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MANAGEMENT'S DISCUSSION AND ANALYSIS OF CAPSTONE COPPER CORP. FOR THE YEAR ENDED DECEMBER 31, 2023

Capstone Copper Corp. ("Capstone Copper" or the "Company" or "we") has prepared the following management's discussion and analysis (the "MD&A") as of February 21, 2024 and it should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2023. 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 ("MVDP 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 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 project, environmental risks, unanticipated reclamation expenses and title disputes, the success of the synergies and catalysts related to prior transactions, in particular but not limited to, the potential synergies with Mantoverde and Santo Domingo, the anticipated future production, costs of production, including the cost of sulphuric acid and oil and other fuel, capital expenditures and reclamation of Company's operations and development projects, our estimates of available liquidity, and the risks included in our continuous disclosure filings on SEDAR+ at www.sedarplus.ca. The impact of global events such as pandemics, geopolitical conflict, or other events, to Capstone is dependent on a number of factors outside of our control and knowledge, including the effectiveness of the measures taken by public health and governmental authorities to combat the spread of diseases, global economic uncertainties and outlook due to widespread diseases or geopolitical events or conflicts, supply chain delays resulting in lack of availability of supplies, goods and equipment, and evolving restrictions relating to mining activities and to travel in certain jurisdictions in which we operate. In certain cases, forward-looking statements can be identified by the use of words such as "anticipates", "approximately", "believes", "budget", "estimates", "expects", "forecasts", "guidance", "intends", "plans", "scheduled", "target", or variations of such words and phrases, or statements that certain actions, events or results "be achieved", "could",

"may", "might", "occur", "should", "will be taken" or "would" or the negative of these terms or comparable terminology.

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Such factors include, amongst others, risks related to inherent hazards associated with mining operations and closure of mining projects, future prices of copper and other metals, compliance with financial covenants, inflation, surety bonding, our ability to raise capital, Capstone Copper's ability to acquire properties for growth, counterparty risks associated with sales of our metals, use of financial derivative instruments and associated counterparty risks, foreign currency exchange rate fluctuations, market access restrictions or tariffs, changes in general economic conditions, availability and quality of water, accuracy of Mineral Resource and Mineral Reserve estimates, operating in foreign jurisdictions with risk of changes to governmental regulation, compliance with governmental regulations, 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 completion test 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 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, 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. The Company is listed on the Toronto Stock Exchange ("TSX"), and effective February 2, 2024, the Company was admitted to the official list of the Australian Securities Exchange ("ASX") as an ASX Foreign Exempt Listing.

2.0 Q4 2023 HIGHLIGHTS AND SIGNIFICANT ITEMS

Q4 2023 Financial and Operational Highlights

- **Achieved production guidance² for the year ended December 31, 2023, with consolidated copper production of 164,353 tonnes.** Consolidated copper production for Q4 2023 was 44,103 tonnes at C1 cash costs¹ of \$2.67/lb, which consisted of 15,933 tonnes at Pinto Valley, 11,587 tonnes at Mantos Blancos, 10,019 tonnes at Mantoverde, and 6,564 tonnes at Cozamin.
- **Net loss of \$19.5 million, or \$(0.02) per share for Q4 2023** compared to net loss of \$28.4 million, or \$(0.03) per share for Q4 2022.
- **Adjusted net income attributable to shareholders¹ of \$10.8 million, or \$0.02 per share for Q4 2023.** Q4 2023 adjusted net income attributable to shareholders¹ is lower than Q4 2022 adjusted net income attributable to shareholders¹ of \$60.4 million due to lower copper volumes sold.
- **Adjusted EBITDA¹ of \$88.3 million for Q4 2023 compared to \$81.3 million for Q4 2022.** The increase in Adjusted EBITDA¹ is driven by a higher copper price of \$3.69/lb compared to \$3.45/lb (prior to unrealized provisional pricing adjustments), partially offset by lower copper sold (43.3 thousand tonnes in Q4 2023 versus 44.7 thousand tonnes in Q4 2022).
- **Operating cash flow before changes in working capital of \$80.4 million in Q4 2023** compared to \$76.1 million in Q4 2022.
- **At the Mantoverde Development Project ("MVDP"), construction of all elements required to commence commissioning activities were completed by year end 2023.** MVDP will continue to systematically commission the concentrator plant with first saleable concentrate expected in Q2 2024. Project total capital remains unchanged at \$870 million. Focus is on a safe, efficient and phased project commissioning and ramp-up.
- **Expected 2024 consolidated copper production growth of 25% driven by the ramp up of MVDP, resulting in 2024 guidance of 190,000 to 220,000 tonnes of copper at 17% lower C1 cash costs of \$2.30/lb to \$2.50/lb.** Total 2024 sustaining and expansionary capital expenditure guidance is \$275 million, plus an additional \$180 million for capitalized stripping.
- **Total available liquidity¹ of \$352.8 million as at December 31, 2023,** composed of \$126.8 million of cash and short-term investments, and \$226.0 million of undrawn amounts on the corporate revolving credit facility. Subsequent to year-end, the Company completed a Share Offering that will increase available liquidity through net proceeds to the Company of approximately \$253 million (C\$342 million).

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

² Production guidance as most recently disclosed in the Company's MD&A for the three and nine months ended September 30, 2023.

Operating Highlights

	Q4 2023	Q4 2022	2023	2022
Copper production (000s tonnes)				
<i>Sulphide business</i>				
Pinto Valley	15.9	15.0	55.1	56.8
Cozamin	6.6	5.8	24.3	24.5
Mantos Blancos	9.7	10.0	38.0	29.0
Total sulphides	32.2	30.8	117.4	110.3
<i>Cathode business</i>				
Mantos Blancos	1.9	4.2	11.5	12.2
Mantoverde ²	10.0	10.5	35.4	36.3
Total cathodes	11.9	14.7	46.9	48.5
Consolidated	44.1	45.5	164.3	158.8
Copper sales				
Copper sold (000s tonnes)	43.3	44.7	160.2	159.9
Realized copper price ¹ (\$/pound)	3.74	3.74	3.84	3.76
C1 cash costs¹ (\$/pound) produced				
<i>Sulphide business</i>				
Pinto Valley	2.36	2.48	2.79	2.63
Cozamin	1.76	1.40	1.74	1.24
Mantos Blancos	2.58	1.82	2.74	2.16
Total sulphides	2.30	2.07	2.56	2.20
<i>Cathode business</i>				
Mantos Blancos	3.32	2.69	3.11	3.41
Mantoverde	3.68	3.65	3.83	3.63
Total cathodes	3.62	3.37	3.66	3.58
Consolidated	2.67	2.50	2.88	2.63

² Mantoverde production shown on a 100% basis.

Consolidated

Q4 2023 copper production of 44.1 thousand tonnes was 3% lower than Q4 2022 primarily as a result of lower oxide production at Mantos Blancos driven by lower dump throughput, grade and recoveries.

Q4 2023 C1 cash costs¹ of \$2.67/lb were 7% higher than \$2.50/lb Q4 2022 mainly impacted by lower production (\$0.19/lb), partially offset by lower operational costs (-\$0.02/lb).

2023 consolidated production of 164.3 thousand tonnes of copper was 3% higher than the 158.8 thousand tonnes in 2022.

2023 C1 cash costs¹ of \$2.88/lb were 10% higher than \$2.63/lb 2022 mainly on higher operational costs, partially offset by higher capitalized stripping, copper production and by-product credits.

Consolidated Financial Highlights

(\$ millions, except per share data) ²	Q4 2023	Q4 2022	2023	2022	2021
Revenue	353.7	362.1	1,345.5	1,296.0	794.8
Net (loss) income	(19.5)	(28.4)	(124.7)	136.1	252.9
Net (loss) income attributable to shareholders	(12.3)	(20.9)	(101.7)	122.2	226.8
<i>Net (loss) income attributable to shareholders per common share - basic (\$)</i>	(0.02)	(0.03)	(0.15)	0.20	0.56
<i>Net (loss) income attributable to shareholders per common share - diluted (\$)</i>	(0.02)	(0.03)	(0.15)	0.19	0.55
Operating cash flow before changes in working capital	80.4	76.1	204.8	184.8	556.3
Adjusted EBITDA¹	88.3	81.3	260.3	356.7	437.3
Adjusted net income attributable to shareholders¹	10.8	60.4	0.3	70.6	215.5
<i>Adjusted net income attributable to shareholders per common share - basic</i>	0.02	0.09	—	0.11	0.53
<i>Adjusted net income attributable to shareholders per common share - diluted</i>	0.02	0.09	—	0.11	0.52
Realized copper price¹ (\$/pound)	3.74	3.74	3.84	3.76	4.42
			December 31, 2023	December 31, 2022	December 31, 2021
Net (debt) / cash¹			(927.2)	(483.1)	264.4
Attributable net (debt) / cash¹			(776.6)	(339.9)	264.4
Total assets			5,873.9	5,380.9	1,728.0
Total non-current financial liabilities			1,205.3	709.5	38.4

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

Mantoverde Development Project

Construction of all elements of the MVDP that were required to commence commissioning were completed during the fourth quarter of 2023. Commissioning activities are underway, and the Company is focused on a safe, efficient and phased project commissioning and ramp-up. MVDP is expected to enable the mine to process 231 million tonnes of copper sulphide reserves over a 20-year expected mine life, in addition to existing oxide reserves. The MVDP involves the addition of a sulphide concentrator (nominal 32,000 ore tonnes per day) and tailings storage facility, and the expansion of the existing desalination plant and other minor infrastructure.

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 8

MVDP is progressing under a lump-sum turn-key engineering, procurement, and construction (EPC) contract with Ausenco Limited, a multi-national EPC management company, with broad international experience in the design and construction of copper concentrator projects of this scale in the international market. The execution plan includes a Capstone Copper owner's team working with Ausenco during the execution phase. The contract with Ausenco includes the project commissioning and ramp-up.

Key milestones during the commissioning and ramp-up include:

- a. First ore to the primary crusher – completed in Q4 2023
- b. First ore to the grinding circuit – on track for Q1 2024
- c. First saleable concentrate – on track for Q2 2024
- d. Achievement of nameplate operating rates – expected during Q3 2024

As of December 31, 2023, cash capital spent at MVDP totaled \$809 million versus the project capital estimate of \$870 million.

A virtual tour of MVDP can be viewed at <https://vrify.com/decks/12698-mantoverde-development-project>

MVDP Optimized FS and Phase II

The Company is currently analyzing the next expansion of the sulphide concentrator. Capstone has identified that the desalination plant capacity and major components of the comminution and flotation circuits of the MVDP can sustain an average annual throughput of approximately 45,000 tonnes per day. Capstone continues to work with Ausenco's engineering team to develop the MVDP Optimized Feasibility Study, including evaluating the costs and timelines of debottlenecking the minor components of the plant to meet the potential increased throughput target. Completion of the optimized feasibility study is expected in the first half of 2024.

Given the above, the Mantoverde Phase II opportunity will evaluate the addition of an entire second processing line, possibly a duplication of the first line, to process some of the additional approximately 1.0 billion tonnes of resources not in reserves.

Santo Domingo Feasibility Study Update

The Company has continued updating the Feasibility Study ("FS") with contributions from third parties. Ausenco is optimizing the process configuration and updating the Technical Report to take into consideration recently produced metallurgical testwork data, updated mine plan with a lower strip ratio and a modernized milling and flotation circuit with a lower overall footprint and operating cost compared with the previous design. One of the key improvements is the definition of an iron concentration circuit that can produce two different qualities of product: a bulk 65% grade iron concentrate and a premium 67% iron concentrate. The Technical Report is expected to be delivered in the first half of 2024.

Mantoverde - Santo Domingo Cobalt Study

A district cobalt plant for Mantoverde - Santo Domingo may allow for low-cost by-product cobalt production while producing a by-product of sulphuric acid which can then be consumed internally to further significantly lower operating costs in the cathode process at Mantoverde.

The cobalt recovery process comprises a pyrite flotation step to recover cobaltiferous pyrite from MVDP tails and redirect it to the dynamic heap leach pads, which will be upgraded to a bio-leach configuration through the addition of an aeration system. 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. Engineering has commenced for a small plant treating only Mantoverde pyrite concentrates to produce up to 1,500 tonnes per annum ("tpa") of contained cobalt. In line with this, Santo Domingo has initiated a Feasibility Study to assess, as part of the copper/iron circuit overall layout optimization being conducted by Ausenco, the optimum process configuration for the pyrite flotation and pumping transportation facilities needed to transport pyrite concentrate to Mantoverde's leach facilities.

At a combined MV-SD target of 4.5 to 6.0 thousand tpa of mined cobalt production, this would be one of the largest and lowest cost cobalt producers in the world, outside of Indonesia and the DRC.

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

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. Constructive discussions with key district stakeholders advanced during the quarter.

Chilean Tax Reform

In August 2023, Chile passed the Mining Royalty into law to be effective on January 1, 2024, replacing the prior Specific Tax on Mining Activity. As a change in tax law is accounted for in the period of enactment, rather than from its effective date, the Company recorded an initial deferred income tax charge and a corresponding increase to deferred income tax liabilities during Q3 2023.

The Mining Royalty contains two components, an 1% ad-valorem component on net copper revenues and a mine operating margin "(MOM)" component based on rates ranging from 8% to 26%.

The Mining Royalty includes a maximum limit to the total tax burden, consisting of (1) corporate income tax, (2) Mining Royalty (both ad-valorem and MOM components) and (3) imputed withholding taxes. The Mining Royalty establishes that when the sum of the three components exceeds 46.5% of MOM, then the Mining Royalty is to be adjusted in such a way that it does not exceed the limit.

The Mining Royalty is not expected to have an impact on the Santo Domingo mine, which has 15 years of tax stability post commencement of commercial production as a result of Decree Law No. 600 ("DL 600") during which time it will remain subject to the prior Specific Tax on Mining. Furthermore, given the Company's growth projects in Chile, we do not expect to incur cash withholding taxes for several years, although, the deduction is available when calculating the cap under the new Mining Royalty.

Management and Board of Directors Additions

Effective January 15, 2024, Oscar Flores joined Capstone as General Manager, Mantoverde. Previous General Manager, Pablo Asiain, will be retiring effective March 31, 2024. During this transition period, Mr. Flores and Mr. Asiain will work closely together to transfer knowledge and responsibilities to ensure operational continuity during the MVDP commissioning and ramp-up. Mr. Flores is a Mining Engineer with over 25 years of progressive experience, including past general management positions with Kinross, AMSA, Anglo American, and Codelco in Chile, along with New Gold in Mexico, Australia, and Canada.

Effective January 8, 2024, Gordon Bell joined Capstone's Board of Directors as a new Independent Director. He was most recently Vice Chairman for the Mining and Metals Group of RBC Capital Markets before his retirement from RBC Capital Markets in 2022. Previously Mr. Bell was the Global Head for RBC's Mining & Metals group, leading the expansion and growth of the firm's Mining and Metals practice domestically as well as in London, Australia and Asia. Mr. Bell has global expertise in corporate strategy, debt and equity financing, shareholder engagement, and mergers and acquisitions. He received a Bachelor of Science in Mining Engineering from Queens University in Kingston, Ontario and an MBA from Washington University in St. Louis, Missouri.

