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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.

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

# 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 costs[1] 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 shareholders[1] of $25.4 million, or $0.03 per share for Q3 2024**, compared to adjusted net loss attributable to shareholders[1] of $15.8 million in Q3 2023,.
- **Adjusted EBITDA[1] nearly doubled to $120.8 million for Q3 2024 compared to $62.8 million for Q3 2023.** The increase in Adjusted EBITDA[1] 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 debt[1]** 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 liquidity[1] 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 costs[1] 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 costs[1] 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".*

## Operating Highlights

| | Q3 2024 | Q3 2023 | 2024 YTD | 2023 YTD |
|---|---|---|---|---|
| **Copper production (tonnes)** | | | | |
| ***Sulphide business*** | | | | |
| Pinto Valley | **13,980** | 13,657 | **45,646** | 39,157 |
| Cozamin | **6,025** | 5,876 | **18,183** | 17,776 |
| Mantos Blancos | **8,246** | 9,138 | **25,579** | 28,338 |
| Mantoverde[2] | **8,139** | — | **8,197** | — |
| ***Total sulphides*** | **36,390** | 28,671 | **97,605** | 85,271 |
| ***Cathode business*** | | | | |
| Mantos Blancos | **1,728** | 2,997 | **5,432** | 9,597 |
| Mantoverde[2] | **9,342** | 8,582 | **27,481** | 25,382 |
| ***Total cathodes*** | **11,070** | 11,579 | **32,913** | 34,979 |
| **Consolidated** | **47,460** | 40,250 | **130,518** | 120,250 |
| **Copper sales** | | | | |
| Copper sold (tonnes) | **44,684** | 38,699 | **125,428** | 116,910 |
| Realized copper price[1] ($/pound) | **4.24** | 3.77 | **4.20** | 3.87 |
| **C1 cash costs[1] ($/pound) produced** | | | | |
| ***Sulphide business*** | | | | |
| Pinto Valley | **2.92** | 2.83 | **2.63** | 2.96 |
| Cozamin | **1.82** | 1.85 | **1.83** | 1.73 |
| Mantos Blancos | **3.40** | 2.85 | **3.26** | 2.80 |
| Mantoverde | **2.52** | — | **2.52** | — |
| ***Total sulphides*** | **2.76** | 2.63 | **2.64** | 2.65 |
| ***Cathode business*** | | | | |
| Mantos Blancos | **3.44** | 2.75 | **3.33** | 3.07 |
| Mantoverde | **3.00** | 3.74 | **3.50** | 3.89 |
| ***Total cathodes*** | **3.07** | 3.48 | **3.47** | 3.67 |
| **Consolidated** | **2.83** | 2.88 | **2.85** | 2.96 |

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

### Consolidated

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 costs[1] 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 costs[1] 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).

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

## Consolidated Financial Highlights

| ($ millions, except per share data)[2] | 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) |
| *Net income (loss) attributable to shareholders per common share - basic and diluted ($)* | ***0.02*** | *(0.05)* | ***0.05*** | *(0.13)* |
| **Operating cash flow before changes in working capital** | **116.9** | 59.2 | **282.0** | 124.3 |
| **Adjusted EBITDA[1]** | **120.8** | 62.8 | **324.1** | 172.2 |
| **Adjusted net income (loss) attributable to shareholders[1]** | **25.4** | (15.8) | **41.9** | (10.5) |
| *Adjusted net income (loss) attributable to shareholders per common share - basic and diluted[1]* | ***0.03*** | *(0.02)* | ***0.06*** | *(0.02)* |
| **Realized copper price[1] ($/pound)** | **4.24** | 3.77 | **4.20** | 3.87 |

| | September 30, 2024 | December 31, 2023 |
|---|---|---|
| **Net (debt) / cash[1]** | **(750.7)** | (927.2) |
| **Attributable net (debt) / cash[1]** | **(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 costs[1] of $1.81 per pound of copper. Capstone anticipates starting construction after receiving environmental permit approval, expected in H1 2025. The MV-O FS also features a robust after-tax NPV(8%) of $2.9 billion for Mantoverde operation on a 100%-basis based on a long-term copper price of $4.10/lb and gold price of $1,800/oz.

