus $353.7 million in Q4 2023) primarily due to a higher realized copper price[1] ($4.04 per pound versus $3.74 per pound in Q4 2023), and higher copper volumes sold (50.0 thousand tonnes versus 43.3 thousand tonnes in Q4 2023) primarily related to the ramp-up at MVDP.

YTD revenue increased year-on-year ($1,599.2 million versus $1,345.5 million in 2023) primarily due to a higher realized copper price[1] ($4.16 per pound versus $3.84 per pound in 2023), and higher copper volumes sold (175.2 thousand tonnes versus 160.2 thousand tonnes in 2023).

Revenue by Mine

($ millions)	Q4 2024[2]		Q4 2023[2]		2024[2]		2023[2]	
Pinto Valley	**80.7**	**18.1 %**	126.3	35.7 %	**483.2**	**30.2 %**	443.9	33.0 %
Mantos Blancos	**111.6**	**25.0 %**	98.9	28.0 %	**381.9**	**23.9 %**	407.2	30.3 %
Mantoverde	**175.1**	**39.2 %**	72.2	20.4 %	**490.9**	**30.7 %**	286.1	21.3 %
Cozamin	**56.4**	**12.6 %**	56.6	16.0 %	**233.7**	**14.6 %**	213.9	15.9 %
Corporate[3]	**23.1**	**5.1 %**	(0.3)	(0.1)%	**9.5**	**0.6 %**	(5.6)	(0.5)%
Total revenue	**446.9**	**100.0 %**	353.7	100.0 %	**1,599.2**	**100.0 %**	1,345.5	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 year ended December 31, 2024, includes 64.6 thousand tonnes of copper sold subject to final settlement. Of this, the prices for 41.4 thousand tonnes are final at a weighted average price of $4.09 per pound. The remaining 23.2 thousand tonnes are subject to price change upon final settlement at the end of the applicable quotational period, as follows:

Quotational Period	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total	($/pound) Provisional Price
Jan-2025	5.1	3.9	0.7	2.6	12.3	3.95
Feb-2025	—	0.9	—	—	0.9	3.96
Mar-2025	—	—	2.9	—	2.9	3.98
Not yet declared by customer	2.3	—	4.9	—	7.2	3.99
Total	7.4	4.8	8.5	2.6	23.3	3.98

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 23.2 thousand tonnes subject to price change upon final settlement, 9.0 thousand tonnes have been hedged as at December 31, 2024, and 8.2 thousand tonnes of December sales were hedged in January 2025. The remaining 6.0 thousand tonnes are not hedged as these volumes have a declared quotational period of January 2025, which the quotational period hedging program is designed to achieve average LME price of the month after month of shipment.

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

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 stream cash effects as well as treatment and refining charges. Management believes that measuring these prices enables investors to better understand performance based on the realized copper sales in the current and prior periods.

($ millions, except as noted)	Q4 2024	Q4 2023	2024	2023
Gross copper revenue				
Gross copper revenue on new shipments	**462.0**	356.0	**1,613.6**	1,350.2
Realized pricing and volume adjustments on copper revenue	**(6.3)**	(3.9)	**0.1**	(0.6)
Unrealized pricing and volume adjustments on copper revenue	**(9.8)**	4.6	**(6.0)**	6.5
Gross copper revenue including pricing and volume adjustments	**445.9**	356.7	**1,607.7**	1,356.1
Gross copper revenue on new shipments ($/pound)	**4.19**	3.73	**4.18**	3.82
Realized pricing and volume adjustments on copper revenue ($/pound)	**(0.06)**	(0.04)	**—**	—
Unrealized pricing and volume adjustments on copper revenue ($/pound)	**(0.09)**	0.05	**(0.02)**	0.02
Realized copper price[1] ($/pound)	**4.04**	3.74	**4.16**	3.84
LME average copper price ($)	**4.17**	3.70	**4.15**	3.85
LME close price ($)	**3.95**	3.84	**3.95**	3.84
Gross copper revenue - reconciliation to financials				
Gross copper revenue including pricing and volume adjustments	**445.9**	356.7	**1,607.7**	1,356.1
Revenue from other metals	**21.9**	17.9	**65.1**	58.8
Treatment and selling	**(20.9)**	(20.9)	**(73.6)**	(69.4)
Revenue per financials	**446.9**	353.7	**1,599.2**	1,345.5
Payable copper sold (tonnes)	**50,014**	43,283	**175,201**	160,194

[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)	Q4 2024	Q4 2023	2024	2023
Operating cash flow before changes in working capital	**132.8**	80.4	**414.8**	204.8
Changes in non-cash working capital	**48.6**	(50.5)	**(3.2)**	(90.6)
Other non-cash changes	**(15.1)**	30.5	**(12.9)**	2.6
Total cash flow from operating activities	**166.3**	60.4	**398.7**	116.8
Total cash flow used in investing activities	**(126.9)**	(146.0)	**(506.8)**	(673.3)
Total cash flow (used in) from financing activities	**(44.8)**	83.2	**115.9**	508.5
Effect of foreign exchange rates on cash and cash equivalents	**(0.9)**	0.4	**(2.2)**	3.7
Net change in cash and cash equivalents	**(6.3)**	(2.0)	**5.6**	(44.3)
Opening cash and cash equivalents	**137.8**	128.0	**126.0**	170.3
Closing cash and cash equivalents	**131.5**	126.0	**131.6**	126.0

	2024	**2023**
Total assets	**6,365.0**	5,873.9
Total non-current financial liabilities	**977.9**	1,205.3

Operating Activities

Cash flow generated from operating activities was $166.3 million during Q4 2024, an increase of $105.9 million compared to Q4 2023. Operating cash flow before changes in non-cash working capital was $132.8 million, reflecting an increase of $52.4 million compared to Q4 2023. The increase in operating cash flow before changes in working capital was primarily related to the result of higher copper sales revenue due to a higher sales volume from the start-up of concentrate sales from Mantoverde and a higher realized copper price.

Changes in non-cash working capital items results in source of cash of $48.6 million in Q4 2024 compared to a use of cash of $50.5 million in the same period last year, which mainly related to an increase in accounts payable.

2024 cash generated from operating activities was $398.7 million, an increase of $281.9 million compared to 2023. Operating cash flow before changes in non-cash working capital for the twelve months ended December 31, 2024, was $414.8 million, an increase of $210.0 million compared to 2023. The increase in operating cash flow before changes in working capital is mostly attributable to the same reasons as outlined in the quarterly variance.

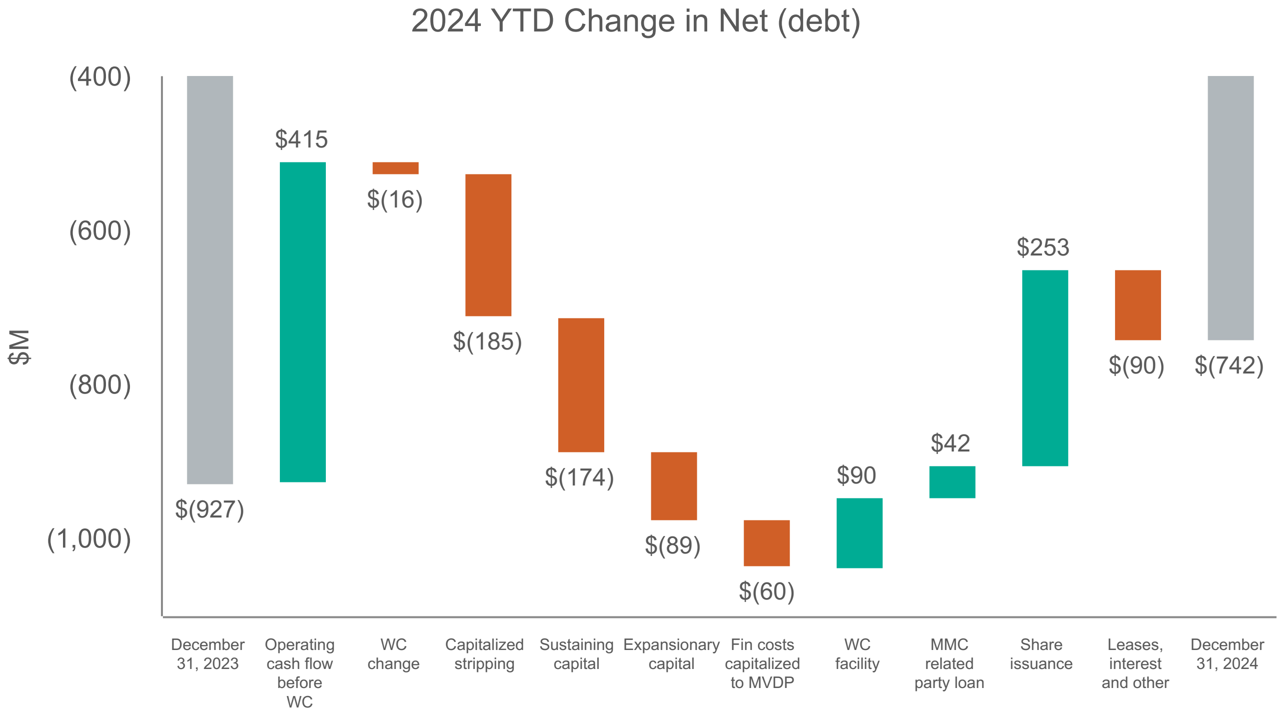
Investing Activities

2024 expenditures on property plant and equipment, including capitalized interest, was $508.3 million which included $149.4 million on MVDP and other expansionary projects, $185.2 million on capitalized stripping and $173.7 million on sustaining capital.

Financing Activities

2024 cash flow from financing activities was $115.9 million which included $252.9 million proceeds from share issuance and a net $38.8 million draw on shareholder loans, partially offset by net $86.4 million repayment of borrowings, $62.7 million lease payments and $31.0 million of interest payments long-term debt and surety bonds.

4.4 Liquidity and Financial Position



Capstone Copper's available liquidity[1] as at December 31, 2024, was $506.4 million, which included $132.4 million of cash and cash equivalents and short-term investments, and $374 million of undrawn amounts on the $700 million RCF.

The decrease in Net (debt)[1] as at December 31, 2024, compared to December 31, 2023, is primarily attributable to strong operating cash flow from a higher copper production and realized price, and the net proceeds from share issuance, 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 amortization period commenced on September 30, 2024, and continues until December 2030 for the Uncovered Facility and December 2032 for the Covered Facility and ECA Direct Facility. At December 31, 2024, $491.6 million was drawn on the MVDP 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 September 30, 2024. 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. At December 31, 2024, $56.8 million was drawn on the COF.

Revolving Credit Facility

On September 22, 2023, Capstone Copper amended its Revolving Credit Facility "RCF" to increase the aggregate commitments from $600 million to $700 million and extended the maturity from May 2026 to September 2027. At December 31, 2024, $326.0 million was drawn on the RCF.

Working Capital Facilities

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

During Q2 2023, two of the Company's Chilean subsidiaries entered into a series of working capital facilities with a weighted average interest rate of 6.53% for the purpose of working capital management. As at December 31, 2024, the aggregate balance of the facilities was $117.0 million, including accrued interest of $2.0 million. The working capital facilities are included in Other Liabilities on the consolidated statement of financial position.

As at December 31, 2024, Capstone Copper was in a net (debt)[1] position of $742.0 million with $817.6 million long-term debt drawn in total, and $56.8 million drawn on the COF with MMC, which is presented in Due to Related Party on the consolidated balance sheet. As at December 31, 2024, the $817.6 million of long-term debt consists of $491.6 million drawn on the MVDP facility and $326.0 million drawn on the RCF. The current portion of the MVDP facility is $85.7 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 December 31, 2024, the Company held no derivatives designated as hedged instruments under formal hedge accounting.

	December 31, 2024	December 31, 2023
Derivative financial assets:		
Foreign currency contracts	**$ —**	$ 2,139
Quotational pricing contracts	**5,993**	—
Copper commodity contracts	**10,545**	—
Interest rate swap contracts	**19,803**	33,410
Total derivative financial assets	**$ 36,341**	$ 35,549
Derivative financial liabilities:		
Foreign currency contracts	**3,709**	1,503
Copper commodity contracts	**—**	13,484
Quotational pricing contracts	**—**	1,801
Total derivative financial liabilities	**$ 3,709**	$ 16,788

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 the Company's operating performance, additional liquidity options are available such as debt and capital market access, the RCF of $700 million, $374 million of which is undrawn, and the hedging programs described above, which all provide protection and significant available liquidity.

On February 8, 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 Clearing House Electronic Subregister System ("CHESS") depository interests ("CDIs") of Capstone (or the equivalent of 62.4 million fully paid Common Shares of Capstone Copper) 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 Copper.

[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 February 19, 2025:

Issued and outstanding	761,902,255
Share options outstanding at a weighted average exercise price of $6.46	2,430,307
Treasury share units outstanding at a weighted average exercise price of $6.30	3,210,897
Fully diluted	767,543,459

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

The Company's capital consists of the items included in shareholders' equity, long-term debt net of cash and cash equivalents, short-term investments, and investments in marketable securities. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage its capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient committed loan facilities to meet its short-term business requirements, taking into account its anticipated operational cash flows and its cash and cash equivalents, short-term deposits and investments in marketable securities.

The RCF and MVDP debt facility contain various affirmative, financial and restrictive covenants, including: interest coverage ratios, leverage ratios, other financial ratios and obligations to maintain the security interests in favour of the lenders over substantially all of the respective project's property and shares, insurance coverage, maintenance of offtake agreements, compliance with environmental and social matters, restrictions on new financial indebtedness, distributions and dispositions, as well as effecting certain hedging strategies as detailed in the lending agreement. As at December 31, 2024, the Company was in compliance with the covenants and requirements of the RCF and MVDP debt facility.

4.5 Commitments

Royalty Agreements

Under the terms of the December 2003 option agreement with Grupo Minera Bacis S.A. de C.V. ("Bacis"), a subsidiary of the Company 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 6.4 million silver ounces since contract inception until December 31, 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 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.

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

As at December 31, 2024, construction in progress primarily relates to expansionary and sustaining capital at the Mantos Blancos and Pinto Valley mines. Capital expenditures committed as at December 31, 2024, but not yet incurred, is $37.1 million (December 31, 2023 - $32.9 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 for the purchase of 152,000 tonnes of acid in 2025, 160,000 tonnes in 2026, and 60,000 tonnes per year between 2027 and 2030. The Company has contractual arrangements at Mantoverde for the purchase of 498,000 tonnes of acid in 2025 and 38,000 tonnes in 2026.

Contractual Obligations and Commitments

The following table summarizes certain contractual obligations and commitments for the periods specified as at December 31, 2024:

	Total	2025	2026	2027	2028	After 2028
Accounts payable and accrued liabilities *	$ 330,183	$ 330,183	$ —	$ —	$ —	$ —
Long term debt *(ii)*	$ 643,909	125,127	120,207	56,686	98,876	243,013
Revolving credit facility *(iii)*	$ 385,764			385,764		
Due to related party	$ 73,795	10,110	9,677	9,244	8,818	35,946
Working capital facilities	$ 117,049	117,049	—	—	—	—
Derivative liabilities	$ 3,709	3,709				
Leases and other contracts	$ 298,315	64,734	57,805	49,805	43,684	82,287
Capital expenditures	$ 37,062	37,062				
Other operating contracts	$ 292,807	132,996	46,468	20,122	20,122	73,099
	$ 2,182,593	$ 820,970	$ 234,157	$ 521,621	$ 171,500	$ 434,345

** Amounts above do not include payments related to the Company's reclamation and closure cost obligations, other long-term provisions and other liabilities without contractual maturities.*

[2] *Excluding deferred financing costs and purchase price accounting fair value adjustments*

[3] *The interest on the corporate loan facility has been included in this table based on the current balance, however, the RCF can be drawn down further or repaid, which would impact the interest payments in the period above.*

Provisions

Provisions of $234.8 million at December 31, 2024, includes the following:

- $194.5 million for reclamation and closure cost obligations at Capstone Copper’s operating mines;
- $34.2 million related to other long-term closure obligations at the Cozamin and Chilean mines;
- $3.4 million for the long-term portion of the Minto obligation as Minto ceased operations during Q2 2023 (see below) $18.0 million is recorded in other liabilities; and
- $2.7 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 $7.7 million is recorded in other liabilities.

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 previous 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 Copper has recognized a provision related to the Company's obligations towards the issuer of the surety bond. During the three months and year ended December 31, 2024, the Company made payments of $6.3 million and $19.7 million, respectively, to the Yukon Government for reclamation work performed. As at December 31, 2024, the total remaining provision is $21.4 million, of which $18.0 million represents the current portion and is recorded in other current liabilities.

During Q2 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 Copper over the course of the next year. As at December 31, 2024, the remaining trust balance of C$3.7 million (US$ 2.6 million) remains in other receivables.

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 2.6 million silver ounces since contract inception until December 31, 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. During September 2024, the completion test requirements were successfully met.

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 December 31, 2024, the amount of the deferred revenue liability recognized as revenue, including the variable consideration adjustment was $11.9 million. As at December 31, 2024, the silver stream deferred revenue balance was $119.2 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 December 31, 2024, the value of the obligation is $9.9 million, and the Company has delivered 0.9 thousand 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 December 31, 2024, there was no amortization of the deferred revenue liability recognized as revenue. As at December 31, 2024, the gold stream deferred revenue balance was $38.2 million.

Purchase of Non-Controlling Interest from KORES

At December 31, 2024, a liability of $44.5 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 month and year ended December 31, 2024, $0.7 million and $2.2 million, respectively, of accretion was recorded in other non-cash interest expenses in the consolidated statements of income (loss).

Off-Balance Sheet Arrangements

As at December 31, 2024, the Company had the following off-balance-sheet arrangements:

- those disclosed under Note 24 "Commitments" in the consolidated financial statements for the year ended December 31, 2024;
- capital expenditure commitments totalling $37.1 million;
- seven surety bonds totalling $254.5 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 Accounting Standards, with its key management personnel.

