

Capstone Copper Reports Third Quarter 2024 Results

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All amounts in US\$ unless otherwise indicated

[Capstone Copper Corp.](#) ("Capstone" or the "Company") (TSX: CS) (ASX: CSC) today reported financial results for the nine months and quarter ended September 30, 2024 ("Q3 2024"). Copper production in Q3 2024 totaled 47,460 tonnes at C1 cash costs¹ of \$2.83 per payable pound of copper produced. Link [HERE](#) for Capstone's Q3 2024 webcast presentation.

John MacKenzie, CEO of Capstone, commented, "The third quarter marked an important step in the transformation of our business, with tangible delivery on our peer leading growth. Our operations in Chile exhibited meaningful milestones at both our flagship Mantoverde Development Project (where we achieved commercial production) and at Mantos Blancos (which has now demonstrated that it is capable of delivering its nameplate capacity). We expect Q4 to be our strongest quarter of the year, providing a glimpse of the future Capstone with a larger production base and lower unit operating costs. During the past few months, we also released studies for our Mantoverde Optimized and Santo Domingo projects, and announced a leadership succession plan, all of which have positioned us extremely well for our next phase of growth."

Q3 2024 OPERATIONAL AND FINANCIAL HIGHLIGHTS

- The Mantoverde Development Project ("MVDP") achieved commercial production in September, as the mine advances commissioning and continues to ramp up to full production levels. The first two shipments of copper concentrates were made during the quarter and met all required specifications. Project capital for the MVDP came in line with the revised budget at \$870 million.
- Consolidated copper production for Q3 2024 was 47,460 tonnes at C1 cash costs¹ of \$2.83/lb. Consolidated copper production consisted of 17,481 tonnes at Mantoverde, 13,980 tonnes at Pinto Valley, 9,974 tonnes at Mantos Blancos, and 6,025 tonnes at Cozamin. Total Q3 2024 copper sold of 44,684 payable tonnes was approximately 1,500 tonnes below payable production, largely driven by the initial build up of copper concentrates inventory at Mantoverde during the MVDP ramp-up.
- Net income attributable to shareholders of \$12.5 million, or \$0.02 per share for Q3 2024 compared to net loss attributable to shareholders of \$32.9 million, or \$(0.05) per share for Q3 2023, primarily due to the higher copper production and higher realized copper price of \$4.24/lb compared to \$3.77/lb.
- Adjusted net income attributable to shareholders¹ of \$25.4 million, or \$0.03 per share for Q3 2024, compared to adjusted net loss attributable to shareholders¹ of \$15.8 million in Q3 2023.
- Adjusted EBITDA¹ nearly doubled to \$120.8 million for Q3 2024 compared to \$62.8 million for Q3 2023. The increase in Adjusted EBITDA¹ is primarily driven by a higher copper production and realized copper price.
- Operating cash flow before changes in working capital of \$116.9 million in Q3 2024 compared to \$59.2 million in Q3 2023.
- Net debt¹ of \$750.7 million as at September 30, 2024 was largely unchanged compared to net debt of \$741.3 million as at June 30, 2024 with the majority of the MVDP capital spend complete. Total available liquidity¹ of \$515.6 million as at September 30, 2024, comprising \$138.6 million of cash and short-term investments, and \$377.0 million of undrawn amounts on the corporate revolving credit facility.
- The Company notes that 2024 consolidated production is expected to finish at the low end of the guidance range of 190,000 to 220,000 tonnes of copper. 2024 consolidated C1 cash costs¹ guidance has been revised to \$2.60/lb to \$2.80/lb mainly due to the ramp-ups at Mantoverde and Mantos Blancos occurring later in the year than was expected when guidance was issued in January 2024.
- Capstone released a Feasibility Study on the next stage of growth for the Santo Domingo copper-iron-gold project that includes a strong \$1.72 billion after-tax net present value and a 24.1% internal rate of return, with an initial capital cost of \$2.3 billion. 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 concentrate at first quartile C1 cash costs¹ of \$0.28 per payable pound of copper produced.

