



**MANAGEMENT'S DISCUSSION AND ANALYSIS
AND
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(unaudited)**

**For the Three and Nine Months ended September 30, 2024
(Expressed in US Dollars)**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
CAPSTONE COPPER CORP.
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024**

Capstone Copper Corp. ("Capstone Copper" or the "Company" or "we") has prepared the following management's discussion and analysis (the "MD&A") as of October 31, 2024 and it should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto for the three and nine months ended September 30, 2024. All financial information has been prepared in accordance with International Financial Reporting Standards® ("IFRS") and all dollar amounts presented are United States ("US") dollars unless otherwise stated. "C\$" refers to Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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

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

variations of such words and phrases, or statements that certain actions, events or results “be achieved”, “could”, “may”, “might”, “occur”, “should”, “will be taken” or “would” or the negative of these terms or comparable terminology.

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

looking statements will prove to be accurate, as our actual results, performance or achievements could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on our forward-looking statements.

1.0 BUSINESS OVERVIEW

Capstone Copper Corp. ("Capstone Copper" or "the Company") is an Americas-focused copper mining company headquartered in Vancouver, Canada. We own and operate the Pinto Valley copper mine located in Arizona, USA, the Cozamin copper-silver mine located in Zacatecas, Mexico, the Mantos Blancos copper-silver mine located in the Antofagasta region, Chile and 70% of the Mantoverde copper-gold mine located in the Atacama region, Chile. In addition, we own the fully permitted Santo Domingo copper-iron-gold project, located approximately 30 kilometers northeast of Mantoverde in the Atacama region, Chile as well as a portfolio of exploration properties in the Americas. 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 twenty 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 Q3 2024 HIGHLIGHTS AND SIGNIFICANT ITEMS

Q3 2024 Financial and Operational 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 MD&A section titled "Non-GAAP and Other Performance Measures". Page 6

Operating Highlights

	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Copper production (tonnes)				
<i>Sulphide business</i>				
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
<i>Cathode business</i>				
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 costs¹ (\$/pound) produced				
<i>Sulphide business</i>				
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
<i>Cathode business</i>				
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

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).

2024 YTD consolidated production of 130,518 tonnes of copper was 9% higher than 120,250 tonnes in 2023 YTD, due to higher production at Pinto Valley on higher mill throughput and grades and the start of concentrate production at Mantoverde, partially offset by lower production at Mantos Blancos. Cozamin production was consistent with the prior year.

2024 YTD C1 cash costs¹ of \$2.85/lb were 4% lower than \$2.96/lb 2023 YTD due to higher copper production (-\$0.17/lb), partially offset by lower capitalized stripping costs (\$0.07/lb).

Consolidated Financial Highlights

(\$ millions, except per share data) ²	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Revenue	419.4	322.2	1,152.3	991.8
Net income (loss)	17.0	(42.3)	38.7	(105.2)
Net income (loss) attributable to shareholders	12.5	(32.9)	37.0	(89.4)
<i>Net income (loss) attributable to shareholders per common share - basic and diluted (\$)</i>	0.02	(0.05)	0.05	(0.13)
Operating cash flow before changes in working capital	116.9	59.2	282.0	124.3
Adjusted EBITDA¹	120.8	62.8	324.1	172.2
Adjusted net income (loss) attributable to shareholders¹	25.4	(15.8)	41.9	(10.5)
<i>Adjusted net income (loss) attributable to shareholders per common share - basic and diluted¹</i>	0.03	(0.02)	0.06	(0.02)
Realized copper price¹ (\$/pound)	4.24	3.77	4.20	3.87
			September 30, 2024	December 31, 2023
Net (debt) / cash¹			(750.7)	(927.2)
Attributable net (debt) / cash¹			(598.9)	(776.6)

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

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:

1. First ore to the primary crusher – completed in Q4 2023
2. First ore to the grinding circuit – completed in Q1 2024
3. First saleable concentrate – completed in Q2 2024
4. Achievement of nameplate operating rates and Facility Practical Completion – completed in Q3 2024
5. 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.

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 9

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; and

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.

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.

2.1 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.

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 11

3.0 OPERATIONAL REVIEW

3.1 Pinto Valley Mine – Miami, Arizona

Operating Statistics

	2024				2023				
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Q4	Total
Production (contained)²									
Copper in Concentrate (tonnes)	14,892	15,245	13,257	43,394	12,246	11,878	12,968	15,286	52,378
Cathode (tonnes)	780	749	723	2,252	595	813	657	647	2,712
Total Copper (tonnes)	15,672	15,994	13,980	45,646	12,841	12,691	13,625	15,933	55,090
Mining									
Waste (000s tonnes)	2,770	3,368	3,442	9,580	3,197	3,239	4,428	4,930	15,794
Ore (000s tonnes)	3,603	4,453	2,750	10,806	4,419	3,887	3,733	4,191	16,230
Total (000s tonnes)	6,373	7,821	6,192	20,386	7,616	7,126	8,161	9,121	32,024
Strip Ratio (Waste:Ore)	0.77	0.76	1.25	0.89	0.72	0.83	1.19	1.18	0.97
Rehandled ore and stockpile (000s tonnes)	2,088	1,386	2,640	6,114	1,844	1,079	1,697	1,722	6,342
Total material moved (000s tonnes)	8,461	9,207	8,832	26,500	9,460	8,205	9,858	10,843	38,366
Processing									
Throughput (000s tonnes)	4,774	5,043	4,132	13,949	4,699	4,035	4,363	4,888	17,985
Tonnes per day	52,458	55,420	44,915	50,909	52,207	44,336	47,426	53,134	49,273
Grade (%) ³	0.36	0.36	0.37	0.35	0.30	0.34	0.34	0.36	0.33
Recoveries (%) ³	87.7	87.7	87.4	87.8	86.8	87.4	87.4	86.5	87.2
Payable copper produced (tonnes)	15,151	15,460	13,516	44,127	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	2.63	3.09	2.98	2.83	2.36	2.79
Adjusted EBITDA ¹ (\$ millions)	38.8	81.0	38.9	158.7	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 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.

2024 YTD production was 17% higher than 2023 YTD due to higher mill throughput (50,909 tpd 2024 YTD versus 47,972 tpd 2023 YTD), higher feed grade tied to mine plan sequence (0.35% in 2024 YTD versus 0.32% in 2023 YTD) and slightly higher recoveries (87.8% 2024 YTD versus 87.4% 2023 YTD).

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).

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 12

2024 YTD C1 cash costs¹ of \$2.63/lb were 11% lower compared to the same period last year of \$2.96/lb primarily due to higher production volume (-\$0.41/lb), increased deferred stripping and stockpile movement (-\$0.19/lb.), partially offset by increased operating costs (\$0.13/lb) due to spend on equipment maintenance, contractors spend, electricity cost (\$0.115/kWh in 2024 versus \$0.091/kWh in 2023), lower by-product credits (\$0.05/lb) and higher treatment cost (\$0.09/lb).

Capital Expenditures

Sustaining capital¹ in Q3 2024 of \$19.9 million was spent primarily on investing in infrastructure upgrades for tailing pumps, the tailings buttress project, SX/EW booster pump and mining ancillary equipment and component replacements. Capitalized stripping increased in Q3 2024, compared to the same period last year due to higher levels of waste removal from the northwest section of phase 3 as a result of increased truck availability.

(\$ millions)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Capitalized stripping	11.8	7.8	29.7	10.9
Sustaining capital ¹	19.9	23.0	37.2	50.3
Expansionary capital ¹	0.8	2.1	3.8	3.7
Right-of-use assets (non-cash)	15.9	13.7	15.9	22.9
Pinto Valley mine additions	48.4	46.6	86.6	87.8

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 13

3.2 Mantos Blancos – Antofagasta, Chile Operating Statistics

	2024				2023				
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Q4	Total
Production (contained metal and cathode) ²									
Copper in Concentrate (tonnes)	9,163	8,170	8,246	25,579	10,847	8,358	9,133	9,664	38,002
Cathode (tonnes)	1,804	1,900	1,728	5,432	3,275	3,292	3,030	1,923	11,520
Total Copper (tonnes)	10,967	10,070	9,974	31,011	14,122	11,650	12,163	11,587	49,522
Mining									
Waste (000s tonnes)	13,203	14,042	14,310	41,555	12,906	13,545	13,945	14,876	55,272
Ore (000s tonnes)	3,413	3,185	3,671	10,269	7,443	6,374	4,674	3,383	21,874
Total (000s tonnes)	16,616	17,227	17,981	51,824	20,349	19,919	18,619	18,259	77,146
Strip Ratio (Waste:Ore)	3.87	4.41	3.90	4.05	1.73	2.13	2.98	4.40	2.53
Rehandled ore and stockpile (000s tonnes)	1,603	1,662	1,614	4,879	1,758	1,674	1,702	1,356	6,490
Total material moved (000s tonnes)	18,219	18,889	19,595	56,703	22,107	21,593	20,321	19,615	83,636
Mill operations									
Throughput (000s tonnes)	1,293	1,476	1,296	4,065	1,442	1,325	1,304	1,271	5,342
Tonnes per day	14,214	16,219	14,079	14,834	16,023	14,555	14,176	13,814	14,635
Grade (%) ³	0.87	0.76	0.77	0.80	0.94	0.85	0.92	0.92	0.91
Recoveries (%) ³	81.2	73.2	82.4	78.8	80.2	73.9	76.3	82.9	78.4
Dump operations									
Throughput (000s tonnes)	1,721	1,896	1,950	5,567	2,635	2,946	2,038	1,542	9,161
Grade (%) ³	0.17	0.16	0.12	0.15	0.18	0.16	0.16	0.17	0.17
Silver									
Production contained (000s ounces)	201	189	189	579	365	245	245	251	1,106
Payable copper produced (tonnes)	10,655	9,791	9,694	30,140	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	3.26	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	3.33	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	3.27	2.68	3.15	2.82	2.71	2.83
Adjusted EBITDA ¹ (\$ millions)	20.5	21.1	10.7	52.3	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

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.

2024 YTD production of 31.0 thousand tonnes, composed of 25.6 thousand tonnes of copper in concentrate and 5.4 thousand tonnes of cathodes, was 18% lower than 2023 YTD, mainly explained by 43% lower cathode production due to lower dump throughput in line with the 2024 plan, and to a lesser extent by lower sulphides feed grades as a result of mine sequence (0.80% in 2024 YTD versus 0.90% in 2023 YTD).

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).

Combined 2024 YTD C1 cash costs¹ of \$3.27/lb (\$3.26/lb sulphides and \$3.33/lb cathodes) were 14% higher compared to \$2.87/lb in 2023 YTD mainly due to lower production (\$0.60/lb), partially offset by lower acid and energy consumption due to lower production (-\$0.14/lb) and lower mine movements (-\$0.05/lb).

Capital Expenditures

Sustaining capital¹ in Q3 2024 of \$19.5 million was spent primarily on mining equipment component replacements, an environmental compliance program, and the 20ktpd plan. Capitalized stripping in Q3 2024 was \$19.2 million, consistent with the same period prior year. Non-cash right-of-use assets of \$38.3 million represents leases for mobile mining equipment that commenced during the quarter.

(\$ millions)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Capitalized stripping	19.2	19.8	54.3	54.3
Sustaining capital ¹	19.5	6.0	40.8	13.5
Brownfield exploration	—	—	1.4	—
Right-of-use assets (non-cash)	38.3	—	67.3	1.2
Mantos Blancos mine additions	77.0	25.8	163.8	69.0

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 15

3.3 Mantoverde (70% ownership) – Atacama, Chile Operating Statistics

	2024				2023				
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Q4	Total
Production (contained)²									
³									
Cu in Concentrate (tonnes)	—	58	8,139	8,197	—	—	—	—	—
Cathode (tonnes)	9,476	8,663	9,342	27,481	8,532	8,290	8,560	10,019	35,401
Total Copper (tonnes)	9,476	8,721	17,481	35,678	8,532	8,290	8,560	10,019	35,401
Gold (ounces)	—	—	3,842	3,842	—	—	—	—	—
Mining									
Waste (000s tonnes)	14,805	16,664	20,719	52,188	19,480	21,153	24,170	18,171	82,974
Ore (000s tonnes)	7,052	7,096	7,328	21,476	5,534	5,769	6,438	7,652	25,393
Total (000s tonnes)	21,857	23,760	28,047	73,664	25,014	26,922	30,608	25,823	108,367
Strip Ratio (W:O)	2.10	2.35	2.83	2.43	3.52	3.67	3.75	2.37	3.27
Rehandled Ore (000s tonnes)	3,529	2,923	4,697	11,149	4,926	5,604	4,386	3,073	17,989
Total material moved (000s tonnes)	25,386	26,683	32,744	84,813	29,940	32,526	34,994	28,896	126,356
Mill operations									
Throughput (000s tonnes)	—	—	1,689	1,689	—	—	—	—	—
Tonnes per day	—	—	18,359	18,359	—	—	—	—	—
Cu Grade (%) ³	—	—	0.71	0.71	—	—	—	—	—
Cu Recoveries (%) ³	—	—	68.2	68.2	—	—	—	—	—
Au Grade (g/t) ³	—	—	0.12	0.12	—	—	—	—	—
Au Recoveries (%) ³	—	—	59.7	59.7	—	—	—	—	—
Heap operations									
Throughput (000s tonnes)	2,785	2,326	2,586	7,697	2,754	2,657	2,684	2,831	10,926
Grade (%)	0.36	0.39	0.36	0.37	0.31	0.31	0.32	0.41	0.34
Recoveries (%)	74.9	71.7	76.1	74.9	69.0	73.4	66.5	64.6	68.0
Dump operations									
Throughput (000s tonnes)	3,828	3,772	3,831	11,431	3,895	3,707	2,756	4,277	14,635
Grade (%)	0.15	0.15	0.15	0.15	0.17	0.17	0.17	0.16	0.17
Recoveries (%)	32.6	39.8	37.9	36.7	39.9	37.4	59.4	37.7	42.4
Payable copper produced (tonnes)	9,476	8,663	17,260	35,399	8,532	8,290	8,560	10,019	35,401
Sulphides C1 cash cost ¹ (\$/pound payable copper produced)	—	—	2.52	2.52	—	—	—	—	—
Cathode C1 cash cost ¹ (\$/pound payable copper produced)	3.82	3.68	3.00	3.50	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	3.28	4.02	3.92	3.74	3.68	3.83
Adjusted EBITDA ¹ (\$ millions)	2.6	10.9	45.1	58.6	(4.0)	(11.8)	1.2	(4.1)	(18.7)

² Adjustments based on final settlements will be made in future quarters

³ Production shown on a 100% basis

2024 versus 2023 Insights

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 driven by the ramp up of the MVDP. 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) as expected by the mining sequence. 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.

2024 YTD production of 35.7 thousand tonnes was 8% higher than 2023 YTD mainly due to copper in concentrate production of 8.1 thousand tonnes and 0.8 thousand tonnes higher cathode production mainly driven by higher heap grades as a result of mine sequence (0.37% in 2024 YTD versus 0.31% in 2023 YTD).

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).

2024 YTD C1 cash costs¹ were \$3.28/lb, 16% lower than \$3.89/lb in 2023 YTD, mainly related to higher production (-\$0.77/lb) lower energy price (-\$0.29/lb), lower acid prices and consumption (-\$0.15/lb), which was partially offset by an increase in contracted services, spare parts and labour cost mainly driven by higher mine movement (\$0.56/lb).

Capital Expenditures

Sustaining capital¹ in Q3 2024 of \$8.5 million was spent primarily to enable a new leaching area (South Dump II), tailings works and mining major component. Expansionary capital¹ in Q3 2024 of \$27.8 million related to MVDP. The MVDP project capital spent was \$870 million since inception and came in on budget, which was reclassified to available for use property, plant and equipment at September 30, 2024 upon achieving the commercial production criteria. Non-cash right-of-use assets of \$3.0 million represents leases for mobile mining equipment that commenced during the quarter.

Capitalized exploration expenditures totaled \$0.6 million for Q3 2024. This was primarily spent on infill drilling at Mantoverde pits.

(\$ millions)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Capitalized stripping	16.5	34.3	61.2	94.2
Sustaining capital ¹	8.5	10.7	22.3	26.2
Expansionary capital ¹	27.8	62.6	66.9	234.3
Capitalized interest and other on construction in progress	25.1	19.9	72.2	49.9
Brownfield exploration	0.6	—	4.0	—
Right-of-use assets (non-cash)	3.0	13.2	72.0	28.3
Mantoverde mine additions	81.5	140.7	298.6	432.9

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 17

3.4 Cozamin Mine – Zacatecas, Mexico Operating Statistics

	2024				2023				
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Q4	Total
Production (contained) ²									
Copper (tonnes)	6,006	6,152	6,025	18,183	5,239	6,622	5,915	6,564	24,340
Silver (000s ounces)	346	355	369	1,070	282	367	330	370	1,349
Mining									
Ore (000s tonnes)	306	325	337	968	306	347	347	338	1,338
Processing									
Milled (000s tonnes)	314	323	332	969	307	345	328	348	1,328
Tonnes per day	3,447	3,551	3,609	3,536	3,410	3,792	3,567	3,786	3,639
Copper									
Grade (%) ³	1.98	1.97	1.88	1.94	1.77	1.98	1.86	1.95	1.89
Recoveries (%)	96.9	96.7	96.6	96.7	96.6	96.9	96.8	96.8	96.8
Silver									
Grade (g/t) ³	40.6	40.6	42.9	41.4	35.1	40.1	37.7	39.9	38.3
Recoveries (%)	82.4	82.5	82.7	82.6	81.3	82.5	82.4	82.6	82.3
Payable copper produced (tonnes)	5,773	5,913	5,788	17,474	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	1.83	1.72	1.63	1.85	1.76	1.74
Adjusted EBITDA ¹ (\$ millions)	26.2	38.6	32.3	97.1	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

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.