Related party transactions and balances are disclosed in the consolidated financial statements for the ended December 31, 2024.

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 December 31, 2024 consolidated financial statements.

New IFRS Accounting Standards Pronouncements

New IFRS Accounting Standards Pronouncements are discussed in Note 4 "Adoption of New and Revised IFRS Accounting Standards and IFRS Accounting Standards Not Yet Effective" of the December 31, 2024 consolidated financial statements.

4.8 Subsequent Events

On January 31, 2025, the Company signed a 35-year agreement with Empresa Concesionaria de Servicios Sanitarios S.A. ("ECONSSA") to secure a long-term water supply by reusing treated wastewater from Antofagasta and increasing water recycling at the Mantos Blancos mine. The project involves a third-party constructing a wastewater treatment plant, expected to be operational in 2028. The agreement entails future capital commitments in 2028 and 2033 proportionate to the Company's share of treated waste water from the plant, potential cost savings from increased water reuse, and long-term supply security for the mine.

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 Accounting Standards 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 Accounting Standards.

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 December 31, 2024

	Q4 2024				
	Pinto Valley	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Total**
Payable copper produced (000s pounds)	**24,801**	**28,991**	**47,547**	**14,245**	**115,584**
($ millions)					
Production costs of metal produced (per financials)	**81.2**	**68.6**	**109.1**	**25.3**	**284.2**
Transportation cost to point of sale	**(6.1)**	**(1.9)**	**(2.9)**	**(1.6)**	**(12.5)**
Inventory reversal (write-down)	**0.1**	**(0.3)**	**(0.1)**	**—**	**(0.3)**
Inventory working capital adjustments	**0.7**	**(2.5)**	**9.2**	**(0.2)**	**7.2**
Cash production costs of metal produced	**75.9**	**63.9**	**115.3**	**23.5**	**278.6**
($/pound)					
Production costs					
Mining	**0.81**	**0.63**	**0.87**	**1.03**	**0.82**
Milling/Processing	**1.83**	**1.39**	**1.43**	**0.37**	**1.37**
G&A	**0.42**	**0.18**	**0.13**	**0.26**	**0.22**
C1P sub-total	**3.06**	**2.20**	**2.43**	**1.66**	**2.41**
By-product credits	**(0.10)**	**(0.02)**	**(0.11)**	**(0.43)**	**(0.12)**
Treatment and selling costs	**0.34**	**0.27**	**0.21**	**0.32**	**0.27**
C1 cash cost ($/pound produced)	**3.30**	**2.45**	**2.53**	**1.55**	**2.56**
($/pound)					
Royalties	**0.05**	**0.06**	**—**	**0.07**	**0.03**
Production-phase capitalized stripping / Mineralized drift	**—**	**0.68**	**0.32**	**0.01**	**0.30**
Sustaining capital	**1.56**	**1.10**	**0.47**	**0.36**	**0.84**
Sustaining leases	**0.14**	**0.18**	**0.10**	**—**	**0.12**
Accretion of reclamation obligation	**0.02**	**0.02**	**0.01**	**0.03**	**0.02**
Amortization of reclamation asset	**—**	**0.01**	**—**	**0.04**	**0.01**
Corporate G&A, excluding depreciation					**0.09**
All-in sustaining cost adjustments	**1.77**	**2.05**	**0.90**	**0.51**	**1.41**
All-in sustaining cost ($/pound produced)	**5.07**	**4.50**	**3.43**	**2.06**	**3.97**

Three Months Ended December 31, 2023

		Q4 2023				
		Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total
Payable copper produced	(000s pounds)	33,945	24,821	22,088	13,910	94,764
($ millions)						
Production costs of metal produced (per financials)		82.1	69.6	78.2	24.6	254.5
Transportation cost to point of sale		(6.9)	(3.4)	(0.3)	(1.3)	(11.9)
Inventory reversal (write-down)		0.4	—	0.6	—	1.0
Inventory working capital adjustments		(4.7)	(4.9)	1.9	0.7	(7.0)
Cash production costs of metal produced[2]		70.9	61.3	80.4	24.0	236.6
($/pound)						
Production costs						
Mining		0.57	0.58	1.01	1.06	0.75
Milling/Processing		1.27	1.65	2.35	0.39	1.49
G&A		0.25	0.24	0.27	0.27	0.25
C1P sub-total		2.09	2.47	3.63	1.72	2.49
By-product credits		(0.22)	(0.01)	—	(0.31)	(0.13)
Treatment and selling costs		0.49	0.25	0.05	0.35	0.31
C1 cash cost ($/pound produced)		2.36	2.71	3.68	1.76	2.67
($/pound)						
Royalties		0.01	0.06	—	0.07	0.03
Production-phase capitalized stripping / Mineralized drift		—	0.94	0.28	0.03	0.32
Sustaining capital		0.48	0.61	0.17	0.44	0.43
Sustaining leases		0.05	0.10	0.06	—	0.06
Accretion of reclamation obligation		0.01	0.03	0.03	0.03	0.02
Amortization of reclamation asset		—	0.01	0.01	0.03	0.01
Corporate G&A, excluding depreciation						0.09
All-in sustaining cost adjustments		0.55	1.75	0.55	0.60	0.96
All-in sustaining cost ($/pound produced)		2.91	4.46	4.23	2.36	3.63

Twelve Months Ended December 31, 2024

	2024				
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total
Payable copper produced (000s pounds)	**122,084**	**95,439**	**125,589**	**52,767**	**395,879**
($ millions)					
Production costs of metal produced (per financials)	**319.5**	**277.1**	**357.9**	**101.8**	**1,056.3**
Transportation cost to point of sale	**(29.0)**	**(9.0)**	**(5.1)**	**(6.0)**	**(49.1)**
Inventory (write-down) reversal	**(0.1)**	**(0.2)**	**1.2**	**—**	**0.9**
Inventory working capital adjustments	**1.1**	**(3.0)**	**11.6**	**(0.4)**	**9.3**
Cash production costs of metal produced	**291.5**	**264.9**	**365.6**	**95.4**	**1,017.4**
($/pound)					
Production costs					
Mining	**0.63**	**0.85**	**1.01**	**1.13**	**0.87**
Milling/Processing	**1.45**	**1.70**	**1.69**	**0.41**	**1.46**
G&A	**0.31**	**0.23**	**0.21**	**0.27**	**0.25**
C1P sub-total	**2.39**	**2.78**	**2.91**	**1.81**	**2.58**
By-product credits	**(0.10)**	**(0.02)**	**(0.06)**	**(0.39)**	**(0.11)**
Treatment and selling costs	**0.48**	**0.26**	**0.15**	**0.33**	**0.30**
C1 cash cost ($/pound produced)	**2.77**	**3.02**	**3.00**	**1.75**	**2.77**
($/pound)					
Royalties	**0.02**	**0.06**	**—**	**0.08**	**0.03**
Production-phase capitalized stripping / Mineralized drift	**—**	**0.77**	**0.27**	**0.02**	**0.27**
Sustaining capital	**0.62**	**0.76**	**0.34**	**0.42**	**0.55**
Sustaining leases	**0.09**	**0.14**	**0.13**	**—**	**0.10**
Accretion of reclamation obligation	**0.01**	**0.03**	**0.02**	**0.05**	**0.02**
Amortization of reclamation asset	**—**	**0.01**	**—**	**0.04**	**0.01**
Corporate G&A, excluding depreciation					**0.09**
All-in sustaining cost adjustments	**0.74**	**1.77**	**0.76**	**0.61**	**1.07**
All-in sustaining cost ($/pound produced)	**3.51**	**4.79**	**3.76**	**2.36**	**3.84**

Twelve Months Ended December 31, 2023

	2023				
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total
Payable copper produced (000s pounds)	117,410	106,327	78,044	51,553	353,334
($ millions)					
Production costs of metal produced (per financials)	318.1	301.1	304.1	90.7	1,014.0
Transportation cost to point of sale	(24.3)	(11.8)	(1.5)	(5.1)	(42.7)
Inventory (write-down) reversal	—	—	(0.4)	—	(0.4)
Inventory working capital adjustments	0.4	(11.6)	(6.9)	1.6	(16.5)
Cash production costs of metal produced[2]	294.2	277.7	295.3	87.2	954.4
($/pound)					
Production costs					
Mining	0.82	0.77	0.82	1.05	0.84
Milling/Processing	1.39	1.62	2.66	0.37	1.59
G&A	0.30	0.22	0.30	0.27	0.27
C1P sub-total	2.51	2.61	3.78	1.69	2.70
By-product credits	(0.20)	(0.01)	—	(0.31)	(0.12)
Treatment and selling costs	0.48	0.23	0.05	0.36	0.30
C1 cash cost ($/pound produced)	2.79	2.83	3.83	1.74	2.88
($/pound)					
Royalties	0.01	0.06	—	0.07	0.03
Production-phase capitalized stripping / Mineralized drift	—	0.73	0.35	0.03	0.30
Sustaining capital	0.57	0.27	0.39	0.49	0.43
Sustaining leases	0.05	0.11	0.08	0.01	0.07
Accretion of reclamation obligation	0.01	0.03	0.03	0.03	0.03
Amortization of reclamation asset	—	0.01	0.01	0.03	0.01
Corporate G&A, excluding depreciation					0.07
All-in sustaining cost adjustments	0.64	1.21	0.86	0.66	0.94
All-in sustaining cost ($/pound produced)	3.43	4.04	4.69	2.40	3.82

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)	December 31, 2024	December 31, 2023
Long-term debt (per financials), excluding deferred financing costs of 1.5 and 1.9 and PPA fair value adjustments of 5.7 and 6.6	**(817.6)**	(994.0)
COF	**(56.8)**	(60.0)
Add:		
Cash and cash equivalents (per financials)	**131.6**	126.0
Short-term investments (per financials)	**0.8**	0.8
Net (debt)/cash	**(742.0)**	(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)	December 31, 2024	December 31, 2023
Attributable Long-term debt, excluding deferred financing costs of 1.5 and 1.9 and PPA fair value adjustments of 5.7 and 6.6	**(670.1)**	(838.0)
Attributable COF	**(39.8)**	(42.0)
Add:		
Attributable Cash and cash equivalents	**108.5**	102.6
Attributable Short-term investments	**0.8**	0.8
Attributable Net (debt)/cash	**(600.6)**	(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)	December 31, 2024	December 31, 2023
Revolving credit facility capacity	**700.0**	700.0
MVDP debt facility	**491.6**	520.0
Long-term debt (per financials), excluding deferred financing costs of 1.5 and 1.9 and PPA fair value adjustments of 5.7 and 6.6	**(817.6)**	(994.0)
	374.0	226.0
Cash and cash equivalents (per financials)	**131.6**	126.0
Short-term investments (per financials)	**0.8**	0.8
Available liquidity	**506.4**	352.8

Reconciliation of Adjusted Net Income Attributable To Shareholders

Adjusted net income 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 the Company's judgment are not indicative of normal operating activities or do not necessarily occur on a regular basis.

($ millions, except share and per share amounts)	Q4 2024	Q4 2023	2024	2023
Net income (loss) attributable to shareholders	**45.9**	(12.3)	**82.9**	(101.7)
Inventory write-down	**2.5**	0.9	**0.1**	1.9
Unrealized (gain) loss on derivative contracts	**(4.7)**	9.0	**(5.9)**	(17.1)
Share-based compensation expense	**0.2**	3.3	**16.0**	19.0
Unrealized foreign exchange (gain) loss	**(11.3)**	12.1	**(9.9)**	4.9
Mexican and Chilean tax reform	**2.5**	—	**2.5**	24.3
Change in estimate on rehabilitation provision	**(6.6)**	—	**(6.6)**	14.6
Gold stream obligation	**3.3**	7.1	**4.6**	7.1
Minto obligation expense (recovery)	**—**	(2.0)	**(7.3)**	51.9
Loss (gain) on disposal of assets	**1.1**	0.1	**(0.2)**	—
Loss on extinguishment of debt	**—**	—	**—**	2.7
Other income - non-recurring	**(8.2)**	—	**(8.2)**	—
G&A - care and maintenance	**0.1**	0.1	**0.4**	0.4
Insurance proceeds received	**—**	1.0	**—**	1.0
Tax effect on the above adjustments	**4.8**	(8.5)	**3.1**	(8.7)
Adjusted net income attributable to shareholders	**29.6**	10.8	**71.5**	0.3
Weighted average common shares - basic (per financials)	**761,878,360**	694,363,075	**750,633,211**	693,520,515
Adjusted net income attributable to shareholders of Capstone Copper Corp. per common share - basic ($)	**0.04**	0.02	**0.10**	—
Weighted average common shares - diluted (per financials)	**763,723,070**	694,363,075	**752,248,608**	693,520,515
Adjusted net income attributable to shareholders of Capstone Copper Corp. per common share - diluted ($)	**0.04**	0.02	**0.10**	—

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 the Company's results more clearly and understand the cash-generating potential of the Company.

	Three months ended December 31, 2024					
($ millions)	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	$ 14.9	$ 2.0	$ 13.0	$ 8.2	$ 9.1	$ 47.2
Net finance costs	1.1	4.2	20.3	2.0	8.1	35.7
Taxes	(5.3)	(5.5)	3.7	10.8	0.3	4.0
Depletion and amortization	7.6	47.5	39.3	8.6	0.1	103.1
EBITDA	18.3	48.2	76.3	29.6	17.6	190.0
Share-based compensation expense	—	—	—	—	0.2	0.2
Total inventory (reversal) write-down	(0.1)	(0.1)	3.6	0.1	—	3.5
Realized (gain) loss on MVDP derivative contracts	—	—	(4.2)	—	—	(4.2)
Unrealized (gain) loss on derivatives	—	—	(0.7)	—	(4.2)	(4.9)
(Gain) loss on disposal of assets	—	—	—	1.1	—	1.1
Unrealized foreign exchange (gain) loss	(0.3)	(3.8)	(6.5)	(0.4)	(2.2)	(13.2)
Other income - non-recurring	(13.3)	3.9	1.7	—	—	(7.7)
Gold stream obligation	—	—	—	—	3.3	3.3
Unrealized provisional pricing and volume adjustments on revenue	7.9	3.5	8.0	0.8	(9.8)	10.4
Change in estimates of reclamation	(6.6)	—	—	—	—	(6.6)
Adjusted EBITDA	5.9	51.7	78.2	31.2	4.9	171.9

($ millions)	Three months ended December 31, 2023 Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	$ 17.2	$ 1.8	$ (24.2)	$ 3.9	$ (18.2)	$ (19.5)
Net finance costs	1.0	1.7	0.8	2.3	4.5	10.3
Taxes	4.5	3.9	(16.2)	9.1	(4.1)	(2.8)
Depletion and amortization	21.9	20.2	22.8	10.4	—	75.3
EBITDA	44.6	27.6	(16.8)	25.7	(17.8)	63.3
Share-based compensation expense	—	—	—	—	3.3	3.3
Total inventory (reversal) write-down	(0.4)	1.0	0.4	(0.1)	—	0.9
Realized (gain) loss on MVDP derivative contracts	—	—	(2.6)	—	—	(2.6)
Unrealized (gain) loss on derivatives	—	—	11.4	—	(2.4)	9.0
(Gain) loss on disposal of assets	—	—	(0.2)	0.3	—	0.1
Unrealized foreign exchange loss	0.1	2.0	3.8	4.8	1.4	12.1
Gold stream obligation	—	—	—	—	7.1	7.1
Minto obligation	—	—	—	—	(2.0)	(2.0)
Unrealized provisional pricing and volume adjustments on revenue	(3.5)	(3.7)	(0.1)	(0.4)	3.8	(3.9)
Insurance proceeds received	1.0	—	—	—	—	1.0
Adjusted EBITDA	41.8	26.9	(4.1)	30.3	(6.6)	88.3

($ millions)	Year ended December 31, 2024 Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	**$ 95.4**	**$ (19.2)**	**$ 19.1**	**$ 43.1**	**$ (52.5)**	**$ 85.9**
Net finance costs	**4.6**	**10.6**	**25.4**	**8.8**	**11.4**	**60.8**
Taxes	**11.9**	**(15.6)**	**8.6**	**35.7**	**6.9**	**47.5**
Depletion and amortization	**66.8**	**123.1**	**86.3**	**39.4**	**0.6**	**316.2**
EBITDA	**178.7**	**98.9**	**139.4**	**127.0**	**(33.6)**	**510.4**
Share-based compensation expense	**—**	**—**	**—**	**—**	**16.0**	**16.0**
Total inventory write-down (reversal)	**0.1**	**0.1**	**0.9**	**0.1**	**—**	**1.2**
Realized (gain) loss on MVDP derivative contracts	**—**	**—**	**(2.0)**	**—**	**—**	**(2.0)**
Unrealized (gain) loss on derivatives	**—**	**—**	**0.4**	**—**	**(6.5)**	**(6.1)**
(Gain) loss on disposal of assets	**—**	**—**	**(1.3)**	**1.2**	**(0.1)**	**(0.2)**
Unrealized foreign exchange gain	**(0.3)**	**(3.3)**	**(4.5)**	**(0.8)**	**(2.9)**	**(11.8)**
Other income - non-recurring	**(13.3)**	**3.9**	**1.7**	**—**	**—**	**(7.7)**
Gold stream obligation	**—**	**—**	**—**	**—**	**4.6**	**4.6**
Minto obligation expense (recovery)	**—**	**—**	**—**	**—**	**(7.3)**	**(7.3)**
Unrealized provisional pricing and volume adjustments on revenue	**6.0**	**4.4**	**2.2**	**0.8**	**(7.8)**	**5.6**
Change in estimates of reclamation provisions	**(6.6)**	**—**	**—**	**—**	**—**	**(6.6)**
Adjusted EBITDA	**164.6**	**104.0**	**136.8**	**128.3**	**(37.6)**	**496.1**