- Capstone acquired 100% of Sierra Norte, located 15 km from Santo Domingo, for \$40 million in shares. This acquisition provides a potential future sulphide feed source to extend the higher-grade copper sulphide life at Santo Domingo.
- Subsequent to quarter-end, 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 at 0.60% copper to 398 million tonnes at 0.49% copper and 0.10 g/t gold which extended the mine life 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 per annum of copper for approximately \$146 million of initial expansionary capital.
- Subsequent to quarter-end, 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 and current Chair of Capstone, Darren Pylot, will step down from the Board after more than 20 years of combined service to the Company.

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

OPERATIONAL OVERVIEW

Refer to Capstone's Q3 2024 MD&A and Financial Statements for detailed operating results.

| | Q3 2024 | Q3 2023 | 2024 YTD | 2023 YTD |
|--|---------|---------|----------|----------|
| Copper production (tonnes) | | | | |
| Sulphide business | | | | |
| Pinto Valley | 13,980 | 13,657 | 45,646 | 39,157 |
| Cozamin | 6,025 | 5,876 | 18,183 | 17,776 |
| Mantos Blancos | 8,246 | 9,138 | 25,579 | 28,338 |
| Mantoverde ² | 8,139 | - | 8,197 | - |
| Total sulphides | 36,390 | 28,671 | 97,605 | 85,271 |
| Cathode business | | | | |
| Mantos Blancos | 1,728 | 2,997 | 5,432 | 9,597 |
| Mantoverde ² | 9,342 | 8,582 | 27,481 | 25,382 |
| Total cathodes | 11,070 | 11,579 | 32,913 | 34,979 |
| Consolidated | 47,460 | 40,250 | 130,518 | 120,250 |
| Copper sales | | | | |
| Copper sold (tonnes) | 44,684 | 38,699 | 125,428 | 116,910 |
| Realized copper price ¹ (\$/pound) | 4.24 | 3.77 | 4.20 | 3.87 |
| C1 cash costs ¹ (\$/pound) produced | | | | |
| Sulphide business | | | | |
| Pinto Valley | 2.92 | 2.83 | 2.63 | 2.96 |

| | | | | |
|------------------|------|------|------|------|
| Cozamin | 1.82 | 1.85 | 1.83 | 1.73 |
| Mantos Blancos | 3.40 | 2.85 | 3.26 | 2.80 |
| Mantoverde | 2.52 | - | 2.52 | - |
| Total sulphides | 2.76 | 2.63 | 2.64 | 2.65 |
| Cathode business | | | | |
| Mantos Blancos | 3.44 | 2.75 | 3.33 | 3.07 |
| Mantoverde | 3.00 | 3.74 | 3.50 | 3.89 |
| Total cathodes | 3.07 | 3.48 | 3.47 | 3.67 |
| Consolidated | 2.83 | 2.88 | 2.85 | 2.96 |

² Mantoverde production shown on a 100% basis.

Consolidated Production

Q3 2024 copper production of 47,460 tonnes was 18% higher than Q3 2023 primarily as a result of sulphide production starting at Mantoverde. MVDP continues to ramp-up towards full production levels and at various points during Q3 2024, mine operations, crushing, grinding, flotation and tailings, all operated at or above design capacity.

Q3 2024 C1 cash costs¹ of \$2.83/lb were 2% lower than \$2.88/lb Q3 2023 mainly due to higher production (-\$0.19/lb), partially offset by lower capitalized stripping costs (\$0.13/lb).

Pinto Valley Mine

Copper production of 14.0 thousand tonnes in Q3 2024 was 2% higher than in Q3 2023 due to higher grades (Q3 2024 - 0.37% versus Q3 2023 - 0.34%) as a result of mining in a higher-grade area of Castle Dome and a high grade area of Jewel Hill, partially offset by lower mill throughput during the quarter (Q3 2024 - 44,915 tpd versus Q3 2023 - 47,426 tpd), resulting from an unplanned 10 days of downtime during the quarter related to a conveyor belt rip and electrical faults.