2024 YTD production was 2% higher than 2023 YTD due to higher grades (1.94% in 2024 YTD versus 1.87% in 2023 YTD), consistent with the mine plan, which was partially offset by slightly lower mill throughput (3,536 tpd in 2024 YTD versus 3,590 tpd in 2023 YTD). Recoveries were consistent with the same period last year.

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.

2024 YTD C1 cash costs¹ were 6% higher than the same period last year primarily due to higher costs in manpower for hourly employees bonus profit sharing increase and the change in mining method which resulted in an increase in contractor utilization than last year (14%), partially offset by more pounds payable produced and higher by-product silver prices and volume.

Capital Expenditures

Sustaining capital¹ spending at Cozamin of \$5.3 million for Q3 2024, mainly related to mine development and mine equipment.

Capitalized exploration expenditures totaled \$0.6 million for Q3 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.

(\$ millions)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Sustaining capital ¹	5.3	6.7	17.4	21.1
Expansionary capital ¹	—	—	—	9.6
Brownfield exploration	0.6	0.4	1.0	1.3
Right-of-use assets (non-cash)	—	—	0.1	0.2
Cozamin mine additions	5.9	7.1	18.5	32.2

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 19

3.5 Santo Domingo Project – Chile (Copper and Iron)

Capital Expenditures

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.

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 20

(\$ millions)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Capitalized project costs	1.6	8.1	9.6	16.9

3.6 Exploration

(\$ millions)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Greenfield exploration (expensed to income statement)	0.1	1.9	0.6	4.7
Brownfield exploration (capitalized to mineral properties):				
<i>Mantos Blancos</i>	—	—	1.4	—
<i>Mantoverde</i>	0.6	—	4.0	—
<i>Cozamin</i>	0.6	0.4	1.0	1.3
Total exploration	1.3	2.3	7.0	6.0

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

At Mantoverde during Q3 2024, exploration activities focused primarily on infill drilling at Mantoverde pits.

Preparations for Mantoverde's exploration drill program continued during Q3 2024. The drilling contractor has been signed and drilling activities are expected to begin during 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.

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

At Cozamin during Q3 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.

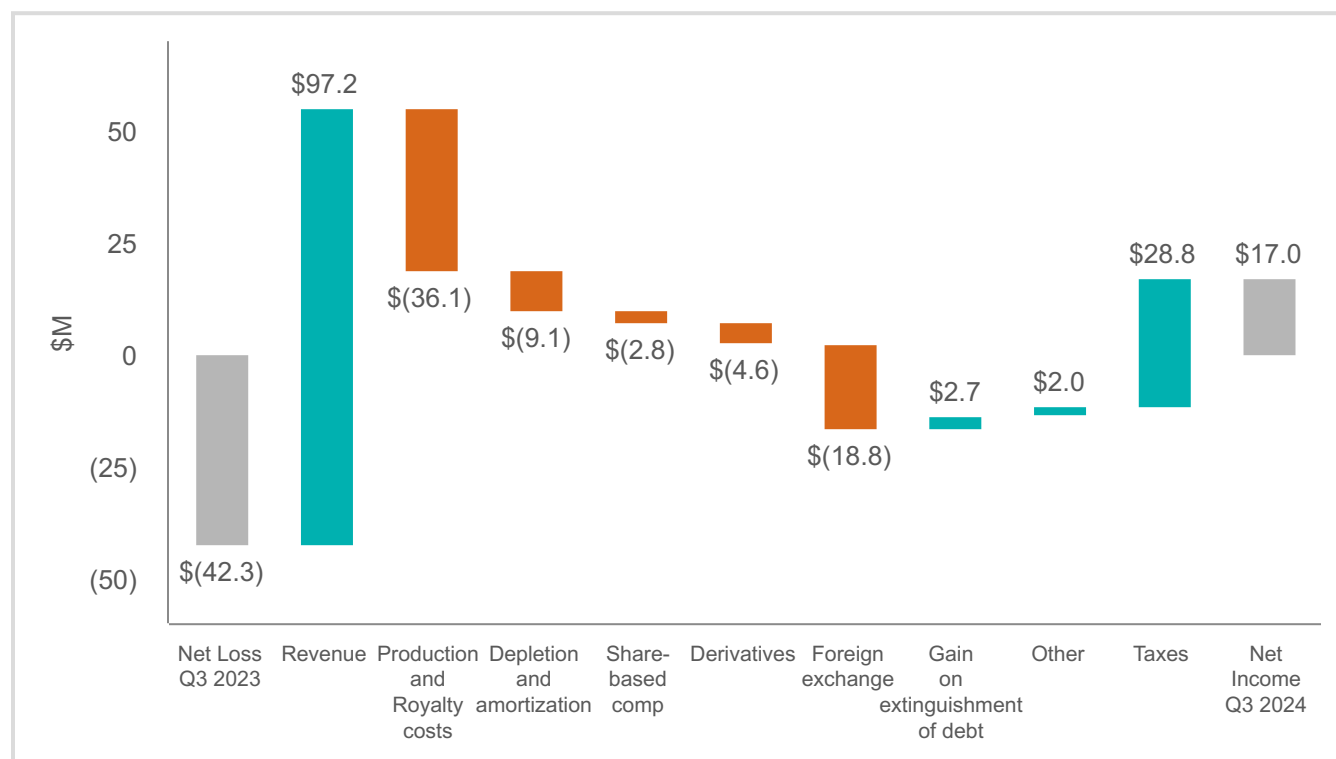
4.0 FINANCIAL REVIEW

4.1 Consolidated Results

Consolidated Net Income (Loss) Analysis

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

The Company recorded net income of \$17.0 million for the three months ended September 30, 2024, compared with net loss of \$42.3 million in Q3 2023. The major differences are outlined below:



The difference quarter-over-quarter was driven by:

- Revenue: \$97.2 million or 30% increase, driven by higher realized copper prices¹ (Q3 2024 - \$4.24 per pound, Q3 2023 - \$3.71 per pound) on higher copper volumes sold (Q3 2024 – 44.7 thousand tonnes, Q3 2023 – 38.7 thousand tonnes).
- Production and Royalty costs: \$36.1 million increase primarily driven by:
 - Mantoverde recorded \$28.8 million higher production costs in Q3 2024, compared to Q3 2023 primarily due to the first shipments of copper concentrates resulting in higher copper volumes sold (Q3 2024 – 15.4 thousand tonnes, Q3 2023 – 8.7 thousand tonnes).
 - Pinto Valley recorded \$2.7 million higher production costs in Q3 2024, compared to Q3 2023 as a result of higher copper volumes sold (Q3 2024 – 13.5 thousand tonnes, Q3 2023 – 12.6 thousand tonnes).
 - Cozamin recorded \$3.9 million higher production costs in Q3 2024, compared to Q3 2023 as a result of higher copper volumes sold (Q3 2024 – 5.8 thousand tonnes, Q3 2023 – 5.3 thousand tonnes), and higher operating costs.
 - Mantos Blancos recorded \$1.7 million lower production costs in Q3 2024, compared to Q3 2023 due to lower copper volumes sold (Q3 2024 – 9.9 thousand tonnes, Q3 2023 – 12.1 thousand tonnes) and lower production.
- Depletion and amortization: \$9.1 million increase primarily due to an increase in depreciable capital assets and higher copper volumes sold.
- Share-based compensation expense: \$2.8 million increase quarter-over-quarter as a result of mark-to-market adjustments on share unit liabilities reflecting an increase in the share price during Q3 2024 vs. a decrease in Q3 2023 (C\$9.70 opening price as at June 30, 2024 to C\$10.57 closing price as at

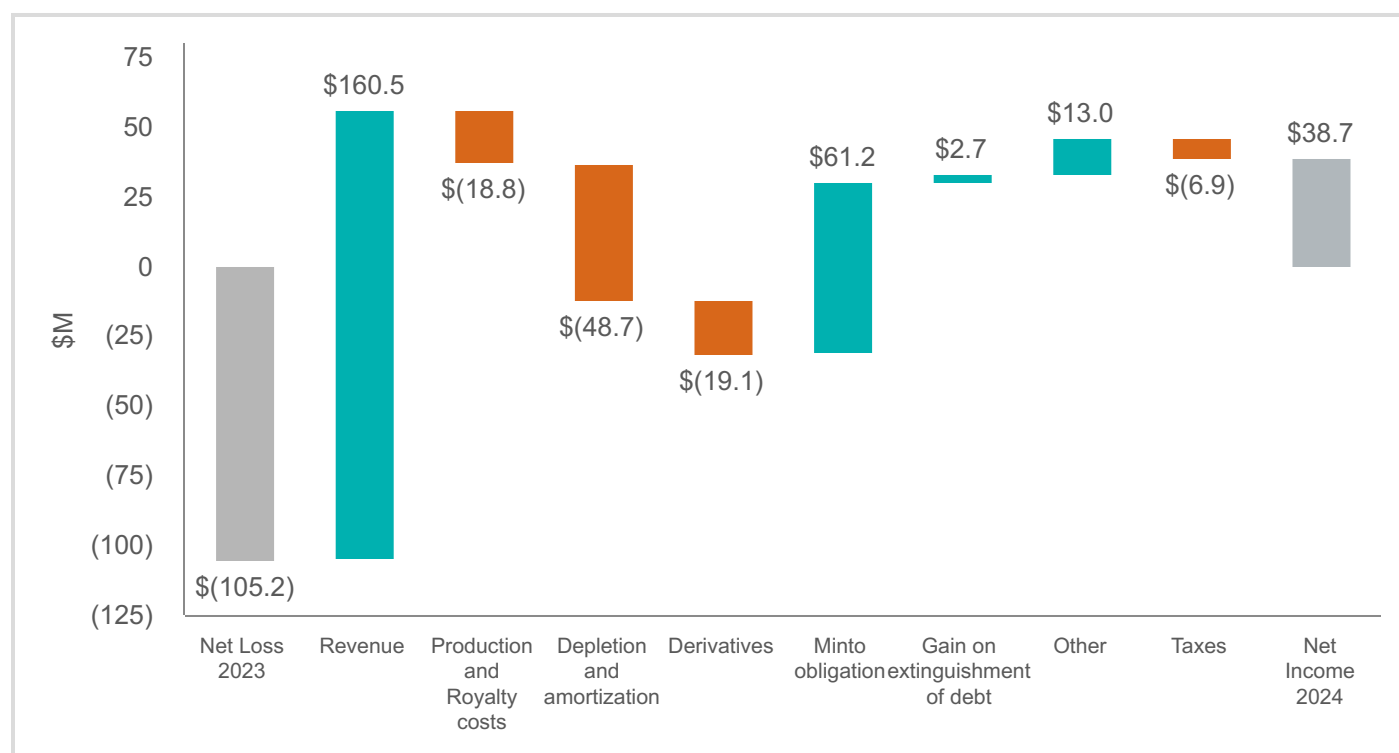
¹ These are non-GAAP performance measures. Refer to the MD&A section titled “Non-GAAP and Other Performance Measures”. Page 22

September 30, 2024 vs. C\$6.01 opening price as at June 30, 2023 to C\$5.76 closing price as at September 30, 2023).

- Derivatives: \$4.6 million change due to a net loss on derivatives in Q3 2024 as a result of unrealized loss on interest rate swaps vs. a net gain on derivatives in Q3 2023 primarily due to a net gain on copper commodity swaps.
- Foreign exchange: \$18.8 million change primarily due to foreign exchange impacts from Mantos Blancos and Mantoverde as a result of a stronger Chilean Peso in Q3 2024 vs. a weakening Chilean Peso in Q3 2023, in addition to the impact of the weakening Mexican Peso at Cozamin.
- Gain on extinguishment of debt: \$2.7 million decrease as result of expensing the \$2.7 million in previously capitalized financing fees due to the RCF amendment in Q3 2023 which was not present in Q3 2024.
- Income taxes expense: \$28.8 million decrease primarily due to Q3 2023 containing a one-time charge of \$31.5 million on the adoption of the Chilean Mining Royalty legislation.

Net Income (Loss) for the Nine Months Ended September 30, 2024 and 2023

The Company recorded a net income of \$38.7 million for the nine months ended September 30, 2024, compared with net loss of \$105.2 million in 2023 YTD. The major differences are outlined below:



The difference year-over-year was driven by:

- Revenue: \$160.5 million or 16% increase, driven by higher realized copper prices¹ (2024 YTD - \$4.20 per pound, 2023 YTD - \$3.87 per pound) and higher copper volumes sold (2024 YTD – 125.4 thousand tonnes, 2023 YTD – 116.9 thousand tonnes) on higher production (2024 YTD – 130.5 million tonnes, 2023 YTD – 120.3 million tonnes).
- Production and Royalty costs: \$18.8 million increase primarily driven by:
 - Mantoverde recorded \$22.9 million higher production costs in 2024 YTD compared to 2023 YTD primarily due to the first shipments of copper concentrates resulting in higher copper volumes sold (2024 YTD - 33.7 thousand tonnes vs. 2023 YTD - 25.9 thousand tonnes), and higher operating costs.
 - Pinto Valley recorded \$2.3 million higher production costs in 2024 YTD compared to 2023 YTD as a result of higher copper volumes sold (2024 YTD – 44.2 thousand tonnes, 2023 YTD – 37.4 thousand tonnes).
 - Cozamin recorded \$10.4 million higher production costs in 2024 YTD compared to 2023 YTD as a result of higher copper volumes sold (2024 YTD – 17.3 thousand tonnes, 2023 YTD – 16.6 thousand tonnes), and the change in mining method.

¹ These are non-GAAP performance measures. Refer to the MD&A section titled “Non-GAAP and Other Performance Measures”. Page 23

- Mantos Blancos recorded \$23.0 million lower production costs in 2024 YTD compared to 2023 YTD as a result of lower copper volumes sold (2024 YTD – 30.3 thousand tonnes, 2023 YTD – 37.0 thousand tonnes) and lower key consumable prices.
- Depletion and amortization: \$48.7 million increase primarily due to higher copper volumes sold and an increased depreciation base.
- Derivatives: \$19.1 million change due to a net loss on derivatives in 2024 YTD vs. a net gain on derivatives in 2023 YTD primarily due to the movements in the copper commodity swaps (2024 YTD – \$13.2 million loss, 2023 YTD – \$0.9 million loss), and interest rate swaps. Copper forward curve prices increased from \$3.88/lb as at December 31, 2023 to \$4.46/lb as at September 30, 2024, vs. an increase from \$3.74/lb at December 31, 2022 to \$3.75/lb at September 30, 2023. Note that all copper commodity swaps were settled in Q2 2024.
- Minto obligation: \$61.2 million decrease as a result of a recovery on the surety bond trust account of \$7.3 million in Q3 2024 vs. recognition of the Minto obligation expense of \$53.9 million in Q3 2023.
- Gain on extinguishment of debt: \$2.7 million decrease as result of expensing the \$2.7 million in previously capitalized financing fees due to the RCF amendment in Q3 2023 which was not present in Q4 2024.
- Net other income: \$13.0 million decrease primarily due to the immediate expensing of a portion of Mantos Blancos union bargaining bonus of \$8.9 million, and the bad debt provision for the \$5 million uncollectible amount from Minto related to the sale in 2019 during 2023 YTD, which were not present in 2024 YTD.
- Income taxes expense: \$6.9 million increase due to a net income in 2024 YTD compared to a net loss in 2023 YTD in addition to Q3 2023 containing a one-time charge of \$31.5 million on the adoption of the Chilean Mining Royalty legislation.

4.2 Revenue Analysis

Revenue increased quarter-on-quarter (\$419.4 million versus \$322.2 million in Q3 2023) primarily due to a higher realized copper price¹ (\$4.24 per pound versus \$3.77 per pound in Q3 2023), and higher copper volumes sold (44.7 thousand tonnes versus 38.7 thousand tonnes in Q3 2023).

YTD revenue increased year-on-year (\$1,152.3 million versus \$991.8 million in 2023 YTD) primarily due to a higher realized copper price¹ (\$4.20 per pound versus \$3.87 per pound in 2023 YTD), and higher copper volumes sold (125.4 thousand tonnes versus 116.9 thousand tonnes in 2023 YTD).

Revenue by Mine

(\$ millions)	Q3 2024 ²		Q3 2023 ²		2024 YTD ²		2023 YTD ²	
Pinto Valley	123.3	29.4 %	105.4	32.7 %	402.4	34.9 %	317.6	32.0 %
Mantos Blancos	89.1	21.2 %	97.5	30.3 %	270.3	23.5 %	308.3	31.1 %
Mantoverde	148.3	35.4 %	69.5	21.6 %	315.9	27.4 %	213.8	21.6 %
Cozamin	60.5	14.4 %	48	14.9 %	177.3	15.4 %	157.4	15.9 %
Corporate ³	(1.8)	(0.4)%	1.8	0.5 %	(13.6)	(1.2)%	(5.3)	(0.6)%
Total revenue	419.4	100.0 %	322.2	100.0 %	1,152.3	100.0 %	991.8	100.0 %

² The current and subsequent periods may include final settlement quantity and/or price adjustments from prior shipments.