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

### Santo Domingo Feasibility Study & Sierra Norte Acquisition

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

The 2024 FS for Santo Domingo outlines a robust copper-iron-gold project with an after-tax NPV (8%) of $1.7 billion and an after-tax internal rate of return of 24.1%. Total initial capital cost of $2.3 billion drives a capital intensity of approximately $21,900 per tonne of annual copper equivalent production over the life of mine. Over the first seven years of the mine plan, production is expected to average 106,000 tonnes of copper and 3.7 million tonnes of iron ore magnetite at first quartile cash costs of $0.28 per payable pound of copper produced. Over Santo Domingo's 19-year mine life, production is expected to average 68,000 tonnes of copper and 3.6 million tonnes of iron ore magnetite at first quartile cash costs of $0.33 per payable pound of copper produced.

The 19-year Santo Domingo mine life is supported by an increased Mineral Reserve estimate of 436 million tonnes (compared to 392 million tonnes previously) at a copper grade of 0.33%, iron ore grade of 26.5%, and a gold grade of 0.05 grams per tonne. Increased Measured and Indicated (“M&I”) Mineral Resources total 547 million tonnes (compared to 537 million tonnes previously) at a copper grade of 0.31% and a gold grade of 0.04 grams per tonne, including 506 million tonnes with an iron grade of 25.8%.

The feasibility study updated the level of engineering to Association for the Advancement of Cost Engineering ("AACE") Class 3. Further detailed engineering will increase the precision of capital estimates to AACE Class 2 over the next couple of quarters.

During the quarter, Capstone acquired 100% of the shares of Compania Minera Sierra Norte, S.A. ("Sierra Norte") for $40 million in share consideration. Sierra Norte is located approximately 15 kilometers northwest of the Santo Domingo Project and represents an opportunity to potentially be a future sulphide feed source for Santo Domingo, extending the higher grade copper sulphide life.

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

<u>Copper Oxides Opportunity</u>

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.

<u>Exploration Opportunities in the MV-SD District</u>

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 costs[1] 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 costs[1] 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 costs[1] 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 costs[1] 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".* 

# 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 costs[1] 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".* 

2024 YTD C1 cash costs[1] 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 capital[1] 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".* 

## 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 costs[1] of $3.41/lb ($3.40/lb sulphides and $3.44/lb cathodes) were 21% higher compared to combined C1 cash costs[1] 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 costs[1] 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 capital[1] 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".* 

### 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*

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

## 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 costs[1] 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 costs[1] 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 capital[1] 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 capital[1] 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".* 

## 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 costs[1] 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 costs[1] 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 capital[1] spending at Cozamin of $5.3 million for Q3 2024, mainly related to mine development and mine equipment.

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

Capitalized exploration expenditures totaled $0.6 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".* 

## 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.

<u>Copper Oxides Opportunity</u>

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.

<u>Exploration Opportunities in the MV-SD District</u>

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.

| ($ 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): | | | | |
| *Mantos Blancos* | **—** | — | **1.4** | — |
| *Mantoverde* | **0.6** | — | **4.0** | — |
| *Cozamin* | **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.