C1 cash costs¹ of \$2.92/lb in Q3 2024 were 3% higher than Q3 2023 of \$2.83/lb primarily due to increases in operating costs (\$0.15/lb) driven by contractor and mechanical parts spend in the mill, electricity cost, labor cost, lower by-product credits (\$0.12/lb) and higher treatment costs (\$0.06/lb), partially offset by higher production volume (-\$0.07/lb) and capitalized stripping (-\$0.17/lb).

Mantos Blancos Mine

Q3 2024 production was 10.0 thousand tonnes, composed of 8.2 thousand tonnes from sulphide operations and 1.7 thousand tonnes of cathode from oxide operations, which was 18% lower than the 12.2 thousand tonnes produced in Q3 2023. Sulphide production declined in Q3 2024 due to lower grades, partially offset by higher recoveries. Lower cathode production was impacted by lower dump grades and throughput.

In July, a successful two-week planned shutdown was completed which included the installation of a new holding tank and additional pumps in the tailings area in order to address deficiencies identified preventing the sustained achievement of the 20ktpd capacity from the sulphide operations. Following the plant ramp-up period in August, ore throughput averaged 18,062 tpd through to the end of Q3, with plant throughput meeting or exceeding the nameplate capacity of 20,000 tpd on 23 operating days. The overall variability of the milling process has been significantly reduced and higher throughput is expected in Q4.

Combined Q3 2024 C1 cash costs¹ of \$3.41/lb (\$3.40/lb sulphides and \$3.44/lb cathodes) were 21% higher

compared to combined C1 cash costs¹ of \$2.82/lb in Q3 2023, mainly due to lower production (\$0.63/lb) and increase in mine expense (\$0.12/lb) partially offset by lower acid and energy consumption due to lower production (-\$0.16/lb).

Mantoverde Mine

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 during which 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 substantially all of Construction-in-Progress was reclassified to Plant & Equipment. Depletion and amortization will commence on October 1, 2024.

Q3 2024 copper production of 17.5 thousand tonnes, composed of 8.1 thousand tonnes of copper from sulphide operations and 9.3 thousand tonnes of cathode, was 104% higher compared to 8.6 thousand tonnes in Q3 2023. Heap production increased in Q3 2024 given higher grades (0.36% in Q3 2024 versus 0.32% in Q3 2023) and recoveries (76.1% in Q3 2024 versus 66.5% in Q3 2023). The new concentrator (MVDP) continued its ramp-up in Q3, resulting in 8.1 thousand tonnes of copper production from sulphide operations, driven by average mill throughput of 18.4 ktpd, copper grades of 0.71%, and recoveries of 68.2%. The quarter included an approximate two-week shutdown in August driven by the achievement of Facility Practical Completion and the average mill throughput in September was 26,200 tpd. While physical recoveries in Q3 were 68.2%, this includes gain/(draw) on inventory, sampling error, and analytical error. The implied metallurgical recovery, determined based on assays measured on the feed, concentrate and tailings samples obtained with the slurry samplers, indicate overall metallurgical recoveries for the quarter of 78.2%, with implied recoveries above 80% observed in August and September.

Q3 2024 C1 cash costs¹ were \$2.78/lb, 26% lower than \$3.74/lb in Q3 2023 due to higher production (-\$1.21/lb), lower energy prices (-\$0.16/lb) which averaged \$0.10/kWh in Q3 2024 versus \$0.17/kWh in Q3 2023, and lower acid consumption (-\$0.11/lb), partially offset by an increase in contracted services, spare parts and labour cost mainly driven by higher mine movement (\$0.52/lb).