³ The Corporate revenue is related to the net changes on quotational period hedges.

Provisionally Priced Copper

Gross revenue for the three months ended September 30, 2024 includes 52.2 thousand tonnes of copper sold subject to final settlement. Of this, the prices for 24.3 thousand tonnes are final at a weighted average price of \$4.21 per pound. The remaining 27.9 thousand tonnes are subject to price change upon final settlement at the end of the applicable quotational period, as follows:

Quotational Period						(\$/pound)	
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total	Provisional Price	
Oct-2024	6.3	3.7	1.5	2.0	13.5	4.42	
Nov-2024	—	0.7	3.1	—	3.8	4.44	
Dec-2024	2.5	—	3.0	—	5.5	4.46	

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 24

Not yet declared by customer	5.1	—	—	—	5.1	4.42
Total	13.9	4.4	7.6	2.0	27.9	4.43

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 27.9 thousand tonnes subject to price change upon final settlement, 11.2 thousand tonnes have been hedged as at September 30, 2024, and 8.9 thousand tonnes of September sales were hedged in October 2024. The remaining 7.8 thousand tonnes are not hedged as these volumes have a declared quotational period of October 2024, which the quotational period hedging program is designed to achieve average LME price of the month after month of shipment.

Reconciliation of Realized Copper Price¹

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

(\$ millions, except as noted)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Gross copper revenue				
Gross copper revenue on new shipments	412.2	321.6	1,151.7	994.2
Realized pricing and volume adjustments on copper revenue	0.1	(1.7)	6.4	3.3
Unrealized pricing and volume adjustments on copper revenue	5.8	1.8	3.8	2.0
Gross copper revenue including pricing and volume adjustments	418.1	321.7	1,161.9	999.5
Gross copper revenue on new shipments (\$/pound)	4.18	3.77	4.16	3.86
Realized pricing and volume adjustments on copper revenue (\$/pound)	—	(0.02)	0.02	0.01
Unrealized pricing and volume adjustments on copper revenue (\$/pound)	0.06	0.02	0.02	—
Realized copper price¹ (\$/pound)	4.24	3.77	4.20	3.87
LME average copper price (\$)	4.18	3.79	4.13	3.89
LME close price (\$)	4.43	3.73	4.43	3.73
Gross copper revenue - reconciliation to financials				
Gross copper revenue including pricing and volume adjustments	418.1	321.7	1,161.9	999.5
Revenue from other metals	20.5	16.0	43.1	40.8
Treatment and selling	(19.2)	(15.5)	(52.7)	(48.5)
Revenue per financials	419.4	322.2	1,152.3	991.8
Payable copper sold (tonnes)	44,684	38,700	125,428	116,911

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 26

4.3 Consolidated Cash Flow Analysis

(\$ millions)	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Operating cash flow before changes in working capital	116.9	59.2	282.0	124.3
Changes in non-cash working capital	(31.9)	15.7	(51.8)	(40.1)
Other non-cash changes	2.0	(18.2)	2.1	(27.8)
Total cash flow from operating activities	87.0	56.7	232.3	56.4
Total cash flow used in investing activities	(125.2)	(190.5)	(379.9)	(527.3)
Total cash flow from financing activities	37.8	142.3	160.7	425.3
Effect of foreign exchange rates on cash and cash equivalents	0.3	3.3	(1.3)	3.3
Net change in cash and cash equivalents	(0.1)	11.8	11.8	(42.3)
Opening cash and cash equivalents	137.9	116.1	126.0	170.3
Closing cash and cash equivalents	137.8	127.9	137.8	128.0

	September 30, 2024	December 31, 2023
Total assets	6,363.2	5,873.9
Total non-current financial liabilities	996.6	1,205.3

Operating Activities

Cash flow generated from operating activities was \$87.0 million during Q3 2024, an increase of \$30.2 million compared to the same period in 2023. Operating cash flow before changes in non-cash working capital was \$116.9 million, reflecting an increase of \$57.7 million compared to Q3 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 a use of cash of \$31.9 million in Q3 2024 compared to a source of cash of \$15.7 million in the same period last year. There was a build-up of trade receivables and supplies inventory at Mantoverde because of the ramp-up of operations.

2024 YTD cash generated from operating activities was \$232.3 million, an increase of \$175.9 million compared to 2023 YTD. Operating cash flow before changes in non-cash working capital for the nine months ended September 30, 2024, was \$282.0 million, an increase of \$157.7 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

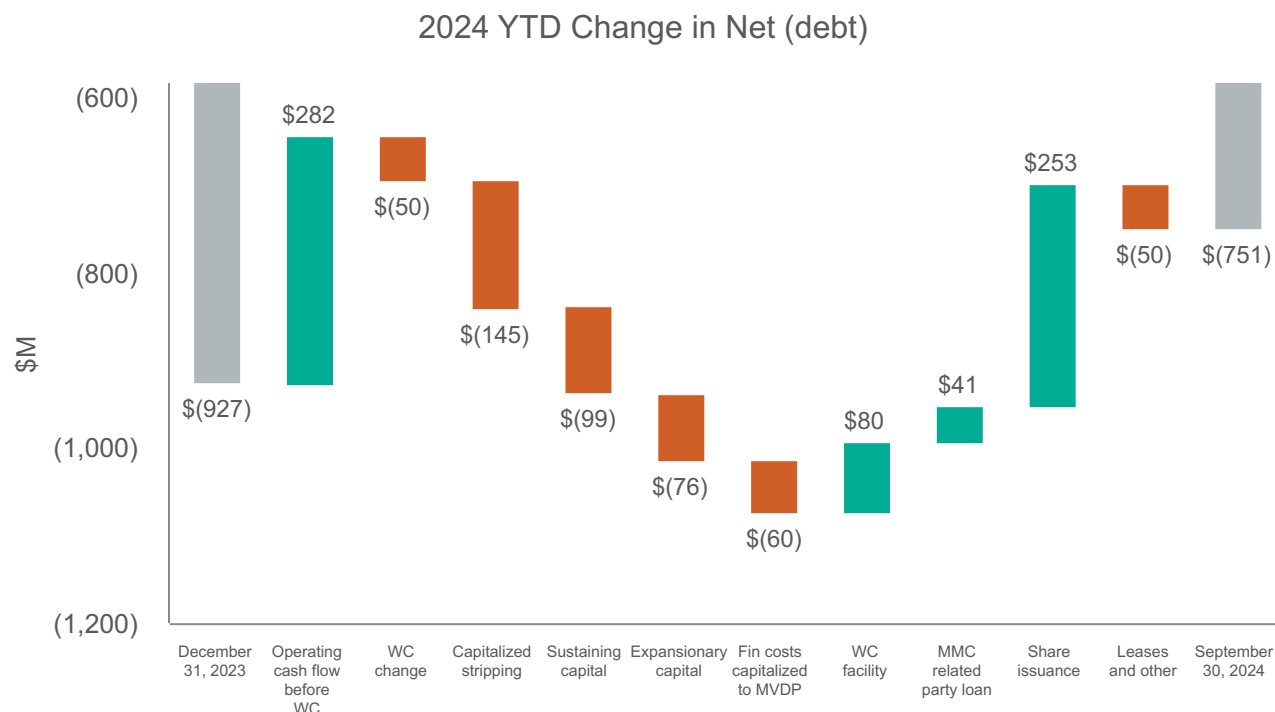
2024 YTD expenditures on property plant and equipment, including capitalized interest, was \$381.4 million which included \$137.1 million on MVDP and other expansionary projects, \$145.2 million on capitalized stripping and \$99.1 million on sustaining capital.

Financing Activities

2024 YTD cash flow from financing activities was \$160.7 million which included \$252.9 million proceeds from share issuance, partially offset by \$43.8 million lease payments and net \$42.7 million repayments of debt.

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 27

4.4 Liquidity and Financial Position



Our available liquidity¹ as at September 30, 2024 was \$515.6 million, which included \$138.6 million of cash and cash equivalents and short-term investments, and \$377 million of undrawn amounts on our \$700 million RCF.

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

Credit Facilities

Mantoverde Development Project Facility

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

Mantoverde Cost Overrun Facility ("COF")

MMC agreed to provide a \$60 million COF in exchange for additional offtake of copper concentrate production under a 10-year contract. The COF initially carried an interest rate of 3-month US\$ LIBOR plus 1.70% and amortizing over 37 quarters from 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.

Revolving Credit Facility

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

Working Capital Facilities

During Q2 2023, two of the Company's Chilean subsidiaries entered into a series of short-term export credit facilities with a weighted average interest rate of 6.71% for the purpose of working capital management. As at

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 28

September 30, 2024, the aggregate balance of the facilities was \$107.0 million, including accrued interest of \$2.0 million. The working capital facilities are included in Current - Other Liabilities on the consolidated statement of financial position.

As at September 30, 2024, Capstone Copper was in a net (debt)¹ position of \$750.7 million with \$830.9 million long-term debt drawn in total, and \$58.4 million drawn on the COF with MMC, which is presented in Due to Related Party on the consolidated balance sheet. As at September 30, 2024, the \$830.9 million of long-term debt consists of \$507.9 million drawn on the MVDP facility and \$323.0 million drawn on the RCF. The current portion of the MVDP facility is \$77.7 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 September 30, 2024, the Company held no derivatives designated as hedged instruments.

	September 30, 2024		December 31, 2023	
Derivative financial assets:				
Foreign currency contracts	\$	2,704	\$	2,139
Interest rate swap contracts		19,111		33,410
Total derivative financial assets	\$	21,815	\$	35,549
Derivative financial liabilities:				
Foreign currency contracts		91		1,503
Copper commodity contracts		—		13,484
Quotational pricing contracts		3,787		1,801
Total derivative financial liabilities	\$	3,878	\$	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 liquidity¹. We have reasonable expectations for our operating performance, additional liquidity options are available such as debt and capital market access, the Corporate RCF of \$700 million, \$377 million of which is undrawn, and the hedging programs described above, which all provide protection and significant available liquidity.

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

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

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 October 31, 2024:

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 29

Issued and outstanding	754,110,346
Share options outstanding at a weighted average exercise price of \$6.46	2,544,838
Treasury share units outstanding at a weighted average exercise price of \$5.62	2,981,106
Fully diluted	759,636,290

Under the Treasury Share Unit Plan, the Company has the ability to settle the units in shares up to 3.5% of the total issued and outstanding common shares of Capstone Copper.

Capital Management

Capstone Copper's capital management objectives are intended to safeguard the Company's ability to support its normal operating requirements on an ongoing basis as well as continue the development and exploration of its mineral properties and support any expansion plans. As part of the Company's treasury policy, the Company will only hold deposits in Canadian Tier 1 banks, International Commercial Banks with a rating of A- or greater, Canadian and US government bonds, or bankruptcy remote treasury market or exchange-traded funds of AAA rating.

4.5 Commitments

Royalty Agreements

Under the terms of the December 2003 option agreement with Grupo Minera Bacis S.A. de C.V. ("Bacis"), Capstone Mining assumed a 100% interest in the Cozamin mine with a 3% net smelter royalty paid to Bacis on all payable metal sold from production on the property covered by the agreement.

In connection with the financing of the Mantos Blancos Debottlenecking Development Project, Mantos Copper S.A. entered into a royalty agreement with Southern Cross Royalties Limited ("Southern Cross"). Southern Cross is entitled to a 1.525% net smelter royalty on copper production. The royalty is for a period initially through January 1, 2035 that may be extended by Southern Cross at its sole discretion through the duration of the mining rights and is subject to the Company's option to reduce the royalty amount by 50% any time after January 1, 2023, subject to a one-time payment.

Agreement with Osisko Bermuda Limited ("Osisko")

Pursuant to a long-term streaming agreement made in 2015, that covers the life of mine, the Company delivers 100% of the payable silver sold by Mantos Blancos to Osisko Bermuda Limited ("Osisko"). Osisko pays a cash price of 8% of the spot price at the time of each delivery, in addition to an upfront acquisition price previously paid. After 19.3 million ounces of silver have been delivered under the agreement, the stream will be reduced to 40%. Mantos Blancos has delivered 6.2 million silver ounces since contract inception until September 30, 2024.

Agreement with Jetti Resources, LLC ("Jetti")

Under the terms of the 2019 agreement, the Company is required to make quarterly royalty payments to Jetti based on an additional net profits calculation resulting from cathode production at the Pinto Valley mine. The initial term of the agreement is ten years, renewable for 5-year terms thereafter.

Offtake agreements

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

The Company has sales commitments equal to 100% of its copper cathode production at Mantoverde and Mantos Blancos under offtake agreements with Anglo American Marketing Limited ("AAML") up to the end of December 31, 2024.

The Company has concentrate offtake agreements with third parties whereby they will purchase 100% of the copper concentrate produced by the Cozamin mine up to the end of December 2026.

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

The Company entered into an offtake agreement with Boliden Commercial AB (“Boliden”) for 75,000 tonnes of copper concentrates in each contract year. The offtake agreement expires ten years after the commencement of commercial production at the MVDP, subject to potential extension if less than 750 thousand tonnes of copper concentrates have been delivered at the contract term and subject to termination if commercial production does not commence by December 31, 2024.

MMC agreed to provide a \$60 million COF in exchange for additional offtake of copper concentrate production under a 10-year contract. The offtake agreement includes Mantoverde agreeing to sell 30% of its annual copper production per year delivered for its equivalent in copper concentrates, plus an additional amount of 30,000 tonnes of copper concentrate as a result of fully utilizing the COF that was provided by MMC in connection with the MVDP. The agreement between MMC and Mantoverde to sell 30% of its annual copper production is for the duration of the Mantoverde commercial mine life. The amount payable for copper is based on average LME prices, subject to certain terms.

Construction and other operating contracts

The Company entered into the EPC with Ausenco Chile Limitada for an estimated aggregate cost of \$525 million. As at September 30, 2024, capital expenditures committed for all the company's mine sites, but not yet incurred, were \$26.8 million.

The Company has contractual agreements extending until 2026 and 2033 to purchase water for operations at Mantos Blancos.

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

The Company has contractual arrangements at Mantos Blancos and Mantoverde for the purchase of 105,000 tonnes of acid during the remainder of 2024, 100,000 tonnes in 2025 and 100,000 tonnes in 2026.

Other

The Company has provided a guarantee to the Chilean Internal Revenue Service that \$14.9 million of all value-added taxes previously refunded, plus interest, will be repaid if construction of the Santo Domingo development project is not completed by August 31, 2026. The Company may request an extension to the date that aligns with a future Santo Domingo construction decision.

Provisions

Provisions of \$258.4 million at September 30, 2024 includes the following:

- \$220.2 million for reclamation and closure cost obligations at Capstone Copper's operating mines;
- \$33.1 million related to other long-term closure obligations at the Cozamin and Chilean mines; and
- \$4.1 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 \$7.6 million is recorded in other liabilities.
- \$1.0 million for the long-term portion of the Minto obligation as Minto ceased operations during Q2 2023 (see below).

Minto Obligation

On June 3, 2019, the Company completed the sale of its 100% interest in the Minto Mine and in conjunction with the completion of the sale, Minto had posted a surety bond to cover potential future reclamation liabilities. The Company remains an indemnitor for Minto's C\$72 million surety bond obligation in the Yukon. During Q2 2023, Minto ceased operations and the Yukon Government took over all reclamation activities. As Minto defaulted on the surety bond in Q2 2023, Capstone has recognized a provision related to the Company's obligations towards the issuer of the surety bond. During the three and nine months ended September 30, 2024, the Company made payments of \$5.2 million and \$13.4 million, respectively, to the Yukon Government for reclamation work performed. As at September 30, 2024, the total remaining provision is \$29.4 million, and \$28.5 million recorded in other current liabilities represents the current portion.

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

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 2.4 million silver ounces since contract inception until September 30, 2024. The agreement with Wheaton includes a completion test, which requires the completion of the paste backfill plant by December 31, 2023, and production of at least 105,000 cubic meters of suitable paste backfill for use in the underground operations at Cozamin over a consecutive 90-day period. During Q3 2024, the completion test was achieved.

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 September 30, 2024, the amount of the deferred revenue liability recognized as revenue was \$11.2 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 September 30, 2024 the value of the obligation is \$7.3 million, and the Company has delivered 0.6 million gold ounces to Wheaton as part of the early deposit delay payment.

The Company recorded the upfront early deposit of \$30 million received as deferred revenue and will recognize amounts in revenue as gold is delivered under the arrangement. For the period ended September 30, 2024, there was no amortization of the deferred revenue liability recognized as revenue.

Purchase of Non-Controlling Interest from KORES

At September 30, 2024, a liability of \$43.8 million was recognized in other current liabilities equal to the discounted amount of the remaining \$45.0 million to be paid to KORES on March 24, 2025 as part of the agreement to purchase its 30% share of Acquisition Co. The discounted amount of the remaining \$45.0 million will be accreted up to its face value at 5% per year. During the three and nine months ended September 30, 2024, \$0.5 million and \$1.5 million, respectively, of accretion was recorded in other non-cash interest expenses in the condensed interim consolidated statements of income (loss).

Off-Balance Sheet Arrangements

As at September 30, 2024, the Company had no off-balance-sheet arrangements other than the following:

- those disclosed under Commitments in the condensed interim consolidated financial statements for the three and nine months ended September 30, 2024;
- capital expenditure commitments totalling \$26.8 million;
- seven surety bonds totalling \$260.8 million.