Effective August 1, 2023, James ("Jim") Whittaker was appointed as Senior Vice President, Head of Chile. Jim's most recent role was with BHP Chile as President of the Escondida copper mine. Prior to that he was Executive General Manager at OceanaGold where he led the operations and project development of the Haile Gold Mine in the southeastern U.S. He has also held the role of Executive General Manager with Barrick Gold where he led mining operations and project development in Peru and Argentina.

Minto Obligation

In May 2023, Minto Metals Corp. ("Minto") announced that they had ceased all operations at the Minto Mine located within the Selkirk First Nation's territory in the Yukon and that the Yukon Government had assumed care and control of the site.

In conjunction with Capstone's sale of the Minto Mine in 2019, Minto posted a surety bond of C\$72 million to cover potential future reclamation liabilities. While this surety bond is outstanding, the Company remains an indemnitor to the surety bond provider. As Minto has defaulted on the surety bond, Capstone recognized a liability

of approximately US\$55 million (C\$72 million) related to the Company's obligations to the issuer of the surety bond.

During Q4 2023, the Company received a reclamation plan from the Yukon government and made payments of US\$10.4 million to the Yukon government for reclamation work performed. As at December 31, 2023, the total provision is US\$41.2 million with US\$23.9 million recorded in other current liabilities representing the amounts expected to be paid within the next year.

Corporate Exploration Update

Cozamin: Infill drilling at the Mala Noche Main Vein West Target resumed in Q4 2023 utilizing two underground rigs positioned from the newly completed Level 19.1 cross-cut. Limited additional infill drilling at Mala Noche Main Vein West Target will be conducted in Q1 2024 to support an updated mineral resource estimate in 2024.

Copper Cities, Arizona: On January 20, 2022, Capstone Mining announced that it had entered into an 18-month 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. An amendment to the agreement was completed in March 2023 extending the term by another six months. A second amendment to the agreement now extends the term further to September 2024. Drilling with two surface rigs twinning historical drill holes was completed in 2022 with metallurgical testing continuing in 2023. As explained in the PV District Growth Study section, district consolidation opportunities are being evaluated.

Mantoverde and Mantos Blancos Districts, Chile: During the second half of 2023, exploration activities focused on reviewing historic data, limited field work, IP surveys, and rock geochemistry to support additional targeting for near-mine and resource expansion opportunities.

2.1 2024 Guidance

Guidance for 2024 on production, C1 cash costs¹, and capital expenditures that was previously disclosed on January 24, 2024 remains unchanged. Capstone expects to produce between 190 to 220 thousand tonnes of consolidated copper in 2024, at C1 cash costs¹ of \$2.30 to \$2.50 per payable pound of copper produced. Capstone first half (H1), second half (H2) 2024, and full year 2024 production and cost guidance are as follows:

	H1 2024		H2 2024		Full Year 2024 Guidance	
	Copper Production ('000s tonnes)	C1 Cash Costs ¹ (US\$ per payable lb Cu Produced)	Copper Production ('000s tonnes)	C1 Cash Costs ¹ (US\$ per payable lb Cu Produced)	Copper Production ('000s tonnes)	C1 Cash Costs ¹ (US\$ per payable lb Cu Produced)
Sulphides Business						
Pinto Valley	28 – 30	\$2.60 – \$2.80	30 – 34	\$2.40 – \$2.60	58 – 64	\$2.50 – \$2.70
Cozamin	11 – 12	\$1.90 – \$2.10	11 – 12	\$1.85 – \$2.05	22 – 24	\$1.85 – \$2.05
Mantoverde ²	– ³	– ³	25 – 35	\$1.45 – \$1.75	25 – 35	\$1.45 – \$1.75
Mantos Blancos	20 – 24	\$2.55 – \$2.75	23 – 25	\$1.90 – \$2.10	43 – 49	\$2.10 – \$2.30
Total Sulphides	59 – 66	\$2.45 – \$2.65	89 – 106	\$2.00 – \$2.20	148 – 172	\$2.10 – \$2.30
Cathode Business						
Mantoverde ²	18 – 20	\$3.35 – \$3.55	18 – 20	\$3.10 – \$3.30	36 – 40	\$3.20 – \$3.40
Mantos Blancos	3 – 4	\$2.85 – \$3.05	3 – 4	\$2.10 – \$2.30	6 – 8	\$2.45 – \$2.65
Total Cathodes	21 – 24	\$3.25 – \$3.45	21 – 24	\$2.90 – \$3.10	42 – 48	\$3.10 – \$3.30
Consolidated Copper Production	80 – 90	\$2.65 – \$2.85	110 – 130	\$2.10 – \$2.30	190 – 220	\$2.30 – \$2.50

² Mantoverde production shown on a 100% basis

³ Production and C1 cash costs¹ guidance not provided during the ramp-up of Mantoverde Development Project in H1 2024.

Key C1 Cash costs input assumptions:

CLP/USD: 875:1 MXN/USD: 18:1 Silver: \$23/oz Molybdenum: \$18/lb Gold: \$1,850/oz

In 2024, the Company plans to spend a total of \$275 million in sustaining and expansionary capital expenditures at its operating mines and the Santo Domingo Project, as follows:

	Pinto Valley	Cozamin	Mantoverde*	Mantos Blancos	Santo Domingo	Total
Capital Expenditure (\$ millions)						
Sustaining Capital ¹	70	25	40	60	0	195
Expansionary Capital ¹	0	0	65	0	15	80
Total Capital Expenditures	70	25	105	60	15	275

* Mantoverde capital expenditures shown on a 100% basis.

In addition, the Company plans to spend a total of \$180 million in capitalized stripping at its three open pit mines.

	Pinto Valley	Mantoverde*	Mantos Blancos	Total
Capital Expenditure (\$ millions)	40	75	65	180

* Mantoverde capital expenditures shown on a 100% basis.

Finally, the Company plans to spend \$15 million in brownfield and greenfield exploration activities in 2024.

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

3.0 OPERATIONAL REVIEW

3.1 Pinto Valley Mine – Miami, Arizona

Operating Statistics

	2022					2023				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Production (contained) ²										
Copper in Concentrate (tonnes)	13,716	12,778	13,428	14,300	54,222	12,246	11,878	12,968	15,286	52,378
Cathode (tonnes)	636	556	719	711	2,622	595	813	657	647	2,712
Total Copper (tonnes)	14,352	13,334	14,147	15,011	56,844	12,841	12,691	13,625	15,933	55,090
Mining										
Waste (000s tonnes)	5,572	6,082	6,208	4,499	22,361	3,197	3,239	4,428	4,930	15,794
Ore (000s tonnes)	4,859	3,638	3,863	4,163	16,523	4,419	3,887	3,733	4,191	16,230
Total (000s tonnes)	10,431	9,720	10,071	8,662	38,884	7,616	7,126	8,161	9,121	32,024
Strip Ratio (Waste:Ore)	1.15	1.67	1.61	1.08	1.35	0.72	0.83	1.19	1.18	0.97
Rehandled ore and stockpile (000s tonnes)	1,215	1,347	1,313	1,581	5,456	1,844	1,079	1,697	1,722	6,342
Total material moved (000s tonnes)	11,646	11,067	11,384	10,243	44,340	9,460	8,205	9,858	10,843	38,366
Processing										
Throughput (000s tonnes)	5,257	4,261	4,429	5,080	19,027	4,699	4,035	4,363	4,888	17,985
Tonnes per day	58,412	46,821	48,143	55,222	52,130	52,207	44,336	47,426	53,134	49,273
Grade (%) ³	0.32	0.34	0.34	0.32	0.33	0.30	0.34	0.34	0.36	0.33
Recoveries (%) ³	82.3	88.2	89.1	86.9	86.5	86.8	87.4	87.4	86.5	87.2
Payable copper produced (tonnes)	13,872	12,887	13,677	14,510	54,946	12,413	12,276	13,171	15,397	53,257
Copper C1 cash cost ¹ (\$/pound payable copper produced)	2.60	2.82	2.60	2.48	2.63	3.09	2.98	2.83	2.36	2.79
Adjusted EBITDA ¹ (\$ millions)	71.1	48.1	16.7	32.0	167.9	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.

2023 versus 2022 Insights

Copper production of 15.9 thousand tonnes in Q4 2023 was 6% higher than in Q4 2022. Lower mill throughput during the quarter (Q4 2023 - 53,134 tonnes per day ("tpd") versus Q4 2022 - 55,222 tpd), resulting from unplanned 97 hours of downtime, was offset by higher grades (Q4 2023 - 0.36% versus Q4 2022 - 0.32%) due to mining in the higher grade Castle Dome area of the mine. Recoveries were slightly lower compared to the same period last year (Q4 2023 - 86.5% versus Q4 2022 - 86.9%).

2023 production was 3% lower than 2022 mainly due to 6% lower mill throughput (49,273 tpd in 2023 versus 52,130 tpd in 2022) driven by heavy rainfall, including flooding, which resulted in plugged chutes and screens, conveyor belt replacement/structural support rebuild, and unplanned maintenance on the secondary crusher and associated conveyors which caused the equivalent of twenty days of downtime, and unplanned equipment maintenance. Recoveries were higher than 2022 (87.2% 2023 versus 86.5% 2022) on lower mill throughput. The mill feed grade was consistent with the same period last year (0.33% in 2023 versus 0.33% in 2022).

C1 cash costs¹ of \$2.36/lb in Q4 2023 were 5% lower than Q4 2022 of \$2.48/lb primarily due to higher capitalized stripping (-\$0.34/lb), higher gold by-product credits (-\$0.21/lb) and higher production (-\$0.16/lb), partially offset by increases in operating costs driven by higher contractor spend, electricity cost, ball mill liner cost and mechanical parts costs (\$0.53/lb), stockpile drawdown (\$0.04/lb) and higher treatment costs on higher volume of copper sold (\$0.03/lb).

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

2023 C1 cash costs¹ of \$2.79/lb were 6% higher compared to the same period last year of \$2.63/lb primarily due to increased mining costs due to inflationary pressures on explosives and electricity cost, and higher spend on rental equipment, mining equipment tools and maintenance contractors (\$0.27/lb) and lower production (\$0.08/lb), partially offset by higher gold by-product credits and lower treatment costs (-\$0.15/lb).

Capital Expenditures

Sustaining capital¹ in Q4 2023 of \$2.5 million was spent primarily on investing in infrastructure upgrades that will increase water reclaim, the tailings buttress project and mining equipment component replacements. Capitalized stripping increased in Q4 2023 compared to the same period last year as waste removal from the northwest section of phase 3 was increased due to the lower ore demand and increased truck availability.

(\$ millions)	Q4 2023	Q4 2022	2023	2022
Capitalized stripping	9.5	5.6	20.4	22.7
Sustaining capital ¹	2.5	27.2	52.8	78.2
Expansionary capital ¹	—	1.7	3.7	10.8
Right of use assets	3.5	1.5	26.4	1.5
Pinto Valley mine additions	15.5	36.0	103.3	113.2

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 14

3.2 Mantos Blancos – Antofagasta, Chile

Operating Statistics

	2022					2023				
	Q1 ⁴	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Production (contained metal and cathode) ²										
Copper in Concentrate (tonnes)	704	8,685	9,593	9,975	28,957	10,847	8,358	9,133	9,664	38,002
Cathode (tonnes)	330	3,713	4,003	4,228	12,274	3,275	3,292	3,030	1,923	11,520
Total Copper (tonnes)	1,034	12,398	13,596	14,203	41,231	14,122	11,650	12,163	11,587	49,522
Mining										
Waste (000s tonnes)	—	11,671	10,837	17,112	39,620	12,906	13,545	13,945	14,876	55,272
Ore (000s tonnes)	—	8,409	8,559	4,713	21,681	7,443	6,374	4,674	3,383	21,874
Total (000s tonnes)	—	20,080	19,396	21,825	61,301	20,349	19,919	18,619	18,259	77,146
Strip Ratio (Waste:Ore)	—	1.39	1.27	3.63	1.83	1.73	2.13	2.98	4.40	2.53
Rehandled ore and stockpile (000s tonnes)	—	801	1,425	1,794	4,020	1,758	1,674	1,702	1,356	6,490
Total material moved (000s tonnes)	—	20,881	20,821	23,619	65,321	22,107	21,593	20,321	19,615	83,636
Mill operations										
Throughput (000s tonnes)	—	1,385	1,319	1,403	4,107	1,442	1,325	1,304	1,271	5,342
Tonnes per day	—	15,218	14,334	15,246	14,935	16,023	14,555	14,176	13,814	14,635
Grade (%) ³	—	0.90	0.92	0.94	0.92	0.94	0.85	0.92	0.92	0.91
Recoveries (%) ³	—	69.7	79.3	75.1	72.5	80.2	73.9	76.3	82.9	78.4
Dump operations										
Throughput (000s tonnes)	—	3,138	2,680	4,128	9,946	2,635	2,946	2,038	1,542	9,161
Grade (%) ³	—	0.18	0.16	0.19	0.18	0.18	0.16	0.16	0.17	0.17
Silver										
Production contained (000s ounces)	22	314	263	312	911	365	245	245	251	1,106
Payable copper produced (tonnes)	1,011	12,129	13,270	13,864	40,274	13,753	11,365	11,852	11,258	48,228
Sulphides C1 cash cost ¹ (\$/pound payable copper produced)	—	2.49	2.17	1.82	2.16	2.46	3.18	2.85	2.58	2.74
Cathode C1 cash cost ¹ (\$/pound payable copper produced)	—	3.67	3.87	2.69	3.41	3.36	3.08	2.75	3.32	3.11
Combined C1 cash cost ¹ (\$/pound payable copper produced)	3.33	2.85	2.68	2.09	2.54	2.68	3.15	2.82	2.71	2.83
Adjusted EBITDA ¹ (\$ millions)	8.3	34.1	8.8	27.3	78.5	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

⁴ Represents nine days of production

2023 versus 2022 Insights

Q4 2023 production was 11.6 thousand tonnes, composed of 9.7 thousand tonnes from sulphide operations and 1.9 thousand tonnes of cathode from oxide operations, 18% lower than the 14.2 thousand tonnes produced in Q4 2022. The lower production was driven primarily by lower dump throughput tied to power outage and issues in leach pumping system, and lower grade and recoveries impacting cathode production. The mill throughput of 13,814 tpd in Q4 2023 was impacted by mill downtime caused by a planned repair that lasted three days and additional maintenance of the concentrator plant that lasted five days (power outage and pinion shaft bearing assessment). A plan to address the plant stability is underway that includes improved maintenance and optimization of the concentrator and the tailings system. Mantos Blancos 2024 sustaining capital guidance

includes approximately \$35 million to achieve sustainable nameplate operating rates. During the first half of 2024, the focus will be on receiving and installing the engineering and infrastructure upgrades in the tailings dewatering area of the plant in the second quarter. The Company expects Mantos Blancos to achieve its nameplate operating throughput rates late in the second quarter.