Cozamin Mine

Q3 2024 copper production of 6.0 thousand tonnes was 2% higher than the same period prior year, mainly on higher mill throughput (3,609 tpd in Q3 2024 versus 3,567 tpd in Q3 2023) driven by mine sequence. Grades and recoveries were consistent quarter over quarter.

Q3 2024 C1 cash costs¹ were \$1.82/lb, 2% lower than \$1.85/lb in the same period last year, mainly due to higher production in Q3 2024 than the same period last year on higher grades, higher silver by-product volume and price (40%), offset by higher operating costs (9%) mainly on contractors due to change in mine method and manpower for bonus profit sharing effect.

Mantoverde Development Project

MVDP achieved commercial production in September, and the mill continues to advance commissioning and ramp up to full production levels. MVDP involved the addition of a sulphide concentrator (nominal 32,000 ore tonnes per day ("tpd")) and tailings storage facility, and the expansion of the existing desalination plant and other minor infrastructure.

In 2024, Capstone has been focused on a safe, efficient and phased project commissioning and ramp-up. All key milestones have been achieved during the commissioning and ramp-up including:

- First ore to the primary crusher - completed in Q4 2023
- First ore to the grinding circuit - completed in Q1 2024
- First saleable concentrate - completed in Q2 2024
- Achievement of nameplate operating rates and Facility Practical Completion - completed in Q3 2024
- First two shipments of copper concentrates - delivered in Q3 2024

During Q3, MVDP achieved Facility Practical Completion with Ausenco which was followed by a planned two-week shutdown for vendor maintenance and project handover in August. On September 21, 2024, the MVDP achieved commercial production defined as the achievement of reaching a minimum of 30 consecutive days of operations during which the mill operated at an average of 75% of nameplate throughput of 32,000 ore tonnes per day. The average mill throughput for September was 26,200 tpd, which included an exit rate with the last 7 days averaging 32,400 tpd.

During Q4, the goal is to continue to improve runtime, overall average throughput, and recoveries.

The MVDP project capital spent was \$870 million since inception and came in line with the revised budget, which was reclassified to available for use property, plant and equipment at September 30, 2024 upon achieving the commercial production milestone.

As MVDP has achieved commercial production, we expect our quarterly finance expense to increase by approximately \$25 million beginning in the fourth quarter of 2024 as the capitalization of finance charges relating to MVDP will cease. Similarly, we expect our annualized depletion and amortization to increase by approximately \$80 million.

MV Optimized Feasibility Study

The Company announced its Mantoverde Optimized ("MV-O") 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 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 tonne of incremental annual copper equivalent production. The Feasibility Study includes average annual production over the next five years of 135,000 tonnes of copper and 37,000 ounces of gold at C1 cash costs¹ of \$1.81 per pound of copper. Capstone anticipates starting construction after receiving environmental permit approval, expected in H1 2025. The MV-O FS also features a robust 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.

Given the above, the Mantoverde Phase II opportunity will evaluate the addition of an entire second processing line, possibly a duplication of the first line, to process some of the approximately 0.2 billion tonnes of Measured & Indicated and 0.6 billion tonnes of Inferred sulphide resources not in reserves.

Santo Domingo Feasibility Study & Sierra Norte Acquisition

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

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 at first quartile cash costs of \$0.28 per payable pound of copper produced. Over Santo Domingo's 19-year mine life, production is expected to average 68,000 tonnes of copper and 3.6 million tonnes of iron ore magnetite at first quartile cash costs of \$0.33 per payable pound of copper produced.

The 19-year Santo Domingo mine life is supported by an 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 and 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 feasibility study 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 next couple of quarters.

During the quarter, Capstone acquired 100% of the shares of Compania Minera Sierra Norte, S.A. ("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.

The Company plans to progress several value enhancement initiatives within the Mantoverde-Santo Domingo ("MV-SD") district that are not incorporated in the Santo Domingo 2024 Feasibility Study, or the recently announced base case MV Optimized plan.