($ millions)	Year ended December 31, 2023 Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	$ 38.2	$ (9.2)	$ (76.8)	$ 53.2	$ (130.1)	$ (124.7)
Net finance costs	3.6	6.8	0.8	9.0	15.9	36.1
Taxes	3.3	23.2	(5.1)	24.9	(12.6)	33.7
Depletion and amortization	78.9	69.2	59.5	30.3	0.3	238.2
EBITDA	124.0	90.0	(21.6)	117.4	(126.5)	183.3
Share-based compensation expense	—	—	—	—	19.0	19.0
Total inventory write-down (reversal)	0.3	—	1.7	(0.1)	—	1.9
Realized (gain) loss on MVDP derivative contracts	—	—	(3.2)	—	—	(3.2)
Unrealized (gain) loss on derivatives	—	—	0.5	—	(17.6)	(17.1)
Gain on disposal of assets	—	—	(0.3)	0.3	—	—
(Gain) loss on extinguishment of debt	—	—	—	—	2.7	2.7
Unrealized foreign exchange loss (gain)	0.1	(0.4)	3.2	2.0	—	4.9
Other expense - non-recurring	—	8.9	—	—	5.7	14.6
Gold stream obligation	—	—	—	—	7.1	7.1
Minto obligation	—	—	—	—	51.9	51.9
Unrealized provisional pricing and volume adjustments on revenue	0.2	0.1	1.0	0.6	(7.7)	(5.8)
Insurance proceeds received	1.0	—	—	—	—	1.0
Adjusted EBITDA	125.6	98.6	(18.7)	120.2	(65.4)	260.3

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	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Copper (tonnes)										
Concentrate										
Pinto Valley	13,818	15,198	12,750	10,404	52,170	12,196	11,385	11,736	15,013	50,330
Mantos Blancos	8,981	7,620	8,254	11,444	36,299	9,497	8,380	8,870	10,453	37,200
Mantoverde	—	—	6,088	11,499	17,587	—	—	—	—	—
Cozamin	5,709	5,718	5,837	6,357	23,621	4,823	6,452	5,309	6,065	22,649
Total Concentrate	28,508	28,536	32,929	39,704	129,677	26,516	26,217	25,915	31,531	110,179
Cathode										
Pinto Valley	663	823	723	824	3,033	603	683	824	643	2,753
Mantos Blancos	1,806	1,926	1,688	1,519	6,939	3,474	3,570	3,248	1,796	12,088
Mantoverde	9,778	8,463	9,344	7,967	35,552	6,863	10,285	8,713	9,313	35,174
Total Cathode	12,247	11,212	11,755	10,310	45,524	10,940	14,538	12,785	11,752	50,015
Total Copper	40,755	39,748	44,684	50,014	175,201	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	1	7	51	55	17	20	28	120
Silver (000s ounces)										
Cozamin	410	462	472	527	1,871	349	502	400	448	1,699
Mantos Blancos	215	188	198	243	844	330	248	235	269	1,082
Pinto Valley	60	75	69	58	262	58	49	65	87	259
Total	685	725	739	828	2,977	737	799	700	804	3,040
Gold (ounces)										
Pinto Valley	(462)	209	975	132	854	389	537	3,099	2,581	6,606
Mantoverde	—	—	2,905	5,177	8,082	—	—	—	—	—
Total	(462)	209	3,880	5,309	8,936	389	537	3,099	2,581	6,606

6.0 SELECTED QUARTERLY FINANCIAL INFORMATION

($ millions, except per share data)[2]	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023[(i)]	Q2 2023[(ii)]	Q1 2023[(iii)]
Revenue	**446.9**	419.4	393.1	339.9	353.7	322.2	333.9	335.6
Earnings from mining operations	**57.0**	63.9	72.5	18.1	21.6	12.0	5.0	44.4
Net income (loss) attributable to shareholders	**45.9**	12.5	29.3	(4.8)	(12.3)	(32.9)	(36.5)	(20.0)
Net earnings (loss) per share attributable to shareholders - basic and diluted	**0.06**	0.02	0.04	(0.01)	(0.02)	(0.05)	(0.05)	(0.03)
Operating cash flow before changes in non-cash working capital	**132.8**	116.9	102.9	62.1	80.4	59.2	22.0	41.7
Capital expenditures (including capitalized stripping)	**145.3**	219.9	194.6	170.0	182.1	228.3	201.3	209.4

[(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.*
[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 December 31, 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 Accounting Standards.
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 December 31, 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 technical reports titled "Mantoverde Mine, NI 43-101 Technical Report and Feasibility Study, Atacama Region, Chile" effective July 1, 2024, "Santo Domingo Project, NI 43-101 Technical Report and Feasibility Study Update, Atacama Region, Chile" effective July 31, 2024, "NI 43-101 Technical Report on the Cozamin Mine, Zacatecas, Mexico" effective January 1, 2023, "Mantos Blancos Mine NI 43-101 Technical Report Antofagasta / Región de Antofagasta, Chile" effective November 29, 2021, and "NI 43-101 Technical Report on the Pinto Valley Mine, Arizona, USA" effective March 31, 2021.

The disclosure of Scientific and Technical Information in this MD&A was reviewed and approved by Peter Amelunxen, P.Eng., Senior Vice President, Technical Services (technical information related to project updates at Santo Domingo and Mineral Resources and Mineral Reserves at Mantoverde), 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 Mineral Reserves and Resources at Mantos Blancos) 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 the Company's 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 Copper's arrangements with non-controlling shareholders and associates may not be successful.

In the course of Capstone Copper's business, it may control additional subsidiaries where there is a non-controlling interest or have significant influence over associates or enter into further joint ventures in the future. For example, as part of the financing of the MVDP, Mitsubishi Materials acquired a 30.0% interest in Mantoverde for $275 million, subject to an additional contingent payment of $20 million from Mitsubishi Materials to Mantoverde in the event Mantoverde receives approval to increase its tailings storage capacity by an additional 500,000 tonnes. In addition, Mitsubishi Materials agreed to provide a $60 million cost overrun facility in exchange for additional offtake of copper concentrate and a subsidiary of Capstone Copper entered into the MV Shareholders Agreement (as defined below) with Mitsubishi Materials and Mantoverde S.A. dated February 8, 2021, relating to the ongoing management of Mantoverde. As such, Capstone Copper is subject to risks associated with its non-controlling shareholders or any future joint venture partners, including but not limited to (i) economic or business interests or goals that are inconsistent with or opposed to the Company's, (ii) exercise veto rights so as to block actions Capstone Copper believes to be in its or its subsidiaries; or joint ventures' best interests, (iii) take action contrary to the Company's policies or objectives with respect to its investments, for instance by veto of proposals in respect of a subsidiary or joint venture or failure to fund proposals, expansions or optimization projects or (iv) as a result of financial or other difficulties, be unable or unwilling to fulfill their obligations under the joint venture or other agreements. Any of the foregoing may adversely affect Capstone Copper's business, results of operations or financial condition through the disruption of mining operations or the delay or non-completion of the relevant development projects. In addition, the exit of these non-controlling shareholders or the termination of these joint ventures, if not replaced on similar terms, could adversely affect Capstone 's business, results of operations or financial condition.

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 11.88% of the outstanding Common Shares and Hadrian Capital Partners Inc. owns approximately 13.22% 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 Copper, they will have the ability to exercise influence with respect to the affairs of Capstone Copper and significantly affect the outcome of matters upon which shareholders are entitled to vote. Furthermore, there is a risk that the Company'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 Copper. Moreover, there is a risk that their significant interests in Capstone Copper discourages transactions involving a change of control of Capstone Copper, including transactions in which an investor, as a holder of Capstone Copper's securities, would otherwise receive a premium for its Capstone Copper'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.

CAPSTONE COPPER

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023

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

Management's Report

The accompanying consolidated financial statements of Capstone Copper Corp. (the "Company" or "Capstone Copper") and other information contained in the management's discussion and analysis are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and include some amounts that are based on management's estimates and judgment.

The Board of Directors carries out its responsibility for the consolidated financial statements principally through its Audit Committee, which is composed solely of independent directors. The Audit Committee reviews the Company's annual consolidated financial statements and recommends its approval to the Board of Directors. The Company's auditors have full access to the Audit Committee, with and without management being present. These consolidated financial statements have been audited by Deloitte LLP.

(Signed) John MacKenzie
Chief Executive Officer & Director

(Signed) Raman Randhawa
Senior Vice President & Chief Financial Officer

Vancouver, British Columbia, Canada
February 19, 2025

Independent Auditor's Report

To the Shareholders and the Board of Directors of Capstone Copper Corp.

Opinion

We have audited the consolidated financial statements of Capstone Copper Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Achievement of commercial production for Mantoverde Development Project - Refer to Note 9 to the financial statements

Key Audit Matter Description

The Company determined that the Mantoverde Development Project ("MVDP") achieved commercial production on September 30, 2024. Upon achieving commercial production, substantially all of Construction-in-Progress was reclassified to Mineral Properties, Plant & Equipment and Right of use assets, as applicable. The determination of whether MVDP has entered commercial production required significant management judgment that is dependent on consideration of various relevant criteria, including the asset commissioning and whether the assets are capable of operating near design capacity ("relevant criteria").

Performing audit procedures to evaluate the reasonableness of management's judgments relating to the determination of whether MVDP achieved commercial production required a high degree of auditor judgment and an increased extent of audit effort.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures relating to the determination of whether MVDP had reached the commercial production stage, included the following, among others:

- Evaluated the appropriateness of management's assessment by analyzing relevant accounting standards, including various aspects of IFRS Accounting Standards and guidance, and consideration of common industry practice;

- Evaluated the reasonableness of the information used in assessing the relevant criteria by
    - Testing the accuracy and completeness of production data relating to mill throughput by testing a sample of production reports and reconciling production during this period to total production;
    - Evaluating whether the information is consistent with evidence obtained in other areas of the audit, external market and industry data, where applicable.

Other Information
Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is David Macdonald.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
February 19, 2025

Capstone Copper Corp.
Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
expressed in thousands of US dollars

ASSETS		2024		2023
Current				
Cash and cash equivalents	**$**	**131,593**	$	126,016
Short-term investments		**753**		804
Receivables *(Note 7)*		**147,765**		147,318
Inventories *(Note 8)*		**209,448**		149,613
Derivative assets *(Note 6)*		**24,618**		18,984
Other assets *(Note 10)*		**32,070**		44,122
		546,247		486,857
Mineral properties, plant and equipment *(Note 9)*		**5,718,249**		5,286,257
Derivative assets *(Note 6)*		**11,723**		16,565
Deferred income tax assets		**50,475**		53,401
Other assets *(Note 10)*		**38,338**		30,835
Total assets	**$**	**6,365,032**	$	5,873,915
LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**330,183**	$	272,277
Current portion of long-term debt *(Note 14)*		**85,748**		28,398
Current portion of due to related party *(Note 12)*		**6,486**		3,243
Lease liabilities *(Note 13)*		**46,646**		33,516
Derivative liabilities *(Note 6)*		**2,369**		16,788
Income taxes payable		**16,345**		6,186
Other liabilities *(Note 11)*		**206,287**		71,412
		694,064		431,820
Long-term debt *(Note 14)*		**736,008**		970,258
Due to related party *(Note 12)*		**240,589**		192,628
Deferred revenue *(Note 15)*		**146,017**		147,619
Lease liabilities *(Note 13)*		**200,323**		102,983
Derivative liabilities *(Note 6)*		**1,340**		—
Provisions *(Note 17)*		**234,761**		268,132
Deferred income tax liabilities *(Note 16)*		**636,783**		630,225
Other liabilities *(Note 11)*		**12,339**		64,128
Total liabilities	**$**	**2,902,224**	$	2,807,793
EQUITY				
Share capital	**$**	**2,753,196**	$	2,451,572
Other reserves		**47,355**		40,129
Retained earnings		**254,054**		168,886
Total equity attributable to equity holders of the Company		**3,054,605**		2,660,587
Non-controlling interest *(Note 12)*		**408,203**		405,535
Total equity		**3,462,808**		3,066,122
Total liabilities and equity	**$**	**6,365,032**	$	5,873,915

See accompanying notes to these consolidated financial statements.

Capstone Copper Corp.
Consolidated Statements of Income (Loss)
Years Ended December 31, 2024 and 2023
expressed in thousands of US dollars, except share and per share amounts

	2024	2023
Revenue *(Note 19)*	**$ 1,599,222**	$ 1,345,511
Operating costs		
Production costs	**(1,056,316)**	(1,014,002)
Royalties	**(17,929)**	(11,225)
Depletion and amortization	**(313,424)**	(237,269)
Earnings from mining operations	**211,553**	83,015
General and administrative expenses	**(31,533)**	(26,119)
Exploration expenses *(Note 9)*	**(1,133)**	(4,961)
Share-based compensation expense *(Note 18)*	**(16,013)**	(19,005)
Income from operations	**162,874**	32,930
Other income (expense)		
Foreign exchange gain (loss)	**23,003**	(5,066)
Realized and unrealized (losses) gains on derivative instruments *(Note 6)*	**(350)**	3,075
Gain (loss) on extinguishment of debt *(Note 14)*	**—**	(2,721)
Minto obligation recovery (expense) *(Note 17)*	**7,261**	(51,923)
Other income (expense) *(Note 25)*	**1,426**	(31,202)
Finance income *(Note 26)*	**5,206**	6,422
Finance expense *(Note 26)*	**(66,006)**	(42,518)
Income (loss) before income taxes	**133,414**	(91,003)
Income tax expense *(Note 16)*	**(47,540)**	(33,723)
Net income (loss)	**$ 85,874**	$ (124,726)
Net income (loss) attributable to:		
Shareholders of Capstone Copper Corp.	**$ 82,906**	$ (101,672)
Non-controlling interest *(Note 12)*	**2,968**	(23,054)
	$ 85,874	$ (124,726)
Net earnings (loss) per share attributable to shareholders of Capstone Copper Corp.		
Earnings (loss) per share - basic *(Note 20)*	**$ 0.11**	$ (0.15)
Weighted average number of shares - basic *(Note 20)*	**750,633,211**	693,520,515
Earnings (loss) per share - diluted *(Note 20)*	**$ 0.11**	$ (0.15)
Weighted average number of shares - diluted *(Note 20)*	**752,248,608**	693,520,515

See accompanying notes to these consolidated financial statements.

Capstone Copper Corp.
Consolidated Statements of Comprehensive Income (Loss)
Years Ended December 31, 2024 and 2023
expressed in thousands of US dollars

	2024	2023
Net income (loss)	**$ 85,874**	$ (124,726)
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 (2023 - $nil)	**(104)**	(844)
Remeasurement for retirement benefit plans, net of tax of $3,270 (2023 - $(1,307))	**4,883**	(4,690)
	4,779	(5,534)
Total other comprehensive income (loss) for the year	**4,779**	(5,534)
Total comprehensive income (loss)	**$ 90,653**	$ (130,260)
Total comprehensive income (loss) attributable to:		
Shareholders of Capstone Copper Corp.	**$ 87,985**	$ (107,156)
Non-controlling interest *(Note 12)*	**2,668**	(23,104)
	$ 90,653	$ (130,260)

See accompanying notes to these consolidated financial statements.

Capstone Copper Corp.
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023
expressed in thousands of US dollars

	2024	2023
Cash provided by (used in):		
Operating activities		
Net income (loss)	$ **85,874**	$ (124,726)
Adjustments for:		
Depletion and amortization *(Note 22)*	**316,154**	236,884
Income tax expense *(Note 16)*	**47,540**	33,723
Inventory write-down *(Note 8)*	**1,172**	1,863
Share-based compensation expense *(Note 18)*	**16,013**	19,005
Net finance costs *(Note 26)*	**60,800**	36,096
Unrealized (gain) loss on foreign exchange and other	**(36,002)**	4,937
Unrealized (gain) on derivatives *(Note 6)*	**(6,080)**	(17,110)
Gold stream obligation *(Note 25)*	**4,588**	7,100
Loss (gain) on extinguishment of debt *(Note 14)*	**—**	2,721
Remeasurement of decommissioning and restoration provision	**(6,553)**	—
Amortization of deferred revenue and variable consideration adjustments *(Note 15)*	**(11,904)**	(19,033)
Minto obligation (recovery) expense	**(7,261)**	56,923
Income taxes paid	**(30,557)**	(26,233)
Income taxes received	**5,687**	4,529
Payments on Minto obligation *(Note 17)*	**(19,730)**	(10,407)
Other payments	**(4,946)**	(1,468)
Operating cash flow before working capital and other non-cash changes	**414,795**	204,804
Changes in non-cash working capital *(Note 22)*	**(3,201)**	(90,635)
Other non-cash changes *(Note 22)*	**(12,951)**	2,648
Operating cash flow	**398,643**	116,817
Investing activities		
Mineral properties, plant and equipment additions	**(448,032)**	(616,729)
Finance costs capitalized on construction in progress	**(60,258)**	(61,540)
Cash acquired from the acquisition of Sierra Norte *(Note 5)*	**70**	—
Proceeds on disposal of assets and other	**1,395**	2,165
Proceeds from short-term investments	**52**	2,825
Investing cash flow	**(506,773)**	(673,279)
Financing activities		
Proceeds from borrowings *(Note 14)*	**289,500**	544,375
Repayment of borrowings *(Note 14)*	**(375,898)**	(120,375)
Proceeds from related party *(Note 12)*	**42,000**	129,900
Repayment of borrowings from related party *(Note 12)*	**(3,243)**	—
Repayment of lease obligations *(Note 13)*	**(62,689)**	(42,716)
Proceeds from the exercise of options	**3,770**	2,722
Net proceeds from issuance of shares *(Note 18)*	**252,949**	
Net proceeds (payments) for settlement of derivatives	**537**	3,216
Interest paid on long-term debt and surety bonds	**(30,986)**	(6,591)
Other	**—**	(2,061)
Financing cash flow	**115,940**	508,470
Effect of exchange rate changes on cash and cash equivalents	**(2,233)**	3,701
Increase in (decrease in) cash and cash equivalents	**5,577**	(44,291)
Cash and cash equivalents - beginning of year	**126,016**	170,307
Cash and cash equivalents - end of year	$ **131,593**	$ 126,016
Supplemental cash flow information *(Note 22)*		

See accompanying notes to these consolidated financial statements.