4.6 Transactions with Related Parties

As described in the Nature of Business section, Capstone Copper has related party relationships, as defined by IFRS, with its key management personnel.

Related party transactions and balances are disclosed in the condensed interim consolidated financial statements for the period ended September 30, 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 September 30, 2024 condensed interim consolidated financial statements.

New IFRS Pronouncements

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

5.0 NON-GAAP AND OTHER PERFORMANCE MEASURES

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

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

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 33

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 September 30, 2024

	Q3 2024				Total
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	
Payable copper produced (000s pounds)	29,797	21,371	37,929	12,760	101,857
(\$ millions)					
Production costs of metal produced (per financials)	82.0	72.6	97.6	26.6	278.8
Transportation cost to point of sale	(7.6)	(2.4)	(1.5)	(1.6)	(13.1)
Inventory (write-down) reversal	(0.2)	0.7	—	—	0.5
Inventory working capital adjustments	1.9	(3.3)	5.7	(0.6)	3.7
Cash production costs of metal produced	76.1	67.6	101.8	24.4	269.9
(\$/pound)					
Production costs					
Mining	0.61	1.00	0.94	1.24	0.89
Milling/Processing	1.62	1.89	1.55	0.41	1.50
G&A	0.32	0.27	0.19	0.26	0.25
C1P sub-total	2.55	3.16	2.68	1.91	2.64
By-product credits	(0.16)	(0.02)	(0.08)	(0.42)	(0.13)
Treatment and selling costs	0.53	0.27	0.18	0.33	0.32
C1 cash cost (\$/pound produced)	2.92	3.41	2.78	1.82	2.83
(\$/pound)					
Royalties	0.01	0.06	—	0.09	0.03
Production-phase capitalized stripping / Mineralized drift	—	0.90	0.43	0.02	0.35
Sustaining capital	0.67	0.91	0.24	0.39	0.52
Sustaining leases	0.07	0.18	0.13	—	0.11
Accretion of reclamation obligation	0.01	0.03	0.01	0.05	0.02
Amortization of reclamation asset	—	0.01	—	0.05	0.01
Corporate G&A, excluding depreciation					0.10
All-in sustaining cost adjustments	0.76	2.09	0.81	0.60	1.14
All-in sustaining cost (\$/pound produced)	3.68	5.50	3.59	2.42	3.97

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 34

Three Months Ended September 30, 2023

	Q3 2023				
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total
Payable copper produced (000s pounds)	29,037	26,128	18,872	12,523	86,560
(\$ millions)					
Production costs of metal produced (per financials)	79.3	74.3	68.8	22.7	245.1
Transportation cost to point of sale	(5.5)	(2.1)	(0.5)	(1.2)	(9.3)
Inventory (write-down) reversal	0.3	—	0.8	—	1.1
Inventory working capital adjustments	2.8	(4.0)	0.2	0.9	(0.1)
Cash production costs of metal produced ²	76.9	68.2	69.3	22.4	236.8
(\$/pound)					
Production costs					
Mining	0.87	0.74	0.82	1.11	0.85
Milling/Processing	1.50	1.65	2.57	0.37	1.61
G&A	0.28	0.22	0.30	0.31	0.27
C1P sub-total	2.65	2.61	3.69	1.79	2.73
By-product credits	(0.29)	(0.01)	—	(0.31)	(0.15)
Treatment and selling costs	0.47	0.22	0.05	0.37	0.30
C1 cash cost (\$/pound produced)	2.83	2.82	3.74	1.85	2.88
(\$/pound)					
Royalties	0.01	0.06	—	0.07	0.03
Production-phase capitalized stripping / Mineralized drift	—	0.76	0.57	0.03	0.37
Sustaining capital	0.82	0.23	0.57	0.48	0.54
Sustaining leases	0.07	0.11	0.10	0.01	0.08
Accretion of reclamation obligation	0.01	0.03	0.03	0.04	0.02
Amortization of reclamation asset	—	0.01	0.01	0.03	0.01
Corporate G&A, excluding depreciation					0.06
All-in sustaining cost adjustments	0.91	1.20	1.28	0.66	1.11
All-in sustaining cost (\$/pound produced)	3.74	4.02	5.02	2.51	3.99

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 35

Nine Months Ended September 30, 2024

	2024 YTD				Total
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	
Payable copper produced (000s pounds)	97,283	66,448	78,042	38,522	280,295
(\$ millions)					
Production costs of metal produced (per financials)	238.3	208.5	248.8	76.5	772.1
Transportation cost to point of sale	(22.9)	(7.1)	(2.2)	(4.4)	(36.6)
Inventory (write-down) reversal	(0.2)	0.1	1.3	—	1.2
Inventory working capital adjustments	0.4	(0.5)	2.4	(0.2)	2.1
Cash production costs of metal produced	215.6	201.0	250.3	71.9	738.8
(\$/pound)					
Production costs					
Mining	0.59	0.94	1.09	1.17	0.89
Milling/Processing	1.35	1.83	1.86	0.43	1.48
G&A	0.28	0.25	0.26	0.27	0.27
C1P sub-total	2.22	3.02	3.21	1.87	2.64
By-product credits	(0.11)	(0.01)	(0.04)	(0.38)	(0.11)
Treatment and selling costs	0.52	0.26	0.11	0.34	0.32
C1 cash cost (\$/pound produced)	2.63	3.27	3.28	1.83	2.85
(\$/pound)					
Royalties	0.02	0.06	—	0.09	0.03
Production-phase capitalized stripping / Mineralized drift	—	0.82	0.24	0.02	0.27
Sustaining capital	0.39	0.59	0.28	0.43	0.41
Sustaining leases	0.06	0.13	0.15	—	0.10
Accretion of reclamation obligation	0.01	0.03	0.02	0.05	0.02
Amortization of reclamation asset	—	0.01	—	0.05	0.01
Corporate G&A, excluding depreciation					0.09
All-in sustaining cost adjustments	0.48	1.64	0.69	0.64	0.93
All-in sustaining cost (\$/pound produced)	3.11	4.91	3.97	2.47	3.78

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 36

Nine Months Ended September 30, 2023

	2023 YTD				Total
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	
Payable copper produced (000s pounds)	83,465	81,506	55,956	37,643	258,570
(\$ millions)					
Production costs of metal produced (per financials)	236.0	231.5	225.9	66.1	759.5
Transportation cost to point of sale	(17.4)	(8.4)	(1.2)	(3.8)	(30.8)
Inventory (write-down) reversal	(0.4)	—	(1.0)	—	(1.4)
Inventory working capital adjustments	5.1	(6.7)	(8.8)	0.9	(9.5)
Cash production costs of metal produced ²	223.3	216.4	214.9	63.2	717.8
(\$/pound)					
Production costs					
Mining	0.91	0.83	0.75	1.05	0.87
Milling/Processing	1.44	1.61	2.78	0.36	1.63
G&A	0.32	0.22	0.31	0.27	0.28
C1P sub-total	2.67	2.66	3.84	1.68	2.78
By-product credits	(0.20)	(0.02)	—	(0.31)	(0.11)
Treatment and selling costs	0.49	0.23	0.05	0.36	0.29
C1 cash cost (\$/pound produced)	2.96	2.87	3.89	1.73	2.96
(\$/pound)					
Royalties	0.02	0.06	—	0.07	0.03
Production-phase capitalized stripping / Mineralized drift	—	0.67	0.39	0.03	0.30
Sustaining capital	0.60	0.16	0.47	0.53	0.42
Sustaining leases	0.05	0.11	0.09	—	0.07
Accretion of reclamation obligation	0.02	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	0.69	1.04	0.99	0.69	0.93
All-in sustaining cost (\$/pound produced)	3.65	3.91	4.88	2.42	3.89

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 37

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)	September 30, 2024	December 31, 2023
Long-term debt (per financials), excluding deferred financing costs of 1.6 and 1.9 and PPA fair value adjustments of 5.9 and 6.6	(830.9)	(994.0)
COF	(58.4)	(60.0)
<i>Add:</i>		
Cash and cash equivalents (per financials)	137.8	126.0
Short-term investments (per financials)	0.8	0.8
Net (debt)/cash	(750.7)	(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)	September 30, 2024	December 31, 2023
Attributable Long-term debt, excluding deferred financing costs of 1.6 and 1.9 and PPA fair value adjustments of 5.9 and 6.6	(678.6)	(838.0)
Attributable COF	(40.9)	(42.0)
<i>Add:</i>		
Attributable Cash and cash equivalents	119.8	102.6
Attributable Short-term investments	0.8	0.8
Attributable Net (debt)/cash	(598.9)	(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)	September 30, 2024	December 31, 2023
Revolving credit facility capacity	700.0	700.0
MVDP debt facility	507.9	520.0
Long-term debt (per financials), excluding deferred financing costs of 1.6 and 1.9 and PPA fair value adjustments of 5.9 and 6.6	(830.9)	(994.0)
	377.0	226.0
Cash and cash equivalents (per financials)	137.8	126.0
Short-term investments (per financials)	0.8	0.8
Available liquidity	515.6	352.8

Reconciliation of Adjusted Net Income (Loss) Attributable To Shareholders

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

(\$ millions, except share and per share amounts) ²	Q3 2024	Q3 2023	2024 YTD	2023 YTD
Net income (loss) attributable to shareholders	12.5	(32.9)	37.0	(89.4)
Inventory write-down	(0.8)	(2.8)	(2.3)	1.0
Unrealized loss (gain) on derivative contracts	6.0	(5.5)	(1.2)	(26.1)
Share-based compensation expense	4.1	1.3	15.8	15.7
Unrealized foreign exchange loss (gain)	7.7	(5.8)	1.4	(7.2)
Chilean Tax Reform	—	24.3	—	24.3
Other expense - non-recurring fees	—	0.3	—	14.6
Gold stream obligation	0.6	—	1.3	—
Minto obligation expense (recovery)	—	—	(7.3)	53.9
Gain on disposal of assets	—	(0.1)	(1.3)	(0.1)
(Gain) loss on extinguishment of debt	—	2.7	—	2.7
G&A - care and maintenance	0.1	0.1	0.3	0.3
Tax effect on the above adjustments	(4.8)	2.6	(1.8)	(0.2)
Adjusted net income (loss) attributable to shareholders	25.4	(15.8)	41.9	(10.5)
Weighted average common shares - basic (per financials)	758,258,475	694,029,762	746,857,323	693,289,092
Adjusted net income (loss) attributable to shareholders of Capstone Copper Corp. per common share - basic (\$)	0.03	(0.02)	0.06	(0.02)
Weighted average common shares - diluted (per financials)	760,049,404	696,970,798	748,464,308	696,183,293
Adjusted net income (loss) attributable to shareholders of Capstone Copper Corp. per common share - diluted (\$)	0.03	(0.02)	0.06	(0.02)

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

Reconciliation of Adjusted EBITDA

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

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

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

(\$ millions) ²	Three months ended September 30, 2024					Total
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	
Net income (loss) per financials	\$ 19.2	\$ (14.1)	\$ 15.4	\$ 11.1	\$ (14.6)	\$ 17.0
Net finance costs	1.4	3.1	2.5	2.2	(0.1)	9.1
Taxes	3.8	(8.1)	9.2	8.9	2.9	16.7
Depletion and amortization	16.0	30.7	14.9	10.3	0.5	72.4
EBITDA	40.4	11.6	42.0	32.5	(11.3)	115.2
Share-based compensation expense	—	—	—	—	4.1	4.1
Total inventory write-down (reversal)	0.2	(1.0)	—	—	—	(0.8)
Realized (gain) loss on MVDP derivative contracts	—	—	(5.5)	—	—	(5.5)
Unrealized (gain) loss on derivatives	—	—	10.3	—	(4.3)	6.0
Unrealized foreign exchange loss	0.1	3.0	4.2	0.1	0.3	7.7
Gold stream obligation	—	—	—	—	0.6	0.6
Unrealized provisional pricing and volume adjustments on revenue	(1.8)	(2.9)	(5.9)	(0.3)	4.5	(6.4)
Adjusted EBITDA	38.9	10.7	45.1	32.3	(6.2)	120.8

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

Three months ended September 30, 2023

(\$ millions) ²	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	\$ 7.0	\$ (11.3)	\$ (31.4)	\$ 9.7	\$ (16.3)	\$ (42.3)
Net finance costs	1.1	1.8	0.4	2.2	4.9	10.4
Taxes	(0.4)	18.6	21.0	6.2	0.1	45.5
Depletion and amortization	18.0	18.4	19.2	7.1	—	62.7
EBITDA	25.7	27.5	9.2	25.2	(11.3)	76.3
Share-based compensation expense	—	—	—	—	1.3	1.3
Total inventory (reversal) write-down	(0.3)	(1.0)	(1.4)	—	—	(2.8)
Realized (gain) loss on MVDP derivative contracts	—	—	(1.8)	—	—	(1.8)
Unrealized (gain) loss on derivatives	—	—	(3.5)	—	(2.0)	(5.5)
(Gain) loss on disposal of assets	—	—	(0.1)	—	—	(0.1)
(Gain) loss on extinguishment of debt	—	—	—	—	2.7	2.7
Unrealized foreign exchange (gain) loss	(0.1)	(3.3)	(0.9)	(0.4)	(1.1)	(5.8)
Other expense - non-recurring	—	—	—	—	0.3	0.3
Unrealized provisional pricing and volume adjustments on revenue	(0.4)	(0.7)	(0.3)	0.1	(0.5)	(1.8)
Adjusted EBITDA	24.9	22.5	1.2	24.9	(10.7)	62.8

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

Nine months ended September 30, 2024

(\$ millions) ²	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	\$ 80.5	\$ (21.2)	\$ 6.1	\$ 34.9	\$ (61.6)	\$ 38.7
Net finance costs	3.5	6.4	5.1	6.8	3.3	25.1
Taxes	17.2	(10.1)	4.9	24.9	6.5	43.4
Depletion and amortization	59.2	75.6	47.0	30.8	0.5	213.1
EBITDA	160.4	50.7	63.1	97.4	(51.3)	320.3
Share-based compensation expense	—	—	—	—	15.8	15.8
Total inventory write-down (reversal)	0.2	0.2	(2.7)	—	—	(2.3)
Realized (gain) loss on MVDP derivative contracts	—	—	2.2	—	—	2.2
Unrealized (gain) loss on derivatives	—	—	1.1	—	(2.3)	(1.2)
(Gain) loss on disposal of assets	—	—	(1.3)	0.1	(0.1)	(1.3)
Unrealized foreign exchange (gain) loss	—	0.5	2.0	(0.4)	(0.7)	1.4
Gold stream obligation	—	—	—	—	1.3	1.3
Minto obligation expense (recovery)	—	—	—	—	(7.3)	(7.3)
Unrealized provisional pricing and volume adjustments on revenue	(1.9)	0.9	(5.8)	—	2.0	(4.8)
Adjusted EBITDA	158.7	52.3	58.6	97.1	(42.6)	324.1

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

Nine months ended September 30, 2023

(\$ millions) ²	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	\$ 21.0	\$ (11.0)	\$ (52.6)	\$ 49.3	\$ (111.9)	\$ (105.2)
Net finance costs	2.6	5.1	—	6.7	11.4	25.8
Taxes	(1.2)	19.3	11.1	15.8	(8.5)	36.5
Depletion and amortization	57.0	49.0	36.7	19.9	0.3	162.9
EBITDA	79.4	62.4	(4.8)	91.7	(108.7)	120.0
Share-based compensation expense	—	—	—	—	15.7	15.7
Total inventory write-down (reversal)	0.7	(1.0)	1.3	—	—	1.0
Realized (gain) loss on MVDP derivative contracts	—	—	(0.6)	—	—	(0.6)
Unrealized (gain) loss on derivatives	—	—	(11.0)	—	(15.1)	(26.1)
(Gain) loss on disposal of assets	—	—	(0.1)	—	—	(0.1)
(Gain) loss on extinguishment of debt	—	—	—	—	2.7	2.7
Unrealized foreign exchange (gain) loss	—	(2.3)	(0.6)	(2.8)	(1.5)	(7.2)
Other expense - non-recurring	—	8.9	—	—	5.7	14.6
Surety bond utilization expense	—	—	—	—	53.9	53.9
Unrealized provisional pricing and volume adjustments on revenue	3.8	3.9	1.2	0.9	(11.5)	(1.7)
Adjusted EBITDA	83.9	71.9	(14.6)	89.8	(58.8)	172.2

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

Other Non-GAAP measures

Sustaining Capital

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

Expansionary Capital

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

Additional Information and Reconciliations

Sales from Operations

	2024				2023				
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Q4	Total
Copper (tonnes)									
Concentrate									
Pinto Valley	13,818	15,198	12,750	41,766	12,196	11,385	11,736	15,013	50,330
Mantos Blancos	8,981	7,620	8,254	24,855	9,497	8,380	8,870	10,453	37,200
Mantoverde	—	—	6,088	6,088	—	—	—	—	—
Cozamin	5,709	5,718	5,837	17,264	4,823	6,452	5,309	6,065	22,649
Total Concentrate	28,508	28,536	32,929	89,973	26,516	26,217	25,915	31,531	110,179
Cathode									
Pinto Valley	904	823	723	2,450	603	683	824	643	2,753
Mantos Blancos	1,806	1,926	1,688	5,420	3,474	3,570	3,248	1,796	12,088
Mantoverde	9,778	8,463	9,344	27,585	6,863	10,285	8,713	9,313	35,174
Total Cathode	12,488	11,212	11,755	35,455	10,940	14,538	12,785	11,752	50,015
Total Copper	40,996	39,748	44,684	125,428	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	44	55	17	20	28	120
Silver (000s ounces)									
Cozamin	410	462	472	1,344	349	502	400	448	1,699
Mantos Blancos	215	188	198	601	330	248	235	269	1,082
Pinto Valley	60	75	69	204	58	49	65	87	259
Total	685	725	739	2,149	737	799	700	804	3,040
Gold (ounces)									
Pinto Valley	(462)	209	975	722	389	537	3,099	2,581	6,606
Mantoverde	—	—	2,905	2,905	—	—	—	—	—
Total	(462)	209	3,880	3,627	389	537	3,099	2,581	6,606

6.0 SELECTED QUARTERLY FINANCIAL INFORMATION

(\$ millions, except per share data) ²	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023 ⁽ⁱ⁾	Q2 2023 ⁽ⁱⁱ⁾	Q1 2023 ⁽ⁱⁱⁱ⁾	Q4 2022 ^(iv)
Revenue	419.4	393.1	339.9	353.7	322.2	333.9	335.6	362.1
Earnings from mining operations	63.9	72.5	18.1	21.6	12.0	5.0	44.4	75.7
Net income (loss) attributable to shareholders	12.5	29.3	(4.8)	(12.3)	(32.9)	(36.5)	(20.0)	(20.9)
Net earnings (loss) per share attributable to shareholders - basic and diluted	0.02	0.04	(0.01)	(0.02)	(0.05)	(0.05)	(0.03)	(0.03)
Operating cash flow before changes in non-cash working capital	116.9	102.9	62.1	80.4	59.2	22.0	41.7	76.1
Capital expenditures (including capitalized stripping)	219.9	194.6	170.0	182.1	228.3	201.3	209.4	204.9

⁽ⁱ⁾ Net Loss in Q3 2023 includes \$31.5 million of Deferred income tax expense related to the adoption of the Chilean Tax Reform.