2023 production of 49.5 thousand tonnes, composed of 38.0 thousand tonnes from sulphide operations and 11.5 thousand tonnes of cathode from oxide operations, was 20% higher than the same period last year due to full operational Q1 2023 compared to a nine-day stub period in Q1 2022.

Comparing like-for-like periods, Q2 2023 through Q4 2023 production was 35.4 thousand tonnes, composed of 27.2 thousand tonnes from sulphide operations and 8.2 thousand tonnes of cathode from oxide operations, which was 12% lower than the same period last year due to 3.7 thousand tonnes less oxide production primarily driven by lower dump throughput, grade and recoveries impacting cathode production. The lower sulphide production was impacted by mill downtime caused by unplanned repair and maintenance of a mill lubrication system, restricted throughputs caused by tailings dewatering challenges due to presence of clays in the top benches of Phase 20, and other challenges related to the integration of pre-existing and new equipment and planned repair and maintenance of the concentrator plant that lasted six days (liners and major components change) in Q2 2023.

Combined Q4 2023 C1 cash costs¹ were \$2.71/lb (\$2.58/lb sulphides and \$3.32/lb cathodes) compared to combined C1 cash costs¹ of \$2.09/lb in Q4 2022, 30% higher than the same period last year mainly due to lower production (\$0.48/lb), an increase in contracted services and labour costs mainly driven by unfavourable foreign exchange rate and inflation impact (\$0.13/lb), spare parts spend (\$0.12/lb), plant maintenance and spare parts spend (\$0.18/lb), partially offset by lower key consumable prices (-\$0.29/lb) (realized acid prices averaged \$153/t in Q4 2023 versus \$273/t in Q4 2022 and diesel price averaged \$0.82/l in Q4 2023 versus \$0.97/l in Q4 2022).

Combined 2023 C1 cash costs¹ of \$2.83/lb (\$2.74/lb sulphides and \$3.11/lb cathodes) were 11% higher compared to \$2.54/lb in 2022 mainly due to lower production partially offset by lower acid prices.

Capital Expenditures

Sustaining capital¹ in Q4 2023 of \$19.0 million was spent primarily on mining equipment component replacements, an environmental compliance program and the engineering study of the 20,000 tpd plan. Capitalized stripping in Q4 2023 was \$23.4 million, consistent with the same period last year.

(\$ millions)	Q4 2023	Q4 2022	2023	2022
Capitalized stripping	23.4	23.5	77.7	57.7
Sustaining capital ¹	19.0	3.1	32.5	13.6
Expansionary capital ¹	—	—	—	28.0
Capitalized interest on construction in progress	—	—	—	4.2
Right of use assets	—	1.1	1.2	1.1
Mantos Blancos mine additions ²	42.4	27.7	111.4	104.6

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

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

	2022					2023				
	Q1 ⁴	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Production (contained) ^{2, 3}										
Cathode (tonnes)	1,208	13,050	11,581	10,462	36,301	8,532	8,290	8,560	10,019	35,401
Mining										
Waste (000s tonnes)	—	13,501	15,020	17,113	45,634	19,480	21,153	24,170	18,171	82,974
Ore (000s tonnes)	—	5,876	5,816	6,644	18,336	5,534	5,769	6,438	7,652	25,393
Total (000s tonnes)	—	19,377	20,836	23,757	63,970	25,014	26,922	30,608	25,823	108,367
Strip Ratio (Waste:Ore)	—	2.30	2.58	2.58	2.49	3.52	3.67	3.75	2.37	3.27
Rehandled Ore (000s tonnes)	—	3,366	3,041	3,508	9,915	4,926	5,604	4,386	3,073	17,989
Total material moved (000s tonnes)	—	22,743	23,877	27,265	73,885	29,940	32,526	34,994	28,896	126,356
Heap operations										
Throughput (000s tonnes)	—	2,763	2,475	2,847	8,085	2,754	2,657	2,684	2,831	10,926
Grade (%)	—	0.49	0.45	0.40	0.45	0.31	0.31	0.32	0.41	0.34
Recoveries (%)	—	75.7	86.7	77.0	77.2	69.0	73.4	66.5	64.6	68.0
Dump operations										
Throughput (000s tonnes)	—	2,644	3,788	3,046	9,478	3,895	3,707	2,756	4,277	14,635
Grade (%)	—	0.17	0.17	0.15	0.16	0.17	0.17	0.17	0.16	0.17
Recoveries (%)	—	41.9	40.1	37.7	39.8	39.9	37.4	59.4	37.7	42.4
Payable copper produced (tonnes)	1,208	13,050	11,581	10,462	36,301	8,532	8,290	8,560	10,019	35,401
Copper C1 cash cost ¹ (\$/pound payable copper produced)	3.63	3.40	3.87	3.65	3.63	4.02	3.92	3.74	3.68	3.83
Adjusted EBITDA ¹ (\$ millions)	7.2	5.8	(17.7)	(4.6)	(9.3)	(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

⁴ Represents nine days of production

2023 versus 2022 Insights

Q4 2023 copper production of 10.0 thousand tonnes was 5% lower compared to 10.5 thousand tonnes in Q4 2022. Heap recoveries were lower (64.6% in Q4 2023 versus 77.0% in Q4 2022), which was partially offset by higher dump throughput as a catch-up of September's lower throughput due to a temporary sulphuric acid supply shortage at a Chilean smelter.

2023 production of 35.4 thousand tonnes was lower than the same period last year, despite of a full operational Q1 2023 compared to nine-day stub period in Q1 2022 due to lower heap grades as a result of mine sequence (0.34% YTD 2023 versus 0.45% YTD 2022) and lower recoveries due to lower solubility ratio of the processed mineral and lower grades.

Q4 2023 C1 cash costs¹ were \$3.68/lb, 1% higher than \$3.65/lb in Q4 2022 due to an increase in contracted services, explosive consumption, spare parts spend and labour cost mainly driven by higher mine movement (\$0.74/lb) and lower production (0.12/lb), partially offset by lower key consumable prices (-\$0.83/lb). Realized sulphuric acid prices averaged \$174/t in Q4 2023 versus \$253/t in Q4 2022, whilst energy prices averaged \$0.21/kWh in Q4 2023 versus \$0.17/kWh in Q4 2022 and diesel price averaged \$0.83/l in Q4 2023 versus \$0.94/l in Q4 2022.

2023 C1 cash costs¹ were \$3.83/lb, 6% higher than \$3.63/lb in 2022 mainly related to lower production which was partially offset by lower key consumable prices.

Capital Expenditures

Sustaining capital¹ in Q4 2023 of \$6.0 million was spent primarily to enable a new leaching area (fourth level) and mining equipment component replacements. Expansionary capital¹ in Q4 2023 of \$41.0 million related to MVDP.

(\$ millions)	Q4 2023	Q4 2022	2023	2022
Capitalized stripping	25.2	67.3	119.4	67.3
Sustaining capital ¹	6.0	14.0	32.2	27.7
Expansionary capital ¹	41.0	52.0	275.3	203.6
Capitalized interest and other on construction in progress	22.3	8.7	72.2	19.2
Right of use assets	1.8	7.1	30.1	31.8
Mantoverde mine additions ²	96.3	149.1	529.2	349.6

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

3.4 Cozamin Mine – Zacatecas, Mexico

Operating Statistics

	2022					2023				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Production (contained) ²										
Copper (tonnes)	5,921	6,397	6,357	5,776	24,451	5,239	6,622	5,915	6,564	24,340
Silver (000s ounces)	271	439	353	313	1,376	282	367	330	370	1,349
Zinc (000s pounds)	798	271	525	103	1,697	68	156	—	—	224
Mining										
Ore (000s tonnes)	342	346	350	316	1,354	306	347	347	338	1,338
Processing										
Milled (000s tonnes)	333	352	352	316	1,353	307	345	328	348	1,328
Tonnes per day	3,704	3,874	3,829	3,430	3,803	3,410	3,792	3,567	3,786	3,639
Copper										
Grade (%) ³	1.84	1.88	1.86	1.89	1.87	1.77	1.98	1.86	1.95	1.89
Recoveries (%)	96.6	96.7	96.8	96.8	96.7	96.6	96.9	96.8	96.8	96.8
Silver										
Grade (g/t) ³	41.9	36.4	37.9	37.4	38.4	35.1	40.1	37.7	39.9	38.3
Recoveries (%)	82.6	82.0	82.1	82.3	82.3	81.3	82.5	82.4	82.6	82.3
Zinc										
Grade (%) ³	0.43	0.33	0.36	0.32	0.36	0.26	0.31	—	—	0.29
Recoveries (%)	25.4	10.7	18.9	4.6	15.8	6.6	6.6	—	—	6.6
Payable copper produced (tonnes)	5,690	6,144	6,108	5,544	23,486	5,033	6,361	5,680	6,309	23,383
Copper C1 cash cost ¹ (\$/pound payable copper produced)	1.12	1.25	1.20	1.40	1.24	1.72	1.63	1.85	1.76	1.74
Adjusted EBITDA ¹ (\$ millions)	44.7	36.7	23.9	32.6	137.9	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.

2023 versus 2022 Insights

Q4 2023 copper production of 6.6 thousand tonnes was 14% higher than the same period prior year mainly on higher mill throughput (3,786 tpd in Q4 2023 versus 3,430 tpd in Q4 2022). Grades were higher than the same period last year due to mining sequence (1.95% in Q4 2023 versus 1.89% in Q4 2022). Recoveries were consistent quarter over quarter.

2023 production was consistent with 2022. Lower mill throughput as a result of a change in mining method (from all long-hole to a mix of long-hole and cut-and-fill) in Q1 2023 and mill shutdown in Q3 2023 (3,639 tpd in 2023 versus 3,803 tpd in 2022) was offset by higher grades (1.89% in 2023 versus 1.87% in 2022). Recoveries were consistent with the same period last year.

Q4 2023 C1 cash costs¹ were 26% higher than the same period last year mainly due to inflationary price increases on the main consumables, unfavourable foreign exchange rate, start of paste plant operations, which resulted in an increase in labour, contractor and cement costs, changes in mining method and additional bolting requirements (\$0.51/lb) and higher treatment costs (\$0.07/lb), partially offset by higher copper production (-\$0.17/lb) and higher by-product credits due to higher silver prices (-\$0.06/lb).

2023 C1 cash costs¹ were 40% higher than the same period last year primarily due to the change in mining method which resulted in an increase in contractor utilization and higher spend on bolting, and unfavourable foreign exchange rate (\$0.44/lb) and higher treatment costs (\$0.05/lb).

Capital Expenditures

Sustaining capital¹ spending at Cozamin of \$6.5 million for Q4 2023, mainly related to mine development and mine equipment.

The dry stack and pastefill plants were fully operational in Q3 2023.

Capitalized exploration expenditures totaled \$1.1 million for Q4 2023. This was primarily spent on infill drilling at the Mala Noche Main Vein West Target.

(\$ millions)	Q4 2023	Q4 2022	2023	2022
Sustaining capital ¹	6.5	8.8	27.6	31.3
Expansionary capital ¹	—	11.0	9.6	38.7
Brownfield exploration	1.1	0.5	2.4	3.3
Right of use assets	—	—	0.2	0.3
Cozamin mine additions	7.6	20.3	39.8	73.6

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

3.5 Santo Domingo Project – Chile (Copper and Iron)

Capital Expenditures

Project development costs related to work on the feasibility study, metallurgical testwork, sectorial permit activities as required by the original Environmental Permit and to assist with the ongoing Santo Domingo project optimization feasibility study and the update of the original Environmental Permit.

In Q4 2023, Santo Domingo commenced payments on a substation access agreement which resulted in the recognition of a right-of use asset.

(\$ millions)	Q4 2023	Q4 2022	2023	2022
Capitalized project costs	4.2	3.7	21.1	27.3
Right of use assets	15.1	—	15.1	—
Total project	19.3	3.7	36.2	27.3

3.6 Exploration

(\$ millions)	Q4 2023	Q4 2022	2023	2022
Greenfield exploration (expensed to income statement)	0.3	2.5	5.0	9.6
Brownfield exploration (capitalized to mineral properties) - Cozamin	1.1	0.5	2.4	3.3
Total exploration²	1.4	3.0	7.4	12.9

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

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.

On November 3rd, 2023, Capstone and Lara Exploration Ltd. ("Lara") signed the definitive relinquishment of the Planalto Option Agreement. Consequently, Capstone has forfeited its ownership options on the Planalto Project (Carajas, Brazil).

At Mantoverde and Mantos Blancos during the second half of 2023, exploration activities focused on reviewing historic data, limited field work, IP surveys, and rock geochemistry to support additional targeting for near-mine and resource expansion opportunities.