Capstone Copper Corp.
Consolidated Statements of Changes in Equity
Years Ended December 31, 2024 and 2023
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 18)***	**1,944,593**	**5,473**	**(1,703)**	**—**	**—**	**—**	**—**	**3,770**	**—**	**3,770**
Shares issued under TSUP ***(Note 18)***	**1,189,071**	**3,204**	**(3,204)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Share-based compensation ***(Note 18)***	**—**	**—**	**6,351**	**—**	**—**	**—**	**—**	**6,351**	**—**	**6,351**
Settlement of share units	**—**	**—**	**—**	**—**	**—**	**709**	**2,262**	**2,971**	**—**	**2,971**
Shares issued under the Offering ***(Note 18)***	**56,548,000**	**252,947**	**—**	**—**	**—**	**—**	**—**	**252,947**	**—**	**252,947**
Change in fair value of marketable securities	**—**	**—**	**—**	**(104)**	**—**	**—**	**—**	**(104)**	**—**	**(104)**
Remeasurements for retirement benefit plans	**—**	**—**	**—**	**5,177**	**—**	**—**	**—**	**5,177**	**(300)**	**4,877**
Acquisition of Compania Minera Sierra Norte S.A ***(Note 5)***	**6,139,358**	**40,000**	**—**	**—**	**—**	**—**	**—**	**40,000**	**—**	**40,000**
Net income	**—**	**—**	**—**	**—**	**—**	**—**	**82,906**	**82,906**	**2,968**	**85,874**
December 31, 2024	**761,894,175**	**$ 2,753,196**	**$ 60,685**	**$ 3,767**	**$ (17,101)**	**$ 4**	**$ 254,054**	**$ 3,054,605**	**$ 408,203**	**$ 3,462,808**

	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
Balance - January 1, 2023	691,639,972	2,447,377	56,751	4,178	(17,101)	(2,500)	262,512	2,751,217	428,639	3,179,856
Shares issued on exercise of options	4,371,345	3,991	(1,267)	—	—	—	—	2,724	—	2,724
Share-based compensation	—	—	3,961	—	—	—	—	3,961	—	3,961
Shares issued under TSUP (Note 18)	61,836	204	(204)	—	—	—	—	—	—	—
Settlement of share units	—	—	—	—	—	1,795	8,046	9,841	—	9,841
Change in fair value of marketable securities	—	—	—	(844)	—	—	—	(844)	—	(844)
Remeasurements for retirement benefit plans	—	—	—	(4,640)	—	—	—	(4,640)	(50)	(4,690)
Net loss	—	—	—	—	—	—	(101,672)	(101,672)	(23,054)	(124,726)
December 31, 2023	696,073,153	$ 2,451,572	$ 59,241	$ (1,306)	$ (17,101)	$ (705)	$ 168,886	$ 2,660,587	$ 405,535	$ 3,066,122

See accompanying notes to these consolidated financial statements.

1. Nature of Operations

The accompanying consolidated financial statements for Capstone Copper Corp. (the "Company" or "Capstone Copper") have been prepared as at December 31, 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 the Company, holds the fully permitted Santo Domingo copper-iron-gold-cobalt development project in the Atacama region of Chile, 35km northeast of Mantoverde. Capstone Copper Corp., owns 100% of the shares in Compania Minera Sierra Norte S.A ("Sierra Norte"). The Sierra Norte land package covers over 7,000 hectares in Region III, Chile and is located approximately twenty kilometers northwest of the Santo Domingo project. Capstone Mining Chile SpA, a wholly owned Chilean subsidiary, performs early stage 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 consolidated financial statements were approved by the Board of Directors and authorized for issuance on February 19, 2025.

2. Basis of preparation and consolidation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards® as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

These consolidated financial statements have been prepared in connection with the accounting policies presented below and are based on IFRS and IFRS Interpretations Committee ("IFRIC") interpretations issues and effective as of December 31, 2024. The policies set out below were consistently applied to all of the periods presented.

Group Companies

The immediate parent and ultimate controlling party of the group is Capstone Copper Corp. (incorporated in British Columbia, Canada).

The details of the Company's material entities, ownership interests, and functional currency are as follows:

Name	Location	Ownership	Status	Functional Currency
Pinto Valley Mining Corp.	US	100.0%	Consolidated	US dollar
Mantos Copper S.A.	Chile	100.0%	Consolidated	US dollar
Mantoverde S.A.	Chile	70.0%	Consolidated	US dollar
Capstone Gold, S.A. de C.V.	Mexico	100.0%	Consolidated	US dollar
Minera Santo Domingo SCM	Chile	100.0%	Consolidated	US dollar

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Any transactions with other related parties in the normal course of operations are measured at the fair value amount of consideration established and agreed to by the related parties. Any amounts due to/receivable from related parties are unsecured, non-interest bearing and have no specific repayment terms.

3 Material Accounting Policy Information, Estimates and Judgments

a. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements. Estimates are continuously evaluated, and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Critical judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i. Economic recoverability and probability of future economic benefits of mineral exploration, evaluation and development costs

The Company has determined that exploratory drilling, evaluation, development, and related costs incurred, which were capitalized, have future economic benefits and are economically recoverable. In making this judgment, the Company has assessed various sources of information including, but not limited to, the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, proximity to existing ore bodies, existing permits, and life of mine plans.

ii. Assessment of impairment and impairment reversal indicators

Management applies significant judgment in assessing whether indicators of impairment or impairment reversal exist for a cash generating unit ("CGU") which would necessitate impairment testing. Internal and external factors such as significant changes in the use of the asset, commodity prices, foreign exchange rates, capital and production forecasts, mineral reserves and resource estimates and discount rates are used by management in determining whether there are any indicators of impairment or impairment reversal.

iii. Functional currency

The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment. The US dollar is Capstone Copper's functional currency.

iv. Financial instruments
Financial assets and liabilities are designated upon inception to various classifications. The designation determines the method by which the financial instruments are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. The designation may require the Company to make certain judgments, taking into account management's intention of the use of the financial instruments.

v. Property, plant and equipment - Determination of available for use date
Judgment is required in determining the date that property, plant and equipment is available for use. As asset is considered available for use when it is in the location and condition necessary to operate in the manner intended by management.

The Mantoverde Development Project ("MVDP") consists of property plant and equipment that became available for use at different dates. When assessing when these assets are available for use, management considered several factors, the most significant of which are the asset commissioning and whether the assets are capable of operating near design capacity to ensure a reliable and consistent throughput rate to produce the expected quantity of outputs. The majority of the assets related to MVDP became available for use at the end of September 2024.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

i. Estimated reclamation and closure costs
The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, movements in foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of related mining properties.

ii. Share-based compensation
The Company uses the fair value method of accounting for all share-based payments. The fair value method of accounting includes the use of the Black-Scholes Option Pricing Model. Option pricing models require the input of subjective assumptions including the volatility, expected life, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate, the Company's earnings, and equity reserves. The portion of share-based compensation recorded is based on the vesting schedule of the options and units.

The Performance Share Units ("PSUs") and Treasury Performance Share Units ("TPSUs") include the use of a performance factor that 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, which can affect the fair value estimate.

iii. Income taxes
Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets. The tax rates expected to be in effect when temporary differences reverse are 21% for US, 27% for Canada, 30% for Mexico and 27% for Chile. The Company is subject to certain mining royalties which are referenced in Note 16. The Chilean Mining Royalty has progressive tax rates ranging from 8% to 26% based on the adjusted mining operating income ("RIOMA") and the rate on mining royalties in Mexico is 8.5%. Changes in economic conditions, metal prices, applicable tax laws and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

iv. *Mineral reserve and resource estimates*
Mineral reserves and mineral resources referenced in these financial statements are determined in accordance with National Instrument 43-101, “Standards of Disclosure for Mineral Projects”, issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company’s control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management’s assumptions in estimating mineral reserves and mineral resources, including economic assumptions such as metal prices, and the market conditions could have a material effect in the future on the Company’s financial position and results of operation.

v. *Depletion rates*
The carrying amounts of the Company’s producing mining properties are depleted based on recoverable tonnes contained in permitted proven and probable mineral reserves and a portion of mineral resources. The Company includes a portion of permitted mineral resources where it is considered highly probable that those resources will be economically extracted over the life of mine. Changes to estimates of recoverable tonnes of permitted reserves and resources and depletable costs including changes resulting from revisions to the Company’s mine plans and changes in metal price forecasts can result in a change to future depletion rates.

vi. *Amortization rate for property, plant and equipment and depletion rates for mining interests*
Depletion and amortization expenses are allocated based on estimated asset lives. Should the asset life, depletion rates, or amortization rates differ from the initial estimate, an adjustment would be made in the consolidated statement of income (loss) on a prospective basis.

vii. *Impairment of mineral properties, plant and equipment*
Management considers both external and internal sources of information in assessing whether there are any indications that the Company’s mineral properties, plant and equipment are impaired and whether previously recorded impairments should be reversed. External sources of information management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its mineral properties, plant and equipment. Internal sources of information that management considers include the manner in which mineral properties, plant and equipment are being used or are expected to be used and indications of economic performance of the assets. Management concluded that there were no indicators of impairment or reversals of impairments previously recorded, for the years ended December 31, 2024 and 2023.

In determining the recoverable amounts of the Company’s mineral properties, plant and equipment, management makes estimates of the future operating results and discounted net cash flows expected to be derived from the Company’s mining properties, costs to sell the mining properties and the appropriate discount rate. Changes in metal price forecasts, estimated future costs of production, estimated future non-expansionary capital expenditures, fair value due to strategic processes, the amount of recoverable mineral reserves, mineral resources, and exploration potential, and/or changes in current economics, regulatory or legal requirements and comparable market transactions can result in a write-down or a reversal of a previous write-down of the carrying amounts of the Company’s mineral properties, plant and equipment. Management concluded that there were no indicators of impairment, or reversal of impairments previously recorded, for the years ended December 31, 2024 and 2023, respectively.

viii. Deferred stripping costs

In determining whether stripping costs incurred during the production phase of a mining property relate to mineral reserves that will be mined in a future period and therefore should be capitalized, the Company makes estimates of the proportion of stripping activity which relates to extracting ore in the current period versus the proportion which relates to obtaining access to ore reserves which will be mined in the future. The Company includes a portion of permitted mineral resources where it is considered highly probable that those resources will be economically extracted over the life of mine.

ix. Inventory valuation

Consumable parts and supplies, ore stockpiles and concentrates, are valued at the lower of cost and net realizable value. Estimates in the carrying values of inventories arise due to the nature of the valuation of ore stockpiles and concentrates based on an appropriate allocation of direct mining costs, direct labour and material costs, mine site overhead, and depletion and amortization.

Long-term inventory consists of ore stockpiles that are not expected to be processed within one year. The Company carries its long-term inventory at the lower of cost and net realizable value. If the carrying value exceeds the net realizable amount, a write-down is required. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

x. Valuation of financial instruments, including estimates used in provisional pricing calculations

Financial instrument estimates are based on either unadjusted quoted prices in active markets or direct or indirect observable inputs. Provisional pricing calculations are determined based on the change in the value of forward commodity prices of metals. To account for the change in metal prices from the total contract value to the 90% of the provisional value amount that has been received, estimates of the value of concentrates are used to determine the provisionally priced concentrate receivables at each period.

xi. Accounting for acquisitions

Determining the fair value of assets acquired and liabilities assumed and resulting goodwill, if any, requires that management make certain judgments and estimate taking into account information available at the time of acquisition about future events, including, but not restricted to, future metal prices, estimates of mineral reserves and resources acquired, expected future production costs and capital expenditures based on the life of mine plans, long-term foreign exchange rates, discount rates, and in-situ multiples to determine non-depletable mineral property. Changes to the provisional values of assets acquired and liabilities assumed, deferred income taxes and resulting goodwill, if any, are retrospectively adjusted when the final measurements are determined if related to conditions existing at the date of acquisition (within one year of acquisition).

b. Material accounting policy information of the Company is as follows:

i. Translation of foreign currencies

The functional currency and presentation currency of the Company is the US dollar. The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The functional currencies of the Company’s material subsidiaries are listed in Note 2.

Transactions denominated in foreign currencies (currencies other than the functional currency of an entity) are translated at the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at reporting date exchange rates and any gain or loss on translation is recorded in the consolidated statement of income (loss) as a foreign exchange gain (loss).

On translation of entities with functional currencies other than the US dollar, consolidated statement of income (loss) items are translated at average rates of exchange where this is a reasonable approximation of the exchange rate at the dates of the transactions. Consolidated statement of financial position items are translated at closing exchange rates as at the reporting date. Exchange differences on the translation of the foreign currency entities at closing rates, together with differences between consolidated statement of income (loss) translated at average and closing rates, are recorded in the foreign currency translation reserve in equity.

ii. *Cash, and cash equivalents*
Cash and cash equivalents is comprised of cash on hand, demand deposits and short-term investments with a maturity less than 90 days on acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

iii. *Inventories*
Inventories for consumable parts and supplies, ore stockpiles and concentrates, are valued at the lower of cost and net realizable value. Costs allocated to consumable parts and supplies are based on average costs and include all costs of purchase, conversion and other costs in bringing these inventories to their existing location and condition. Costs allocated to ore stockpiles and concentrates are based on average costs, which include an appropriate share of direct mining costs, direct labour and material costs, mine site overhead, depletion and amortization. If carrying value exceeds net realizable amount, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

iv. *Investments*
Investments in shares of companies over which the Company exercises neither control, joint control nor significant influence are designated as fair value through OCI and recorded at fair value. Fair values are determined by reference to quoted market prices at the reporting date. Unrealized gains and losses on investments in marketable securities are recognized in the revaluation reserve. When investments in marketable securities are sold, derecognized, or determined to be impaired, the cumulative fair value adjustments remain within equity.

v. *Mineral properties, plant and equipment*
Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing historical characteristic of many properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

vi. *Producing mineral properties*
Producing mineral properties are recorded at cost less accumulated depletion and impairment charges. The costs associated with producing mineral properties include acquired interests in production stage properties representing the fair value at the time they were acquired. Producing mineral properties also include additional capitalized costs after initial acquisition. Upon sale or abandonment of producing mineral properties, the carrying value is derecognized and any gains or losses thereon are included in the consolidated statement of income (loss).

Non-depletable mineral interests are recorded at their fair value on acquisition date, either as part of a business combination or as an individual asset purchase. The value of such assets is primarily driven by the nature and amount of mineralized material believed to be contained in such properties.

Commercial production is deemed to have commenced when management determines that the operational commissioning of major mine and plant components is complete, operating results are being achieved consistently for a period of time and that there are indicators that these operating results will continue.

At the date commercial production is reached, the Company ceases capitalization of borrowing costs and commences amortization of the associated assets the month after the criteria are met.

vii. *Deferred stripping*

Stripping costs during the production phase are accounted for as variable production costs and included in the costs of inventory produced during the period that the stripping costs are incurred. However, stripping costs are capitalized and recorded on the consolidated statement of financial position as a component of mineral properties, plant and equipment when the stripping activity provides access to sources of mineral reserves that will be produced in future periods that would not have otherwise been accessible in the absence of this activity. The capitalized deferred stripping assets are amortized on a units of production basis over the mineral reserves and a portion of mineral resources that directly benefited from the stripping activity as those mineral reserves and resources are actually mined.

viii. *Mineral exploration and development properties*

The carrying amount of mineral exploration and development properties comprise costs that are directly attributable to:

- researching and analyzing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

The costs associated with mineral exploration and development properties include acquired interests in development and exploration stage properties representing the fair value at the time they were acquired. Mineral exploration and development properties related to greenfield properties, which are prospective in nature and not yet supported by an internal economic assessment, are expensed in the consolidated statement of income (loss), except for acquisition costs and mining interest rights. Exploration and development expenses related to brownfield mineral properties are capitalized provided that one of the following conditions is met:

- Such costs are expected to be recouped in full through successful development and exploitation of the area of interest or alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves, however active and significant operations in relation to the area are continuing, or planned for the future.

The carrying values of capitalized amounts of mineral exploration and development properties are reviewed when there are indicators of impairment at each reporting date. In the case of undeveloped projects, there may be only inferred mineral resources to allow management to form a basis for the impairment review. The review is based on the Company's intentions for development of such a project. If a project does not prove viable, all unrecoverable costs associated with the project are charged to the consolidated statement of income (loss) at the time the determination is made. Once management has determined that the development potential of the property is economically viable and the necessary permits are in place for its development, the costs of the exploration asset are reclassified to producing mineral properties.

ix. *Plant and equipment*

Plant and equipment are recorded at cost less accumulated amortization and impairment losses and includes amounts representing the fair value of plant and equipment at the time they were acquired. Plant and equipment includes in its purchase price, any costs directly attributable to bringing plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with dismantling and removing the asset. Upon sale or abandonment of any plant and/or equipment, the cost and related accumulated amortization and impairment losses, are written off and any gains or losses thereon are included in the consolidated statement of income (loss).

x. *Construction in progress*
Mineral property development and plant and equipment construction commences when approved by management and/or the Board and the Company has obtained all regulatory permissions to proceed. Development and construction expenditures are capitalized and classified as construction in progress. Once completed, the costs associated with all applicable assets related to the development and construction are reclassified to the appropriate category within mineral properties or plant and equipment.

xi. *Depletion and amortization of mineral properties, plant and equipment*
The carrying amounts of mineral properties, plant and equipment are depleted or amortized to their estimated residual value over the estimated economic life of the specific assets to which they relate, using the depletion or amortization methods and rates as indicated below. Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of the remaining amortization rate. Amortization commences on the date the asset is available for its use as intended by management.