⁽ⁱⁱ⁾ Net Loss in Q2 2023 includes \$59 million of Minto obligation.

⁽ⁱⁱⁱ⁾ Net Loss in Q1 2023 includes \$44 million of net loss on derivative instruments.

^(iv) Net loss in Q4 2022 includes \$24 million of share unit expense and \$64 million of net loss on derivative instruments.

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

7.0 MANAGEMENT'S REPORT ON INTERNAL CONTROLS AND OTHER INFORMATION

Disclosure Controls and Procedures ("DC&P")

As at September 30, 2024, Capstone Copper's management, with the participation of its Chief Executive Officer & Director and Senior Vice President & Chief Financial Officer, has designed DC&P which provide reasonable assurance that material information related to Capstone Copper is identified and communicated in a timely manner.

Internal Control Over Financial Reporting ("ICFR")

Capstone Copper's management, with the participation of its Chief Executive Officer & Director and Senior Vice President & Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR"). Any system of ICFR, no matter how well designed, has inherent limitations and cannot provide absolute assurance that all misstatements and instances of fraud, if any, within the Company have been prevented or detected. Capstone Copper's ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company uses the 2013 Internal Control – Integrated Framework published by The Committee of Sponsoring Organizations of the Treadway Commission ("2013 COSO framework") as the basis for assessing its ICFR.

There have been no changes in the Company's ICFR that materially affected, or are reasonably likely to materially affect, ICFR during the period ended in September 30, 2024.

Other Information

Approval

The Board of Directors of Capstone Copper approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it from the Company. A copy of this MD&A is also available for viewing at the Company's website at www.capstonecopper.com or on the Company's profile on the SEDAR+ website at www.sedarplus.ca.

Additional Information

Additional information is available for viewing at the Company's website at www.capstonecopper.com or on the Company's profile on the SEDAR+ website at www.sedarplus.ca.

8.0 NATIONAL INSTRUMENT 43-101 COMPLIANCE

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

Disclosure Documents include the National Instrument 43-101 compliant technical reports titled "NI 43-101 Technical Report on the Cozamin Mine, Zacatecas, Mexico" effective January 1, 2023, "NI 43-101 Technical Report on the Pinto Valley Mine, Arizona, USA" effective March 31, 2021, "Santo Domingo Project, 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 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 our issuer profile on SEDAR+ at www.sedarplus.ca.

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

The Cozamin Silver Stream Agreement is subject to pricing risk. Unexpected spikes in silver prices may result in an increase in silver credit payables compared to receivables and the use of hedging mechanisms may not be economical to reduce such risks.

Capstone Copper's arrangements with non-controlling shareholders and associates may not be successful.

In the course of Capstone'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 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 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 Capstone's, (ii) exercise veto rights so as to block actions Capstone

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

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



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

September 30, 2024

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

Capstone Copper Corp.
Condensed Interim Consolidated Statements of Financial Position
unaudited - expressed in thousands of US dollars

ASSETS	September 30, 2024	December 31, 2023
Current		
Cash and cash equivalents	\$ 137,780	\$ 126,016
Short-term investments	839	804
Receivables (Note 7)	193,107	147,318
Inventories (Note 8)	183,653	149,613
Derivative assets (Note 6)	12,695	18,984
Other assets (Note 10)	52,931	44,122
	581,005	486,857
Mineral properties, plant and equipment (Note 9)	5,694,381	5,286,257
Derivative assets (Note 6)	9,120	16,565
Deferred income tax assets	48,427	53,401
Other assets (Note 10)	30,235	30,835
Total assets	\$ 6,363,168	\$ 5,873,915
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 329,057	\$ 272,277
Current portion of long-term debt (Note 14)	77,718	28,398
Current portion of due to related party (Note 12)	6,486	3,243
Lease liabilities (Note 13)	48,030	33,516
Derivative liabilities (Note 6)	3,878	16,788
Income taxes payable	14,132	6,186
Other liabilities (Note 11)	200,435	71,412
	679,736	431,820
Long-term debt (Note 14)	757,513	970,258
Due to related party (Note 12)	239,073	192,628
Deferred revenue (Note 15)	142,672	147,619
Lease liabilities (Note 13)	213,390	102,983
Provisions (Note 17)	258,423	268,132
Deferred income tax liabilities	640,633	630,225
Other liabilities (Note 11)	21,470	64,128
Total liabilities	\$ 2,952,910	\$ 2,807,793
EQUITY		
Share capital	\$ 2,753,065	\$ 2,451,572
Other reserves	41,794	40,129
Retained earnings	208,174	168,886
Total equity attributable to equity holders of the Company	3,003,033	2,660,587
Non-controlling interest (Note 12)	407,225	405,535
Total equity	3,410,258	3,066,122
Total liabilities and equity	\$ 6,363,168	\$ 5,873,915

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.

Condensed Interim Consolidated Statements of Income (Loss)

Three and Nine Months Ended September 30, 2024 and 2023

unaudited - expressed in thousands of US dollars, except share and per share amounts

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue (Note 19)	\$ 419,390	\$ 322,242	\$ 1,152,340	\$ 991,776
Operating costs				
Production costs	(278,814)	(245,117)	(772,137)	(759,505)
Royalties	(5,128)	(2,682)	(14,837)	(8,688)
Depletion and amortization	(71,519)	(62,423)	(210,854)	(162,176)
Earnings from mining operations	63,929	12,020	154,512	61,407
General and administrative expenses	(8,221)	(5,611)	(22,388)	(18,476)
Exploration expenses (Note 9)	(88)	(1,861)	(563)	(4,706)
Share-based compensation expense (Note 18)	(4,106)	(1,329)	(15,808)	(15,736)
Income from operations	51,514	3,219	115,753	22,489
Other (expense) income				
Foreign exchange (loss) gain	(5,381)	13,462	3,836	4,781
Realized and unrealized (losses) gains on derivative instruments (Note 6)	(328)	4,274	(8,206)	10,909
Gain (loss) on extinguishment of debt (Note 14)	—	(2,721)	—	(2,721)
Minto obligation recovery (expense) (Note 17)	—	—	7,261	(53,921)
Other expense (Note 23)	(3,002)	(4,626)	(11,367)	(24,411)
Finance income (Note 24)	1,225	1,612	4,020	4,930
Finance expense (Note 24)	(10,328)	(12,039)	(29,145)	(30,730)
Income (loss) before income taxes	33,700	3,181	82,152	(68,674)
Income tax expense (Note 16)	(16,709)	(45,518)	(43,436)	(36,524)
Net income (loss)	\$ 16,991	\$ (42,337)	\$ 38,716	\$ (105,198)
Net income (loss) attributable to:				
Shareholders of Capstone Copper Corp.	\$ 12,518	\$ (32,903)	\$ 37,026	\$ (89,415)
Non-controlling interest (Note 12)	4,473	(9,434)	1,690	(15,783)
	\$ 16,991	\$ (42,337)	\$ 38,716	\$ (105,198)
Net earnings (loss) per share attributable to shareholders of Capstone Copper Corp.				
Earnings (loss) per share - basic (Note 20)	\$ 0.02	\$ (0.05)	\$ 0.05	\$ (0.13)
Weighted average number of shares - basic (Note 20)	758,258,475	694,029,762	746,857,323	693,289,092
Earnings (loss) per share - diluted (Note 20)	\$ 0.02	\$ (0.05)	\$ 0.05	\$ (0.13)
Weighted average number of shares - diluted (Note 20)	760,049,404	696,970,798	748,464,308	696,183,293

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

Three and Nine Months Ended September 30, 2024 and 2023

unaudited - expressed in thousands of US dollars

	Three months ended September		Nine months ended September	
	2024	2023	2024	2023
Net income (loss)	\$ 16,991	\$ (42,337)	\$ 38,716	\$ (105,198)
Other comprehensive (loss) income ("OCI")				
Items that will not be reclassified subsequently to profit or loss				
Change in fair value of marketable securities, net of tax of \$nil and \$nil (2023 - \$nil and \$nil)	(215)	(431)	167	(730)
Remeasurement for retirement benefit plans, net of tax of \$nil and \$nil (2023 - \$nil and \$nil)	—	—	—	(79)
	(215)	(431)	167	(809)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation adjustment	—	(185)	—	—
	—	(185)	—	—
Total other comprehensive (loss) income for the period	(215)	(616)	167	(809)
Total comprehensive income (loss)	\$ 16,776	\$ (42,953)	\$ 38,883	\$ (106,007)
Total comprehensive income (loss) attributable to:				
Shareholders of Capstone Copper Corp.	\$ 12,303	\$ (33,519)	\$ 37,193	\$ (90,224)
Non-controlling interest (Note 12)	4,473	(9,434)	1,690	(15,783)
	\$ 16,776	\$ (42,953)	\$ 38,883	\$ (106,007)

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.
Condensed Interim Consolidated Statements of Cash Flows
Three and Nine Months Ended September 30, 2024 and 2023

unaudited - expressed in thousands of US dollars

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Cash provided by (used in):				
Operating activities				
Net income (loss)	\$ 16,991	\$ (42,337)	\$ 38,716	\$ (105,198)
Adjustments for:				
Depletion and amortization (Note 21)	72,243	62,800	214,439	161,980
Income tax expense (Note 16)	16,709	45,518	43,436	36,524
Inventory write-down (Note 8)	(782)	(2,800)	(2,273)	954
Share-based compensation expense (Note 18)	4,106	1,329	15,808	15,736
Net finance costs (Note 24)	9,103	10,427	25,125	25,800
Unrealized loss (gain) on foreign exchange	7,719	(5,739)	1,373	(7,157)
Unrealized loss (gain) on derivatives (Note 6)	6,055	(5,527)	(1,163)	(26,133)
Gold stream obligation (Note 23)	600	—	1,300	—
Loss (gain) on extinguishment of debt (Note 14)	—	2,721	—	2,721
Loss (gain) on disposal of assets and other	—	(95)	(1,263)	(71)
Amortization of deferred revenue and variable consideration adjustments (Note 15)	(4,088)	(3,241)	(11,217)	(12,541)
Minto obligation (recovery) expense	—	—	(7,261)	58,921
Income taxes paid	(6,482)	(3,086)	(20,554)	(24,859)
Income taxes received	—	—	996	—
Payments on Minto obligation (Note 17)	(5,244)	—	(13,433)	—
Other payments	(40)	(762)	(2,068)	(2,401)
Operating cash flow before working capital and other non-cash changes	116,890	59,208	281,961	124,276
Changes in non-cash working capital (Note 21)	(31,856)	15,718	(51,783)	(40,109)
Other non-cash changes (Note 21)	2,015	(18,171)	2,079	(27,781)
Operating cash flow	87,049	56,755	232,257	56,386
Investing activities				
Mineral properties, plant and equipment additions	(105,980)	(172,972)	(321,180)	(484,455)
Finance costs capitalized on construction in progress	(19,288)	(17,488)	(60,258)	(45,046)
Cash acquired from the acquisition of Sierra Norte (Note 5)	70	—	70	—
Proceeds on disposal of assets and other	33	5	1,448	2,223
Investing cash flow	(125,165)	(190,455)	(379,920)	(527,278)
Financing activities				
Proceeds from borrowings (Note 14)	78,000	146,500	247,500	435,000
Repayment of borrowings (Note 14)	(32,070)	(24,500)	(330,570)	(80,000)
Net proceeds from related party (Note 12)	7,378	33,000	40,378	102,000
Repayment of lease obligations (Note 13)	(17,132)	(11,688)	(43,817)	(31,407)
Proceeds from the exercise of options	1,611	54	3,680	2,958
Net proceeds from issuance of shares (Note 18)	—	—	252,947	—
Net proceeds (payments) for settlement of derivatives	1,450	1,583	(3,643)	311
Interest paid on long-term debt and surety bonds	(1,484)	(2,669)	(5,750)	(3,563)
Financing cash flow	37,753	142,280	160,725	425,299
Effect of exchange rate changes on cash and cash equivalents	292	3,288	(1,298)	3,290
(Decrease in) increase in cash and cash equivalents	(71)	11,868	11,764	(42,303)
Cash and cash equivalents - beginning of period	137,851	116,136	126,016	170,307
Cash and cash equivalents - end of period	\$ 137,780	\$ 128,004	\$ 137,780	\$ 128,004

Supplemental cash flow information (Note 21)

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.

Condensed Interim Consolidated Statements of Changes in Equity

Three and Nine Months Ended September 30, 2024 and 2023

unaudited - expressed in thousands of US dollars, except share amounts

Attributable to equity holders of the Company

	Number of shares	Share capital	Reserve for equity settled share-based transactions	Revaluation reserve	Foreign currency translation reserve	Share purchase reserve	Retained earnings	Total attributable to equity holders	Non-controlling interest	Total equity
January 1, 2024	696,073,153	\$ 2,451,572	\$ 59,241	\$ (1,306)	\$ (17,101)	\$ (705)	168,886	\$ 2,660,587	\$ 405,535	\$ 3,066,122
Shares issued on exercise of options <i>(Note 18)</i>	1,923,270	4,654	(974)	—	—	—	—	3,680	—	3,680
Shares issued under TSUP <i>(Note 18)</i>	1,189,071	3,892	(3,892)	—	—	—	—	—	—	—
Share-based compensation <i>(Note 18)</i>	—	—	5,655	—	—	—	—	5,655	—	5,655
Settlement of share units	—	—	—	—	—	709	2,262	2,971	—	2,971
Shares issued under the Offering	56,548,000	252,947	—	—	—	—	—	252,947	—	252,947
Change in fair value of marketable securities	—	—	—	167	—	—	—	167	—	167
Acquisition of Compania Minera Sierra Norte S.A. <i>(Note 5)</i>	6,139,358	40,000	—	—	—	—	—	40,000	—	40,000
Net income	—	—	—	—	—	—	37,026	37,026	1,690	38,716
September 30, 2024	761,872,852	\$ 2,753,065	\$ 60,030	\$ (1,139)	\$ (17,101)	\$ 4	208,174	\$ 3,003,033	\$ 407,225	\$ 3,410,258

	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	56,752	4,178	(17,102)	(2,499)	262,512	2,751,218	428,639	3,179,857
Shares issued on exercise of options	2,863,723	2,754	(879)	—	—	—	—	1,875	—	1,875
Share-based compensation	—	—	3,000	—	—	—	—	3,000	—	3,000
Shares issued under TSUP	61,836	204	(204)	—	—	—	—	—	—	—
Settlement of share units	—	—	—	—	—	1,780	8,041	9,821	—	9,821
Change in fair value of marketable securities	—	—	—	(730)	—	—	—	(730)	—	(730)
Remeasurements for retirement benefit plans	—	—	—	(79)	—	—	—	(79)	—	(79)
Net loss	—	—	—	—	—	—	(89,415)	(89,415)	(15,783)	(105,198)
Foreign currency translation	—	—	—	—	—	—	—	—	—	—
September 30, 2023	694,565,531	\$ 2,450,335	\$ 58,669	\$ 3,369	\$ (17,102)	\$ (719)	181,138	\$ 2,675,690	\$ 412,856	\$ 3,088,546

See accompanying notes to these condensed interim consolidated financial statements.