4.0 FINANCIAL REVIEW

4.1 Consolidated Results

Consolidated Net (Loss) Income Analysis

Net Loss for the Three Months Ended December 31, 2023 and 2022

The Company recorded net loss of \$19.5 million for the three months ended December 31, 2023 compared with net loss of \$28.4 million in Q4 2022. The major differences are outlined below:



The difference quarter-over-quarter was driven by:

- Revenue: \$8.4 million or 2% of the decrease was driven by lower copper volumes sold (Q4 2023 – 43.3 thousand tonnes, Q4 2022 – 44.7 thousand tonnes) on lower production (Q4 2023 – 44.1 million tonnes, Q4 2022 – 45.5 million tonnes). The realized copper prices¹ were on par quarter-over-quarter (Q4 2023 - \$3.74 per pound, Q4 2022 - \$3.74 per pound),
- Production and Royalty costs: \$13.2 million increase primarily driven by:
 - Pinto Valley recorded \$9.8 million higher production costs in Q4 2023 compared to Q4 2022 as a result of higher contractor spend and mechanical parts costs, unplanned downtime and maintenance, and higher copper volumes sold (Q4 2023 – 15.7 thousand tonnes, Q4 2022 – 13.5 thousand tonnes).
 - Cozamin recorded \$5.6 million higher production costs in Q4 2023 compared to Q4 2022 as a result of inflationary increase in costs, unfavourable foreign exchange rate, and higher copper volumes sold (Q4 2023 – 6.1 thousand tonnes, Q4 2022 – 5.9 thousand tonnes).
 - Mantos Blancos recorded \$4.0 million higher production costs in Q4 2023 compared to Q4 2022 due to plant maintenance and spare parts spend, and higher contractor spend and labour costs driven by unfavourable foreign exchange rate and inflation impact.
 - Mantoverde recorded \$5.8 million lower production costs in Q4 2023 compared to Q4 2022 as a result of lower copper volumes sold (Q4 2023 – 9.3 thousand tonnes, Q4 2022 – 14.2 thousand tonnes), and lower key consumable prices.
- Depletion and amortization: \$32.0 million increase primarily due to an increase in depreciable capital assets, commercial production being declared on the Mantos Blancos Concentrator Debottlenecking Project ("MB-CDP") and depreciation beginning January 2023.
- Share-based compensation expense: \$20.4 million decrease quarter-over-quarter as a result of mark to market adjustments on share unit liabilities reflecting the lower increase in the share price during Q4 2023

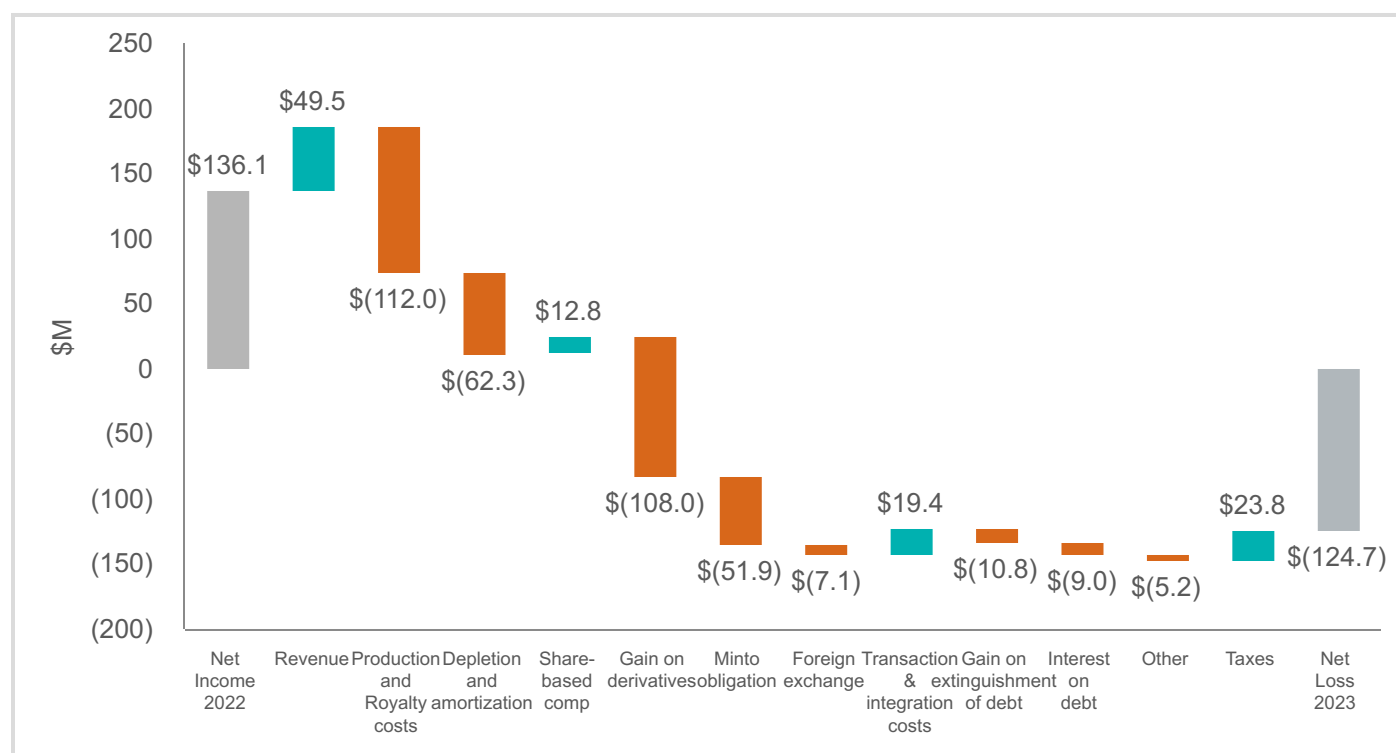
¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 22

vs. Q4 2022 (C\$5.76 opening price as at September 30, 2023 to C\$6.45 closing price as at December 31, 2023 vs. C\$3.26 opening price as at September 30, 2022 to C\$4.94 closing price as at December 31, 2022), and lower number of stock options and share units outstanding at Q4 2023 vs. Q4 2022.

- Loss on derivatives: \$56.6 million decrease primarily due to a lower net loss on copper commodity contracts (Q4 2023 – \$5.5 million, Q4 2022 – \$77.2 million). Copper forward curve prices increased from \$3.75/lb as at September 30, 2023 to \$3.88/lb as at December 31, 2023, compared with a more significant increase from \$3.43/lb at September 30, 2022 to \$3.80/lb at December 31, 2022 resulting in a larger unrealized derivatives loss in Q4 2022.
- Minto obligation: \$2.0 million decrease as a result of a revision in the Company's obligation.
- Net other expenses: \$7.5 million decrease primarily due to the union bonus at Mantoverde expensed during Q4 2022, and restructuring and integration costs not present in Q4 2023, partially offset by the \$7.1 million expense recognized related to the gold stream obligation.
- Income taxes recovery: \$27.9 million decrease as a result of the above changes.

Net (Loss) Income for the Years Ended December 31, 2023 and 2022

The Company recorded a net loss of \$124.7 million for the year ended December 31, 2023 compared with net income of \$136.1 million in 2022. The major differences are outlined below:



The difference year-over-year was driven by:

- Revenue: \$49.5 million or 4% of the increase was driven by higher realized copper prices¹ (2023 - \$3.84 per pound, 2022 - \$3.76 per pound), a full quarter of results in Q1 2023 versus nine days in Q1 2022 from Mantos Blancos and Mantoverde, and higher by-product gold sales.
- Production and Royalty costs: \$112.0 million increase primarily driven by:
 - Pinto Valley recorded \$17.5 million higher production costs in 2023 compared to 2022 as a result of inflationary increases in costs and unplanned downtime and maintenance, and partially offset by lower copper volumes sold (2023 – 53.1 thousand tonnes, 2022 – 56.8 thousand tonnes).
 - Cozamin recorded \$20.7 million higher production costs in 2023 compared to 2022 as a result of changing in mining method to include cut and fill mining, unfavourable foreign exchange rate, and partially offset by lower copper volumes sold (2023 – 22.6 thousand tonnes, 2022 – 23.1 thousand tonnes).
 - Mantos Blancos recorded \$85.6 million higher production costs in 2023 compared to 2022 as a result of higher copper volumes sold (2023 – 49.3 thousand tonnes, 2022 – 40.6 thousand tonnes).

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

- tonnes), and increased spend on plant maintenance and spare parts, and higher contractor and labour costs driven by unfavourable foreign exchange rate and inflation impact.
- Mantoverde recorded \$12.9 million lower production costs in 2023 compared to 2022 primarily as a result of lower copper volumes sold (2023 - 35.2 thousand tonnes vs. 2022 - 39.3 thousand tonnes), and lower acid prices (2023 - \$164.1/t vs. 2022 - \$253.8/t).
 - Depletion and amortization: \$62.3 million increase primarily due to a full quarter of results in Q1 2023 versus nine days in Q1 2022 from Mantos Blancos and Mantoverde (increase of \$13.4 million), higher volumes sold, commercial production being declared on MB-CDP and depreciation beginning January 2023, and start of paste plant operations at Cozamin.
 - Share-based compensation: \$12.8 million decrease primarily due to lower number of stock options and share units outstanding at December 31, 2023 versus at December 31, 2022.
 - Gain on derivatives: \$108.0 million decrease primarily due to a lower net change on copper commodity contracts (2023 – \$6.4 million loss, 2022 – \$92.9 million gain). Copper forward curve prices increased from \$3.80/lb as at December 31, 2022 to \$3.88/lb as at December 31, 2023, vs. a decrease from \$4.41/lb at December 31, 2021 to \$3.80/lb at December 31, 2022.
 - Minto obligation: \$51.9 million one-off expense as a result of the Company's obligations in relation to Minto ceasing operations during Q2 2023.
 - Foreign exchange: \$7.1 million change primarily due to foreign exchange impacts from Mantos Blancos and Mantoverde as a result of a stronger Chilean Peso in 2023 vs. 2022, in addition to the impacts of the strengthening Mexican Peso at Cozamin.
 - Transaction & Integration costs: \$19.4 million decrease due to the Mantos transactions costs that were incurred in Q1 2022.
 - Gain on extinguishment of debt: \$10.8 million decrease as result of expensing the \$2.7 million in previously capitalized financing fees due to the Revolving Credit Facility ("RCF") amendment in Q3 2023 vs. the \$8.0 million gain from the full repayment on the Mantos Blancos CDP loan from Glencore during Q3 2022.
 - Interest on long-term debt and surety bonds: \$9.0 million increase primarily due to higher interest expense incurred on RCF draw downs.
 - Net other expenses: \$5.2 million increase primarily due to the \$7.1 million expense recognized related to the gold stream obligation.
 - Income taxes expense: \$23.8 million decrease due to a net loss in 2023 compared to a net income in 2022, and partially offset by the deferred income tax expense impact from the Chilean tax reform of \$31.5 million in Q3 2023.

4.2 Revenue Analysis

Revenue decreased quarter-on-quarter (\$353.7 million versus \$362.1 million in Q4 2022) primarily due to lower copper volumes sold (43.3 thousand tonnes versus 44.7 thousand tonnes in Q4 2022). The realized copper price¹ was on par quarter-on-quarter (\$3.74 per pound versus \$3.74 per pound in Q4 2022).

YTD revenue increased year-on-year (\$1,345.5 million versus \$1,296.0 million in 2022) due to a higher realized copper price¹ (\$3.84 per pound versus \$3.76 per pound in 2022), and slightly higher copper volumes sold (160.2 thousand tonnes versus 159.9 thousand tonnes in 2022). 2023 includes a full quarter of sales volumes in Q1 2023 versus the nine days stub period in Q1 2022 from Mantos Blancos and Mantoverde.

Revenue by Mine

(\$ millions)	Q4 2023 ²		Q4 2022 ²		2023 ²		2022 ²	
Pinto Valley	126.3	35.7 %	122.5	33.8 %	443.9	33.0 %	473.6	36.5 %
Mantos Blancos	98.9	28.0 %	115.0	31.8 %	407.2	30.3 %	307.3	23.7 %
Mantoverde	72.2	20.4 %	87.8	24.2 %	286.1	21.3 %	315.4	24.3 %
Cozamin	56.6	16.0 %	54.6	15.1 %	213.9	15.9 %	217.0	16.7 %
Corporate ³	(0.3)	(0.1)%	(17.8)	(4.9)%	(5.6)	(0.5)%	(17.3)	(1.2)%
Total revenue	353.7	100.0 %	362.1	100.0 %	1,345.5	100.0 %	1,296.0	100.0 %

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

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

Provisionally Priced Copper

Gross revenue for the year ended December 31, 2023 includes 46.6 thousand tonnes of copper sold subject to final settlement. Of this, the prices for 21.9 thousand tonnes are final at a weighted average price of \$3.74 per pound. The remaining 24.7 thousand tonnes are subject to price change upon final settlement at the end of the applicable quotational period, as follows:

Quotational Period	Pinto Valley				Total	(\$/pound)
		Mantos Blancos	Mantoverde	Cozamin		Provisional Price
Jan-2024	2.6	3.1	1.9	1.7	9.3	3.86
Feb-2024	2.8	4.4	—	—	7.2	3.87
Mar-2024	—	2.8	—	—	2.8	3.88
Apr-2024	5.4	—	—	—	5.4	3.89
Total	10.8	10.3	1.9	1.7	24.7	3.87

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. In order to mitigate the impact of these adjustments on net earnings, in August 2022, the Company initiated a quotational period ("QP") hedging program to mitigate the impact of the difference between provisional invoice prices and the final price. The provisional pricing gains or losses and the offsetting derivative gains or losses are recognized in pricing and volume adjustments in revenue.

Of the 24.7 thousand tonnes subject to price change upon final settlement, 8.9 thousand tonnes have been hedged as at December 31, 2023, and 8.9 thousand tonnes of December 2023 sales have been hedged in January 2024. The remaining 6.9 thousand tonnes are not hedged as these volumes have a declared quotational period of January 2024, which the QP hedging program is designed to achieve average LME price of the month after month of shipment.

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 25

Reconciliation of Realized Copper Price¹

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

	Q4 2023	Q4 2022	2023	2022
Gross copper revenue				
Gross copper revenue on new shipments	356.0	357.7	1,350.2	1,383.4
Realized pricing and volume adjustments on copper revenue	(3.9)	(17.8)	(0.6)	(60.0)
Unrealized pricing and volume adjustments on copper revenue	4.6	29.0	6.5	1.3
Gross copper revenue including pricing and volume adjustments	356.7	368.9	1,356.1	1,324.7
Gross copper revenue on new shipments (\$/pound)	3.73	3.63	3.82	3.93
Realized pricing and volume adjustments on copper revenue (\$/pound)	(0.04)	(0.18)	—	(0.18)
Unrealized pricing and volume adjustments on copper revenue (\$/pound)	0.05	0.29	0.02	0.01
Realized copper price¹ (\$/pound)	3.74	3.74	3.84	3.76
LME average copper price (\$)	3.70	3.63	3.85	4.00
LME close price (\$)	3.84	3.74	3.84	3.74
Gross copper revenue - reconciliation to financials				
Gross copper revenue including pricing and volume adjustments	356.7	368.9	1,356.1	1,324.7
Revenue from other metals	17.9	12.5	58.8	43.5
Treatment and selling	(20.9)	(19.3)	(69.4)	(72.2)
Revenue per financials	353.7	362.1	1,345.5	1,296.0
Payable copper sold (tonnes)	43,283	44,698	160,194	159,863

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

4.3 Consolidated Cash Flow Analysis²

(\$ millions)	Q4 2023	Q4 2022	2023	2022
Operating cash flow before changes in working capital	80.4	76.1	204.8	184.8
Changes in non-cash working capital	(50.5)	(49.7)	(90.6)	(93.8)
Other non-cash changes	30.5	(2.0)	2.6	(3.6)
Total cash flow from operating activities	60.4	24.4	116.8	87.4
Total cash flow used in investing activities	(146.0)	(159.8)	(673.3)	(370.7)
Total cash flow from financing activities	83.2	110.2	508.5	192.1
Effect of foreign exchange rates on cash and cash equivalents	0.4	1.1	3.7	(0.6)
Net change in cash and cash equivalents	(2.0)	(24.1)	(44.3)	(91.8)
Opening cash and cash equivalents	128.0	194.4	170.3	262.1
Closing cash and cash equivalents	126.0	170.3	126.0	170.3

² Certain of prior period comparative figures have been reclassified to conform with the current year's presentation. Refer to Note 2 in December 31, 2023 consolidated financial statements.