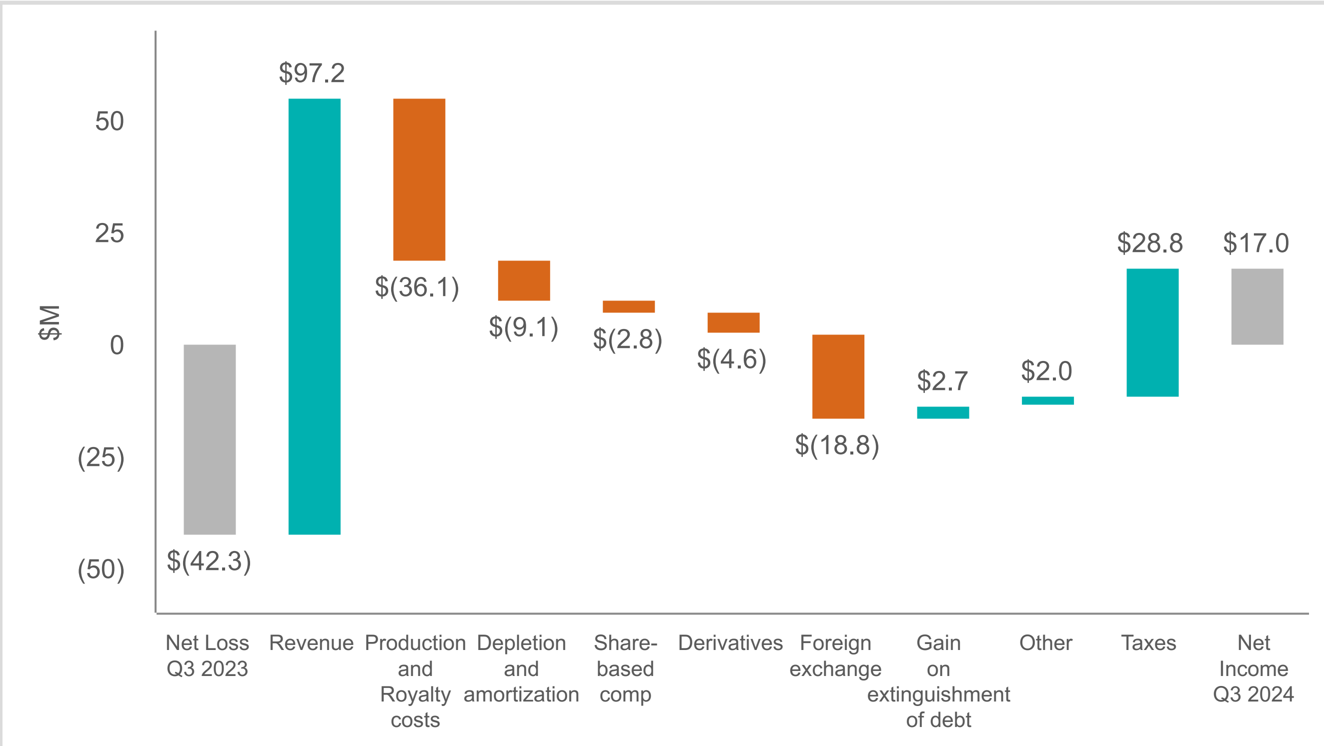
# 4.0 FINANCIAL REVIEW

## 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:

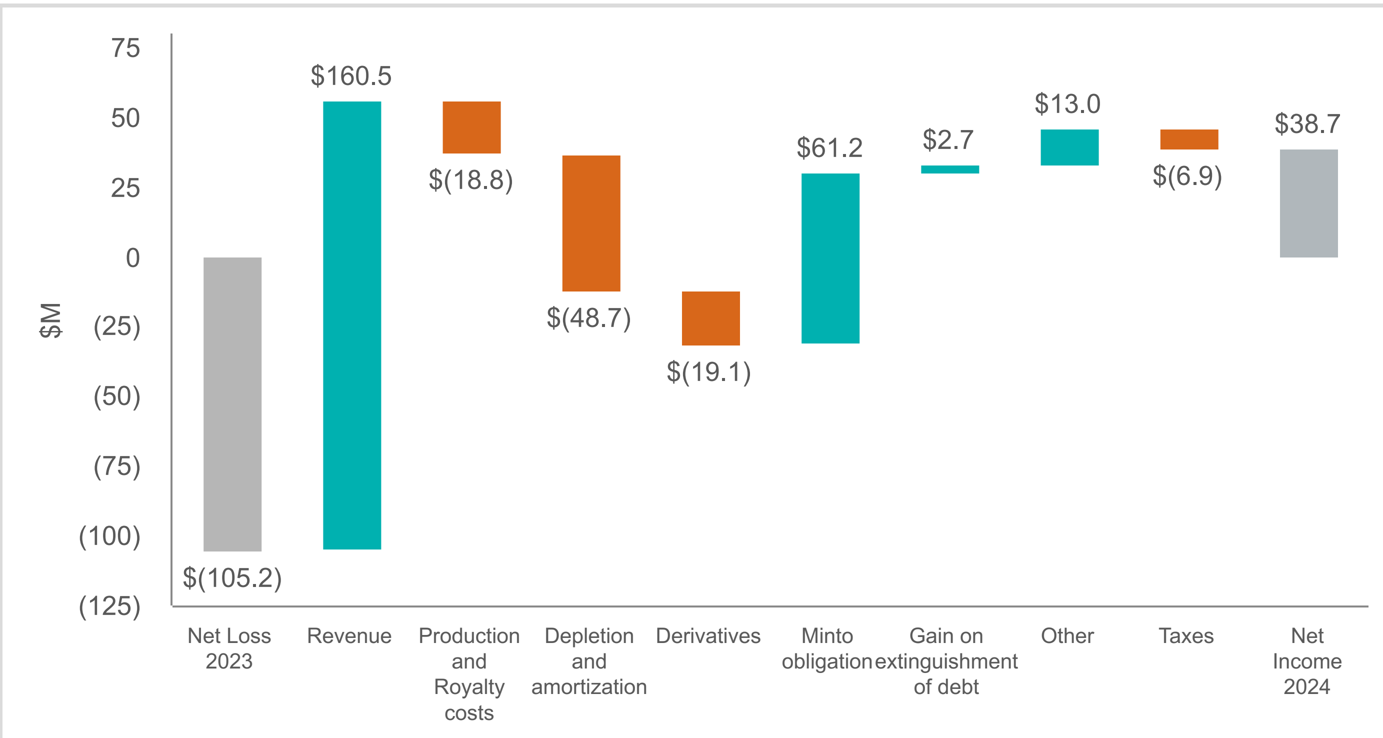
- Revenue: $97.2 million or 30% increase, driven by higher realized copper prices[1] (Q3 2024 - $4.24 per pound, Q3 2023 - $3.71 per pound) on higher copper volumes sold (Q3 2024 – 44.7 thousand tonnes, Q3 2023 – 38.7 thousand tonnes).
- Production and Royalty costs: $36.1 million increase primarily 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".*

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 prices[1] (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".*

- 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 price[1] ($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 price[1] ($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:

| | | | | | | ($/pound) |
|---|---|---|---|---|---|---|
| **Quotational Period** | **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".* 

| | | | | | | |
|---|---|---|---|---|---|---|
| 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 Price[1]

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

| ($ millions, except as noted) | 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 ($/pound) | **0.06** | 0.02 | **0.02** | — |
| **Realized copper price[1] ($/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".*