Depletion and amortization is computed using the following rates:

Item	Methods	Rates
Producing mineral properties	Units of production	Proven and probable mineral reserves and a portion of mineral resources considered highly probable to be economically extracted
Deferred stripping costs	Units of production	Proven and probable mineral reserves and a portion of mineral resources accessible due to stripping activity which are considered highly probable to be economically extracted
Right-of-use assets	Straight line	Tenure of lease
Plant & equipment	Straight line, units of production	4 – 10 years, Proven and probable mineral reserves and a portion of mineral resources considered highly probable to be economically extracted

xii. *Borrowing costs*
Interest and other financing costs directly related to the acquisition, development and construction, and production of qualifying assets are capitalized as construction in progress or in mineral properties until they are complete and available for use, at which time they are transferred to the appropriate category within mineral properties, plant and equipment. Borrowing costs incurred after the asset has been placed into service as well as all other borrowing costs are charged to the consolidated statement of income when incurred.

xiii. *Impairment of long-lived assets*
At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there are any indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the CGU to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset or CGU's value in use. In assessing recoverable amount, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable mineral reserves and mineral resources, estimated future commodity prices and the expected future operating, capital and reclamation costs. The projected cash flows are affected by changes in assumptions about metal selling prices, future capital expenditures, production cost estimates, discount rates, and exchange rates. The discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. Determining the discount rate includes appropriate adjustments for the risk profile of the country in which the individual asset or CGU operates.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and an impairment loss is recognized in the consolidated statement of income (loss). Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. Where an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortization or depletion) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized in the consolidated statement of income (loss).

xiv. Income taxes

Current tax
Current tax for each taxable entity in the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date, and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred tax
Deferred tax is accounted for using the liability method, providing for the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax losses and unused tax credits can be utilized, and except where the deferred income tax asset related to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilized. To the extent that an asset not previously recognized fulfils the criteria for recognition, a deferred income tax asset is recorded.

Deferred tax is measured on an undiscounted basis using the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Current and deferred taxes relating to items recognized directly in equity are recognized in equity and not in the consolidated statement of income (loss).

Mining taxes and royalties are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is calculated by reference to revenue derived (net of any allowable deductions) after adjustment for items comprising temporary differences.

xv. *Taxes receivable*

Taxes receivable are composed of income and mining taxes in Mexico, US and Chile and recoverable value added taxes in Canada, Mexico, US and Chile.

xvi. *Embedded derivatives*

Derivatives may be embedded in financial liabilities or other non-financial contracts (the "host instrument"). Embedded derivatives are treated as separate derivatives when their economic characteristics and risks are not clearly and closely related to those of the host instrument, the terms of the embedded derivative are the same as those of a stand-alone derivative, and the combined contract is designated as held for trading or at fair value, as appropriate. These embedded derivatives are measured at fair value with subsequent changes recognized in gains or losses on derivative instruments in the consolidated statement of income (loss).

xvii. *Derivatives*

Derivatives are initially recognized at fair value when the Company becomes a party to the derivative contract and are subsequently re-measured to fair value at the end of each reporting period. The resulting gain or loss is recognized in the consolidated statement of income immediately unless the derivative is designated and effective as a hedging instrument. Derivatives with positive fair value are recognized as assets; derivatives with negative fair value are recognized as liabilities.

Derivative contracts that are entered to economically hedge a risk exposure but are not designated as a hedging instrument for hedge accounting purposes, and are physically settled are initially and subsequently measured at fair value. Subsequent movements in fair value are recognized in the same line item in the consolidated income statement as the item the contract is economically hedging.

xviii. *Financial instruments*

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) FVTPL. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Accounts receivable are measured at amortized cost with subsequent impairments recognized in the consolidated statement of income (loss). Short-term investments, concentrate receivables, promissory note receivables and derivative assets are measured at FVTPL with subsequent changes recognized in the consolidated statement of income (loss).

Short-term investments include investments in bankruptcy-remote, AAA rated money market funds, and exchange traded funds. The mark-to-market adjustments for provisional pricing changes on concentrate receivables are based on forward commodity prices of metals and are included in revenues until final settlement. Investments in marketable securities are measured at FVOCI with subsequent changes recognized in OCI. Derivative assets include zero cost collar foreign currency contracts and interest rate swap contracts and are measured at FVTPL.

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities and long-term debt are classified as amortized cost and carried on the consolidated statement of financial position at amortized cost. Derivative liabilities consist of foreign currency contracts and copper commodity contracts and are measured at FVTPL.

xix. Impairment and uncollectibility of financial assets

An 'expected credit loss' impairment model applies, which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in the consolidated statement of income (loss) for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through the consolidated statement of income (loss) to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

xx. Deferred revenue

Deferred revenue consists of payments received by the Company in consideration for future commitments to deliver payable gold and silver contained in concentrate at contracted prices. As deliveries are made, the Company records a portion of the deferred revenue as sales, based on a proportionate share of deliveries made compared with the total estimated contractual commitment.

Interest expense on deferred revenue is recognized in finance costs when the Company identifies significant financing components related to its streaming arrangements, resulting from a difference in the timing of the up-front consideration received and delivery of the promised goods. The interest rate is determined based on the rate implicit in each streaming agreement at the date of inception or acquisition.

The initial consideration received from streaming arrangements is considered variable, subject to changes in the total gold and silver ounces to be delivered. As product is delivered, the deferred revenue amount including accreted interest will be taken into net income (loss). The draw down rate requires the use of proven and probable reserves and certain resources in the calculation that are beyond proven and probable reserves which management is reasonably confident will be transferable to reserves. Key estimates used in determining the significant financing component include the discount rate and the reserve and resources assumed for conversion. Once the discount rate has been determined, it cannot be changed. Changes to variable consideration are reflected in revenue in the consolidated statement of income (loss).

xxi. Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset ("ROU asset") and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statement of income on a straight-line basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate.

When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in mineral properties, plant and equipment, and the lease liability is presented separately in the consolidated statement of financial position.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statement of income (loss).

xxii. Reclamation and closure cost obligations

A reclamation and closure cost obligation is recognized for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the financial period when the related environmental disturbance occurs, based on the estimated future costs using information available at the consolidated statement of financial position date. At the time of establishing the provision, a corresponding asset is capitalized, where it gives rise to a future benefit, and amortized over the estimated economic life of the specific assets to which they relate. The provision is discounted using a current market-based pre-tax discount rate and the unwinding of the discount is included in accretion expense in the consolidated statement of income (loss) as interest expense from discounting reclamation and closure cost obligations.

The obligation is reviewed each reporting period for changes to obligations, laws and discount rates that impact estimated costs or lives of operations. The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate and the adjusted cost of the asset is amortized prospectively.

xxiii. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate.

xxiv. Post-employment benefits

Employment terms may provide for payment of a severance indemnity when an employment contract comes to an end. This is typically at the rate of one month for each year of service (subject in most cases to a cap as to the number of qualifying years of service) and based on final salary level. The severance indemnity obligation is treated as an unfunded defined benefit plan, and the calculation is based on valuations performed by an independent actuary using the projected unit credit method, which are regularly updated.

The obligation recognized in the balance sheet represents the present value of the severance indemnity obligation. Actuarial gains and losses are immediately recognized in other comprehensive income.

xxv. *Business combinations and goodwill*

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

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

IFRS 3 requires that one of the parties to the business combination be designated as the acquirer for accounting purposes. In making this assessment, factors such as the voting rights of the outstanding equity instruments, the corporate governance structure of the combined entity, the composition of senior management of the combined company and the relative size and net asset values of each of the companies are taken into consideration. No single factor is the sole determinant in the overall conclusion; all factors are considered in arriving at this conclusion.

If the acquired set of activities and assets meets the definition of a business, the transaction is accounted for as a business combination. Otherwise, it is classified as an asset acquisition.

Management exercises judgment in assessing whether the acquiree is capable of being conducted and managed for the purpose of providing a return. This assessment considers the inputs of the acquiree and the processes applied to those inputs that have the ability to generate outputs. If the acquired assets and liabilities do not constitute a business, the transaction is accounted for as an asset acquisition.The transaction is measured at the fair value of the identifiable assets and liabilities assumed. If the fair value of the assets and liabilities assumed cannot be reliably measured, the transaction costs will be measured based on the fair value of the consideration given. No goodwill is recognized, and transaction costs are capitalized as part of the asset cost rather than expensed.

xxvi. *Non-controlling interest*

Non-controlling interest is measured either at the fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquirer's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction by transaction basis. Net earnings for the period that are attributable to non-controlling interest are calculated based on the ownership of the minority shareholders in the subsidiary.

xxvii. *Share capital*

The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value of the shares on the date of issue.

The proceeds from the issue of units are allocated between common shares and common share purchase warrants on a pro-rata basis based on relative fair values as follows: the fair value of the common shares is based on the market close on the date the units are issued and the fair value of the common share purchase warrants is determined using the Black-Scholes Option Pricing Model.

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

xxviii. Share-based payments

The Company makes periodic grants of share-based awards to selected directors, officers, employees and others providing similar service under the Company's share-based compensation plans.

Contributions to the Company's employee share purchase plan ("ESPP") are recorded on a payroll cycle basis as the Company's obligation to contribute is incurred.

Pursuant to the Company's stock option plan and Treasury Share Unit Plan ("TSUP"), the fair value of the equity-settled awards is determined at the date of the grant by using the Black-Scholes Option Pricing Model. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the consolidated statement of income (loss) with a corresponding entry within equity, against the reserve for equity settled share-based transactions. No expense is recognized for awards that do not ultimately vest.

The Company has other share-based compensation plans in the form of Deferred Share Units ("DSUs"), Restricted Share Units ("RSUs") and Performance Share Units ("PSUs"). Units granted under these share-based compensation plans are recorded at fair value on the grant date and are adjusted for changes in fair value each reporting period until settled. The expense, and any changes which arise from fluctuations in the fair value of the grants, is recognized in share-based compensation in the consolidated statement of income (loss) with the corresponding liability recorded on the consolidated statement of financial position in provisions.

xxix. Revenue recognition

Sales of metal concentrates and cathode are recognized and revenue is recorded at market prices following the transfer of control to the customer, provided that the Company has a present right to payment, has transferred physical possession of the asset to the customer, and the customer has the significant risks and rewards of ownership. Capstone Copper satisfies its performance obligations upon delivery of the metal concentrates and cathode.

The Company's metal concentrates are sold under a pricing arrangement where final prices are determined by quoted market prices in a period subsequent to the date of sale. Until prices are final, revenues are recorded based on forward commodity prices of metals for the expected period of final settlement. Subsequent variations in the final determination of the metal concentrate weight, assay and price are recognized as revenue adjustments as they occur until finalized. Pricing and volume adjustments, as well as refining and treatment charges, under the sales contracts are presented separately in the notes to the consolidated financial statements (Note 19).

The Company enters into copper time-spread swaps in order to manage the risk associated with final prices in terms of copper concentrate sales agreements. The associated gain/losses are recorded in Revenue in order to follow the nature of the transaction to which it is linked.

xxx. *Earnings (loss) per share*

Basic earnings (loss) per share is computed by dividing net income (loss) available (attributable) to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings (loss) per share.

The dilutive effect of convertible securities is reflected in diluted earnings (loss) per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings (loss) per share by application of the treasury stock method.

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

The accounting policies adopted in the preparation of these consolidated financial statements have been prepared on the basis of all IFRS and interpretations effective as at December 31, 2024.

<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 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.

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

5. Acquisition of Compania Minera Sierra Norte S.A

In August 2024, the Company completed the acquisition of Compania Minera Sierra Norte, S.A. ("Sierra Norte"). On the closing of the transaction, Inversiones Alxar S.A. and Empresas COPEC S.A., collectively the "sellers" received the equivalent of US$40 million of shares of the Company. This resulted in the issuance of 6,139,358 Capstone Copper common shares.

The fair value of Capstone Copper common shares issued was determined using the 10-day VWAP between the date the Share Purchase Agreement was signed and the closing date of the transaction and the exchange rate of 1.3809 CAD/USD.

The purchase consideration was calculated as follows:

Fair value of 6,139,358 common shares issued by the Company	40,000
Total purchase consideration	**40,000**

Management determined that substantially all of the fair value of the gross assets acquired is concentrated in the Sierra Norte mineral development and exploration property and therefore accounted for the transaction as an asset acquisition.

For asset acquisitions settled with equity, entities are required to record the net assets acquired based on the fair value of the assets received in exchange for the equity issued, unless that fair value cannot be reliably estimated. In accordance with IFRS 2 *Share-based Payments*, the Company measured the transaction based on the fair value of the shares issued at the acquisition date, as this was considered the most reliable indicator of the fair value of the consideration transferred.

Fair value of assets acquired were as follows:

Cash and cash equivalents	70
Plant & equipment	11
Receivables and other assets	1,373
Mineral development and exploration property	38,546
Total assets acquired and liabilities assumed, net	**40,000**

6. 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:

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

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.

As of December 31, 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	**$ 753**	**$ —**	**$ —**	**$ 753**
Copper cathode receivables *(Note 7)*	**—**	**29,331**	**—**	**29,331**
Copper concentrate receivables *(Note 7)*	**—**	**67,646**	**—**	**67,646**
Derivative assets	**—**	**36,341**	**—**	**36,341**
Investment in marketable securities *(Note 10)*	**686**	**—**	**—**	**686**
	$ 1,439	**$ 133,318**	**$ —**	**$ 134,757**
Financial liabilities				
Derivative liabilities	**$ —**	**$ 3,709**	**$ —**	**$ 3,709**
Gold stream liability *(Note 11)*	**—**	**—**	**9,900**	**9,900**
	$ —	**$ 3,709**	**$ 9,900**	**$ 13,609**

As of December 31, 2023 the Company's classification of financial instruments within the fair value hierarchy is summarized below:

	Level 1	Level 2	Level 3	Total
Short-term investments	$ 804	$ —	$ —	$ 804
Copper concentrate receivables *(Note 7)*	—	73,800	—	73,800
Copper cathode receivables *(Note 7)*	—	34,549	—	34,549
Derivative assets	—	35,549	—	35,549
Investment in marketable securities *(Note 10)*	824	—	—	824
	$ 1,628	$ 143,898	$ —	$ 145,526

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 year ended December 31, 2024.

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

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

	December 31, 2024			
	Fair value through profit or loss	**Fair value through OCI**	**Amortized cost**	**Total**
Cash and cash equivalents	$ —	$ —	$ 131,593	$ 131,593
Short-term investments	753	—	—	753
Copper cathode receivables ***(Note 7)***	29,331	—	—	29,331
Copper concentrate receivables ***(Note 7)***	67,646	—	—	67,646
Other receivables ***(Note 7)***	—	—	27,120	27,120
Derivative assets	36,341	—	—	36,341
Investment in marketable securities ***(Note 10)***	—	686	—	686
Derivative assets - non-current	11,723	—	—	11,723
	$ 145,794	**$ 686**	**$ 158,713**	**$ 305,193**

	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 7)*	73,800	—	—	73,800
Copper cathode receivables *(Note 7)*	34,549	—	—	34,549
Other receivables *(Note 7)*	—	—	14,671	14,671
Derivative assets	35,549	—	—	35,549
Investment in marketable securities *(Note 10)*	—	824	—	824
	$ 144,702	$ 824	$ 140,687	$ 286,213

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

	December 31, 2024		
	Fair value through profit or loss	**Amortized cost**	**Total**
Accounts payable and accrued liabilities	$ —	$ 330,183	$ 330,183
Long-term debt ***(Note 14)***	—	821,756	821,756
Due to related party ***(Note 12)***	—	247,075	247,075
Derivative liabilities	3,709	—	3,709
Working capital facilities (Note 11)	—	117,049	117,049
Payable on purchase of non-controlling interest ***(Note 11)***	—	44,488	44,488
Gold stream obligation ***(Note 11)***	9,900	—	9,900
	$ 13,609	**$ 1,560,551**	**$ 1,574,160**

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

	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 14)*	—	998,655	998,655
Due to related party *(Note 12)*	—	195,871	195,871
Derivative liabilities	16,788	—	16,788
Working capital facilities *(Note 11)*	—	25,618	25,618
Payable on purchase of non-controlling interest *(Note 11)*	—	42,389	42,389
Gold stream obligation *(Note 11)*	7,100	—	7,100
	$ 23,888	$ 1,534,810	$ 1,558,698

There have been no changes during the year ended December 31, 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.

At December 31, 2024 and 2023, the carrying amounts of accounts receivable not arising from sales of metal concentrates and cathodes, accounts payable and accrued liabilities, and other current assets and current liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments. The fair value of the Company’s long-term debt and amounts due to related party are approximated by its carrying value since the contractual interest rates are comparable to current market interest rates.

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 December 31, 2024, the Company’s derivative financial instruments are composed of copper quotational pricing contracts, copper zero-cost collar contracts, interest rate swap contracts, and foreign currency zero-cost collars ("ZCC").