Changes in Cash Flows for the Three Months Ended December 31, 2023 and 2022

The net change in cash was \$(2.0) million in Q4 2023 compared to \$(24.1) million in Q4 2022. The change was primarily due to:

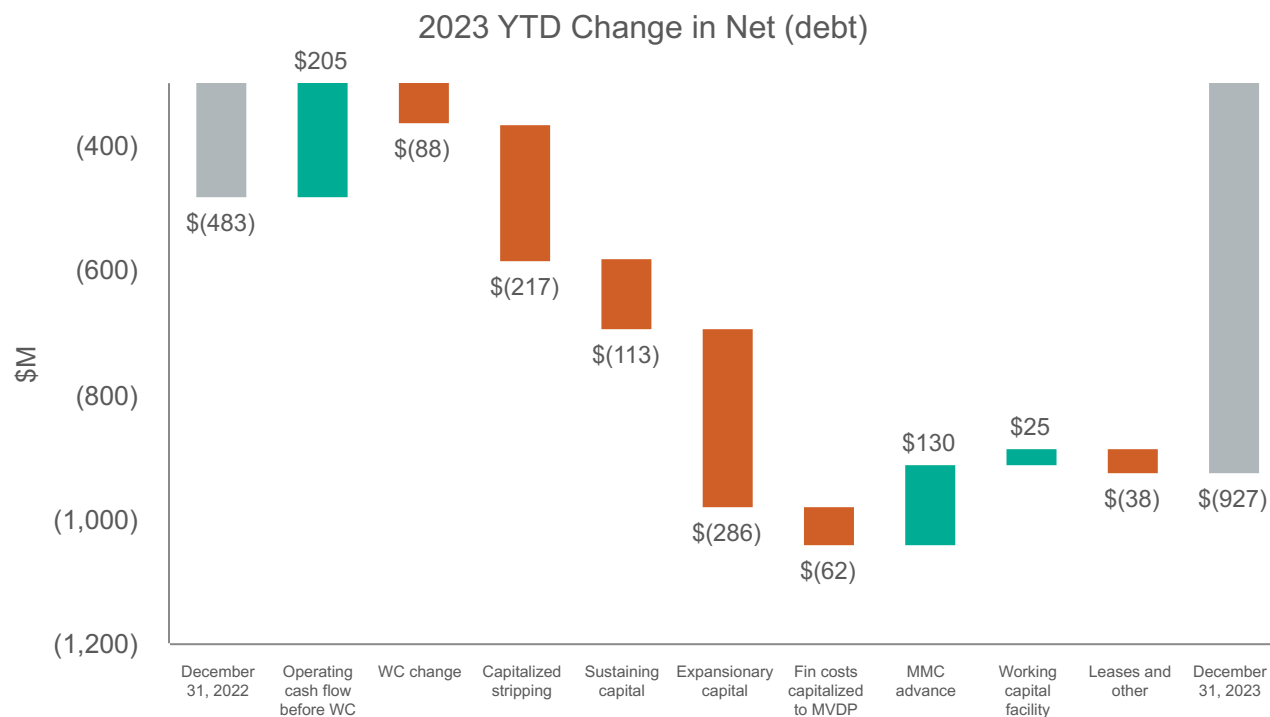
- Cash flow from operating activities before changes in working capital was higher by \$4.3 million. Revenue less production costs were lower in Q4 2023 versus Q4 2022 by \$22.1 million (Q4 2023 revenue of \$353.7 million less production costs of \$254.5 million compared to Q4 2022 revenue of \$362.1 million less production costs of \$240.8 million) which was offset by lower taxes paid.
- Changes in non-cash working capital in Q4 2023 were consistent with the comparative period.
- Cash flow used in investing activities was \$13.8 million lower in Q4 2023 mainly due to the timing of payments related to capital expenditures.
- Cash flow from financing activities was \$27.0 million lower in Q4 2023 primarily due to \$69.0 million net proceeds from the RCF and \$27.9 million from related party shareholder loan from Mitsubishi Materials Corporation ("MMC") compared to \$90.0 million net proceeds from the RCF and \$37.1 million from related party shareholders loan from MMC in the comparative period. In addition, lease payments were \$5.7 million higher in Q4 2023 versus Q4 2022 and receipts on derivative contracts settled in Q4 2023 were \$6.5 million higher versus Q4 2022.

Changes in Cash Flows for the Years Ended December 31, 2023 and 2022

The net change in cash was \$(44.3) million in 2023 compared to \$(91.8) million in 2022. The change was primarily due to:

- Operating cash flow before changes in working capital was higher by \$20.0 million. Revenue less production costs were lower in 2023 versus 2022 by \$61.4 million (2023 revenue of \$1,345.5 million less production costs of \$1,014.0 million compared to 2022 revenue of \$1,296.0 million less production costs of \$903.1 million) which was partially offset by \$44.3 million lower income tax paid.
- Changes in non-cash working capital was higher by \$3.2 million primarily due to a decrease in accounts receivable and inventory, partially offset by a decrease in accounts payable.
- Cash flow used in investing activities was \$302.6 million higher in 2023 mainly on higher capital spend due to addition of Mantos Blancos and Mantoverde mines full Q1 2023 versus nine days in Q1 2022. Also, 2022 cash used in investing activities included a positive offset of \$219.2 million of cash and cash equivalents assumed on the Transaction.
- Cash flow from financing activities was \$316.4 million higher in 2023 primarily due to net proceeds of \$399.0 million from RCF, \$25.0 million from Working Capital Facility, and \$129.9 million from related party shareholder loan from MMC versus net proceeds of \$240.3 million from RCF and \$60.0 million related party advance from MMC under the COF, \$3.2 million net receipts from derivative contracts settlements in 2023 versus \$39.4 million net payments in 2022, partially offset by a \$34.7 million payment to KORES under the Share Purchase Agreement in 2022 and higher incremental lease payments in 2023 as a result of an increase in leases.

4.4 Liquidity and Financial Position



The increase in Net (debt)¹ as at December 31, 2023, compared to December 31, 2022, is primarily attributable to the 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). These project finance facilities are subject to affirmative, financial and restrictive covenants that include obligations to maintain the security interests in favour of the lenders over substantially all of the Mantoverde assets, insurance coverage, maintenance of off-take agreements, environmental and social compliance, restrictions on new financial indebtedness, distributions and dispositions, and compliance with certain financial ratios. As at December 31, 2023, the Company was in compliance with these covenants.

At December 31, 2023, \$520 million was drawn on the MVDP Facility with \$6.6 million recognized as an adjustment to record the debt at its fair value as required as part of the accounting for the business combination with Mantos (December 31, 2022 - \$520 million and \$7.5 million). This fair value adjustment amortizes down to its historical cost over the duration of the MVDP Facility.

As a condition to the MVDP Facility, the Company was required to effect certain hedging strategies as detailed in the lending agreement. The agreement indicates that the Company must implement hedging programs related to copper prices, foreign exchange rates and interest rates during the financing period. The Company has complied with all obligations related to the lending agreement and the MVDP Facility.

Interest on borrowings under the MVDP Facility is payable quarterly. As a result of Interest Rate Benchmark Reform, the Company has completed the transition from LIBOR to an adjusted SOFR for its MVDP debt financing facility. The transition resulted in a variable rate of SOFR compounded daily to a 3-month period plus 0.2616% per annum, with margins unchanged (i.e., 1.65% for the Covered Facility and, with respect to the Uncovered Facility, a rate of 3.75% and with respect to the ECA Direct Facility, a rate of 4.00% pre-completion of the MVDP, and decreasing to 3.50% and 3.75% respectively post-completion of the MVDP). Pursuant to the Covered Facility, an

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

export credit agency guaranteed premium of 2.05% per annum is also payable quarterly and calculated over amounts outstanding under the Covered Facility. The MVDP Facility is secured by a comprehensive security package covering substantially all of the Mantoverde assets. The MVDP Facility amortizes from the earlier of September 30, 2024 and 180 days after project completion until December 2030 for the Uncovered Facility and December 2032 for the Covered Facility and ECA Direct Facility.

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

Mantoverde Cost Overrun Facility ("COF")

MMC agreed to provide a \$60 million COF in exchange for additional off-take 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 the earlier of September 30, 2024 or three quarters after project completion. As at December 31, 2023, the COF was fully drawn. Mantoverde SA was required to draw on the COF to fund any increases in capital over the original estimate of \$785 million regardless of operating cash flow balance. As a result of Interest Rate Benchmark Reform, the Company completed the transition from LIBOR to an adjusted 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. The Amended RCF bears interest on a sliding scale of adjusted term SOFR plus a margin of 2.000% to 2.875%. This amendment was treated as an extinguishment of the previous debt facility, resulting in \$2.7 million of deferred financing fees being written off during the year ended December 31, 2023.

The interest rate at December 31, 2023 was one-month adjusted term SOFR of 5.46% plus 2.125% (2022 - US LIBOR plus 1.88%) with a standby fee of 0.48% (2022 – 0.42%) payable on the undrawn balance (adjustable in certain circumstances).

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

The RCF requires Capstone to maintain certain financial ratios relating to debt and interest coverage. Capstone was in compliance with these covenants as at December 31, 2023. As at December 31, 2023, the balance of the RCF was \$474.0 million (December 31, 2022 - \$75.0 million), excluding deferred financing fees of \$1.9 million (December 31, 2022 - \$3.4 million).

Working Capital Facility

During Q2 2023, one of the Company's Chilean subsidiaries entered into a short-term export credit facility with a local Chilean Bank with an interest rate of 6.41%. As at December 31, 2023 the balance of the facility was \$25.6 million, including interest of \$0.6 million. The Working Capital Facility is included in Current - Other Liabilities on the consolidated statement of financial position.

As at December 31, 2023, Capstone Copper was in a net (debt)¹ position of \$927.2 million with \$994.0 million long-term debt drawn in total, and \$60.0 million drawn on the COF with MMC which is noted in Due to Related Party. As at December 31, 2023, the \$994.0 million of long term debt consists of \$520.0 million drawn on the MVDP facility and \$474.0 million was drawn on the RCF. The current portion of the MVDP facility is \$28.4 million.

Hedging

The Company has hedged certain input costs and revenue products as part of an overall risk management strategy:

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

- The Company has entered into zero costs collars ("ZCCs") whereby it sold a series of call option contracts and purchased a series of put option contracts for nil cash premium. The contracts were for 14,000 tonnes of copper covering the period from January 2024 through June 2024, and have weighted average floor and ceiling price of \$3.69/lb and \$4.33/lb, respectively. The Company also entered into fixed-for-floating swaps for 6,000 tonnes of copper covering the period from January 2024 to June 2024, and have a weighted average forward price of \$3.79/lb; The intent is to ensure balance sheet protection and sufficient liquidity during the ramp up of MVDP in 2024. There was a realized loss of \$17.2 million for year ended December 31, 2023 in respect of the ZCCs.
- In October 2023, Financial hedges were executed on foreign exchange rates to protect approximately 75% of the Company's Mexican Peso exposure from January through to December 2024, through Mexican Peso to US dollar exchange rate zero cost collars (being purchased puts and sold calls with offsetting values at inception). There was no realized gain or loss on these Mexican Peso zero cost collars for the year ended December 31, 2023.
- Financial hedges were executed on foreign exchange rates to protect approximately 75% of the Company's attributable Chilean Peso exposure on operating costs at Mantoverde and Mantos Blancos from October 2023 through to December 2024 all through Chilean Peso to US dollar exchange rate zero cost collars (being purchased puts and sold calls with offsetting values at inception). There was no realized gain or loss on the Chilean Peso zero cost collars for the year ended December 31, 2023.
- Financial hedges were executed on foreign exchange rates to protect the Company's CAD dollar exposure. The Company entered into ZCCs through to December 2024 whereby it sold a series of call option contracts and purchased a series of put option contracts for nil cash premium. There was a realized loss of \$0.1 million on the CAD financial hedges for the year ended December 31, 2023.
- As a condition of the project financing for the MVDP, Mantoverde was required to effect certain hedging strategies as follows:
 - Fixed-for-floating copper swaps covering 65% of copper cathode production at an average price per tonne at inception of \$7,698 (~\$3.49/lb) through to June 30, 2024;
 - Fixed-for-floating SOFR swaps at 1.015% for 10-years, with a 0% floor on the adjusted SOFR rate within the first five years (expiring in September 2025);
 - CLP:US\$ foreign exchange rate forwards at an average price of 727.7 and notional amount of approximately \$104 million that mature in March 2024 to hedge 100% of the forecasted EPC contract costs denominated in CLP; and
 - CLF:US\$ foreign exchange rate forwards at an average price of 41.7 and notional amount of approximately \$321 million that mature in May 2024 to hedge 100% of the forecasted EPC contract costs denominated in CLF.
- The realized movements on Mantoverde's derivative portfolio was a \$3.2 million gain for the year ended December 31, 2023.
- Pinto Valley contracted for fixed diesel prices with a supplier on its expected 2023 diesel consumption at \$3.46/gallon for Q1 2023 and at \$3.39/gallon for the remaining three quarters, and on its expected 2024 diesel consumption at \$3.32/gallon from February to December 2024. The contracted diesel prices have resulted in cost savings of \$4.2 million during the year ended December 31, 2023.

Financial Capability

The Company's ability to service its ongoing obligations and cover anticipated corporate, exploration and development costs associated with its existing operations is dependent on the Pinto Valley, Mantos Blancos, Mantoverde, and Cozamin mines generating positive cash flow and available liquidity¹. We have reasonable expectations for our operating performance, additional liquidity options available such as capital market access, the recently amended and extended Corporate RCF of \$700 million, \$226 million of which is undrawn, and the hedging programs described above, which all provide both protection from further weakening of copper prices in 2024 and significant available liquidity as the Company completes the Mantoverde Development Project. Our available liquidity¹ as at December 31, 2023 was \$352.8 million, which included \$126.8 million of cash and cash equivalents and short-term investments, and \$226 million of undrawn amounts on our \$700 million RCF.

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 30

Refer to additional details in the Subsequent Event section.

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 one-third. Mantos Blancos has delivered 5.6 million silver ounces since contract inception until December 31, 2023.

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.

Off-take agreements

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

The Company has sales commitments equal to 100% of its copper cathode production at Mantoverde and Mantos Blancos under off-take agreements with Anglo American Marketing Limited ("AAML") and expect to deliver into the commitments by the end of 2024.

The Company has concentrate off-take agreements with third parties whereby they will purchase 100% of the copper concentrate produced by the Cozamin mine up to the end of December 2024.

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

The Company entered into an off-take agreement with Boliden Commercial AB ("Boliden") for 75,000 tonnes of copper concentrates in each contract year. The off-take 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 off-take of copper concentrate production under a 10-year contract. The off-take 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

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 31

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 December 31, 2023, capital expenditures committed for all the companies mine sites, but not yet incurred, were \$32.9 million.

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

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 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 420,000 tonnes of acid in 2024. Additionally, the Company has committed to purchase 100,000 tonnes of acid in both 2025 and 2026.

Other

The Company has provided a guarantee to the Chilean Internal Revenue Service that \$13.3 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.