Capstone Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

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

1. Nature of Operations

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

Capstone Copper Corp., through a wholly owned Chilean subsidiary, Mantos Copper S.A., owns and operates the Mantos Blancos mine, located forty-five kilometers northeast of Antofagasta, Chile and the 70%-owned Mantoverde mine, through a Chilean subsidiary, Mantoverde S.A., located fifty kilometers southeast of Chanaral, Chile.

The Company is also engaged in the production of and exploration for base metals in the United States ("US"), Mexico, and Chile, with a focus on copper. Pinto Valley Mining Corp. ("Pinto Valley"), a wholly owned US subsidiary, owns and operates the Pinto Valley mine located in Arizona, US. Capstone Gold, S.A. de C.V. ("Capstone Gold"), a wholly owned Mexican subsidiary, owns and operates the Cozamin mine located in Zacatecas, Mexico, and has a portfolio of exploration properties in Mexico. Minera Santo Domingo SCM, a wholly owned Chilean subsidiary of Acquisition Co, holds the fully permitted Santo Domingo copper-iron-gold-cobalt development project in the Atacama region of Chile, 35km northeast of Mantoverde. Capstone Mining Chile SpA, a wholly owned Chilean subsidiary, is performing exploration for base metal deposits in Chile.

Capstone Copper Corp., through a wholly owned subsidiary, 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.

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

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on October 31, 2024.

2. Basis of preparation and consolidation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* using the same accounting policies and methods of application as the audited annual consolidated financial statements of Capstone for the year ended December 31, 2023, which were prepared in accordance with IFRS Accounting Standards®. The condensed interim consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value. The policies were consistently applied to all of the periods presented, except as noted below.

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

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

Capstone Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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

3 Material Accounting Policy Information, Estimates and Judgements

The Company's management makes judgements in its process of applying the Company's accounting policies in the preparation of these condensed interim consolidated financial statements. In addition, the preparation of the financial data requires that the Company's management makes assumptions and estimates of the impacts of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

In preparing the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2024, the Company applied the critical judgements and estimates disclosed in Note 3 of its consolidated financial statements for the year ended December 31, 2023 in addition to the critical judgment below, in addition to the accounting policies noted below.

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.

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

New IFRS Pronouncements

Issued and effective January 1, 2024

In January 2020 and October 2022, the IASB issued amendments to International Accounting Standards 1 ("IAS 1"), Presentation of Financial Statements, to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Rights are in existence if covenants are complied with at the end of the reporting period. Settlement refers to the transfer to the counterparty of cash, equity instruments, or other assets or services. In addition, the amendment required entities to disclose information to enable users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments became effective January 1, 2024, with retrospective application required on adoption. The Company assessed the impact of this amendment and determined it does not have a significant effect on the Company's financial statements.

In September 2022, the IASB issued amendments to IFRS 16, Lease Liability in a Sale and Leaseback. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way

Capstone Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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

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

Issued but not yet effective

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

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

5. 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 common shares. The Company accounted for this acquisition as a purchase of assets. Accordingly, we allocated the sum of consideration paid and transaction costs incurred to the net assets acquired based on relative fair values.

Capstone Copper Corp.

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The purchase consideration was calculated as follows:

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

The fair value of Capstone 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.

Assets acquired and liabilities assumed 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:

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.

Capstone Copper Corp.

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As of September 30, 2024 the Company's classification of financial instruments within the fair value hierarchy are summarized below:

	Level 1	Level 2	Level 3	Total
Financial assets				
Short-term investments	\$ 839	\$ —	\$ —	\$ 839
Copper cathode receivables (Note 7)	—	33,426	—	33,426
Copper concentrate receivables (Note 7)	—	113,164	—	113,164
Derivative assets	—	21,815	—	21,815
Investment in marketable securities (Note 10)	978	—	—	978
	\$ 1,817	\$ 168,405	\$ —	\$ 170,222
Financial liabilities				
Derivative liabilities	\$ —	\$ 3,878	\$ —	\$ 3,878
Gold stream liability (Note 11)	—	—	7,312	7,312
	\$ —	\$ 3,878	\$ 7,312	\$ 11,190

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between Level 1, Level 2 and Level 3 during the three and nine months ended September 30, 2024.

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

	September 30, 2024			
	Fair value through profit or loss	Fair value through OCI	Amortized cost	Total
Cash and cash equivalents	\$ —	\$ —	\$ 137,780	\$ 137,780
Short-term investments	839	—	—	839
Copper cathode receivables (Note 7)	33,426	—	—	33,426
Copper concentrate receivables (Note 7)	113,164	—	—	113,164
Other receivables (Note 7)	—	—	21,669	21,669
Derivative assets	21,815	—	—	21,815
Investment in marketable securities (Note 10)	—	978	—	978
	\$ 169,244	\$ 978	\$ 159,449	\$ 329,671

	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

Capstone Copper Corp.

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

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

	September 30, 2024		
	Fair value through profit or loss	Amortized cost	Total
Accounts payable and accrued liabilities	\$ —	\$ 329,057	\$ 329,057
Long-term debt (Note 14)	—	835,231	835,231
Due to related party (Note 12)	—	245,559	245,559
Derivative liabilities	3,878	—	3,878
Working capital facility (Note 11)	—	107,013	107,013
Payable on purchase of non-controlling interest (Note 11)	—	43,804	43,804
Gold stream obligation (Note 11)	7,312	—	7,312
	\$ 11,190	\$ 1,560,664	\$ 1,571,854

	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)	—	195,872	195,872
Derivative liabilities	16,788	—	16,788
Working capital facility (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	\$ 1,534,811	\$ 1,558,699

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

Financial instruments and related risks

The Company's activities expose it to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are commodity price risk, credit risk, foreign exchange risk, liquidity risk and interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis. There have been no significant changes in the Company's exposure to these financial risks.

Derivative instruments

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

Capstone Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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

The Company operates on an international basis and therefore foreign exchange risk exposures arise from transactions denominated in a foreign currency. The Company's foreign exchange risk arises primarily with respect to the Chilean Peso ("CLP"), the Chilean Unidad de Fomento ("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 September 30, 2024, are as follows:

Type	Contract description	Remaining term	Put strike	Call strike / Fixed rate	Notional tonnes / Quantity
Interest rate	Fixed-for-floating swaps adjusted SOFR	October 2024 - March 2030	—	1.015%	\$411.4 million USD
Interest rate	Floor options adjusted SOFR	October 2024 - September 2025	—	0%	\$411.4 million USD
Foreign currency	Foreign exchange ZCC - CLP	October - December 2024	825.00 835.00	922.50 955.00	31.2 billion CLP
Foreign currency	Foreign exchange ZCC - CLP	January - December 2025	900.00 930.00	981.50 1,044.38	77.1 billion CLP
Foreign currency	Foreign exchange ZCC - CLP	January - December 2026	850.00	965.00 970.00	10.8 billion CLP
Foreign currency	Foreign exchange ZCC - CAD	October - December 2024	1.35	1.39	\$2.5 million CAD
Foreign currency	Foreign exchange ZCC - MXN	October - December 2024	18.00 18.25	20.20 20.50	161.2 million MXN
Foreign currency	Foreign exchange ZCC - MXN	January - December 2025	18.75 19.00	22.00 22.51	195.8 million MXN
Quotational pricing contracts	Copper time-spread swaps	October - December 2024	—	—	11,240 tonnes

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

	September 30, 2024	December 31, 2023
Derivative financial assets:		
Foreign currency contracts	\$ 2,052	\$ 2,139
Interest rate swap contracts	10,643	16,845
Total derivative financial assets - current	12,695	18,984
Foreign currency contracts	652	—
Interest rate swap contracts	8,468	16,565
Total derivative financial assets - non-current	\$ 9,120	\$ 16,565
Derivative financial liabilities:		
Foreign currency contracts	91	1,503
Copper commodity contracts	—	13,484
Quotational pricing contracts	3,787	1,801
Total derivative financial liabilities - current	\$ 3,878	\$ 16,788

Capstone Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

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

Set out below are the Company's realized and unrealized gains and losses on derivative financial instruments:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Unrealized gain/(loss) on derivative financial instruments:				
Foreign currency contracts	\$ 4,242	\$ (3,462)	\$ 1,978	\$ (1,562)
Copper commodity contracts	—	9,489	13,484	30,377
Interest rate swap contracts	(10,297)	(500)	(14,299)	(2,682)
Total unrealized gain/(loss) on derivative financial instruments	(6,055)	5,527	1,163	26,133
Realized gain/(loss) on derivative financial instruments:				
Foreign currency contracts	152	(266)	(396)	485
Copper commodity contracts	—	(6,933)	(26,641)	(31,253)
Interest rate swap contracts	5,575	5,946	17,668	15,544
Total realized gain/(loss) on derivative financial instruments	5,727	(1,253)	(9,369)	(15,224)
Total unrealized and realized gain/(loss) on derivative financial instruments:	\$ (328)	\$ 4,274	\$ (8,206)	\$ 10,909

* 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).

7. Receivables

Details are as follows:

	September 30, 2024	December 31, 2023
Copper concentrate	\$ 113,164	\$ 73,800
Copper cathode	33,426	34,549
Value added taxes and other taxes receivable	18,779	16,345
Income taxes receivable	6,069	7,953
Other receivables	21,669	14,671
Total receivables	\$ 193,107	\$ 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 over the course of the next year. As at September 30, 2024, the remaining balance of C\$8 million (US\$ 5.9 million) remains in other receivables.

Included in copper concentrate receivables is \$2.9 million from Mitsubishi Materials Corporation ("MMC"), a related party, (December 31, 2023 - nil).

Capstone Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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

8. Inventories

Details are as follows:

	September 30, 2024	December 31, 2023
<i>Current:</i>		
Materials and consumables	\$ 102,736	\$ 82,478
Ore stockpiles	17,090	14,003
Work-in-progress	21,565	21,477
Finished goods - copper cathode	17,777	16,400
Finished goods - copper concentrate	24,485	15,255
Total inventories - current	\$ 183,653	\$ 149,613
<i>Non-current:</i>		
Ore stockpiles (Note 10) (i)	8,575	8,474
Total inventories - non-current	\$ 8,575	\$ 8,474

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

During the three and nine months ended September 30, 2024, concentrate and cathode inventories recognized as production costs, including depletion and amortization, amounted to \$350.3 million and \$983.0 million (2023 – \$307.5 million and \$921.7 million).

During the three and nine months ended September 30, 2024, the Company recorded recovery of write-downs of \$nil million and \$2.7 million related to Mantoverde's cathode inventories which was recorded as production costs.

During the three and nine months ended September 30, 2024, the Company recorded net reversals of write-downs of \$0.8 million and \$2.3 million related to Mantoverde's cathode inventories and Pinto Valley's copper concentrate and supplies inventories which were recorded as production costs.

Capstone Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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(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			Total
	Depletable		Non-depletable Mineral exploration and development properties	Subject to amortization		Not subject to amortization	
	Producing mineral properties	Deferred stripping		Plant & equipment	Right of use assets		
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	—	145,187	28,388	6,847	158,549	245,545	584,516
Disposals	—	—	(37)	(234)	—	—	(271)
Rehabilitation provision adjustments	(797)	—	—	—	—	—	(797)
Reclassifications	34,758	6,987	(17,281)	1,198,058	(10,371)	(1,212,151)	—
Depletion and amortization	(59,249)	(56,411)	—	(82,416)	(15,805)	—	(213,881)
At September 30, 2024, net	\$ 1,647,439	\$ 403,444	\$ 887,428	\$ 2,284,669	\$ 266,469	\$ 204,932	\$ 5,694,381
At September 30, 2024:							
Cost	\$ 2,216,044	\$ 620,510	\$ 887,428	\$ 3,992,805	\$ 401,149	\$ 204,932	\$ 8,322,868
Accumulated amortization and impairment	(568,605)	(217,066)	—	(1,708,136)	(134,680)	—	(2,628,487)
Net carrying amount	\$ 1,647,439	\$ 403,444	\$ 887,428	\$ 2,284,669	\$ 266,469	\$ 204,932	\$ 5,694,381

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 substantially all of Construction-in-Progress was reclassified to mineral properties, plant & equipment and right of use assets, as applicable. Depletion and amortization will commence on October 1, 2024.

During the three and nine month period ended September 30, 2024, the Company capitalized \$25.1 million and \$72.2 million (2023 - \$19.9 million and \$49.9 million) of finance costs to Construction in Progress, at a weighted average interest rate of 7.8%.

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The Company's exploration costs were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Exploration capitalized to mineral properties	\$ 1,248	\$ 428	\$ 6,415	\$ 1,294
Greenfield exploration expensed to the statement of income (loss)	88	1,861	563	4,706
	\$ 1,336	\$ 2,289	\$ 6,978	\$ 6,000

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

As at September 30, 2024, construction in progress primarily relates to capital costs incurred in connection with the Mantoverde Development Project ("MVDP"), and expansionary and sustaining capital at the Mantos Blancos and Pinto Valley mines. Capital expenditures committed as at September 30, 2024, but not yet incurred, is \$26.8 million (December 31, 2023 - \$32.9 million).

As at September 30, 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 \$2,130.0 million (December 31, 2023 - \$2,027.0 million).

10. Other Assets

Details are as follows:

	September 30, 2024	December 31, 2023
<i>Current:</i>		
Prepays	\$ 42,106	\$ 36,612
Deposits	4,913	4,710
Other	5,912	2,800
Total other assets - current	\$ 52,931	\$ 44,122
<i>Non-current:</i>		
Prepayments	\$ 18,045	\$ 18,045
Ore stockpiles (Note 8)	8,575	8,474
Investments in marketable securities	978	824
Deposits	43	390
Other	2,594	3,102
Total other assets - non-current	\$ 30,235	\$ 30,835

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11. Other Liabilities

Details are as follows:

	September 30, 2024	December 31, 2023
<i>Current:</i>		
Current portion of share-based payment obligations (Note 17)	\$ 7,587	\$ 8,455
Current portion of payable on purchase of NCI	43,804	—
Current portion of deferred revenue (Note 15)	12,901	12,139
Current portion of Minto obligation (Note 17)	28,461	23,943
Working capital facilities	107,013	25,618
Other	669	1,257
Total other liabilities - current	\$ 200,435	\$ 71,412
<i>Non-current:</i>		
Retirement benefit liabilities	\$ 14,158	\$ 13,036
Non-current portion of payable on purchase of NCI	—	42,389
Gold stream obligation (Note 15)	7,312	7,100
Other	—	1,603
Total other liabilities - non-current	\$ 21,470	\$ 64,128

Working Capital Facilities

During the prior quarter, two of the Company's Chilean subsidiaries entered into a series of short-term facilities with a weighted-average interest rate of 6.71% for the purpose of working capital management. As at September 30, 2024, the aggregate balance of the facilities was \$107.0 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 September 30, 2024, an unsecured liability of \$43.8 million (December 31, 2023 - \$42.4 million) has been recognized in the consolidated statement of financial position equal to the discounted amount of the remaining \$45 million of cash consideration to be paid to KORES on March 24, 2025. The discounted amount of the remaining \$45 million will be accreted up to its face value at 5% per annum. During the three months and nine months ended September 30, 2024, \$0.5 million and \$1.5 million (September 30, 2023 - \$0.5 million and \$1.5 million) of accretion was recorded in Finance expense in the consolidated statements of loss.

Gold stream obligation

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

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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 \$162.9 million, to Mantoverde in the form of shareholder loans forming part of the financing for the MVDP. Total funds advanced by MMC at September 30, 2024, including accrued interest of \$15.3 million (December 31, 2023 - \$6.0 million), was \$245.6 million (December 31, 2023 - \$195.9 million).

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

		COF	Shareholder Loans	Total
Balance, December 31, 2022	\$	60,000	\$ —	\$ 60,000
Additions		—	102,000	102,000
Interest expense		3,168	3,377	6,545
Interest repayments		(3,168)	—	(3,168)
Balance, September 30, 2023	\$	60,000	\$ 105,377	\$ 165,377
Additions			27,900	27,900
Interest expense		1,109	2,594	3,703
Interest repayments		—	—	—
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		(1,622)	—	(1,622)
Interest expense		3,364	9,310	12,674
Interest repayments		(3,364)	—	(3,364)
Balance, September 30, 2024	\$	58,378	\$ 187,181	\$ 245,559
Less: current portion		(6,486)	—	(6,486)
Non-current portion	\$	51,892	\$ 187,181	\$ 239,073

For a summary of the financial information for Mantoverde refer to Note 25 where it is shown on a 100% basis:

		Period ended September 30, 2024		Year ended December 31, 2023
Opening balance	\$	405,535	\$	428,639
Share of comprehensive (loss) profit for the period		1,690		(23,104)
Non-controlling interest	\$	407,225	\$	405,535

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13. Lease Liabilities

Details are as follows:

		Total
Balance, December 31, 2022	\$	103,897
Additions		52,541
Payments		(31,389)
Accretion expense		6,117
Foreign currency translation adjustment		290
Balance, September 30, 2023	\$	131,456
Additions		16,956
Payments		(11,338)
Reclassifications (i)		(3,300)
Accretion expense		2,562
Foreign currency translation adjustment		163
Balance, December 31, 2023	\$	136,499
Additions (Note 9)		158,549
Payments		(43,817)
Accretion expense		10,679
Foreign currency translation adjustment		(490)
Balance, September 30, 2024	\$	261,420
Less: current portion		(48,030)
Non-current portion	\$	213,390

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

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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	—	410,000	410,000
Repayments	—	(80,000)	(80,000)
Financing fee amortization	(657)	854	197
Deferred financing fee	—	(2,150)	(2,150)
Loss on debt extinguishment	—	\$ 2,721	2,721
Balance, September 30, 2023	\$ 526,841	\$ 403,002	\$ 929,843
Additions	—	94,000	94,000
Repayments	—	(25,000)	(25,000)
Financing fee amortization	(262)	235	(27)
Deferred financing fee	—	(160)	(160)
Balance, December 31, 2023	\$ 526,579	\$ 472,077	\$ 998,656
Additions	—	157,500	157,500
Repayments	(12,070)	(308,500)	(320,570)
Financing fee amortization	(690)	481	(209)
Deferred financing fee	—	(146)	(146)
Balance, September 30, 2024	\$ 513,819	\$ 321,412	\$ 835,231
Less: current portion	(77,718)	—	(77,718)
Non-current portion	\$ 436,101	\$ 321,412	\$ 757,513

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 September 30, 2024, the Company was in compliance with these covenants.