Copper Oxides Opportunity

Capstone plans to progress drilling and studies regarding the processing of oxide material from Capstone's neighbouring Santo Domingo and Sierra Norte projects by capitalizing on Mantoverde's excess SX/EW capacity to extract copper from Santo Domingo's oxide material. To date, oxide materials have been recognized in the shallower portions of the Santo Domingo, Iris Norte, and Estrellita sulphide ore bodies. Currently, these oxides are considered as waste material in the recently announced Santo Domingo 2024 Feasibility Study. Meanwhile, only approximately two thirds of 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 has significant untapped exploration potential within MV-SD district. The Mantoverde Optimized plan was prepared without any expansionary drilling campaign since 2019. At Mantoverde, there are 0.2 billion tonnes of Measured & Indicated and 0.6 billion tonnes of Inferred sulphide resources not in reserves. At Santo Domingo, there are 0.1 billion tonnes of Measured & Indicated 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 intends to progress its exploration strategy to service its two eventual processing centers between Mantoverde and Santo Domingo, in addition to continuing to evaluate the potential for Mantoverde Phase II which could include the addition of an entire second processing line at Mantoverde.

Mantoverde - Santo Domingo Cobalt Study

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 scale, and onsite piloting commenced in January 2024 at Mantoverde.

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. In line with this, Santo Domingo has initiated a Feasibility Study to assess the optimum process configuration for the pyrite flotation and pumping transportation facilities needed to transport pyrite concentrate to Mantoverde's leach facilities. This information will be part of the MV-SD cobalt study expected in 2025.

At a combined MV-SD target of 4,500 to 6,000 tpa of mined cobalt production, this would be one of the

largest and lowest cost cobalt producers in the world, outside of Indonesia and the Democratic Republic of the Congo ("DRC").

PV District Growth Study

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

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 Board of Directors;
- Cashel Meagher, current President and Chief Operating Officer, will succeed Mr. MacKenzie as CEO of Capstone, 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. and current Chair of the Board, will end his term on the Board after over 20 years with Capstone Mining Corp. as a founder and CEO, and subsequently as Chair of the Board of Capstone.

In addition, commencing in Q4 2024, Daniel Sampieri, Director, Investor Relations & Strategic Analysis, will lead the investor relations function as Jerrold Annett, former SVP Strategy & Capital Markets, has retired from the Company. Capstone's Board and management would like to thank Jerrold for his five years of service and significant contributions to the Company.

Corporate Exploration Update

Cozamin: Exploration drilling continued in Q3 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 is currently being 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 being added to the program in Q4 2024.

Copper Cities, Arizona: On January 20, 2022, Capstone Mining announced that it had entered into an access agreement with BHP Copper Inc. ("BHP") to conduct drill and metallurgical test-work at BHP's Copper Cities project ("Copper Cities"), located approximately 10 km east of the Pinto Valley mine. This access agreement was recently extended to July 2025. Drilling with two surface rigs twinning historical drill holes was completed in 2022 with metallurgical testing continuing in 2024. As explained in the PV District Growth Study section, district consolidation opportunities are being evaluated.

Mantoverde, Santo Domingo, and Mantos Blancos, Chile: Preparations for the exploration drilling program at Mantoverde is ongoing and drilling is now expected to begin in Q4 2024. The program will target first the areas closer to MV Optimized pit focusing on improving copper grades and mineralization continuity within and nearby the pit boundaries. Infill drilling was conducted during Q3 2024 in Mantos Blancos in Phases 15 and 16 and exploration drilling began in Veronica Oxides target.

2024 Guidance

The Company notes that 2024 consolidated copper production is expected to finish at the low end of the guidance range of 190-220kt. 2024 consolidated C1 cash costs¹ guidance has been revised to \$2.60 to

\$2.80 per payable pound of copper produced mainly due to the ramp-ups at Mantoverde and Mantos Blancos occurring later in the year than was expected when guidance was issued in January 2024.