Contractual Obligations and Commitments

The following table summarizes certain contractual obligations for the periods specified as at December 31, 2023:

	Total	2024	2025	2026	2027	After 2027
Accounts payable and accrued liabilities*	\$ 272,277	\$ 272,277	\$ —	\$ —	\$ —	\$ —
Long term debt ²	\$ 994,000	28,398	85,748	88,640	504,353	286,861
Leases and other contracts	\$ 127,715	35,746	25,147	20,507	15,861	30,454
Water supply contracts	\$ 201,342	20,620	22,160	22,631	18,516	117,415
Working capital facility	\$ 25,618	25,618	—	—	—	—
Due to related party	\$ 60,000	3,243	6,486	6,486	6,486	37,299
	\$ 1,680,952	\$ 385,902	\$ 139,541	\$ 138,264	\$ 545,216	\$ 472,029

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

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

Provisions

Provisions of \$268.1 million at December 31, 2023 includes the following:

- \$214.2 million for reclamation and closure cost obligations at Capstone Copper's operating mines;
- \$35.4 million related to other long-term obligations at the Cozamin and Chilean mines; and
- \$1.3 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 \$8.5 million is recorded in other liabilities.
- \$17.2 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 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 of approximately \$51.9 million for the period ended December 31, 2023 related to the Company's obligations towards the issuer of the surety bond. During Q4 2023, the Company made payments of \$10.4 million to the Yukon Government for reclamation work performed. As at December 31, 2023, the total remaining provision is \$41.2 million, and \$23.9 million recorded in other current liabilities represents the current portion.

As part of the Company's sale of Minto in 2019, the Company was to receive up to \$20 million in staged payments. The final \$5 million, which was due in series of payments to be collected by mid-2024, was outstanding at the time Minto ceased operations and the Company had recorded a provision against it in Q2 2023 which is included in Other Expense.

Precious Metal Streams

Cozamin Silver Stream

On February 19, 2021, Capstone Mining entered into a 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 1.9 million silver ounces since contract inception until December 31, 2023. 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 past backfill for use in the underground operations at Cozamin over a consecutive 90-day period. Failure to achieve the completion requirements will result in a refund being owed to Wheaton up to a maximum amount of \$13 million based on the ratio of paste backfill that was used in the underground operations compared to the target of 105,000 tonnes.

In addition to the upfront payment of \$150 million, as silver is delivered under the terms of the arrangement, the Company receives cash payments equal to 10% of the spot silver price at the time of delivery for each ounce delivered to Wheaton.

The Company recorded the upfront cash consideration received as deferred revenue and recognizes amounts in revenue as silver is delivered under the arrangement. For the period ended December 31, 2023, the amount of the deferred revenue liability recognized as revenue was \$19.0 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 required to be sold and delivery to Wheaton. Additional deposits of \$260 million are to be received over the Santo Domingo construction period, subject to sufficient financing having been obtained to cover total expected capital expenditures and other customary conditions, for total consideration of \$290 million ("Deposit"). Wheaton will receive 100% of the gold production from the Company's Santo Domingo development project until 285,000 ounces have been delivered, thereafter dropping to 67% of the gold production.

In addition to the Deposit, as gold is delivered under the terms of the arrangement, the Company receives cash payments equal to 18% of the spot gold price at the time of delivery for each ounce delivered to Wheaton, until the Deposit has been reduced to zero, thereafter increasing to 22% of the spot gold price upon delivery.

The Company recorded the upfront early deposit of \$30 million received as deferred revenue and will recognize amounts in revenue as gold is delivered under the arrangement. For the period ended December 31, 2023, there was no amortization of the deferred revenue liability recognized as revenue.

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

Purchase of Non-Controlling Interest from KORES

At December 31, 2023, a liability of \$42.4 million has been recognized in other non-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 year ended December 31, 2023, \$2.0 million of accretion was recorded in other non-cash interest expense in the consolidated statements of (loss) income.

Off Balance Sheet Arrangements

As at December 31, 2023, the Company had no off-balance-sheet arrangements other than the following:

- those disclosed under Commitments in the consolidated financial statements for the year ended December 31, 2023;
- capital expenditure commitments totaling \$32.9 million;
- seven surety bonds totaling \$236.3 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 consolidated financial statements for the year ended December 31, 2023, except the following:

- Total funds advanced by MMC as at December 31, 2023 was \$189.9 million (December 31, 2022 - \$60.0 million), which comprises of \$60.0 million for the COF and \$129.9 million in shareholder loans. \$6.0 million has been accrued as interest on the shareholder loan.
- Orion was Mantos' largest shareholder and on completion of the Transaction held approximately 32% shareholder interest in Capstone Copper. On March 31, 2023, Capstone and Orion closed a secondary bought offering of common shares of Capstone, whereby Orion sold an aggregate of 57,500,000 common shares of Capstone at a price of C\$5.60 per common share, for aggregate gross proceeds to Orion of C\$327.8 million. Subsequent to completion of the offering, Orion held 23.75% interest in Capstone Copper.
- Subsequent to year-end, on February 8, 2024, Capstone and Orion closed a bought deal offering of common shares of Capstone, whereby the underwriters purchased on a bought deal basis from the Company and Orion, a total of 68,448,000 Common Shares at a price of C\$6.30 per common share, which included the exercise in full of the underwriters' over-allotment option of 8,928,000 common shares from the Company, for aggregate gross proceeds of C\$431.2 million. In connection with the offering, 56,548,000 Common Shares were issued by the Company for gross proceeds of C\$356.2 million and 11,900,000 were sold by Orion for gross proceeds of C\$74.9 million. Following the closing of the offering, Orion holds approximately 20.3% of the outstanding common shares, on a non-diluted basis.

4.7 Accounting Changes

Changes in Accounting Policies and Material Accounting Estimates and Judgments

Accounting policies as well as any changes in accounting policies are discussed in Note 3 "Material Accounting Policy Information, Estimates and Judgements" of the December 31, 2023 consolidated financial statements.

New IFRS Pronouncements

New IFRS Pronouncements are discussed in Note 3 "Material Accounting Policy Information, Estimates and Judgements" of the December 31, 2023 consolidated financial statements.

4.8 Subsequent Event

On February 1, 2024, the Company and Orion Fund JV Limited, Orion Mine Finance Fund II LP and Orion Mine Finance (Master) Fund I-A LP (collectively, "Orion") jointly announced that they entered into an agreement with a syndicate of underwriters led by RBC Capital Markets, as Lead Bookrunner and including National Bank Financial and Scotiabank as Joint Bookrunners (collectively, the "Underwriters") pursuant to which the Underwriters agreed to purchase, on a bought deal basis from the Company and Orion, a total of 59,520,000 common shares of Capstone ("Common Shares") at a price of C\$6.30 per Common Share (the "Offering Price"), for aggregate gross

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

proceeds of C\$375.0 million (the “Offering”). The Company granted the Underwriters an option, exercisable in whole or in part at any time up to 30 days after the closing of the Offering, to purchase up to an additional 8,928,000 Common Shares from the Company at the Offering Price (the “Over-Allotment Option”) which, if exercised in full, would increase the aggregate gross proceeds of the Offering to C\$431.2 million. The Offering closed on February 8, 2024.

In connection with the Offering, 56,548,000 Common Shares were issued by the Company for gross proceeds to the Company of C\$356.3 million and 11,900,000 were sold by Orion for gross proceeds of C\$75.0 million. The Company did not receive any proceeds from the secondary sale, which have been paid directly to Orion.

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 for management assessment of operational performance and preparation of annual budgets. These significant items may include, but are not limited to, restructuring and asset impairment charges, individually significant gains and losses from sales of assets, share based compensation, unrealized gains or losses, and certain items outside the control of management. These items may not be non-recurring. However, excluding these items from GAAP or Non-GAAP results allows for a consistent understanding of the Company's consolidated financial performance when performing a multi-period assessment including assessing the likelihood of future results. Accordingly, these Non-GAAP financial measures may provide insight to investors and other external users of the Company's consolidated financial information.

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

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 overall efficiency and effectiveness of the mining operations and assumes that realized by-product prices are consistent with those prevailing during the reporting period.

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

Three Months Ended December 31, 2023

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

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

Three Months Ended December 31, 2022

Q4 2022					
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total
Payable copper produced (000s pounds)	31,989	30,565	23,067	12,222	97,843
(\$ millions)					
Production costs of metal produced (per financials)	72.3	65.6	84.0	19.0	240.9
Transportation cost to point of sale	(6.4)	(3.4)	(0.4)	(1.4)	(11.6)
Inventory working capital adjustments	1.5	(4.3)	0.6	(0.9)	(3.1)
Cash production costs of metal produced ²	67.4	57.9	83.3	16.7	225.3
(\$/pound)					
Production costs					
Mining	0.63	0.29	0.47	0.81	0.50
Milling/Processing	1.16	1.43	2.94	0.29	1.56
G&A	0.29	0.18	0.20	0.26	0.23
C1P sub-total	2.08	1.90	3.61	1.36	2.29
By-product credits	(0.10)	(0.02)	—	(0.27)	(0.07)
Treatment and selling costs	0.50	0.21	0.04	0.31	0.28
C1 cash cost (\$/pound produced)	2.48	2.09	3.65	1.40	2.50
(\$/pound)					
Royalties	0.01	0.06	—	0.07	0.03
Production-phase capitalized stripping / Mineralized drift	—	0.69	—	0.03	0.22
Sustaining capital	0.94	0.44	0.55	0.69	0.65
Sustaining leases	0.02	0.11	0.07	—	0.06
Accretion of reclamation obligation	0.02	0.05	0.05	0.01	0.04
Amortization of reclamation asset	0.02	—	—	0.01	0.01
Corporate G&A, excluding depreciation					0.08
All-in sustaining cost adjustments	1.01	1.35	0.67	0.81	1.09
All-in sustaining cost (\$/pound produced)	3.49	3.44	4.32	2.21	3.59

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

Twelve Months Ended December 31, 2023

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

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 38

Twelve Months Ended December 31, 2022

	2022				
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Total
Payable copper produced (000s pounds)	121,135	88,788	80,030	51,777	341,730
(\$ millions)					
Production costs of metal produced (per financials)	300.6	215.5	317.0	70.0	903.1
Transportation cost to point of sale	(23.8)	(8.9)	(1.5)	(4.8)	(39.0)
Inventory write-down	(0.1)	—	(0.9)	—	(1.0)
Inventory working capital adjustments	(8.0)	2.2	(27.4)	(0.4)	(33.6)
Cash production costs of metal produced ²	268.7	208.8	287.2	64.8	829.5
(\$/pound)					
Production costs					
Mining	0.64	0.63	0.78	0.75	0.68
Milling/Processing	1.27	1.53	2.62	0.28	1.51
G&A	0.31	0.19	0.19	0.22	0.24
C1P sub-total	2.22	2.35	3.59	1.25	2.43
By-product credits	(0.10)	(0.02)	—	(0.31)	(0.09)
Treatment and selling costs	0.51	0.21	0.04	0.30	0.29
C1 cash cost (\$/pound produced)	2.63	2.54	3.63	1.24	2.63
(\$/pound)					
Royalties	0.02	0.05	—	0.07	0.03
Production-phase capitalized stripping / Mineralized drift	0.01	0.61	—	0.03	0.17
Sustaining capital	0.67	0.27	0.33	0.57	0.46
Sustaining leases	0.02	0.12	0.08	—	0.06
Accretion of reclamation obligation	0.01	0.03	0.02	0.02	0.02
Amortization of reclamation asset	0.02	—	0.01	0.01	0.01
Corporate G&A, excluding depreciation					0.08
All-in sustaining cost adjustments	0.75	1.08	0.44	0.70	0.83
All-in sustaining cost (\$/pound produced)	3.38	3.62	4.07	1.94	3.46

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

Reconciliation of Net (debt) / Net cash

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

(\$ millions)	December 31, 2023	December 31, 2022
Long term debt (per financials), excluding deferred financing costs of 1.9 and 3.4 and PPA fair value adjustments of 6.6 and 7.5	(994.0)	(595.0)
COF	(60.0)	(60.0)
<i>Add:</i>		
Cash and cash equivalents (per financials)	126.0	170.3
Short term investments (per financials)	0.8	1.6
Net (debt)/cash	(927.2)	(483.1)

Reconciliation of Attributable Net (debt) / Net cash

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

(\$ millions)	December 31, 2023	December 31, 2022
Attributable Long term debt, excluding deferred financing costs of 1.9 and 3.4 and PPA fair value adjustments of 6.6 and 7.5	(838.0)	(439.0)
Attributable COF	(42.0)	(42.0)
<i>Add:</i>		
Attributable Cash and cash equivalents	102.6	139.5
Attributable Short term investments	0.8	1.6
Attributable Net (debt)/cash	(776.6)	(339.9)

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 project as they are not available for general purposes.

(\$ millions)	December 31, 2023	December 31, 2022
Revolving credit facility capacity	700.0	600.0
MVDP debt facility	520.0	520.0
Long term debt (per financials), excluding deferred financing costs of 1.9 and 3.4 and PPA fair value adjustments of 6.6 and 7.5	(994.0)	(595.0)
	226.0	525.0
Cash and cash equivalents (per financials)	126.0	170.3
Short term investments (per financials)	0.8	1.6
Available liquidity	352.8	696.9

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 40

Reconciliation of Adjusted Net Income Attributable To Shareholders

Adjusted net income attributable to shareholders is a non-GAAP measure of Net (loss) income 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	Q4 2023	Q4 2022	2023	2022
Net (loss) income attributable to shareholders	(12.3)	(20.9)	(101.7)	122.2
Inventory write-down	0.9	(1.2)	1.9	2.8
Unrealized loss (gain) on derivative contracts	9.0	66.8	(17.1)	(133.2)
Share-based compensation expense	3.3	23.7	19.0	31.8
Unrealized foreign exchange loss (gain)	12.1	4.9	4.9	(23.0)
Chilean Tax Reform	—	—	24.3	—
Mantos acquisition transaction costs	—	—	—	19.4
Other expense - non-recurring fees	—	14.8	14.6	26.9
Gold stream obligation	7.1	—	7.1	—
Severance costs	—	1.4	—	4.2
Minto obligation	(2.0)	—	51.9	—
Loss (gain) on disposal of assets	0.1	0.2	—	(0.2)
(Gain) loss on extinguishment of debt	—	—	2.7	(8.0)
G&A - care and maintenance	0.1	—	0.4	0.3
Insurance proceeds received	1.0	(0.4)	1.0	(2.8)
Tax effect on the above adjustments	(8.5)	(28.9)	(8.7)	30.2
Adjusted net income attributable to shareholders	10.8	60.4	0.3	70.6
Weighted average common shares - basic (per financials)	694,363,075	687,628,025	693,520,515	625,434,676
Adjusted net income attributable to shareholders of Capstone Copper Corp. per common share - basic (\$)	0.02	0.09	—	0.11
Weighted average common shares - diluted (per financials)	694,363,075	691,984,440	693,520,515	630,179,251
Adjusted net income attributable to shareholders of Capstone Copper Corp. per common share - diluted (\$)	0.02	0.09	—	0.11