At September 30, 2024, \$508 million was drawn on the MVDP Facility with \$5.9 million recognized as an adjustment to record the debt at its fair value as required as part of the accounting for the business combination with Mantos (December 31, 2023 - \$520 million and \$6.6 million). This fair value adjustment amortizes down to its historical cost over the duration of the MVDP Facility.

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Interest on borrowings under the MVDP Facility is payable quarterly. As a result of Interest Rate Benchmark Reform, the Company has completed the transition from LIBOR to an adjusted SOFR for its MVDP debt financing facility. The transition resulted in a variable rate of SOFR compounded daily to a 3-month period plus 0.2616% per annum, with margins unchanged (i.e., 1.65% for the Covered Facility and, with respect to the Uncovered Facility, a rate of 3.75% and, with respect to the ECA Direct Facility, a rate of 4.00% pre-completion of the MVDP, and decreasing to 3.50% and 3.75% respectively post-completion of the MVDP). Pursuant to the Covered Facility, an export credit agency guaranteed premium of 2.05% per annum is also payable quarterly and calculated over amounts outstanding under the Covered Facility. The MVDP Facility is secured by a comprehensive security package covering substantially all of the Mantoverde assets. The MVDP Facility amortizes from the earlier of September 30, 2024 and 180 days after project completion until December 2030 for the Uncovered Facility and December 2032 for the Covered Facility and ECA Direct Facility.

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

Revolving Credit Facility

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

The interest rate at September 30, 2024 was one-month adjusted term SOFR of 5.21% plus 2.000% (December 2023 - adjusted term SOFR of 5.46% plus 2.125%) with a standby fee of 0.45% (2023 – 0.48%) payable on the undrawn balance (adjustable in certain circumstances).

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

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

Surety Bonds

As at September 30, 2024, the Company has in place seven surety bonds totaling \$260.8 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, \$2.0 million related to the construction of a port for the Santo Domingo development project in Chile, \$29.5 million at Mantoverde, and \$43.3 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).

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15. Deferred Revenue

Silver Precious Metals Purchase Arrangement ("Silver PMPA")

On February 19, 2021, Capstone Mining concluded the Silver PMPA with Wheaton Precious Metals ("Wheaton") whereby Capstone received an upfront cash consideration of \$150 million against delivery of 50% of the silver production from the Cozamin mine until 10 million ounces have been delivered, thereafter dropping to 33% of silver production for the remaining life of mine. In addition to the upfront cash consideration of \$150 million, as silver is delivered under the terms of the Silver PMPA, the Company receives cash payments equal to 10% of the spot silver price at the time of delivery for each ounce delivered to Wheaton. The Silver PMPA is effective December 1, 2020. Wheaton has been provided certain security in support of the Company's obligations under the Silver PMPA.

The Company recorded the upfront cash consideration received of \$150 million as deferred revenue and recognizes amounts in revenue as silver is delivered under the Silver PMPA. Capstone determines the amortization of deferred revenue to the consolidated statements of income (loss) on a per unit basis using the estimated total number of silver ounces expected to be delivered over the life of the Cozamin mine. The amortization rate requires the use of proven and probable mineral reserves and certain mineral resources which management is reasonably confident will be transferred to mineral reserves. The Company estimates the current portion of deferred revenue based on deliveries anticipated over the next twelve months. During the three and nine months ended September 30, 2024, the Company delivered 163,331 and 446,705 ounces (2023 - 132,856 and 419,241 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 was achieved.

Gold Precious Metals Purchase Arrangement ("Gold PMPA")

On April 21, 2021, Capstone Mining received an early deposit of \$30 million ("the Early Deposit") in relation to the Gold PMPA at Santo Domingo with Wheaton effective March 24, 2021. If completion has not been achieved on or before the third anniversary date of receiving the early deposit, and early deposit delay payment will be triggered that would require the Company to sell and deliver 104 ounces of refined gold per month until the earlier of: the month completion is achieved, the month in which the early deposit is repaid to Wheaton or the month which refined gold is first sold and delivered to Wheaton. In the fourth quarter of 2023, the Company recorded an obligation under the gold stream of \$7.1 million. As of September 30, 2024, the value of the obligation was \$7.3 million.

Additional deposits of \$260 million are to be received under the Gold PMPA over the Santo Domingo development project construction period, subject to sufficient financing having been obtained to cover total expected capital expenditures and other customary conditions, for total consideration of \$290 million (collectively "the Deposit"). Wheaton will receive 100% of the gold production from the Company's Santo Domingo development project until 285,000 ounces have been delivered, thereafter dropping to 67% of the gold production for the remaining life of mine.

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

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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		5,208		1,824	7,032
Recognized as revenue on delivery of silver		(11,217)		—	(11,217)
Balance, September 30, 2024	\$	117,980	\$	37,593	\$ 155,573
Less: current portion (Note 11)		(12,901)		—	(12,901)
Non-current portion	\$	105,079	\$	37,593	\$ 142,672

Consideration from the PMPAs is considered variable, as silver and gold stream revenues can be subject to cumulative adjustments when the number of ounces to be delivered under the contracts change, when there is an increase in the Company's mineral reserve and resource estimates or when there are changes to the mine plans.

16. Income Taxes

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:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Income (loss) before income taxes	\$ 33,700	\$ 3,181	\$ 82,152	\$ (68,674)
Canadian federal and provincial income tax rates	27.00 %	27.00 %	27.00 %	27.00 %
Income tax expense (recovery) based on the above rates	9,099	859	22,181	(18,542)
Increase (decrease) due to:				
Adoption of Chilean Mining Royalty legislation	—	31,532	—	31,532
Non-deductible expenditures	619	(1,993)	3,804	1,841
Effects of different statutory tax rates on (income) losses of subsidiaries	(1,022)	464	(3,376)	2,206
Mexican and Chilean mining royalty taxes	1,354	3,105	4,133	4,060
Current period losses for which deferred tax assets (were) were not recognized	3,316	(625)	9,314	16,368
Adjustments to tax estimates in prior years	—	10,554	—	2,014
Foreign exchange and other translation adjustments	1,322	720	3,164	(4,342)
Other	2,021	902	4,216	1,387
Income tax expense	\$ 16,709	\$ 45,518	\$ 43,436	\$ 36,524
Current income and mining tax expense	\$ 8,666	\$ 8,510	\$ 27,004	\$ 12,385
Deferred income tax expense	8,043	37,008	16,432	24,139
Income tax expense	\$ 16,709	\$ 45,518	\$ 43,436	\$ 36,524

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

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 <i>(Note 18)</i>	—	—	—	10,149	10,149
Change in estimates	(797)	862	2,742	—	2,807
Interest expense from discounting obligations	6,957	1,300	1,241	—	9,498
Settlements during the period	(107)	(13,433)	(4,603)	(8,092)	(26,235)
Currency translation adjustments	—	(499)	(1,596)	(183)	(2,278)
Balance, September 30, 2024	\$ 220,250	\$ 29,416	\$ 33,144	\$ 11,661	\$ 294,471
Less: Current portion included within other liabilities <i>(Note 11)</i>	—	(28,461)	—	(7,587)	(36,048)
Total provisions - non-current	\$ 220,250	\$ 955	\$ 33,144	\$ 4,074	\$ 258,423
Balance, January 1, 2023	\$ 199,739	\$ —	\$ 29,929	\$ 40,464	\$ 270,132
Additions	—	53,923	—	—	53,923
Share-based payment expense <i>(Note 18)</i>	—	—	—	15,045	15,045
Change in estimates	6,741	(2,035)	8,467	—	13,173
Interest expense from discounting obligations	8,960	—	1,437	—	10,397
Settlements during the year	(1,243)	(10,407)	(4,791)	(46,071)	(62,512)
Currency translation adjustments	—	(295)	318	349	372
Balance, December 31, 2023	\$ 214,197	\$ 41,186	\$ 35,360	\$ 9,787	\$ 300,530
Less: Current portion included within other liabilities <i>(Note 11)</i>	—	(23,943)	—	(8,455)	(32,398)
Total provisions - non-current	\$ 214,197	\$ 17,243	\$ 35,360	\$ 1,332	\$ 268,132

Minto Obligation

In June 2019, the Company completed the sale of its 100% interest in the Minto mine to Pembridge Resources PLC ("Pembridge"). In conjunction with the sale, Minto Metals Corp. ("Minto Metals") posted a surety bond to

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cover potential future reclamation liabilities. While this surety bond is outstanding, the Company remains an indemnitor to the surety bond provider for Minto Metal's surety bond obligations in the Yukon.

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

As at September 30, 2024, the Company has made payments of \$26 million (December 31, 2023 - \$10.4 million) to the Yukon Government for reclamation work performed. As at September 30, 2024, the Company has reclassified C\$38.4 million (US\$28.4 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 ("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 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 Canadian dollars ("C\$").

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

	Options outstanding	Weighted average exercise price (C\$)
Outstanding, December 31, 2023	3,542,343	\$ 4.16
Granted	958,560	7.25
Exercised	(1,923,270)	2.60
Expired	(20,389)	6.76
Forfeited	(12,406)	6.40
Outstanding, September 30, 2024	2,544,838	\$ 6.46

As at September 30, 2024, the following options were outstanding and outstanding and exercisable:

Exercise prices (C\$)	Outstanding			Outstanding & exercisable		
	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	92,811	3.80	1.8	82,237	3.85	1.6
\$4.43 - \$4.72	33,549	4.55	2.9	13,045	4.43	3.2
\$5.08 - \$5.79	202,637	5.11	2.4	138,280	5.13	2.4
\$6.00 - \$6.97	1,266,932	\$ 6.33	2.9	545,375	\$ 6.43	2.7
\$7.25	948,909	\$ 7.25	4.4	—	\$ —	—
	2,544,838	\$ 6.46	3.4	778,937	\$ 5.90	2.5

During the three and nine months ended September 30, 2024, the total fair value of options granted was \$nil and \$2.9 million (2023 – \$nil and \$2.0 million) and had a weighted average grant-date fair value of C\$4.59 (2023 – C\$3.25 and C\$3.00) per option. During the three and nine months ended September 30, 2024, the weighted average share price of the 0.8 million and 1.9 million options exercised during the period was C\$10.24 and C\$9.14 (2023 - 0.1 million and 2.8 million options and C\$5.70 and C\$6.30).

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Risk-free interest rate	N/A	3.07 %	3.35 %	3.01 %
Expected dividend yield	N/A	nil	nil	nil
Expected share price volatility	N/A	63 %	60 %	63 %
Expected forfeiture rate	N/A	6.35 %	6.51 %	6.35 %
Expected life	N/A	3.9 years	3.7 years	3.9 years

Other share-based compensation plans

Under the Share Unit Plan (“SUP”), the Company grants Performance Share Units (“PSUs”) and Restricted Share Units (“RSUs”). PSUs granted to executives vest after three years and are subject to a performance measure of 0% to 200%. RSUs granted to executives and employees vest 1/3 per year starting on the first anniversary of the grant date. Under the Director’s Deferred Share Unit Plan, the Company grants Deferred Share Units (“DSUs”). DSUs granted to directors vest upon issuance but are not redeemable until cessation of service on the Board.

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Under the SUP, PSU and RSU obligations can be settled in cash, shares delivered from a Share Purchase Trust or a combination thereof, as determined by and at the discretion of the Human Resources and Compensation Committee of the Company's Board of Directors. DSU obligations, under the Director's Deferred Share Unit Plan, are redeemed in cash.

Deferred Share Units

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

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

Restricted Share Units and Performance Share Units

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

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

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

Compensation expense related to RSUs and PSUs is recorded over the three-year vesting period. The amount of compensation expense is adjusted at each reporting period to reflect the change in quoted market value of the Company's common shares, the number of RSUs and PSUs expected to vest, and in the case of PSUs, the expected performance factor. RSU and PSU obligations, under the Share Unit Plan, can be settled in cash, shares delivered from a Share Purchase Trust or a combination thereof, as determined by and at the discretion of the Human Resources and Compensation Committee of the Company's Board of Directors.

During the three and nine months ended September 30, 2024, the total fair value of DSUs, RSUs, and PSUs granted under the SUP was \$0.01 million and \$8.8 million (2023 – \$0.1 million and \$6.6 million), and had a weighted average grant-date fair value of \$8.42 and C\$7.25 (2023 – C\$6.61 and 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 three and nine months ended September 30, 2024, the total fair value of units granted under the TSUP was \$nil and \$4.6 million (2023 – \$0.1 million and \$2.4 million), and had a weighted average grant-date fair value of \$nil and C\$4.53 (2023 – \$4.1 and C\$3.99) per unit.

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Risk-free interest rate	N/A	3.53 %	3.08 %	2.78 %
Expected dividend yield	N/A	nil	nil	nil
Expected share price volatility	N/A	62 %	61 %	64 %
Expected forfeiture rate	N/A	nil	1.66 %	nil
Expected life	N/A	7.5 years	8.2 years	8.7 years

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

The continuity of DSUs, RSUs, and PSUs issued and outstanding is as follows:

	Share Unit Plan			Treasury Share Unit Plan	
	DSUs	RSUs	PSUs	RSUs	PSUs
Outstanding, December 31, 2023	957,331	1,487,114	80,017	876,550	1,853,278
Granted	104,486	1,381,998	179,870	246,469	1,193,880
Forfeited	—	(213,220)	—	—	—
Settled	(536,723)	(713,352)	(97,940)	(241,887)	(947,184)
Outstanding, September 30, 2024	525,094	1,942,540	161,947	881,132	2,099,974

Share-based compensation expense:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Share-based compensation expense related to stock options	\$ 558	\$ 429	\$ 1,717	\$ 1,306
Share-based compensation expense related to RSUs and PSUs (TSUP)	596	606	3,942	1,694
Share-based compensation expense related to DSUs, RSUs and PSUs (SUP)	2,952	294	10,149	12,736
Total share-based compensation expense	\$ 4,106	\$ 1,329	\$ 15,808	\$ 15,736

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19. Revenue

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Copper concentrate	\$ 301,945	\$ 215,377	\$ 845,366	\$ 689,460
Copper cathode	107,677	103,292	324,225	324,875
Silver	10,807	8,723	31,363	28,769
Gold	9,200	6,054	9,062	7,911
Molybdenum	(74)	962	1,686	4,094
Zinc	—	276	—	252
Total gross revenue	429,555	334,684	1,211,702	1,055,361
Less: treatment and selling costs	(19,200)	(15,496)	(52,658)	(48,534)
Less: pricing and volume adjustments	9,035	3,054	(6,704)	(15,051)
Revenue	\$ 419,390	\$ 322,242	\$ 1,152,340	\$ 991,776

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 for the three and nine months ended September 30, 2024, included \$30.4 million related to deliveries under MMC's offtake contract.

20. Earnings (Loss) Per Share

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Earnings (loss) per share				
Basic and diluted	0.02	(0.05)	0.05	(0.13)
<i>Net earnings (loss)</i>				
Net earnings (loss) attributable to common shareholders - basic and diluted	\$ 12,518	\$ (32,903)	\$ 37,026	\$ (89,415)
Weighted average shares outstanding - basic	758,258,475	694,029,762	746,857,323	693,289,092
Dilutive securities				
Stock options	791,828	2,561,072	705,495	2,534,575
TSUP units	999,101	379,964	901,490	359,626
Weighted average shares outstanding - diluted	760,049,404	696,970,798	748,464,308	696,183,293
<i>Potentially dilutive securities excluded (as anti-dilutive)</i>				
Stock options	—	2,562,860	—	2,589,357
TSUP units	—	2,349,864	—	2,370,202

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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. Supplemental Cash Flow Information

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Receivables	\$ (47,195)	\$ 15,964	\$ (43,369)	\$ 53,131
Inventories	(13,654)	(2,076)	(32,324)	1,226
Other assets	(796)	9,046	(8,811)	(4,265)
Accounts payable and accrued liabilities	29,817	(30,326)	37,409	(88,457)
Other liabilities	(28)	23,110	(4,688)	(1,744)
Net change in non-cash working capital	\$ (31,856)	\$ 15,718	\$ (51,783)	\$ (40,109)

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
VAT receivable	\$ —	\$ (15)	\$ 218	\$ (51)
Other non-current assets	1,260	651	1,806	(7,321)
Other non-current liabilities	755	(18,807)	55	(20,409)
Net change in other non-cash items	\$ 2,015	\$ (18,171)	\$ 2,079	\$ (27,781)

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):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Depreciation and depletion per mineral properties, plant and equipment (Note 9)	72,541	64,196	213,881	169,348
Depreciation included in general and administrative expense	372	95	460	291
Depreciation included in care and maintenance	91	137	2,014	412
Non-cash inventory recovery of write-down	(260)	145	(1,111)	(899)
Change in depreciation and depletion capitalized to inventory, capitalized stripping and construction in progress	(501)	(1,773)	(805)	(7,172)
Depreciation and depletion expense	\$ 72,243	\$ 62,800	\$ 214,439	\$ 161,980

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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):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Additions / expenditures on mining interests (Note 9)	(219,941)	(228,271)	(584,516)	(638,913)
Lease additions (Note 13)	60,477	26,885	158,549	52,541
Changes in working capital and other items (i)	34,196	10,926	44,529	56,871
Expenditures on mining interests (ii)	\$ (125,268)	\$ (190,460)	\$ (381,438)	\$ (529,501)

- i. The changes in working capital relate to the movement in accounts payable and prepayments related primarily to capital expenditures on the MVDP.
- ii. Includes \$19.3 million and \$60.3 million of capitalized finance costs for the three and nine months ended September 30, 2024 (2023 - \$17.4 million and \$45 million, respectively).