Pinto Valley and Cozamin are trending in line with respect to their full year production and C1 cash costs¹ guidance ranges as announced in January 2024. Mantoverde is trending to the low end of its production guidance range, and above the high end of its C1 cash costs¹ guidance range due to the start of the MVDP ramp-up occurring later in the year than was expected when guidance was issued in January. Mantos Blancos is trending below its production guidance range and above its C1 cash costs¹ guidance range due to longer equipment procurement and installation timelines for the 20ktpd debottlenecking in addition to additional maintenance spend for unplanned downtime.

FINANCIAL OVERVIEW

Please refer to Capstone's Q3 2024 MD&A and Financial Statements for detailed financial results.

| (\$ millions, except per share data) | Q3 2024 | Q3 2023 | 2024 YTD |
|--|---------|---------|----------|
| Revenue | 419.4 | 322.2 | 1,152.3 |
| Net income (loss) | 17.0 | (42.3) | 38.7 |
| Net income (loss) attributable to shareholders | 12.5 | (32.9) | 37.0 |
| Net income (loss) attributable to shareholders per common share - basic and diluted (\$) | 0.02 | (0.05) | 0.05 |
| Adjusted net income (loss) ¹ | 25.4 | (15.8) | 41.9 |
| Adjusted net income (loss) attributable to shareholders per common share - basic and diluted | 0.03 | (0.02) | 0.06 |
| Operating cash flow before changes in working capital | 116.9 | 59.2 | 282.0 |
| Adjusted EBITDA ¹ | 120.8 | 62.8 | 324.1 |
| Realized copper price ¹ | 4.24 | 3.77 | 4.20 |
| (\$/pound) | | | |

| (\$ millions) | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| Net debt ¹ | (750.7) | (927.2) |
| Attributable net (debt)/cash ¹ | (598.9) | (776.6) |

CONFERENCE CALL AND WEBCAST DETAILS

Capstone will host a conference call and webcast on Thursday, October 31, 2024 at 5:00 pm Eastern Time / 2:00 pm Pacific Time (Friday, November 1, 2024, 8:00 am Australian Eastern Daylight Time). Link to the audio webcast: <https://app.webinar.net/P6EjqwqrkgL>

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

Toronto: 1-437-900-0527
 Australia: 61-280-171-385
 North America toll free: 1-888-510-2154

A replay of the conference call will be available until November 7, 2024. Dial-in numbers for Toronto:

1-289-819-1450 and North American toll free: 1-888-660-6345. The replay code is 11379#. Following the replay, an audio file will be available on Capstone's website at <https://capstonecopper.com/investors/events-and-presentations/>.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements relate to future events or future performance and reflect our expectations or beliefs regarding future events. Our Sustainable Development Strategy goals and strategies are based on a number of assumptions, including, but not limited to, the biodiversity and climate-change consequences; availability and effectiveness of technologies needed to achieve our sustainability goals and priorities; availability of land or other opportunities for conservation, rehabilitation or capacity building on commercially reasonable terms and our ability to obtain any required external approvals or consensus for such opportunities; the availability of clean energy sources and zero-emissions alternatives for transportation on reasonable terms; availability of resources to achieve the goals in a timely manner, our ability to successfully implement new technology; and the performance of new technologies in accordance with our expectations.