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 (loss) income 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 (loss) income (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 (loss) income 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 December 31, 2023					
(\$ millions) ²	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	\$ 17.2	\$ 1.8	\$ (24.2)	\$ 3.9	\$ (18.2)	\$ (19.5)
Net finance costs	1.0	1.7	0.8	2.3	4.5	10.3
Taxes	4.5	3.9	(16.2)	9.1	(4.1)	(2.8)
Depletion and amortization	21.9	20.2	22.8	10.4	—	75.3
EBITDA	44.6	27.6	(16.8)	25.7	(17.8)	63.3
Share-based compensation expense	—	—	—	—	3.3	3.3
Total inventory (reversal) write-down	(0.4)	1.0	0.4	(0.1)	—	0.9
Realized (gain) loss on MVDP derivative contracts	—	—	(2.6)	—	—	(2.6)
Unrealized (gain) loss on derivatives	—	—	11.4	—	(2.4)	9.0
(Gain) loss on disposal of assets	—	—	(0.2)	0.3	—	0.1
Unrealized foreign exchange loss (gain)	0.1	2.0	3.8	4.8	1.4	12.1
Gold stream obligation	—	—	—	—	7.1	7.1
Minto obligation	—	—	—	—	(2.0)	(2.0)
Unrealized provisional pricing and volume adjustments on revenue	(3.5)	(3.7)	(0.1)	(0.4)	3.8	(3.9)
Insurance proceeds received	1.0	—	—	—	—	1.0
Adjusted EBITDA	41.8	26.9	(4.1)	30.3	(6.6)	88.3

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

Three months ended December 31, 2022

(\$ millions) ²	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	\$ 29.2	\$ 20.5	\$ (24.8)	\$ 22.6	\$ (75.9)	\$ (28.4)
Net finance costs	0.4	3.0	0.7	2.1	3.1	9.3
Taxes	(1.3)	(2.2)	(13.7)	5.9	(19.5)	(30.7)
Depletion and amortization	20.7	10.8	7.4	4.3	0.1	43.3
EBITDA	49.0	32.1	(30.4)	34.8	(92.2)	(6.5)
Share-based compensation expense	—	—	—	—	23.7	23.7
Total inventory write-down (reversal)	0.8	—	(2.0)	—	—	(1.2)
Realized (gain) loss on MVDP derivative contracts	—	—	5.4	—	—	5.4
Unrealized (gain) loss on derivatives	—	—	16.4	—	50.4	66.8
(Gain) loss on disposal of assets	—	—	0.1	0.1	—	0.2
Unrealized foreign exchange (gain) loss	—	0.2	4.6	—	0.1	4.9
Other expense - non-recurring	—	8.1	6.7	—	—	14.8
Restructuring costs	—	—	—	—	1.4	1.4
Unrealized provisional pricing and volume adjustments on revenue	(17.8)	(13.1)	(5.4)	(1.5)	10.0	(27.8)
Insurance proceeds received	—	—	—	—	(0.4)	(0.4)
Adjusted EBITDA	32.0	27.3	(4.6)	33.4	(7.0)	81.3

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

Year ended December 31, 2023

(\$ millions) ²	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	\$ 38.2	\$ (9.2)	\$ (76.8)	\$ 53.2	\$ (130.1)	\$ (124.7)
Net finance costs	3.6	6.8	0.8	9.0	15.9	36.1
Taxes	3.3	23.2	(5.1)	24.9	(12.6)	33.7
Depletion and amortization	78.9	69.2	59.5	30.3	0.3	238.2
EBITDA	124.0	90.0	(21.6)	117.4	(126.5)	183.3
Share-based compensation expense	—	—	—	—	19.0	19.0
Total inventory write-down (reversal)	0.3	—	1.7	(0.1)	—	1.9
Realized (gain) loss on MVDP derivative contracts	—	—	(3.2)	—	—	(3.2)
Unrealized (gain) loss on derivatives	—	—	0.5	—	(17.6)	(17.1)
Gain on disposal of assets	—	—	(0.3)	0.3	—	—
(Gain) loss on extinguishment of debt	—	—	—	—	2.7	2.7
Unrealized foreign exchange loss (gain)	0.1	(0.4)	3.2	2.0	—	4.9
Other expense - non-recurring	—	8.9	—	—	5.7	14.6
Gold stream obligation	—	—	—	—	7.1	7.1
Minto obligation	—	—	—	—	51.9	51.9
Unrealized provisional pricing and volume adjustments on revenue	0.2	0.1	1.0	0.6	(7.7)	(5.8)
Insurance proceeds received	1.0	—	—	—	—	1.0
Adjusted EBITDA	125.6	98.6	(18.7)	120.2	(65.4)	260.3

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

Year ended December 31, 2022

(\$ millions) ²	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Other	Total
Net income (loss) per financials	\$ 77.0	\$ 37.9	\$ 46.5	\$ 82.7	\$ (108.0)	\$ 136.1
Net finance costs	2.9	4.1	1.7	8.6	10.5	27.8
Taxes	4.5	12.2	11.0	35.0	(5.1)	57.6
Depletion and amortization	84.8	39.0	35.4	16.5	0.5	176.2
EBITDA	169.2	93.2	94.6	142.8	(102.1)	397.7
Share-based compensation expense	—	—	—	—	31.8	31.8
Total inventory write-down (reversal)	1.8	—	1.0	—	—	2.8
Realized (gain) loss on MVDP derivative contracts	—	—	41.0	—	—	41.0
Unrealized (gain) loss on derivatives	—	—	(150.5)	—	17.3	(133.2)
(Gain) loss on disposal of assets	—	(0.3)	0.1	—	—	(0.2)
(Gain) loss on extinguishment of debt	—	(8.0)	—	—	—	(8.0)
Unrealized foreign exchange (gain) loss	(0.4)	(13.0)	(7.8)	(0.9)	(0.9)	(23.0)
Mantos acquisition transaction costs	—	—	—	—	19.4	19.4
Other expense - non-recurring	—	10.2	15.3	—	1.4	26.9
Restructuring costs	—	—	—	—	4.2	4.2
Unrealized provisional pricing and volume adjustments on revenue	(2.7)	(3.6)	(3.0)	(0.1)	9.5	0.1
Insurance proceeds received	—	—	—	—	(2.8)	(2.8)
Adjusted EBITDA	167.9	78.5	(9.3)	141.8	(22.2)	356.7

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

Additional Information and Reconciliations

Sales from Operations

	2022					2023				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Copper (tonnes)										
Concentrate										
Pinto Valley	14,888	12,884	13,058	13,417	54,247	12,196	11,385	11,736	15,013	50,330
Mantos Blancos	977	8,228	8,819	9,957	27,981	9,497	8,380	8,870	10,453	37,200
Cozamin	5,592	5,935	5,989	5,603	23,119	4,823	6,452	5,309	6,065	22,649
Total Concentrate	21,457	27,047	27,866	28,977	105,347	26,516	26,217	25,915	31,531	110,179
Cathode										
Pinto Valley	604	585	643	763	2,595	603	683	824	643	2,753
Mantos Blancos	699	3,638	4,097	4,147	12,581	3,474	3,570	3,248	1,796	12,088
Mantoverde	2,748	14,224	11,560	10,811	39,343	6,863	10,285	8,713	9,313	35,174
Total Cathode	4,051	18,447	16,300	15,721	54,519	10,940	14,538	12,785	11,752	50,015
Total Copper	25,508	45,494	44,166	44,698	159,866	37,456	40,755	38,700	43,283	160,194
Zinc (000 pounds)										
Cozamin	1,005	(11)	—	677	1,671	—	(10)	250	—	240
Molybdenum (tonnes)										
Pinto Valley	17	22	(2)	66	103	55	17	20	28	120
Silver (000s ounces)										
Cozamin	352	327	353	284	1,316	349	502	400	448	1,699
Mantos Blancos	—	378	252	312	942	330	248	235	269	1,082
Pinto Valley	66	68	54	57	245	58	49	65	87	259
Total	418	773	659	653	2,503	737	799	700	804	3,040
Gold (ounces)										
Pinto Valley	178	268	44	374	864	389	537	3,099	2,581	6,606
Total	178	268	44	374	864	389	537	3,099	2,581	6,606

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 46

6.0 SELECTED QUARTERLY FINANCIAL INFORMATION

(\$ millions, except per share data) ²	Q4 2023	Q3 2023 ⁽ⁱ⁾	Q2 2023 ⁽ⁱⁱ⁾	Q1 2023 ⁽ⁱⁱⁱ⁾	Q4 2022 ^(iv)	Q3 2022	Q2 2022 ^(v)	Q1 2022 ^(vi)
Revenue	353.7	322.2	333.9	335.6	362.1	309.2	356.6	268.1
Earnings (loss) from mining operations	21.6	12.0	5.0	44.4	75.7	(11.2)	37.3	106.0
Net (loss) income attributable to shareholders	(12.3)	(32.9)	(36.5)	(20.0)	(20.9)	34.1	75.1	34.0
Net (loss) earnings per share attributable to shareholders - basic and diluted	(0.02)	(0.05)	(0.05)	(0.03)	(0.03)	0.05	0.11	0.08
Operating cash flow before changes in non-cash working capital	80.4	59.3	22.0	41.7	76.1	13.9	40.7	70.4
Capital expenditures (including capitalized stripping)	182.1	228.3	201.3	209.4	204.9	148.5	206.6	111.5

⁽ⁱ⁾ Net Loss in Q3 2023 includes \$24 million of Deferred income tax expense related to the adoption of the Chilean Tax Reform.

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

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

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

^(v) Revenue, Earnings from mining operations, Net income and Operating cash flow before changes in working capital in Q2 2022 includes \$45.5 million of negative non-cash provisional pricing adjustments.

^(vi) Net income in Q1 2022 includes \$20 million of share unit expense and \$19.9 million of transaction and integration costs as a result of the Mantos Transaction.

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

7.0 OUTSTANDING SHARE DATA AND DILUTION CALCULATION

The Company is authorized to issue an unlimited number of common shares, without par value. The table below summarizes the Company's common shares and securities convertible into common shares as at February 21, 2024:

Issued and outstanding	752,804,226
Share options outstanding at a weighted average exercise price of \$4.16	3,542,343
Treasury share units outstanding at a weighted average exercise price of \$5.28	3,269,232
Fully diluted	759,615,801

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.

8.0 MANAGEMENT'S REPORT ON INTERNAL CONTROLS AND OTHER INFORMATION

Disclosure Controls and Procedures ("DC&P")

As at December 31, 2023, 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 December 31, 2023.

Management performed an evaluation of Capstone Copper's ICFR and concluded that, as at December 31, 2023, ICFR were designed and operating effectively so as to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with International Financial Reporting Standards (“IFRS”).

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.

9.0 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, Region III, Chile, NI 43-101 Technical Report” effective February 19, 2020, and “Mantos Blancos Mine NI 43-101 Technical Report Antofagasta / Región de Antofagasta, Chile” and “Mantoverde Mine and Mantoverde Development Project NI 43-101 Technical Report Chañaral / Región de Atacama, Chile”, both effective November 29, 2021.

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

10.0 RISKS AND UNCERTAINTIES

For full details on the risks and uncertainties affecting the Company, please refer to the Annual Information Form dated March 29, 2023 (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.

Mining is inherently dangerous and subject to conditions or events beyond Capstone's control.

Capstone's operations are subject to all the hazards and risks normally encountered in the exploration, development, construction, care and maintenance activities and production of copper and other metals, including, without limitation, workplace accidents, fires, wildfires, power outages, labour disruptions, port blockages, flooding, mudslides, explosions, cave-ins, landslides, ground or stope failures, tailings dam failures and other geotechnical instabilities, weather events, seismic events or major earthquakes, tsunamis, access to water, equipment failure or structural failure, metallurgical and other processing problems and other conditions involved in the mining and processing of minerals, any of which could result in damage to, or destruction of, Capstone's mines, mineral properties, plants and equipment, multiple personal injuries or loss of life, environmental damage to surrounding land, vegetation and other biological and water resources, delays in mining, increased production costs, asset write-downs, monetary losses, legal liability and governmental action. Capstone's mines have several tailings and water storage facilities, heap leach and waste rock facilities which could fail as a result of extreme weather events, seismic activity, or for other reasons. The occurrence of any of these events could result in a prolonged interruption in Capstone's operations, increased costs for asset protection or care and maintenance activities that would have a material adverse effect on Capstone's business, financial condition, results of operations and prospects. The occurrence of one or more of these events could have a long-term impact on Capstone's employee's morale, Capstone's reputation, and result in greater regulatory scrutiny and loss of or delays in obtaining licenses to operate. Capstone's operations are reliant on infrastructure including but not limited to water sources, public roadways, power and transmission facilities, warehouses, and ports. Wildfires and inclement weather conditions, whether occurring at Capstone's sites, adjacent lands, or supplier and downstream sites, may impact Capstone's ability to operate, transport or access and supply sites, and increase overall costs or impact Capstone's financial performance. In severe circumstances, civil authorities may impose evacuation orders. Capstone's sites in Chile, Arizona and Mexico are subject to drought conditions and create a higher exposure to wildfire or man-made fire risk.

We face added risks and uncertainties of operating in foreign jurisdictions, including changes in regulation and policy, and community interest or opposition.

Capstone's business operates in a number of foreign countries where there are added risks and uncertainties due to the different economic, cultural and political environments. Our mineral exploration and mining activities may be adversely affected by political instability and changes to government regulation relating to the mining industry. Changes to Canadian laws and regulations regarding foreign trade, taxation and investment may negatively affect our operations and projects.

Changes in governmental leadership in the US, Chile, and Mexico, could impact Capstone's operations and local societal conditions. There may be additional risks and uncertainties following Chilean Presidential, Chamber and Senate elections. The President and the renovated Congress elected on November 21, 2021, took office on March 11, 2022. The Senate holds a 50/50 balance between right and left wing Senators. Although the government's legislative agenda is not yet fully known, it is known to include a tax reform as a priority. Additionally, as a response to the civil unrest in Chile, a referendum for a new Constitution was launched. On September 4, 2022, the first newly proposed constitution was rejected by Chileans, and on December 17, 2023 a new constitution was rejected a second time. As a result, it is uncertain whether another constitutional process will be launched in the next 12 months and whether it will lead to further uncertainty and instability or to further changes to the Chilean political regime and mining related regulations including, but not limited to, changes to royalty structures and environmental and community protection requirements. Capstone cannot give assurance that future political developments in Chile will not adversely affect its business, results of operations or financial condition.

Other risks of foreign operations include political or social and civil unrest, labour disputes and unrest, invalidation of governmental orders and permits, corruption, organized crime, theft, sabotage, war, civil disturbances and terrorist actions, arbitrary changes in law or policies of particular countries including nationalization of mines, government action or inaction on climate change, trade disputes, foreign taxation, royalties, price controls, delays in obtaining or renewing or the inability to obtain or renew necessary environmental permits, opposition to mining from local communities and environmental or other non-governmental organizations, social perception impacting our social licence to operate, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports and increased financing costs. Local economic conditions, including but not limited to higher incidences of criminal activity and violence in areas, such as Mexico and Chile, can also adversely affect

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 49

the security of our people, operations and the availability of supplies. Mexico and Chile are subject to increasing occurrences of theft of copper concentrates and cathodes. Capstone may experience theft of its products which may impact our financial results. Capstone may encounter social and community issues including but not limited to public expression against our activities, protests, road blockages, work stoppages, or other forms of expression, which may have a negative impact on our reputation and operations or projects. The underground environments at Cozamin Mine are complex, with exposure to geotechnical instabilities, hydrological impacts, and mining induced seismicity. Opposition to our mining activities by local landowners, the ejidos, communities, or activist groups may cause significant delays or increased costs to operations, and the advancement of exploration or development projects, and could require Capstone to enter into agreements with such groups or local governments.