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 December 31, 2024, are as follows:

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

Type	Contract description	Remaining term	Put strike	Call strike / Fixed rate	Notional tonnes / Quantity
Interest rate	Fixed-for-floating swaps adjusted SOFR	January 2025 - March 2030	—	1.015%	$361.3 million USD
Interest rate	Floor options adjusted SOFR	January 2025 - September 2025	—	0%	$361.3 million USD
Foreign currency	Foreign exchange ZCC - CLP	January - December 2025	900.00 930.00	981.50 1,069.00	97.1 billion CLP
Foreign currency	Foreign exchange ZCC - CLP	January - December 2026	850.00	965.00 1,000.00	21.2 billion CLP
Foreign currency	Foreign exchange ZCC - CAD	January - December 2025	1.36 1.37	1.42 1.44	$20.4 million CAD
Foreign currency	Foreign exchange ZCC - MXN	January - December 2025	18.75 19.50	22.00 23.20	375.4 million MXN
Commodity	Commodity ZCC - Copper	January - December 2025	4.15	4.83 4.87	20,000 tonnes
Quotational pricing contracts	Copper time-spread swaps	January - March 2025	—	—	8,966 tonnes

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

	December 31, 2024	December 31, 2023
Derivative financial assets:		
Foreign currency contracts	$ —	$ 2,139
Interest rate swap contracts	**8,080**	16,845
Copper commodity contracts	**10,545**	—
Quotational pricing contracts	**5,993**	—
Total derivative financial assets - current	**24,618**	18,984
Interest rate swap contracts	**11,723**	16,565
Total derivative financial assets - non-current	**$ 11,723**	$ 16,565
Derivative financial liabilities:		
Foreign currency contracts	**2,369**	1,503
Copper commodity contracts	**—**	13,484
Quotational pricing contracts	**—**	1,801
Total derivative financial liabilities - current	**$ 2,369**	$ 16,788
Foreign currency contracts	**1,340**	—
Total derivative financial liabilities - non-current	**$ 1,340**	**$ —**

(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:

	Year ended December 31, **2024**	2023
Unrealized gain/(loss) on derivative financial instruments:		
Foreign currency contracts	**$ (4,343)**	$ 2,505
Copper commodity contracts	**24,029**	29,425
Interest rate swap contracts	**(13,606)**	(14,820)
Total unrealized gain on derivative financial instruments	**6,080**	17,110
Realized (loss)/gain on derivative financial instruments:		
Foreign currency contracts	**(1,597)**	243
Copper commodity contracts	**(26,641)**	(35,869)
Interest rate swap contracts	**21,808**	21,591
Total realized loss on derivative financial instruments	**(6,430)**	(14,035)
Total unrealized and realized (loss)/gain on derivative financial instruments:	**$ (350)**	$ 3,075

** 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 19).*

Valuation methodologies for Level 2 financial instruments

The key inputs to the valuation of the concentrate receivable balance are payable metal and future metal prices. The Company's metal concentrate sales contracts are subject to provisional pricing with the selling price adjusted at the end of the quotational period based on final settlement weights and assays. At each reporting date, the Company's accounts receivable on these contracts are marked-to-market based on a quoted forward price for which there exists an active commodity market.

Derivative assets and liabilities consist of the mark-to-market adjustments to record the fair values of the outstanding zero cost collar and forward foreign currency contracts, commodity swaps, interest rate swaps quotational pricing contracts. At December 31, 2024 derivative assets consist of zero cost collar and forward foreign currency contracts and interest rate swap contracts. Derivative liabilities consist of zero cost collar foreign currency contracts, copper commodity contracts and quotational pricing contracts. All of the Company's derivative assets and liabilities are marked-to-market based on a valuation model which uses quoted observable inputs.

Commodity price risk

The Company is exposed to commodity price risk since its revenues are derived from the sale of metals, the prices for which have been historically volatile. The Company sometimes manages this risk by entering into forward sale or commodity swap derivative agreements with various counterparties to mitigate price risk when management believes it is a prudent decision.

Credit risk

The Company is exposed to credit risk through its trade receivables on concentrate sales with various counterparties under the terms of offtake agreements. The Company manages this risk by requiring provisional payments of at least 90 percent of the value of the concentrate shipped. Value added taxes receivable are not considered to be subject to significant credit risk as these balances are receivable from government authorities.

The credit risk on cash and cash equivalents is limited because the funds are held with banks with high credit ratings as assigned by international credit rating agencies. Similarly, the credit risk on the short-term investments is limited as the investments are in highly liquid, bankruptcy-remote, AAA rated money market funds, and exchange traded funds.

As at December 31, 2024, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents, short-term investments, receivables, derivative assets and investment in marketable securities.

Foreign exchange risk

The Company is exposed to foreign exchange risk as the Company's operating costs will be primarily in US dollars, Canadian dollars ("C$"), Mexican pesos and Chilean pesos, while revenues are received in US dollars. Hence, any fluctuation of the US dollar in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities. From time to time, the Company enters into foreign exchange hedging arrangements to mitigate the risk of exposure to fluctuating foreign currency exchange rates.

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

As at December 31, 2024, the Company is exposed to foreign exchange risk through the following financial assets and liabilities denominated in currencies other than the functional currency of the applicable subsidiary*:*

	Canadian dollar	**Mexican peso**	**Chilean peso**
Cash	$ 475	$ 2,711	$ 21,173
Receivables and other current assets	7,491	1,655	32,530
Deposits and other long-term assets	—	103	667
Total assets	7,966	4,469	54,370
Accounts payable and accrued liabilities	7,624	10,124	42,241
Total liabilities	7,624	10,124	42,241
Net assets (liabilities)	**$ 342**	**$ (5,655)**	**$ 12,129**

The following sensitivity analysis for foreign currency risk relates solely to financial assets and liabilities that were outstanding at December 31, 2024 and each sensitivity calculation assumes all other variables are held constant. The analysis does not reflect the overall effect that changes in market variables would have on the Company's results.

Based on the above net exposures at December 31, 2024, a 10% appreciation in the Canadian dollar against the US dollar would result in a $0.03 million decrease in the Company's income before taxes. A 10% appreciation of the Mexican peso against the US dollar would result in a $0.6 million increase in the Company's income before taxes. A 10% appreciation of the Chilean peso against the US dollar would result in a $1.2 million decrease in the Company's income before taxes.

Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company maintains adequate cash balances and credit facilities to meet short and long-term business requirements, after taking into account cash flows from operations and believes that these sources will be sufficient to cover the likely short and long-term cash requirements. While at December 31, 2024 the Company's current liabilities are in excess of its current assets, the Company has sufficient liquidity to cover any short and long-term obligations. The Company's cash is held in business accounts with Canadian Tier 1 or international banks with a S&P Global Rating rating of A- or better. The cash is available on demand for the Company's programs. In addition, the Company's short-term investments are highly liquid and are readily convertible to cash. The following table summarizes the Company's financial liabilities based on contractual undiscounted payments, including estimated interest. The carrying amounts may differ as financial liabilities are measured at amortized cost or fair value in the statement of financial position.

As of December 31, 2024, the Company's liabilities that have contractual maturities are as follows:

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

	Total	2025	2026	2027	2028	After 2028
Accounts payable and accrued liabilities *(i)*	$ 330,183	$ 330,183	$ —	$ —	$ —	$ —
Long term debt *(ii)*	$ 643,909	125,127	120,207	56,686	98,876	243,013
Revolving credit facility *(iii)*	$ 385,764			385,764		
Due to related party *(Note 12)*	$ 73,795	10,110	9,677	9,244	8,818	35,946
Working capital facilities *(Note 11)*	$ 117,049	117,049	—	—	—	—
Derivative liabilities	$ 3,709	3,709				
Leases and other contracts	$ 298,315	64,734	57,805	49,805	43,684	82,287
	$ 1,852,724	$ 650,912	$ 187,689	$ 501,499	$ 151,378	$ 361,246

i. *Amounts above do not include payments related to the Company's reclamation and closure cost obligations, other long- term provisions (Note 17) and other liabilities without contractual maturities.*
ii. *Excluding deferred financing costs and purchase price accounting fair value adjustments.*
iii. *The interest on the corporate loan facility has been included in this table based on the current balance, however, the RCF can be drawn down further or repaid, which would impact the interest payments in the period above.*

Interest rate risk

The Company's long-term debt is based on variable interest rates. Variable interest rates are currently based on US dollar SOFR plus a variable margin. From time to time, the Company has entered into derivative contracts to manage this risk. Based on the amount drawn on the Mantoverde Development Project Facility, Cost Overrun Facility, Due to Related Party and Revolving Credit Facility and balances of $491.6 million, $56.8 million, $171.9 million and $326 million at December 31, 2024, respectively, a 0.1% increase in the SOFR rates would result in a $1.1 million decrease in annual net income before taxes. The Company is also exposed to interest rate risk with respect to the interest it earns on its cash balances and short-term investments. A 0.1% change in interest rates would have a nominal effect on the Company's interest income.

7 Receivables

Details are as follows:

	December 31, 2024	December 31, 2023
Copper concentrate	**$ 67,646**	$ 73,800
Copper cathode	**29,331**	34,549
Value added taxes and other taxes receivable	**19,083**	16,345
Income taxes receivable	**4,585**	7,953
Other receivables	**27,120**	14,671
Total receivables	**$ 147,765**	$ 147,318

During Q2 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 Copper over the course of the next year. As at December 31, 2024, the remaining trust balance of C$3.7 million (US$ 2.6 million) remains in other receivables.

8. Inventories

Details are as follows:

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

		December 31, 2024		December 31, 2023
Current:				
Materials and consumables	**$**	**112,674**	$	82,478
Ore stockpiles		**12,546**		14,003
Work-in-progress		**20,961**		21,477
Finished goods - copper cathode		**20,708**		16,400
Finished goods - copper concentrate		**42,559**		15,255
Total inventories - current	**$**	**209,448**	$	149,613
Non-current:				
Ore stockpiles *(Note 10) (i)*		**16,366**		8,474
Total inventories - non-current	**$**	**16,366**	$	8,474

i. Non-current inventory is composed of ore stockpiles at the Mantos Blancos and Mantoverde mines.

During the year ended December 31, 2024, concentrate and cathode inventories recognized as production costs, including depletion and amortization, amounted to $1,369.7 million (2023 – $1,251.3 million).

During the year ended December 31, 2024, the Company recorded a write-downs of $1.2 million related to Mantoverde's and Pinto Valley's cathode inventories which were recorded as production costs and depletion and amortization.

During the year ended December 31, 2023, the Company recorded write-downs of $1.9 million related to Mantoverde's cathode inventories and Pinto Valley's copper concentrate and supplies inventories which were recorded as production costs and depletion and amortization.

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

9. 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
Acquisition of Sierra Norte *(Note 5)*	—	—	38,546	11	—	—	38,557
Additions	—	185,212	40,698	14,705	158,335	330,841	729,791
Disposals	—	—	(37)	(8,752)	—	—	(8,789)
Rehabilitation provision adjustments *(Note 17)*	(21,229)	—	—	—	—	—	(21,229)
Reclassifications and transfers	29,157	43,619	(28,074)	1,327,368	(10,702)	(1,330,562)	30,806
Depletion and amortization	(89,710)	(79,551)	—	(141,750)	(26,133)	—	(337,144)
At December 31, 2024, net	**$ 1,590,945**	**$ 456,961**	**$ 888,945**	**$ 2,353,985**	**$ 255,596**	**$ 171,817**	**$ 5,718,249**
At December 31, 2024:							
Cost	$ 2,190,012	$ 664,682	$ 888,945	$ 4,118,301	$ 397,600	$ 171,817	$ 8,431,357
Accumulated amortization and impairment	(599,067)	(207,721)	—	(1,764,316)	(142,004)	—	(2,713,108)
Net carrying amount	**$ 1,590,945**	**$ 456,961**	**$ 888,945**	**$ 2,353,985**	**$ 255,596**	**$ 171,817**	**$ 5,718,249**

The Company achieved commercial production at MVDP in September 2024. In making this determination, management considered a number of factors, including completion of substantially all the construction development activities in accordance with design and a production ramp up period where mill throughput, in terms of tonnes of ore, equalled an average of 75% of nameplate capacity over a 30-day period. With this achievement, on September 30, 2024 $1,110.8 million of construction in progress, including capitalized finance costs, was reclassified to mineral properties, plant & equipment and right of use assets, as applicable. Depletion and amortization on MVDP commenced on October 1, 2024.

During the year ended December 31, 2024, the Company capitalized $76.4 million (2023 - $72.2 million) of finance costs to construction in progress, at a weighted average interest rate of 7.8%. Interest expense is no longer being capitalized, as the MVDP has now been fully capitalized.

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

	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, 2023, net	$ 1,709,157	$ 137,563	$ 819,225	$ 1,052,252	$ 91,743	$ 896,371	$ 4,706,311
Additions	10,222	218,379	45,001	6,185	72,976	468,224	820,987
Disposals	—	—	(19)	(300)	—	(345)	(664)
Rehabilitation provision adjustments *(Note 17)*	6,741	—	—	—	—	—	6,741
Reclassifications and transfers	36,427	9,076	(26,395)	189,664	(16,060)	(192,712)	—
Depletion and amortization	(89,820)	(57,337)	—	(85,398)	(14,563)	—	(247,118)
At December 31, 2023, net	$ 1,672,727	$ 307,681	$ 837,812	$ 1,162,403	$ 134,096	$ 1,171,538	$ 5,286,257
At December 31, 2023:							
Cost	$ 2,182,946	$ 469,961	$ 837,812	$ 2,881,315	$ 246,775	$ 1,171,538	$ 7,790,347
Accumulated amortization and impairment	(510,219)	(162,280)	—	(1,718,912)	(112,679)	—	(2,504,090)
Net carrying amount	$ 1,672,727	$ 307,681	$ 837,812	$ 1,162,403	$ 134,096	$ 1,171,538	$ 5,286,257

The Company's exploration costs were as follows:

	Year ended December 31,	
	2024	2023
Exploration capitalized to mineral properties	**$ 9,270**	$ 2,400
Greenfield exploration expensed to the statement of income (loss)	**1,133**	4,961
	$ 10,403	$ 7,361

Exploration capitalized to mineral properties during the period ended December 31, 2024 and 2023, relates to brownfield exploration at the Mantoverde, Mantos Blancos and Cozamin mines. Greenfield exploration expenses during the period ended December 31, 2024 and 2023 related primarily to exploration efforts in Chile.

As at December 31, 2024, construction in progress primarily relates to expansionary and sustaining capital at the Mantos Blancos and Pinto Valley mines. Capital expenditures committed as at December 31, 2024, but not yet incurred, is $37.1 million (December 31, 2023 - $32.9 million).

As at December 31, 2024, the Revolving Credit Facility ("RCF") *(Note 14)* was secured by the Pinto Valley, Cozamin and Mantos Blancos mineral properties, and plant and equipment with a net carrying value of $2,133.1 million (December 31, 2023 – $2,027.0 million).

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

10. Other Assets

Details are as follows:

		December 31, 2024		December 31, 2023
Current:				
Prepaids	**$**	**24,418**	$	36,612
Deposits		**4,976**		4,710
Other		**2,676**		2,800
Total other assets - current	**$**	**32,070**	$	44,122
Non-current:				
Prepayments	**$**	**18,045**	$	18,045
Ore stockpiles *(Note 8)*		**16,366**		8,474
Value added taxes and other taxes receivable		**1,155**		—
Investments in marketable securities		**686**		824
Deposits		**43**		390
Other		**2,043**		3,102
Total other assets - non-current	**$**	**38,338**	$	30,835

11. Other Liabilities

Details are as follows:

		December 31, 2024		December 31, 2023
Current:				
Current portion of share-based payment obligations (*Note 17*)	**$**	**7,714**	$	8,455
Current portion of payable on purchase of NCI		**44,488**		—
Current portion of deferred revenue *(Note 15)*		**11,389**		12,139
Current portion of Minto obligation *(Note 17)*		**18,049**		23,943
Working capital facilities		**117,049**		25,618
Current portion of Gold stream obligation (*Note 15*)		**2,644**		—
Other		**4,954**		1,257
Total other liabilities - current	**$**	**206,287**	$	71,412
Non-current:				
Retirement benefit liabilities	**$**	**5,083**	$	13,036
Non-current portion of payable on purchase of NCI		**—**		42,389
Gold stream obligation (*Note 15*)		**7,256**		7,100
Other		**—**		1,603
Total other liabilities - non-current	**$**	**12,339**	$	64,128

Working capital facilities

During 2024, two of the Company's Chilean subsidiaries entered into a series of short-term working capital facilities with a weighted-average interest rate of 6.53% for the purpose of working capital management. As at December 31, 2024, the aggregate balance of the facilities was $117.0 million, including accrued interest of $2.0 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 December 31, 2024, an unsecured liability of $44.5 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 year ended December 31, 2024, $2.2 million (December 31, 2023 - $2.0 million) of accretion was recorded in finance expense in the consolidated statements of income (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 December 31, 2024 was a liability of $9.9 million (December 31, 2023 - $7.1 million).

12. 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 $60 million Cost Overrun Facility ("COF") in exchange for additional offtake of copper concentrate production under a 10-year contract (Note 25). The COF initially carried an interest rate of 3-month US$ LIBOR plus 1.70% and amortizing over 37 quarters from September 30, 2024. 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 $171.9 million, to Mantoverde in the form of shareholder loans forming part of the financing for the MVDP. Total funds advanced by MMC at December 31, 2024, including accrued interest of $18.4 million (December 31, 2023 - $6.0 million), was $247.1 million (December 31, 2023 - $195.9 million). The interest rate at December 31, 2024 was three-month adjusted SOFR of 4.65% (December 31, 2023 - 4.28%) plus 2.65% (December 31, 2023 - 2.65%) payable on the principal balance.

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

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

	COF	Shareholder Loans	Total
Balance, December 31, 2022	$ 60,000	$ —	$ 60,000
Additions	—	129,900	129,900
Interest expense	4,277	5,971	10,248
Interest repayments	(3,168)	—	(3,168)
Unpaid interest at year-end	**$ (1,109)**		(1,109)
Balance, December 31, 2023	**$ 60,000**	**$ 135,871**	**$ 195,871**
Additions	**—**	**42,000**	**42,000**
Repayment	**(3,243)**	**—**	**(3,243)**
Interest expense	**4,354**	**12,447**	**16,801**
Interest repayments	**(4,354)**	**—**	**(4,354)**
Balance, December 31, 2024	**$ 56,757**	**$ 190,318**	**$ 247,075**
Less: current portion	(6,486)	—	(6,486)
Non-current portion	**$ 50,271**	**$ 190,318**	**$ 240,589**

Included in accounts payable is $5.4 million owed to Mitsubishi Materials Corporation ("MMC"), a related party, (December 31, 2023 - nil).