Forward-looking statements include, but are not limited to, statements with respect to the estimation of Mineral Resources and Mineral Reserves, the success of the underground paste backfill and tailings filtration projects at Cozamin, the timing and cost of the Mantoverde Development Project ("MVDP"), the timing and results of the Optimized Mantoverde Development Project ("MV Optimized FS") and Mantoverde Phase II study, the timing and results of PV District Growth Study (as defined below), the timing and results of Mantos Blancos Phase II Feasibility Study, the timing and success of the Mantoverde - Santo Domingo Cobalt Feasibility Study, the timing and results of the Santo Domingo FS Update and success of incorporating synergies previously identified in the Mantoverde - Santo Domingo District Integration Plan, the timing and results of exploration and potential opportunities at Sierra Norte, the realization of Mineral Reserve estimates, the timing and amount of estimated future production, the costs of production and capital expenditures and reclamation, the timing and costs of the Minto obligations and other obligations related to the closure of the Minto Mine, the budgets for exploration at Cozamin, Santo Domingo, Pinto Valley, Mantos Blancos, Mantoverde, and other exploration projects, the timing and success of the Copper Cities project, the success of our mining operations, the continuing success of mineral exploration, the estimations for potential quantities and grade of inferred resources and exploration targets, our ability to fund future exploration activities, our ability to finance the Santo Domingo development project, environmental and geotechnical risks, unanticipated reclamation expenses and title disputes, the success of the synergies and catalysts related to prior transactions, in particular but not limited to, the potential synergies with Mantoverde and Santo Domingo, the anticipated future production, costs of production, including the cost of sulphuric acid and oil and other fuel, capital expenditures and reclamation of Company's operations and development projects, our estimates of available liquidity, and the risks included in our continuous disclosure filings on SEDAR+ at www.sedarplus.ca. The impact of global events such as pandemics, geopolitical conflict, or other events, to Capstone is dependent on a number of factors outside of our control and knowledge, including the effectiveness of the measures taken by public health and governmental authorities to combat the spread of diseases, global economic uncertainties and outlook due to widespread diseases or geopolitical events or conflicts, supply chain delays resulting in lack of availability of supplies, goods and equipment, and evolving restrictions relating to mining activities and to travel in certain jurisdictions in which we operate. In certain cases, forward-looking statements can be identified by the use of words such as "anticipates", "approximately", "believes", "budget", "estimates", "expects", "forecasts", "guidance", "intends", "plans", "scheduled", "target", or variations of such words and phrases, or statements that certain actions, events or results "be achieved", "could", "may", "might", "occur", "should", "will be taken" or "would" or the negative of these terms or comparable terminology.

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statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, amongst others, risks related to inherent hazards associated with mining operations and closure of mining projects, future prices of copper and other metals, compliance with financial covenants, inflation, surety bonding, our ability to raise capital, Capstone Copper's ability to acquire properties for growth, counterparty risks associated with sales of our metals, use of financial derivative instruments and associated counterparty risks, foreign currency exchange rate fluctuations, market access restrictions or tariffs, changes in general economic conditions, availability and quality of water, accuracy of Mineral Resource and Mineral Reserve estimates, operating in foreign jurisdictions with risk of changes to governmental regulation, compliance with governmental regulations and stock exchange rules, compliance with environmental laws and regulations, reliance on approvals, licences and permits from governmental authorities and potential legal challenges to permit applications, contractual risks including but not limited to, our ability to meet the requirements under the Cozamin Silver Stream Agreement with [Wheaton Precious Metals Corp.](#) ("Wheaton"), our ability to meet certain closing conditions under the Santo Domingo Gold Stream Agreement with Wheaton, acting as Indemnitor for [Minto Metals Corp.](#)'s surety bond obligations, impact of climate change and changes to climatic conditions at our operations and projects, changes in regulatory requirements and policy related to climate change and greenhouse gas ("GHG") emissions, land reclamation and mine closure obligations, introduction or increase in carbon or other "green" taxes, aboriginal title claims and rights to consultation and accommodation, risks relating to widespread epidemics or pandemic outbreaks; the impact of communicable disease outbreaks on our workforce, risks related to construction activities at our operations and development projects, suppliers and other essential resources and what effect those impacts, if they occur, would have on our business, including our ability to access goods and supplies, the ability to transport our products and impacts on employee productivity, the risks in connection with the operations, cash flow and results of Capstone Copper relating to the unknown duration and impact of the epidemics or pandemics, impacts of inflation, geopolitical events and the effects of global supply chain disruptions, uncertainties and risks related to the potential development of the Santo Domingo development project, risks related to the Mantoverde Development Project, increased operating and capital costs, increased cost of reclamation, challenges to title to our mineral properties, increased taxes in jurisdictions the Company operates or is subject to tax, changes in tax regimes we are subject to and any changes in law or interpretation of law may be difficult to react to in an efficient manner, maintaining ongoing social licence to operate, seismicity and its effects on our operations and communities in which we operate, dependence on key management personnel, Toronto Stock Exchange ("TSX") and Australian Securities Exchange ("ASX") listing compliance requirements, potential conflicts of interest involving our directors and officers, corruption and bribery, limitations inherent in our insurance coverage, labour relations, increasing input costs such as those related to sulphuric acid, electricity, fuel and supplies, increasing inflation rates, competition in the mining industry including but not limited to competition for skilled labour, risks associated with joint venture partners and non-controlling shareholders or associates, our ability to integrate new acquisitions and new technology into our operations, cybersecurity threats, legal proceedings, the volatility of the price of the common shares, the uncertainty of maintaining a liquid trading market for the common shares, risks related to dilution to existing shareholders if stock options or other convertible securities are exercised, the history of Capstone Copper with respect to not paying dividends and anticipation of not paying dividends in the foreseeable future and sales of common shares by existing shareholders can reduce trading prices, and other risks of the mining industry as well as those factors detailed from time to time in the Company's interim and annual financial statements and MD&A of those statements and Annual Information Form, all of which are filed and available for review under the Company's profile on SEDAR+ at www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause our actual results, performance or achievements to differ materially from those described in our forward-looking statements, there may be other factors that cause our results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that our forward-looking statements will prove to be accurate, as our actual results, performance or achievements could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on our forward-looking statements.