## 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.

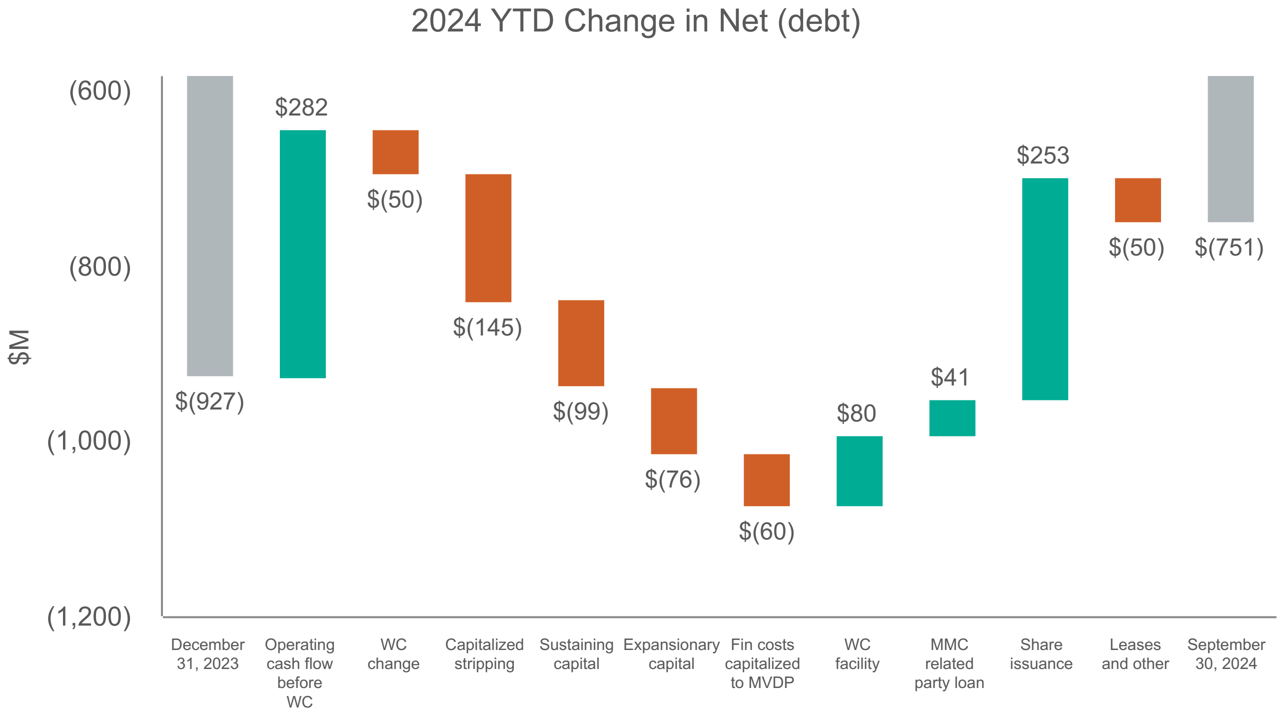
### Investing Activities

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.

## 4.4 Liquidity and Financial Position




Our available liquidity[1] 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”.* 

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 liquidity[1]. We have reasonable expectations for our operating performance, additional liquidity options are available such as debt and capital market access, the Corporate RCF of $700 million, $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 CHESS depository interests ("CDIs") of Capstone (or the equivalent of 62.4 million fully paid Common Shares of Capstone) at a price of A$9.50 per CDI, for gross proceeds to Orion of approximately A$592.8 million. Post transaction, Orion owns 90.5 million common shares, representing approximately 12.0% of the outstanding common shares of Capstone.

### 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".* 

| | |
|---|---|
| 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.

### 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 | | | | |
|---|---|---|---|---|---|
| | **Pinto Valley** | **Mantos Blancos** | **Mantoverde** | **Cozamin** | **Total** |
| 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** |

## 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".* 

## Nine Months Ended September 30, 2024

| | 2024 YTD | | | | |
|---|---|---|---|---|---|
| | **Pinto Valley** | **Mantos Blancos** | **Mantoverde** | **Cozamin** | **Total** |
| 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** |

## Nine Months Ended September 30, 2023

| | 2023 YTD | | | | |
|---|---|---|---|---|---|
| | Pinto Valley | Mantos Blancos | Mantoverde | Cozamin | Total |
| 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 |

### 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) |
| *Add:* | | |
| 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) |
| *Add:* | | |
| 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.

| | Three months ended September 30, 2024 | | | | | |
|---|---|---|---|---|---|---|
| ($ millions)[2] | Pinto Valley | Mantos Blancos | Mantoverde | Cozamin | Other | Total |
| 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.*

| ($ millions)[2] | Three months ended September 30, 2023<br>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.*

| ($ millions)[2] | Nine months ended September 30, 2024<br>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.*

| ($ millions)[2] | Nine months ended September 30, 2023<br>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.