In addition, risks of operations in Mexico include extreme fluctuations in currency exchange rates, high rates of inflation, significant changes in laws and regulations including but not limited to tax and royalty regulations, labour regimes, failures of security, policing and justice systems, corruption, and incidents such as hostage taking and expropriation. There are uncertainties regarding Mexico's 2019 reform of the Federal Labour Law which came into effect May 1, 2023 and Mining Law Reform, that may have an impact on Cozamin's operations and profitability, including but not limited to strike actions. On April 29 2023, the Mexican Congress approved a bill submitted by Mexico's President on March 28, 2023 amending several provisions of the Mining Law, the National Water Law, the General Law of Ecological Balance and Environmental Protection, and the General Law for the Prevention and Integral Management of Waste regarding mining and water concessions (the "Initiative"). It is Capstone's understanding that the legislation is not retroactive, therefore, existing mining concessions should remain in effect. The potential impact to our operations in order to comply with the new laws continue to be analyzed. The amended laws have considerable implications for future investment in the Mexican mining industry.

These risks in Mexico and Chile may limit or disrupt Capstone's projects, reduce financial viability of local operations, restrict the movement of funds, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation.

There can be no assurance that changes in the government, including but not limited to the change in the federal administration of the United States, or laws or changes in the regulatory environment for mining companies or for non-domiciled companies will not be made that would adversely affect Capstone's business, financial condition, results of operation and prospects. There are uncertainties related to President Biden's Made in America Tax Plan which proposes corporate tax reforms that may increase Pinto Valley's future tax obligations. Differences in interpretation or application of tax laws and regulations or accounting policies and rules and Capstone's application of those tax laws and regulations or accounting policies and rules where the tax impact to the Company is materially different than contemplated may occur and adversely affect Capstone's business, financial condition, results of operation and prospects, including, but not limited to, carbon emissions taxes. There are uncertainties about the application of the new carbon emissions tax in Chile to Capstone's operations. Capstone is subject to a multitude of taxation regimes and any changes in law, policy or interpretation of law, policy may be difficult to react to in an efficient manner.

The maintenance and fostering of strong community relationships is integral to the success of Capstone's operations. Failure to manage relationships with local communities, government and non-governmental organizations may adversely affect Capstone's reputation, as well as its ability to bring projects into production, which could in turn adversely affect its business, results of operations or financial condition, potentially in a material manner.

Failure to recognize, respond and align to changing regulatory and stakeholder expectations and requirements regarding issues such as environment, social and governance matters, particularly linked to climate change, tailings dams and carbon emissions, could affect Capstone's growth opportunities and its future revenues and cash flows. Stakeholder requirements and expectations continue to evolve, and different stakeholder groups may have varying opposing requirements and expectations of Capstone.

Surety bonding risks.

Capstone secures its obligations for reclamation and closure costs with surety bonds provided by leading global insurance companies in favour of regulatory authorities in Arizona and Chile. The regulators could increase Capstone's bonding obligations or request additional financial guarantees for reclamation and closure activities.

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 50

Further, these surety bonds include the right of the surety bond provider to terminate the relationship with Capstone or a Capstone subsidiary on providing notice of up to 90 days. The surety bond provider would, however, remain liable to the regulatory authorities for all bonded obligations existing prior to the termination of the bond in the event Capstone failed to deliver alternative security satisfactory to the regulator. There is no assurance that the Company will be successful in obtaining alternative surety bond providers or alternative financial guarantee mechanisms at satisfactory terms or at all and could have an impact on the Company's financial results and growth prospects. Failure to furnish a satisfactory financial guarantee to the regulators could result in a suspension of operations.

Capstone Mining and Capstone Copper are each an Indemnitor for Minto's surety bond obligations in the Yukon. During Q2 2023, Minto ceased operations and the Yukon government took over all reclamation activities. Minto has defaulted on the surety bond, and as a result Capstone is liable for demands made against the bond, including but not limited to, the costs up to the total amount of the bond. Minto may also face challenges with respect to claims for remediation work required beyond the value of the bond. Although Capstone believes that its indemnification of reclamation liabilities is capped at the total amount of the bond, there can be no assurance that further claims are not made against Capstone. Capstone may incur additional costs as a result of demands made against the bond or additional claims, including but not limited to legal fees and administrative costs.

During Q3, 2023 a new court order placed Minto into full receivership and appointed PriceWaterhouseCoopers as Receiver. The Receiver is in charge of Minto's property, assets, and undertakings and has since commenced a sales and investment solicitation process. The Yukon government remains in charge of care and maintenance and reclamation activities at the Minto mine. Capstone may have additional obligations or liabilities due to contractual obligations pursuant to the sale of Minto mine in 2019.

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

The agreement between Capstone and Wheaton announced on December 11, 2020 ("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 to such risks. Capstone was required to meet certain completion requirements before December 31, 2023, under the silver stream agreement, namely, Capstone must construct a paste backfill plant where to produce at least 105,000 cubic metres of suitable paste backfill that is used in the underground operations at Cozamin over a period of 90 consecutive days during which a completion test has been performed. Under the terms of the Agreement, failure to achieve the foregoing completion requirements will result in a refund to Wheaton up to a maximum amount of \$13 million.

Our operations are subject to geotechnical challenges, which could adversely impact our production and profitability.

No assurances can be given that unanticipated adverse geotechnical and hydrological conditions such as landslides, cave-ins, rock falls, slump, ground or slope failures, waste rock, leaching and tailings and water storage facility failures or releases and pit wall failures will not occur in the future or that such events will be detected in advance. Due to the age of Capstone's mines and more complex deposits; Capstone's Mantos Blancos Mine and Mantoverde Mine operate pits and tailings facilities located in regions with potential earthquake activity; the Pinto Valley Mine pit is becoming deeper resulting in higher pitwalls; and underground environments at Cozamin Mine are complex, with exposure to geotechnical instabilities, hydrological impacts, and mining induced seismicity. Geotechnical instabilities can be difficult to predict and are often affected by risks and hazards outside of Capstone's control, such as seismic activity and severe weather events, which may lead to periodic floods, mudslides, wall instability or an underground collapse.

Capstone's mine sites have multiple active and inactive tailings storage facilities, including upstream raised dams and legacy facilities inherited through acquisition activities. Capstone's tailings storage facilities have been designed by professional engineering firms to meet applicable regulatory standards. Capstone continues to review and enhance existing operational practices in line with international best practices; however, no assurance can be given that adverse geotechnical and hydrological events or other adverse events will not occur in the future. There is no guarantee that Capstone's existing tailings storage facilities will be sufficient to support operational expansions in which Capstone may have to forgo future operational expansions or invest in modified or new tailings storage facilities in order to safely operate. Tailings storage facilities have the risk of failure due to extreme weather events, seismic activity or for other reasons. The failure of tailings dam facilities or other

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 51

impoundments could cause severe or catastrophic environmental and property damage or loss of life. Geotechnical or tailings storage facility failures could result in the suspension of Capstone's operations, limited or restricted access to sites, government investigations, remediation costs, increased monitoring costs and other impacts, which could result in a material adverse effect on Capstone's operational results and financial position.

Mineral rights or surface rights to our properties or third-party royalty entitlement to our properties could be challenged, and, if successful, such challenges could have a material adverse effect on our production and our business, financial condition, results of operations and prospects.

Title to Capstone's properties may be challenged or impugned. Our property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. Surveys have not been carried out on the majority of our properties and, therefore, in accordance with the laws of the jurisdiction in which such properties are situated, their existence and area could be in doubt.

A claim by a third party asserting prior unregistered agreements on or transfer of any of Capstone's properties, especially where mineral reserves have been located, could result in Capstone losing a commercially viable property. Even if a claim is unsuccessful, it may potentially affect Capstone's current operations, projects or development properties due to the high costs of defending against the claim and its impact on Capstone's resources. Title insurance is generally not available for mineral properties and Capstone's ability to ensure that Capstone has obtained a secure claim to individual mineral properties or mining concessions or related royalty rights may be severely constrained. We rely on title information and/or representations and warranties provided by our grantors. If we lose a commercially viable property, such a loss could lower our future revenues or cause Capstone to cease operations if the property represented all or a significant portion of our mineral reserves at the time of the loss.

A claim by a third party asserting royalty rights, including, but not limited to claims by royalty holders asserting increased royalty rights on any of Capstone's properties, could result in Capstone incurring high costs of defending against the claim, and if such claims were successful, such a loss could lower our future revenues or cause Capstone to cease operations if the property represented all or a significant portion of our mineral reserves at the time of the loss.

Land reclamation and mine closure requirements may be burdensome and costly.

Land reclamation and mine closure requirements are generally imposed on mining companies, which require Capstone, amongst other things, to minimize the effects of land disturbance. Additionally, Capstone has lease agreements, and may enter into agreements in the future, which may require environmental restoration activities at transportation, storage and shipping facilities such as the Skagway Ore Terminal and the San Manuel Transload Facility or other properties. Capstone Mining remained a party to the User Agreement at the Skagway Ore Terminal, and the obligations thereunder, jointly with Minto and Pembridge Resources PLC as part of the Share Purchase Agreement for Minto Explorations Ltd up until the agreement expiry on March 16, 2023. Further, the San Manuel Arizona Railroad Company may have increased reclamation requirements as a rail transportation company. Such requirements may include controlling the discharge of potentially dangerous effluents from a site and restoring a site's landscape to its pre-exploration form.

The actual costs of reclamation and mine closure are uncertain and planned expenditures may differ from the actual expenditures required. Through acquisition activities Capstone may discover or inherit historic tailings or waste deposits which may require further remediation activities, including but not limited to the historic mining and processing operations at Chiripa-La Gloria arroyo at the Cozamin Mine. Therefore, the amount that we are required to spend could be materially higher than current estimates. Any additional amounts required to be spent on reclamation and mine closure may have a material adverse effect on our financial performance, financial position and results of operations and may cause the Company to alter its operations. Although we include liabilities for estimated reclamation and mine closure costs in our financial statements and Life of Mine models, it may be necessary to spend more than what is projected to fund required reclamation and mine closure activities.

There are uncertainties and risks related to the MVDP.

Successful implementation of the MVDP is subject to various risks throughout procurement, construction, commissioning, testing, start-up and ramp-up to design capacity, many of which are not within Capstone's control, that may materially and adversely affect our growth prospects and profitability. These factors include, among others:

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 52

- the availability, terms, conditions and timing of the delivery of plant, equipment and other materials necessary for the construction, commissioning, testing, start-up and/or operation of the relevant facility;
- Capstone may encounter delays or higher than expected costs in obtaining the necessary equipment, machinery, materials, supplies, labour or services and in implementing new technologies to execute a project;
- the availability of acceptable arrangements for the procurement of materials and services and particularly transportation and construction contracts;
- the timely and satisfactory performance of engineering and construction contractors, mining contractors, suppliers and consultants, including under Capstone's existing engineering;
- management of the engineering, procurement and construction contracts for the MVDP;
- failure to obtain, or experience delays or higher than expected costs in obtaining, the required agreements, authorizations, licenses, approvals and permits to develop a project, including the prior consultation procedure and agreements with local communities;
- changes in market conditions or regulations may make a project less profitable than expected at the time the work was initiated;
- pandemics, accidents, natural disasters and infrastructure and equipment failures or damages;
- commissioning delays, design constraints, or adverse mining conditions that may delay and hamper Capstone's ability to produce the expected quantities and qualities of minerals upon which the project was budgeted;
- conflicts with local communities, contractual disputes, strikes or other labour disputes may delay the implementation or the development of the project; and
- other factors such as adverse weather conditions affecting access to the development site or the development process and Capstone's access to adequate infrastructure generally, including a reliable power and water supply.

Labour disruptions involving Capstone Copper employees or the employees of its independent contractors could affect its production levels and costs. Our operations will be adversely affected if we fail to maintain satisfactory labour relations.

Approximately 80% of total employees at Mantos Blancos and 77% of total employees at Mantoverde are covered by agreements with one of the labour unions with a presence at the mining operations. The labour agreement at Mantoverde was renewed in 2022 and will be in effect until October 31, 2025. The labour agreement at Mantos Blancos was renewed in 2023 and will be in effect until June 30, 2026. In addition, contractors or subcontractors form a significant part of Mantos Blancos and Mantoverde workforce, making up approximately 38% of the total workforce. Pursuant to Chilean regulations, labour negotiations with a contractor's workforce are the responsibility of the relevant contractors. Mantos Blancos and Mantoverde may experience work slowdowns or disruptions in the future, whether of its own workforce or a contractor's workforce, and there can be no assurance that a work slowdown or work stoppage will not occur prior to or upon the expiration of the current long term labour agreements. In 2016, the Government of Chile promulgated an extensive labour reform law (the "Labour Reform Law"), which became effective in 2017. The labour Reform Law prevents Chilean companies from hiring temporary replacements for striking employees and also prevents the replacement of striking employees with other existing employees of the company. This may have an adverse effect on Capstone Copper's overall employment and operating costs and may increase the likelihood of business disruptions in Chile.

Approximately 67% of total employees at Pinto Valley are represented by six unions, governed by one collective bargaining agreement negotiated by the United Steelworkers Union which is in effect until August 31, 2026. Cozamin Mine has recently negotiated a collective bargaining agreement with the Sindicato Nacional de Trabajadores Mineros, Metalúrgicos, Siderúrgicos y Similares de la República Mexicana (National Union of Miners, Metalworkers, Steelworkers and Allied Workers of the Mexican Republic) as per the new Mexican requirement for all mines to be unionized. Approximately 63% of total employees at Cozamin are covered by this collective bargaining agreement.

Additional groups of non-union employees may seek union representation in the future. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in jurisdictions where Capstone Copper conducts business. Changes in such legislation or otherwise in our relationship with our employees may result in higher ongoing labour costs, employee turnover, strikes, lockouts or other work stoppages, any of which could have a material adverse effect on our business, results of operations and financial condition.

¹ These are non-GAAP performance measures. Refer to the MD&A section titled "Non-GAAP and Other Performance Measures". Page 53

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 20.3% of the outstanding Common Shares and Hadrian Capital Partners Inc. owns approximately 13.38% 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. As part of the Offering, Orion has agreed, subject to certain limited exceptions, not to sell any Common Shares or other securities of Capstone for a period of 90 days from the closing of the Offering. 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 transaction 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 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. Orion currently has one nominee who serves on the Board of Directors. See "Material Contracts" in the AIF for further information regarding the Registration and Nomination Rights Agreement.