	Year ended December 31, 2024	Year ended December 31, 2023
Opening balance	**$ 405,535**	$ 428,639
Share of comprehensive (loss) profit for the period	**2,668**	(23,104)
Non-controlling interest	**$ 408,203**	$ 405,535

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

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

	December 31, 2024	December 31, 2023
Cash and cash equivalents	76,921	77,947
Mineral properties, plant and equipment	3,037,204	2,803,818
Other assets	172,537	137,139
Total assets	**3,286,662**	3,018,904
Accounts payable and accrued liabilities	132,653	97,362
Debt	497,260	526,579
Amounts due to related parties	1,212,253	1,031,078
Deferred income tax liabilities	396,542	389,741
Other liabilities	218,223	152,952
Total liabilities	**2,456,931**	2,197,712

	Year ended December 31,	
	2024	2023
Net Revenue	**$ 490,939**	$ 286,073
Production costs	**(357,928)**	(304,087)
Depletion and amortization	**(86,288)**	(59,473)
Income (loss) from mining operations	**46,723**	(77,487)
Realized and unrealized gain on derivative instruments	**1,590**	2,717
Finance expense	**(25,390)**	(843)
Income tax and other expenses	**(13,032)**	(1,233)
Net (loss) income	**$ 9,891**	$ (76,846)
Profit (loss) attributable to owners of Mantoverde S.A.	**6,923**	(53,792)
Profit (loss) attributable to the non-controlling interest	**2,968**	(23,054)
Profit (loss) profit for the period	**$ 9,891**	$ (76,846)
Share of comprehensive (loss) profit for the period	**$ 2,668**	$ (23,104)
Opening balance	**$ 405,535**	$ 428,639
Share of comprehensive (loss) profit for the period	**2,668**	(23,104)
Non-controlling interest	**$ 408,203**	$ 405,535

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

13. Lease Liabilities

Details are as follows:

		Total
Balance, December 31, 2022	$	103,897
Additions		69,497
Payments		(42,727)
Reclassifications (i)		(3,300)
Accretion expense		8,679
Foreign currency translation adjustment		453
Balance, December 31, 2023	**$**	**136,499**
Additions *(Note 9)*		**158,335**
Payments		**(62,689)**
Accretion expense		**15,658**
Foreign currency translation adjustment		**(834)**
Balance, December 31, 2024	**$**	**246,969**
Less: current portion		(46,646)
Non-current portion	**$**	**200,323**

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

14. 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		—		504,000		504,000
Repayments		—		(105,000)		(105,000)
Financing fee amortization		(919)		1,089		170
Deferred financing fee		**—**		(2,310)		(2,310)
Loss on debt extinguishment			$	2,721		2,721
Balance, December 31, 2023	**$**	**526,579**	**$**	**472,077**	**$**	**998,656**
Additions		**—**		**189,500**		**189,500**
Repayments		**(28,398)**		**(337,500)**		**(365,898)**
Financing fee amortization		**(921)**		**548**		**(373)**
Deferred financing fee		**—**		**(129)**		**(129)**
Balance, December 31, 2024	**$**	**497,260**	**$**	**324,496**	**$**	**821,756**
Less: current portion		(85,748)		—		(85,748)
Non-current portion	**$**	**411,512**	**$**	**324,496**	**$**	**736,008**

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 December 31, 2024, the Company was in compliance with these covenants.

At December 31, 2024, $491.6 million was outstanding on the MVDP Facility with $5.7 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 zero 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 amortization period of the MVDP Facility commenced on September 30, 2024 and continues 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 Copper 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 December 31, 2024 was one-month adjusted term SOFR of 4.58% plus 2.125% (December 2023 - adjusted term SOFR of 5.46% plus 2.125%) with a standby fee of 0.478% (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 Copper to maintain certain financial ratios relating to debt and interest coverage. Capstone Copper was in compliance with these covenants as at December 31, 2024.

Surety Bonds

As at December 31, 2024, the Company has in place seven surety bonds totaling $254.5 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, $27.0 million at Mantoverde, and $39.7 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 17*).

15. Deferred Revenue

Silver Precious Metals Purchase Arrangement ("Silver PMPA")

On February 19, 2021, a subsidiary of the Company, concluded the Silver PMPA with Wheaton Precious Metals ("Wheaton") whereby Capstone Copper 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 Copper 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 year ended December 31, 2024, the Company delivered 641,378 ounces (2023 - 572,312 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 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. During September 2024, the completion test requirements were successfully met.

Gold Precious Metals Purchase Arrangement ("Gold PMPA")

On April 21, 2021, a subsidiary of the Company 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 December 31, 2024, the value of the obligation was $9.9 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.

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

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

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

	Silver PMPA	Gold PMPA	Total
Balance, December 31, 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	7,120	2,432	9,552
Recognized as revenue on delivery of silver	(16,089)	—	(16,089)
Variable consideration adjustment	4,185	—	4,185
Balance, December 31, 2024	**$ 119,205**	**$ 38,201**	**$ 157,406**
Less: current portion (*Note 11*)	(11,389)	—	(11,389)
Non-current portion	**$ 107,816**	**$ 38,201**	**$ 146,017**

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 changes. As a result of changes in the Company's mineral reserve and resource estimate at the Cozamin mine during the fourth quarter of 2024, the amortization rate by which deferred revenue is drawn down into income was adjusted and, as required, a variable rate adjustment was made for all prior period deferred revenues since the inception of the Silver PMPA. The variable consideration adjustment resulted in a decrease in revenue of $4.2 million and an increase of finance expense of $0.2 million for the year ended December 31, 2024 (December 31, 2023 - increase in revenue of $5.3 million and a decrease in finance expense of $0.1 million.

16. Income Taxes

Details of the income tax expense (recovery) are as follows:

	Year ended December 31, 2024					
	Canada	**US**	**Mexico**	**Chile**	**Other**	**Total**
Current income and mining tax expense (recovery)	**$ —**	**$ 1,619**	**$ 35,133**	**$ 1,460**	**$ (458)**	**$ 37,754**
Deferred income tax expense (recovery)	**2,926**	**10,296**	**4,972**	**(8,408)**	**—**	**9,786**
Income tax expense (recovery)	**$ 2,926**	**$ 11,915**	**$ 40,105**	**$ (6,948)**	**$ (458)**	**$ 47,540**

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

	Year ended December 31, 2023					
	Canada	US	Mexico	Chile	Other	Total
Current income and mining tax expense	$ —	$ 1,103	$ 10,692	$ 1,791	$ 469	$ 14,055
Deferred income tax (recovery) expense	(14,698)	2,221	15,876	16,269	—	19,668
Income tax (recovery) expense	$ (14,698)	$ 3,324	$ 26,568	$ 18,060	$ 469	$ 33,723

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

	Year ended December 31,	
	2024	2023
Income (loss) before income taxes	**$ 133,414**	$ (91,003)
Canadian federal and provincial income tax rates	**27.00 %**	27.00 %
Income tax expense (recovery) based on the above rates	**36,022**	(24,571)
Increase (decrease) due to:		
Adoption of Chilean Mining Royalty legislation	**—**	31,367
Non-deductible expenditures	**1,885**	6,118
Increase in Mexican mining royalty tax	**2,507**	—
Effects of different statutory tax rates on (income) losses of subsidiaries	**(2,907)**	3,190
Mexican and Chilean mining royalty taxes	**(1,963)**	1,434
Current period losses for which deferred tax assets (were) were not recognized	**4,786**	13,486
Adjustments to tax estimates in prior years	**(3,383)**	4,708
Foreign exchange and other translation adjustments	**4,952**	(5,757)
Other	**5,641**	3,748
Income tax expense	**$ 47,540**	$ 33,723
Current income and mining tax expense	**$ 37,754**	$ 14,055
Deferred income tax expense	**9,786**	19,668
Income tax expense	**$ 47,540**	$ 33,723

During the fourth quarter of 2024, Mexico's Senate approved an increase in the Special Tax on Mining Profits from 7.5% to 8.5% and an increase on the Extraordinary Tax on Revenues from the Sale of Gold, Silver and Platinum from 0.5% to 1%.

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. In May 2024, Barbados enacted the Corporation Top-up Tax (Amendment) Act, 2024 and is in force and effective from January 1, 2024. The legislation introduces a 15% Qualifed Domestic Minimum Top-Up Tax ("QDMTT") that applies for fiscal years starting on or after January 1, 2024. To date, the government of Chile and the government of Mexico, have not indicated whether they intend to enact GMT legislation. The United States has indicated that they do not intend to enact GMT legislation. For the three months and year ended December 31, 2024, the Company has not accrued any GMT as part of its current income tax expense.

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

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.

During the third quarter of 2023, Chile passed the new Mining Royalty into law with effect from January 1, 2024. The new Mining Royalty Law contains two components, an ad-valorem and a mine operating margin component. The ad-valorem component is applicable to companies with annual sales of copper that are higher than the equivalent of 50,000 metric tonnes of fine copper ("MTFC"). If the company's "Adjusted Mining Operational Taxable Income", or "RIOMA' as it is referred to in Chile, is negative, the ad-valorem component to be paid will be calculated by subtracting the negative amount of the RIOMA from the ad-valorem component. The ad-valorem component of the Mining Royalty will be deductible when determining First Category, or corporate, income taxes, however, not for purposes of determining RIOMA. The ad-valorem component is capped at 1% of gross copper venues.

The mine operating margin ("MOM") component will vary depending on the sales volume of the company, along with whether more than 50% of its annual production is copper. Mining companies which derive more than 50% of their income from copper sales and exceed 50,000 MTFC will pay a tax rate that fluctuates between 8% and 26%. The MOM component will not be applicable in cases where the RIOMA is negative and is calculated based on total mine operating margin, which includes silver and gold by-products. The Mining Royalty includes depreciation as a fully deductible operational expense, however, unlike the First Category, or corporate, deduction, it is on a non-accelerated basis.

The Mining Royalty includes a maximum limit to the total tax burden, consisting of (1) the corporate income tax paid in the respective year, (2) the Mining Royalty (both ad-valorem and MOM components) and (3) withholding taxes to which owners would be subject to upon distribution of dividends. The calculation of withholding taxes assumes a 100% distribution, and is calculated considering a tax burden of 35% of net taxable income, i.e., an additional 8% to the First Category rate of 27%. The Mining Royalty establishes that when the sum of three component exceeds 46.5% of RIOMA, then the Mining Royalty would be adjusted in such a way that it does not exceed the limit.

For the year ended December 31, 2023, the Company recognized a deferred income tax expense of $31.4 million in respect of the Mining Royalty, and a corresponding increase to deferred income tax liabilities. In determining this charge, the Company has made assumptions regarding the timing of future cash outflows, the timing of when temporary differences will reverse and the MOM rate that will be in effect during the year the temporary differences reverse.

The Company has determined that the ad-valorem component of the Mining Royalty is not considered an income tax under IAS 12 - Income Taxes as it is not calculated on a profitability measure and therefore does not give rise to deferred income taxes, rather, it will be recognized as incurred.

Continuity of the changes in the Company's net deferred tax position is as follows:

		2024		2023
Net deferred tax liability, January 1	**$**	**576,824**	$	558,881
Deferred income tax expense for the year		**9,786**		19,668
Deferred income tax charged (recovered) against other comprehensive income		**749**		(1,307)
Other	**$**	**(1,051)**	$	(418)
Net deferred tax liability, December 31	**$**	**586,308**	$	576,824

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

The composition of the deferred tax assets and liabilities are as follows:

	December 31, 2024	December 31, 2023
Deferred income tax assets:		
Non-capital losses	**$ 138,724**	$ 109,637
Capital leases and other liabilities	**110,206**	79,288
Inventories and other	**2,430**	10,260
Derivative instruments	**—**	387
Mineral properties, plant and equipment	**3,004**	2,192
Deferred revenue	**11,698**	7,339
Asset retirement obligation	**24,797**	25,768
Deferred income tax assets	**290,859**	234,871
Deferred income tax liabilities:		
Mineral properties, plant and equipment	**861,259**	793,829
Inventories and other	**4,183**	4,954
Derivative instruments	**3,464**	—
Deferred revenue	**8,261**	12,912
Deferred income tax liabilities	**877,167**	811,695
Net deferred income tax liability	**$ 586,308**	$ 576,824
Breakdown of net deferred income tax liability:		
Asset	**$ (50,475)**	$ (53,401)
Liability	**636,783**	630,225
	$ 586,308	$ 576,824

Deferred taxes are recorded on a net basis by legal entity where the right of offset exists (as shown in the table below) while the above table discloses the consolidated assets and liabilities on a gross basis.

The composition of the deferred tax expense is as follows:

	Year ended December 31,	
	2024	2023
Deferred income tax assets:		
Non-capital losses	**$ (29,087)**	$ (27,193)
Accounts payable and other current items	**(30,617)**	(14,837)
Derivatives and other	**8,218**	184
Asset retirement obligation	**971**	1,135
Deferred income tax liabilities:		
Mineral properties, plant and equipment	**66,618**	63,654
Inventories and other	**(770)**	486
Derivative instruments	**3,464**	(5,582)
Deferred revenue	**(9,011)**	1,821
Deferred tax expense	**$ 9,786**	$ 19,668

At December 31, 2024, $50.5 million (2023 – $53.4 million) was recognized as a deferred tax asset based on management's forecasts of future income in certain entities.

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

As at December 31, 2024, the Company had tax losses of $140.1 million (2023 – $98.0 million) with a tax benefit of $37.8 million (2023 – $26.5 million) that are not recognized as deferred tax assets. The Company recognizes the benefit of tax losses only to the extent that it anticipates future taxable income that can be reduced by the tax losses. The $47.0 million (2023 – $47.0 million) of the tax losses for which a tax benefit has not been recorded expire from 2031 to 2044 while the remaining $93.1 million (2023 – $51.0 million) of the tax losses have no expiry date.

The summary of unrecognized deductible temporary differences is as follows:

	Year ended December 31,	
	2024	2023
Accounts payable and other	**$ 21,908**	$ 11,628
Mineral properties, plant and equipment	**48,676**	39,511
Investments	**—**	1,887
Reclamation and closure cost obligations	**79,345**	91,802
	$ 149,929	$ 144,828

As at December 31, 2024, the Company has $149.9 million (2023 – $144.8 million) of deductible temporary differences with a tax benefit of $36.0 million (2023 – $33.5 million) that are not recognized as deferred tax assets. It is not probable that future taxable income will be available against which the Company can utilize these benefits. The majority of these benefits do not have an expiry date.

As at December 31, 2024, the Company has not recognized deferred taxes on approximately $343.0 million 2023 – $537.0 million) of retained earnings of its foreign subsidiaries, as it is the Company's intention to invest these earnings to maintain and expand the business of these subsidiaries. As at December 31, 2024, the Company has $44.7 million (2023 – $26.7 million) of capital losses that are unrecognized and available to be utilized against future capital gains.

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

17 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 18)*	**—**	**—**	**—**	**9,662**	**9,662**
Change in estimates	**(14,398)**	**(300)**	**7,965**	**—**	**(6,733)**
Interest expense from discounting obligations	**8,876**	**1,599**	**1,638**	**—**	**12,113**
Settlements during the period	**(952)**	**(19,730)**	**(6,160)**	**(7,899)**	**(34,741)**
Currency translation adjustments	**(13,257)**	**(1,327)**	**(4,618)**	**(1,105)**	**(20,307)**
Balance, December 31, 2024	**$ 194,466**	**$ 21,428**	**$ 34,185**	**$ 10,445**	**$ 260,524**
Less: Current portion included within other liabilities *(Note 11)*	**—**	**(18,049)**	**—**	**(7,714)**	**(25,763)**
Total provisions - non-current	**$ 194,466**	**$ 3,379**	**$ 34,185**	**$ 2,731**	**$ 234,761**
Balance, January 1, 2023	$ 199,739	$ —	$ 29,929	$ 40,464	$ 270,132
Additions	—	53,923	—	—	53,923
Share-based payment expense *(Note 18)*	—	—	—	15,044	15,044
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	350	373
Balance, December 31, 2023	$ 214,197	$ 41,186	$ 35,360	$ 9,787	$ 300,530
Less: Current portion included within other liabilities *(Note 11)*	—	(23,943)	—	(8,455)	(32,398)
Total provisions - non-current	$ 214,197	$ 17,243	$ 35,360	$ 1,332	$ 268,132

The change in estimates during the year ended December 31, 2024, related to reclamation and closure cost obligations of $27.7 million (2023 – $6.7 million) were recorded as a decrease to mineral properties of $21.2 million (2023 – $6.7 million) *(Note 9)* and to other income of $6.5 million (2023 – $nil).

The Company expects that the cash outflows in respect to the balances accrued as at the financial statement dates will occur proximate to the dates these long-term assets are retired.

In view of uncertainties concerning reclamation and closure cost obligations, the ultimate costs could be materially different from the amounts estimated. The estimate of future reclamation and closure cost obligations is also subject to change based on amendments to applicable laws and legislation. Future changes in reclamation and closure cost obligations, if any, could have a significant impact on the Company.

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 Copper recognized an initial liability of approximately $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 December 31, 2024, the Company has made cumulative payments of $30.1 million (December 31, 2023 - $10.4 million) to the Yukon Government for reclamation work performed. As at December 31, 2024, the Company has reclassified $18 million to other liabilities.

18. 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 Copper (“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.