22. Commitments

Royalty Agreements

Under the terms of the December 2003 option agreement with Grupo Minera Bacis S.A. de C.V. ("Bacis"), Capstone Mining assumed a 100% interest in the Cozamin mine with a 3% net smelter royalty paid to Bacis on all payable metal sold from production on the property covered by the agreement.

In connection with the financing of the Mantos Blancos Debottlenecking Development Project, Mantos Copper S.A. entered into a royalty agreement with Southern Cross Royalties Limited ("Southern Cross"). Southern Cross is entitled to a 1.525% net smelter royalty on copper production. The royalty is for a period initially through January 1, 2035 that may be extended by Southern Cross at its sole discretion through the duration of the mining rights and is subject to the Company's option to reduce the royalty amount by 50% any time after January 1, 2023, subject to a one-time payment.

Agreement with Osisko Bermuda Limited ("Osisko")

Pursuant to a long-term streaming agreement made in 2015, that covers the life of mine, the Company delivers 100% of the payable silver sold by Mantos Blancos to Osisko Bermuda Limited ("Osisko"). Osisko pays a cash price of 8% of the spot price at the time of each delivery, in addition to an upfront acquisition price previously paid. After 19.3 million ounces of silver have been delivered under the agreement, the stream will be reduced to 40%. Mantos Blancos has delivered 6.2 million silver ounces since contract inception until September 30, 2024.

Agreement with Jetti Resources, LLC ("Jetti")

Under the terms of the 2019 agreement, the Company is required to make quarterly royalty payments to Jetti based on an additional net profits calculation resulting from cathode production at the Pinto Valley mine. The initial term of the agreement is ten years, renewable for 5-year terms thereafter.

Offtake agreements

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

The Company has sales commitments equal to 100% of its copper cathode production at Mantoverde and Mantos Blancos under offtake agreements with Anglo American Marketing Limited ("AAML") up to the end of December 31, 2024.

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The Company has concentrate offtake agreements with third parties whereby they will purchase 100% of the copper concentrate produced by the Cozamin mine up to the end of December 2026.

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

The Company entered into an offtake agreement with Boliden Commercial AB ("Boliden") for 75,000 tonnes of copper concentrates in each contract year. The offtake agreement expires ten years after the commencement of commercial production at the MVDP, subject to potential extension if less than 750 thousand tonnes of copper concentrates have been delivered at the contract term and subject to termination if commercial production does not commence by December 31, 2024.

MMC agreed to provide a \$60 million COF in exchange for additional offtake of copper concentrate production under a 10-year contract. The offtake agreement includes Mantoverde agreeing to sell 30% of its annual copper production per year delivered for its equivalent in copper concentrates, plus an additional amount of 30,000 tonnes of copper concentrate as a result of fully utilizing the COF that was provided by MMC in connection with the MVDP. The agreement between MMC and Mantoverde to sell 30% of its annual copper production is for the duration of the Mantoverde commercial mine life. The amount payable for copper is based on average LME prices, subject to certain terms (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 and Mantoverde for the purchase of 105,000 tonnes of acid during the remainder of 2024, 100,000 tonnes in 2025 and 100,000 tonnes in 2026.

The Company has provided a guarantee to the Chilean Internal Revenue Service that all VAT amounts refunded, plus interest, will be repaid if construction of the Santo Domingo development project is not completed by August 31, 2026.

23. Other Expense

Details are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Care and maintenance expense	\$ (188)	\$ —	\$ (2,313)	\$ —
Gold stream obligation	(600)	—	(1,300)	—
Provision for Minto receivable	—	—	—	(5,000)
Restructuring costs	—	(765)	(422)	(1,861)
Gain on disposal of MPP&E	—	—	1,263	—
Collective bargaining costs	—	—	—	(8,923)
Miscellaneous other expense	(2,214)	(3,861)	(8,595)	(8,627)
Total other expense	\$ (3,002)	\$ (4,626)	\$ (11,367)	\$ (24,411)

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24. Finance Income and Costs

Details of finance income and costs are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Interest income	\$ 1,225	\$ 1,612	\$ 4,020	\$ 4,930
Interest on RCF	(6,283)	(8,198)	(21,097)	(15,753)
Interest on MVDP facility	(11,380)	(10,919)	(33,420)	(31,198)
Interest on shareholder loans and COF	(4,372)	(3,714)	(12,576)	(7,223)
Commitment and guarantee fees	(1,639)	(1,451)	(4,388)	(4,363)
Lease liability interest (i)	(3,129)	(2,506)	(5,926)	(6,381)
Accretion of deferred revenue	(2,344)	(2,415)	(7,032)	(7,340)
Accretion on decommissioning & restoration provisions	(2,871)	(2,184)	(8,741)	(6,895)
Accretion on payable on purchase of NCI	(535)	(509)	(1,480)	(1,510)
Accretion on Minto obligation	(377)	—	(1,300)	—
Amortization of financing fees	(162)	(8)	(348)	(537)
Other interest	(2,336)	(35)	(4,987)	570
Sub-total	\$ (34,203)	\$ (30,327)	\$ (97,275)	\$ (75,700)
Less finance costs capitalized on construction in progress	25,100	19,900	72,150	49,900
Total finance cost, net	\$ (9,103)	\$ (10,427)	\$ (25,125)	\$ (25,800)

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

Finance income (expense) are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Finance income	\$ 1,225	\$ 1,612	\$ 4,020	\$ 4,930
Finance cost	(10,328)	(12,039)	(29,145)	(30,730)
Total finance cost, net	\$ (9,103)	\$ (10,427)	\$ (25,125)	\$ (25,800)

25. 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.

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Operating segment details are as follows:

	Three months ended September 30, 2024						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate (iii)	\$ 118,294	\$ 74,422	\$ 54,946	\$ 54,283	\$ —	\$ —	\$ 301,945
Copper cathode	6,746	15,603	85,328	—	—	—	107,677
Silver	2,234	(215)	—	8,788	—	—	10,807
Molybdenum	(74)	—	—	—	—	—	(74)
Gold	2,534	—	6,666	—	—	—	9,200
Treatment and selling costs	(8,182)	(3,627)	(4,504)	(2,887)	—	—	(19,200)
Pricing and volume adjustments	1,787	2,895	5,902	284	—	(1,833)	9,035
Net revenue	123,339	89,078	148,338	60,468	—	(1,833)	419,390
Production costs	(82,019)	(72,627)	(97,562)	(26,606)	—	—	(278,814)
Royalties	(421)	(2,199)	(1,359)	(1,149)	—	—	(5,128)
Depletion and amortization	(15,974)	(30,387)	(14,868)	(10,290)	—	—	(71,519)
Income (loss) from mining operations	24,925	(16,135)	34,549	22,423	—	(1,833)	63,929
General and administrative expenses	—	—	—	(33)	(87)	(8,101)	(8,221)
Exploration expenses	2	—	—	(13)	(2)	(75)	(88)
Share-based compensation expense	—	—	—	—	—	(4,106)	(4,106)
Income (loss) from operations	24,927	(16,135)	34,549	22,377	(89)	(14,115)	51,514
Realized and unrealized gains (losses) on derivative instruments	—	—	(4,725)	—	—	4,397	(328)
Other (expense) income - net	(613)	(3,135)	(2,606)	(143)	(730)	(1,156)	(8,383)
Net finance costs	(1,364)	(3,020)	(2,568)	(2,171)	(518)	538	(9,103)
Income (loss) before income taxes	22,950	(22,290)	24,650	20,063	(1,337)	(10,336)	33,700
Income tax expense	(3,771)	8,140	(9,246)	(8,944)	—	(2,888)	(16,709)
Total net income (loss)	\$ 19,179	\$ (14,150)	\$ 15,404	\$ 11,119	\$ (1,337)	\$ (13,224)	\$ 16,991
Mineral properties, plant & equipment additions	\$ 48,409	\$ 76,964	\$ 81,477	\$ 5,974	\$ 1,546	\$ 5,571	\$ 219,941

- i. Included in pricing and volume adjustments are realized and unrealized gains (losses) on the Company's quotational pricing copper contracts.
- ii. Intersegment sales and transfers are eliminated in the table above. For the three months ended September, 2024, intersegment revenue for Cozamin and the Other segment was \$4.9 million and \$0.5 million (2023 - \$3.1 million and \$0.3 million), respectively.
- iii. Revenue is related to the pre-commercial production phase of the MVDP.

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	Three months ended September 30, 2023						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate	\$ 96,882	\$ 74,144	\$ —	\$ 44,351	\$ —	\$ —	\$ 215,377
Copper cathode	6,778	26,620	69,894	—	—	—	103,292
Silver	1,582	361	—	6,780	—	—	8,723
Gold	6,054	—	—	—	—	—	6,054
Zinc	—	—	—	276	—	—	276
Molybdenum	962	—	—	—	—	—	962
Treatment and selling costs	(7,347)	(4,451)	(627)	(3,071)	—	—	(15,496)
Pricing and volume adjustments	468	786	284	(285)	—	1,801	3,054
Net revenue	105,379	97,460	69,551	48,051	—	1,801	322,242
Production costs	(79,270)	(74,292)	(68,880)	(22,675)	—	—	(245,117)
Royalties	(302)	(1,555)	—	(825)	—	—	(2,682)
Depletion and amortization	(17,805)	(18,405)	(19,183)	(7,030)	—	—	(62,423)
Income from mining operations	8,002	3,208	(18,512)	17,521	—	1,801	12,020
General and administrative expenses	(49)	—	—	(32)	(25)	(5,505)	(5,611)
Exploration expenses	(2)	—	—	(32)	26	(1,853)	(1,861)
Share-based compensation expense	—	—	—	—	—	(1,329)	(1,329)
Income (loss) from operations	7,951	3,208	(18,512)	17,457	1	(6,886)	3,219
Unrealized and realized gains on derivative instruments	—	—	5,219	—	—	(945)	4,274
Other (expense) income - net	(158)	5,857	3,208	575	156	(3,523)	6,115
Net finance costs	(1,092)	(1,794)	(381)	(2,228)	(479)	(4,453)	(10,427)
Income (loss) before income taxes	6,701	7,271	(10,466)	15,804	(322)	(15,807)	3,181
Income tax recovery (expense)	377	(18,526)	(20,979)	(6,108)	—	(282)	(45,518)
Total net income (loss)	\$ 7,078	\$ (11,255)	\$ (31,445)	\$ 9,696	\$ (322)	\$ (16,089)	\$ (42,337)
Mineral properties, plant & equipment additions	46,517	25,777	140,671	7,106	8,041	159	228,271

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	Nine months ended September 30, 2024						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate (iii)	\$ 398,086	\$ 231,780	\$ 54,946	\$ 160,554	\$ —	\$ —	\$ 845,366
Copper cathode	20,542	49,905	253,778	—	—	—	324,225
Silver	5,875	302	—	25,186	—	—	31,363
Molybdenum	1,686	—	—	—	—	—	1,686
Gold	2,396	—	6,666	—	—	—	9,062
Treatment and selling costs	(28,039)	(10,802)	(5,327)	(8,490)	—	—	(52,658)
Pricing and volume adjustments (i)	1,866	(900)	5,819	2	—	(13,491)	(6,704)
Net revenue	402,412	270,285	315,882	177,252	—	(13,491)	1,152,340
Production costs	(238,327)	(208,521)	(248,780)	(76,509)	—	—	(772,137)
Royalties	(1,781)	(6,682)	(3,014)	(3,360)	—	—	(14,837)
Depletion and amortization	(57,219)	(75,811)	(46,989)	(30,835)	—	—	(210,854)
Income (loss) from mining operations	105,085	(20,729)	17,099	66,548	—	(13,491)	154,512
General and administrative expenses	(54)	—	—	(74)	(133)	(22,127)	(22,388)
Exploration expenses	1	—	—	(30)	(17)	(517)	(563)
Share-based compensation expense	—	—	—	—	—	(15,808)	(15,808)
Income (loss) from operations	105,032	(20,729)	17,099	66,444	(150)	(51,943)	115,753
Realized and unrealized gains (losses) on derivative instruments	—	—	(3,243)	—	—	(4,963)	(8,206)
Other (expense) income - net	(3,900)	(4,281)	2,349	156	(1,273)	6,679	(270)
Net finance (costs) income	(3,492)	(6,357)	(5,139)	(6,765)	(1,568)	(1,804)	(25,125)
Income (loss) before income taxes	97,640	(31,367)	11,066	59,835	(2,991)	(52,031)	82,152
Income tax (expense) recovery	(17,158)	10,124	(4,939)	(24,909)	—	(6,554)	(43,436)
Total net income (loss)	\$ 80,482	\$ (21,243)	\$ 6,127	\$ 34,926	\$ (2,991)	\$ (58,585)	\$ 38,716
Mineral properties, plant & equipment additions	\$ 86,616	\$ 163,776	\$ 298,589	\$ 18,562	\$ 9,579	\$ 7,394	\$ 584,516

- i. Included in pricing and volume adjustments are realized and unrealized gains (losses) on the Company's quotational pricing copper contracts.
- ii. Intersegment sales and transfers are eliminated in the table above. For the nine months ended September 30, 2024, intersegment revenue for Cozamin and the Other segment was \$12.7 million and \$1.3 million (2023 - \$9.7 million and \$1 million), respectively.
- iii. Revenue is related to the pre-commercial production phase of the MVDP.

Capstone Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

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

	Nine months ended September 30, 2023						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Revenue							
Copper concentrate	\$ 311,406	\$ 234,090	\$ —	\$ 143,964	\$ —	\$ —	\$ 689,460
Copper cathode	18,083	89,842	216,950	—	—	—	324,875
Silver	4,084	1,461	—	23,224	—	—	28,769
Gold	7,911	—	—	—	—	—	7,911
Molybdenum	4,094	—	—	—	—	—	4,094
Zinc	—	—	—	252	—	—	252
Treatment and selling costs	(24,276)	(13,301)	(1,934)	(9,023)	—	—	(48,534)
Pricing and volume adjustments	(3,726)	(3,811)	(1,178)	(1,047)	—	(5,289)	(15,051)
Net revenue	317,576	308,281	213,838	157,370	—	(5,289)	991,776
Production costs	(235,996)	(231,522)	(225,934)	(66,053)	—	—	(759,505)
Royalties	(1,368)	(4,675)	—	(2,645)	—	—	(8,688)
Depletion and amortization	(56,542)	(49,039)	(36,732)	(19,863)	—	—	(162,176)
Income (loss) from mining operations	23,670	23,045	(48,828)	68,809	—	(5,289)	61,407
General and administrative expenses	(101)	—	—	(83)	(79)	(18,213)	(18,476)
Exploration expenses	(4)	—	—	(74)	(14)	(4,614)	(4,706)
Share-based compensation expense	—	—	—	—	—	(15,736)	(15,736)
Income (loss) from operations	23,565	23,045	(48,828)	68,652	(93)	(43,852)	22,489
Unrealized and realized gain on derivative instruments	—	—	11,593	—	—	(684)	10,909
Other (expense) income - net	(1,064)	(9,606)	(4,294)	3,094	(91)	(64,311)	(76,272)
Net finance costs	(2,642)	(5,133)	37	(6,732)	(1,520)	(9,810)	(25,800)
Income (loss) before income taxes	19,859	8,306	(41,492)	65,014	(1,704)	(118,657)	(68,674)
Income tax recovery (expense)	1,183	(19,263)	(11,119)	(15,757)	—	8,432	(36,524)
Total net income (loss)	\$ 21,042	\$ (10,957)	\$ (52,611)	\$ 49,257	\$ (1,704)	\$ (110,225)	\$ (105,198)
Mineral properties, plant & equipment additions	87,758	68,986	432,910	32,212	16,888	159	638,913

As at September 30, 2024

	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
Mineral properties, plant and equipment	\$ 787,959	\$ 1,096,643	\$ 3,053,531	\$ 245,348	\$ 502,044	\$ 8,856	\$ 5,694,381
Total assets	\$ 920,706	\$ 1,224,281	\$ 3,302,075	\$ 312,043	\$ 512,994	\$ 91,069	\$ 6,363,168
Total liabilities	\$ 259,900	\$ 446,482	\$ 1,518,620	\$ 237,630	\$ 61,237	\$ 429,041	\$ 2,952,910

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