COMPLIANCE WITH NI 43-101

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

not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Disclosure Documents include the National Instrument 43-101 compliant technical reports titled "NI 43-101 Technical Report on the Cozamin Mine, Zacatecas, Mexico" effective January 1, 2023, "NI 43-101 Technical Report on the Pinto Valley Mine, Arizona, USA" effective March 31, 2021, "Santo Domingo Project, NI 43-101 Technical Report and Feasibility Study Update, Atacama Region, Chile" effective July 31, 2024, and "Mantos Blancos Mine NI 43-101 Technical Report Antofagasta / Región de Antofagasta, Chile" and "Mantoverde Mine and Mantoverde Development Project NI 43-101 Technical Report Chañaral / Región de Atacama, Chile", both effective November 29, 2021.

The disclosure of Scientific and Technical Information in this document was reviewed and approved by 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.

Non-GAAP and Other Performance Measures

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

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

C1 Cash Costs Per Payable Pound of Copper Produced

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

All-in Sustaining Costs Per Payable Pound of Copper Produced

All-in sustaining costs per payable pound of copper produced is an extension of the C1 cash costs measure discussed above and is also a non-GAAP key performance measure that management uses to monitor performance. Management uses this measure to analyze margins achieved on existing assets while sustaining and maintaining production at current levels. Consolidated All-in sustaining costs includes sustaining capital and corporate general and administrative costs.

Net debt / Net cash

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

Attributable Net debt / Net cash

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

Available Liquidity

Available liquidity is a non-GAAP performance measure used by the Company to assess its financial position and is composed of RCF credit capacity, the \$520 million Mantoverde DP facility capacity, Cash and cash equivalents and Short-term investments. For clarity, Available liquidity does not include the Mantoverde \$60 million cost overrun facility from MMC nor the \$260 million undrawn portion of the gold stream from Wheaton related to the Santo Domingo development project as they are not available for general purposes.

Adjusted net income (loss) attributable to shareholders

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

EBITDA

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

Adjusted EBITDA

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

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

Sustaining Capital

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

Expansionary Capital

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

Realized copper price (per pound)

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

View source version on businesswire.com: <https://www.businesswire.com/news/home/20241031874423/en/>

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