In August 2024, the Company acquired Compania Minera Sierra Norte, S.A. ("Sierra Norte"). On the closing of the transaction, the equivalent of US$40 million of shares of the Company was issued. This resulted in the issuance of 6,139,358 Capstone Copper common shares. Refer to Note 5 for further details on the acquisition.

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 C$.

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

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

	Options outstanding	Weighted average exercise price (C$)
Outstanding, December 31, 2023	3,542,343	$ 4.16
Granted	958,560	7.25
Exercised	(1,944,593)	2.65
Expired	(20,388)	6.76
Forfeited	(105,615)	6.72
Outstanding, December 31, 2024	2,430,307	$ 6.46

As at December 31, 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)
$3.47 - $3.90	88,811	3.80	1.6	78,237	3.84	1.4
$4.43 - $4.72	33,548	4.55	2.7	13,045	4.43	2.9
$5.08 - $5.79	202,637	5.11	2.1	138,280	5.13	2.1
$6.00 - $6.97	1,202,131	$ 6.34	2.7	528,053	$ 6.45	2.4
$7.25	903,180	$ 7.25	4.2	—	$ —	—
	2,430,307	$ 6.46	3.2	757,615	$ 5.90	2.3

During the year ended December 31, 2024, the total fair value of options granted was $2.9 million (2023 – $2.0 million) and had a weighted average grant-date fair value of C$4.59 (2023 – C$3.00) per option. During the year ended December 31, 2024, the weighted average share price of the 1.9 million options exercised during the period was C$9.60 (2023 - 4.4 million options at $6.19).

The fair values of the stock options granted were estimated on the respective grant dates using the Black-Scholes Option Pricing Model. Volatility was determined using the Company's historical daily volatility over the expected life of the options.

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

	Year ended December 31, 2024	2023
Risk-free interest rate	**3.35 %**	3.01 %
Expected dividend yield	**nil**	nil
Expected share price volatility	**60 %**	63 %
Expected forfeiture rate	**6.51 %**	6.35 %
Expected life	**3.7 years**	3.9 years

Option pricing models require the input of subjective assumptions including the expected price volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Other share-based compensation plans

Under the Share Unit Plan ("SUP"), the Company grants PSUs and RSU. 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 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 Copper 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 Copper 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 Copper 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 year ended December 31, 2024, the total fair value of DSUs, RSUs, and PSUs granted under the SUP was $8.9 million (2023 – $6.6 million), and had a weighted average grant-date fair value of C$7.25 (2023 – C$6.02) 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 year ended December 31, 2024, the total fair value of units granted under the TSUP $4.6 million (2023 – $2.4 million), and had a weighted average grant-date fair value of C$4.53 (2023 – C$3.99) 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 year were as follows:

	Year ended December 31,	
	2024	2023
Risk-free interest rate	**3.08 %**	2.78 %
Expected dividend yield	**nil**	nil
Expected share price volatility	**61 %**	64 %
Expected forfeiture rate	**1.66 %**	nil
Expected life	**8.2 years**	8.7 years

No Capstone Copper shares were purchased by the Share Purchase Trust during the year ended December 31, 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	1,384,052	179,870	246,469	1,193,880
Forfeited	—	(226,034)	—	(46,648)	(138,131)
Settled	(536,723)	(721,445)	(97,940)	(241,887)	(947,184)
Outstanding, December 31, 2024	525,094	1,923,687	161,947	834,484	1,961,843

Share-based compensation expense:

	Year ended December 31,	
	2024	2023
Share-based compensation expense related to stock options	**$ 2,113**	$ 1,656
Share-based compensation expense related to RSUs and PSUs (TSUP)	**4,238**	2,305
Share-based compensation expense related to DSUs, RSUs and PSUs (SUP)	**9,662**	15,044
Total share-based compensation expense	**$ 16,013**	$ 19,005

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

19. Revenue

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

	Year ended December 31, 2024	2023
Copper concentrate	**$ 1,200,203**	$ 943,610
Copper cathode	**420,289**	419,245
Silver	**40,208**	41,333
Gold	**22,487**	12,907
Molybdenum	**1,990**	5,086
Zinc	**—**	252
Total gross revenue	**1,685,177**	1,422,433
Less: treatment and selling costs	**(73,584)**	(69,410)
Less: pricing and volume adjustments	**(12,371)**	(7,512)
Revenue	**$ 1,599,222**	$ 1,345,511

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.

Revenue from a related party, included in the above amounts, for the twelve months ended December 31, 2024, included $106.9 million related to deliveries under MMC's offtake contract.
Customer details are as follows:

	Year ended December 31, 2024					2023				
	Pinto Valley USA	**Mantos Blancos Chile**	**Mantoverde Chile**	**Cozamin Mexico**	**Total**	Pinto Valley USA	Mantos Blancos Chile	Mantoverde Chile	Cozamin Mexico	Total
Customer #1	**$ —**	**$ 48,490**	**$ 228,280**	**$ —**	**$ 276,770**	$ —	$ 102,979	$ 282,055	$ —	$ 385,034
Customer #2	**—**	**332,458**	**1,712**	**—**	**334,170**	—	321,751	—	—	321,751
Customer #3	**90,740**	**—**	**4,934**	**92,093**	**187,767**	71,303	—	—	131,275	202,578
Customer #4	**221,812**	**—**	**106,912**	**—**	**328,724**	185,992	—	3,798	—	189,790
Customer #5	**91,056**	**14,076**	**90,830**	**—**	**195,962**	—	—	—	—	—
Customer #6	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
Other *(i)*	**125,998**	**6,159**	**73,781**	**155,846**	**361,784**	221,738	695	5,426	95,421	323,280
Total gross revenue	**$ 529,606**	**$ 401,183**	**$ 506,449**	**$ 247,939**	**$1,685,177**	$ 479,033	$ 425,425	$ 291,279	$ 226,696	$1,422,433

i. No other single customer meets the 10% disclosure threshold.

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

20. Earnings (Loss) Per Share

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

	Year ended December 31, **2024**	2023
Earnings (loss) per share		
Basic and diluted	**0.11**	(0.15)
Net earnings (loss)		
Net earnings (loss) attributable to common shareholders - basic and diluted	**$ 82,906**	$ (101,672)
Weighted average shares outstanding - basic	**750,633,211**	693,520,515
Dilutive securities		
Stock options	**717,068**	—
TSUP units	**898,329**	—
Weighted average shares outstanding - diluted	**752,248,608**	693,520,515
Potentially dilutive securities excluded (as anti-dilutive)		
Stock options	**—**	3,542,343
TSUP units	**—**	2,729,828

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.

21. Compensation of Key Management Personnel

During the year, compensation of key management personnel was as follows:

	Year ended December 31, **2024**	2023
Salaries and short-term benefits	**$ 9,588**	$ 8,426
Share-based payments	**8,789**	11,118
	$ 18,377	$ 19,544

Capstone Copper's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its directors and senior officers.

22. Supplemental Cash Flow Information

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

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

	Year ended December 31, 2024	2023
Receivables	**$ (11,395)**	$ 46,843
Inventories	**(40,015)**	(445)
Other assets	**23,167**	2,829
Accounts payable and accrued liabilities	**17,414**	(101,234)
Other liabilities	**7,628**	(38,628)
Net change in non-cash working capital	**$ (3,201)**	$ (90,635)

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

	Year ended December 31, 2024	2023
VAT receivable	**$ (1,155)**	$ (82)
Other non-current assets	**(6,347)**	705
Other non-current liabilities	**(5,449)**	2,025
Net change in other non-cash items	**$ (12,951)**	$ 2,648

In August 2024, the Company completed the acquisition of Compania Minera Sierra Norte, S.A. ("Sierra Norte") which resulted in a significant non-cash financing and investing transaction. Refer to Note 5 for further information regarding the transaction.

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 9):

	Year ended December 31, 2024	2023
Depreciation and depletion per mineral properties, plant and equipment (*Note 9)*	**337,144**	247,118
Depreciation included in general and administrative expense	**625**	378
Depreciation included in care and maintenance	**2,105**	548
Non-cash inventory recovery of write-down	**—**	(1,311)
Change in depreciation and depletion capitalized to inventory, capitalized stripping and construction in progress	**(23,720)**	(9,849)
Depreciation and depletion expense	**$ 316,154**	$ 236,884

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 9):

	Year ended December 31, 2024	2023
Additions / expenditures on mining interests *(Note 9)*	**(729,791)**	(820,987)
Lease additions *(Note 13)*	**158,335**	69,497
Changes in working capital and other items *(i)*	**63,166**	73,221
Expenditures on mining interests *(ii)*	**$ (508,290)**	$ (678,269)

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 $60.3 million of capitalized finance costs for the twelve months ended December 31, 2024 (2023 - $61.5 million).

23. Capital Management

The Company's capital consists of the items included in shareholders' equity, long-term debt net of cash and cash equivalents, short-term investments, and investments in marketable securities. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage its capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient committed loan facilities to meet its short-term business requirements, taking into account its anticipated operational cash flows and its cash and cash equivalents, short-term deposits and investments in marketable securities.

The RCF and MVDP debt facility contain various affirmative, financial and restrictive covenants, including: interest coverage ratios, leverage ratios, other financial ratios and obligations to maintain the security interests in favour of the lenders over substantially all of the respective project's property and shares, insurance coverage, maintenance of offtake agreements, compliance with environmental and social matters, restrictions on new financial indebtedness, distributions and dispositions, as well as effecting certain hedging strategies as detailed in the lending agreement. As at December 31, 2024, the Company was in compliance with the covenants and requirements of the RCF and MVDP debt facility.

24. Commitments

Royalty Agreements

Under the terms of the December 2003 option agreement with Grupo Minera Bacis S.A. de C.V. ("Bacis"), a subsidiary of the Company 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 6.4 million silver ounces since contract inception until December 31, 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 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.

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 12).

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 for the purchase of 152,000 tonnes of acid in 2025, 160,000 tonnes in 2026, and 60,000 tonnes per year between 2027 and 2030. The Company has contractual arrangements at Mantoverde for the purchase of 498,000 tonnes of acid in 2025 and 38,000 tonnes in 2026.

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

25. Other Income (Expense)

Details are as follows:

	Year ended December 31,	
	2024	2023
Care and maintenance expense	**$ (2,514)**	$ (924)
Gold stream obligation	**(4,588)**	(7,100)
Provision for Minto receivable	**—**	(5,000)
Restructuring costs	**(422)**	(2,307)
Loss on disposal of assets and other	**(7,301)**	—
Collective bargaining costs	**—**	(8,930)
Change in estimate on rehabilitation provision	**6,553**	—
Miscellaneous other income (expense)	**9,698**	(6,941)
Total other income (expense)	**$ 1,426**	$ (31,202)

26. Finance Income and Costs

Details of finance income and costs are as follows:

	Year ended December 31,	
	2024	2023
Interest income	**$ 5,206**	$ 6,422
Interest on RCF	**(28,630)**	(25,364)
Interest on MVDP facility	**(43,400)**	(42,218)
Interest on shareholder loans and COF	**(16,802)**	(10,249)
Commitment and guarantee fees	**(5,774)**	(5,817)
Lease liability interest *(i)*	**(15,658)**	(8,768)
Accretion of deferred revenue	**(9,552)**	(9,805)
Accretion on decommissioning & restoration provisions	**(8,876)**	(8,960)
Accretion on payable on purchase of NCI	**(2,164)**	(2,025)
Accretion on Minto obligation	**(1,599)**	—
Amortization of financing fees	**(621)**	(929)
Other interest	**(9,376)**	(583)
Sub-total	**$ (137,246)**	$ (108,296)
Less finance costs capitalized on construction in progress	**76,446**	72,200
Total finance cost, net	**$ (60,800)**	$ (36,096)

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

Finance income (expense) are as follows:

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

	Year ended December 31,	
	2024	2023
Finance income	**$ 5,206**	$ 6,422
Finance cost	**(66,006)**	(42,518)
Total finance cost, net	**$ (60,800)**	$ (36,096)

27. 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)

	Year ended December 31, 2024						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate	$ 488,875	$ 335,424	$ 158,663	$ 217,241	$ —	$ —	$1,200,203
Copper cathode	28,177	63,949	328,163	—	—	—	420,289
Silver	7,699	1,811	—	30,698	—	—	40,208
Molybdenum	1,990	—	—	—	—	—	1,990
Gold	2,863	—	19,624	—	—	—	22,487
Treatment and selling costs	(34,173)	(14,826)	(13,317)	(11,257)	—	(11)	(73,584)
Pricing and volume adjustments *(ii)*	(12,275)	(4,445)	(2,194)	(3,016)	—	9,559	(12,371)
Net revenue	483,156	381,913	490,939	233,666	—	9,548	1,599,222
Production costs	(319,538)	(277,071)	(357,928)	(101,779)	—	—	(1,056,316)
Royalties	(2,992)	(5,725)	(4,810)	(4,402)	—	—	(17,929)
Depletion and amortization	(64,715)	(123,055)	(86,288)	(39,366)	—	—	(313,424)
Income from mining operations	95,911	(23,938)	41,913	88,119	—	9,548	211,553
General and administrative expenses	(54)	—	—	(106)	(168)	(31,205)	(31,533)
Exploration expenses	—	—	—	(34)	(400)	(699)	(1,133)
Share-based compensation expense	—	—	—	—	—	(16,013)	(16,013)
Income (loss) from operations	95,857	(23,938)	41,913	87,979	(568)	(38,369)	162,874
Realized and unrealized gains (losses) on derivative instruments	—	—	1,590	—	—	(1,940)	(350)
Foreign exchange gain (loss) and other	16,134	(232)	9,600	(301)	(4,450)	10,939	31,690
Net finance (costs) income	(4,640)	(10,631)	(25,390)	(8,843)	(2,097)	(9,199)	(60,800)
Income (loss) before income taxes	107,351	(34,801)	27,713	78,835	(7,115)	(38,569)	133,414
Income tax (expense) recovery	(11,916)	15,581	(8,632)	(35,696)	—	(6,877)	(47,540)
Total net income (loss)	$ 95,435	$ (19,220)	$ 19,081	$ 43,139	$ (7,115)	$ (45,446)	$ 85,874
Mineral properties, plant & equipment additions	$ 129,924	$ 215,277	$ 335,888	$ 24,934	$ 16,618	$ 7,150	$ 729,791

i. Intersegment sales and transfers are eliminated in the table above.
ii. Included in pricing and volume adjustments are realized and unrealized gains (losses) on the Company's quotational pricing copper contracts.

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

	Year ended December 31, 2023						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate	$ 431,559	$ 319,007	$ —	$ 193,044	$ —	$ —	$ 943,610
Copper cathode	23,409	104,557	291,279	—	—	—	419,245
Silver	6,072	1,861	—	33,400	—	—	41,333
Gold	12,907	—	—	—	—	—	12,907
Molybdenum	5,086	—	—	—	—	—	5,086
Zinc	—	—	—	252	—	—	252
Treatment and selling costs	(34,909)	(18,152)	(4,159)	(12,190)	—	—	(69,410)
Pricing and volume adjustments	(214)	(67)	(1,047)	(586)	—	(5,598)	(7,512)
Net revenue	443,910	407,206	286,073	213,920	—	(5,598)	1,345,511
Production costs	(318,110)	(301,099)	(304,087)	(90,706)	—	—	(1,014,002)
Royalties	(1,606)	(6,058)	—	(3,561)	—	—	(11,225)
Depletion and amortization	(78,381)	(69,162)	(59,473)	(30,253)	—	—	(237,269)
Income (loss) from mining operations	45,813	30,887	(77,487)	89,400	—	(5,598)	83,015
General and administrative expenses	(143)	—	—	(117)	(126)	(25,733)	(26,119)
Exploration expenses	(4)	—	—	(78)	(23)	(4,856)	(4,961)
Share-based compensation expense	—	—	—	—	—	(19,005)	(19,005)
Income (loss) from operations	45,666	30,887	(77,487)	89,205	(149)	(55,192)	32,930
Unrealized and realized gain on derivative instruments	—	—	2,717	—	—	358	3,075
Foreign exchange gain (loss) and other	(540)	(10,116)	(6,264)	(2,092)	(7,095)	(64,805)	(90,912)
Net finance costs	(3,628)	(6,798)	(843)	(8,999)	(2,001)	(13,827)	(36,096)
Income (loss) before income taxes	41,498	13,973	(81,877)	78,114	(9,245)	(133,466)	(91,003)
Income tax (expense) recovery	(3,324)	(23,169)	5,109	(24,898)	—	12,559	(33,723)
Total net income (loss)	$ 38,174	$ (9,196)	$ (76,768)	$ 53,216	$ (9,245)	$(120,907)	$ (124,726)
Mineral properties, plant & equipment additions	103,266	111,357	529,168	39,848	36,243	1,105	820,987

	As at December 31, 2024						
	Pinto Valley	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Santo Domingo**	**Other**	**Total**
Mineral properties, plant and equipment	**$ 831,741**	**$1,094,793**	**$ 3,036,851**	**$ 238,600**	**$ 507,820**	**$ 8,444**	**$5,718,249**
Total assets	**$ 957,907**	**$1,212,455**	**$ 3,286,662**	**$ 284,552**	**$ 521,552**	**$ 101,904**	**$6,365,032**
Total liabilities	**$ 252,840**	**$ 432,979**	**$ 1,491,755**	**$ 237,969**	**$ 66,485**	**$ 420,196**	**$2,902,224**

	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

28. Subsequent Events

On January 31, 2025, the Company signed a 35-year agreement with Empresa Concesionaria de Servicios Sanitarios S.A. ("ECONSSA") to secure a long-term water supply by reusing treated wastewater from Antofagasta and increasing water recycling at the Mantos Blancos mine. The project involves a third-party constructing a wastewater treatment plant, expected to be operational in 2028. The agreement entails future capital commitments in 2028 and 2033 proportionate to the Company's share of treated waste water from the plant, potential cost savings from increased water reuse, and long-term supply security for the mine.