

November 10, 2022

Capstone Copper Provides the Mantoverde-Santo Domingo District Integration Plan

All amounts in US\$ unless otherwise indicated

Vancouver, British Columbia – Capstone Copper Corp. (“Capstone” or the “Company”) (TSX:CS) today announced the Mantoverde-Santo Domingo (“MV-SD”) District Integration Plan (the “Plan”) which showcases the path towards creating a world-class mining district in the Atacama region of Chile, targeting over 200,000 tonnes per year (“tpa”) of low-cost copper production with the potential to also become one of the largest and lowest cost battery grade cobalt producers in the world. The Company has the opportunity to unlock a total of \$80-100 million per year in operating cost savings, while also enabling additional copper and cobalt production, infrastructure capital savings, and the potential for significant tax synergies through the reinvestment in Chile to support our district growth (summarized in Figure 1 below).

The fully-permitted Santo Domingo project is located 35 kilometres northeast of the Mantoverde mine which is currently undergoing construction of a 32,000 tonne per day (“tpd”) sulphide concentrator with wet commissioning expected in late 2023. Following the completion and successful ramp-up of the Mantoverde Development Project (“MVDP”), the Company’s next phase of transformational growth will be a construction decision and integration of Santo Domingo. The combination of key infrastructure already in place alongside an experienced mine build and operating team significantly de-risks the future development of the district.

Please click the following link to view a 3D virtual tour presentation of the MV-SD District Integration Plan and respective synergies, further outlined herein:

<https://vrify.com/decks/12234-MV-SD-District-Integration-Plan>

John MacKenzie, CEO of Capstone commented, “Over the past decade, I’ve closely monitored the progress at the Santo Domingo project given its proximity to, and obvious synergies with, Mantoverde. We are extremely excited to now be developing a world-class copper and cobalt district, with both commodities being essential to the global economy’s decarbonization efforts. Our team is committed to pursuing the highest standards in safety and environmental management as well as meaningful engagement with all stakeholders as we progress our growth plans. We are transforming Capstone into a leading long-life and low-cost producer of critical metals essential for the transition to net zero.”

Cashel Meagher, President and COO of Capstone added, “The permitted and executable growth pathway that lies ahead of us is the reason why I joined Capstone. This is a rare opportunity to design and engineer significant synergies into the plan prior to the construction of the Santo Domingo project. We look forward to hosting our Chile site visit next week to showcase our transformational growth in progress and our plans going forward.”

Base Case Plan

Our Base Case plan includes the completion and successful ramp-up of MVDP, a sanctioning decision followed by construction of the Santo Domingo copper-iron project, which includes upgrades to the existing water and power infrastructure, as well as a development scenario for the Santo Domingo port located approximately 65 kilometres by road from Mantoverde.

Future Growth Plan

Our Future Growth plans include Mantoverde Phase II, which envisions an expansion of the sulphide concentrator to process part of the 77% of resources not included in Phase I, processing Santo Domingo oxides at the underutilized 60,000 tpa SX-EW cathode plant at Mantoverde, as well as the development of the MV-SD cobalt opportunity, described below.

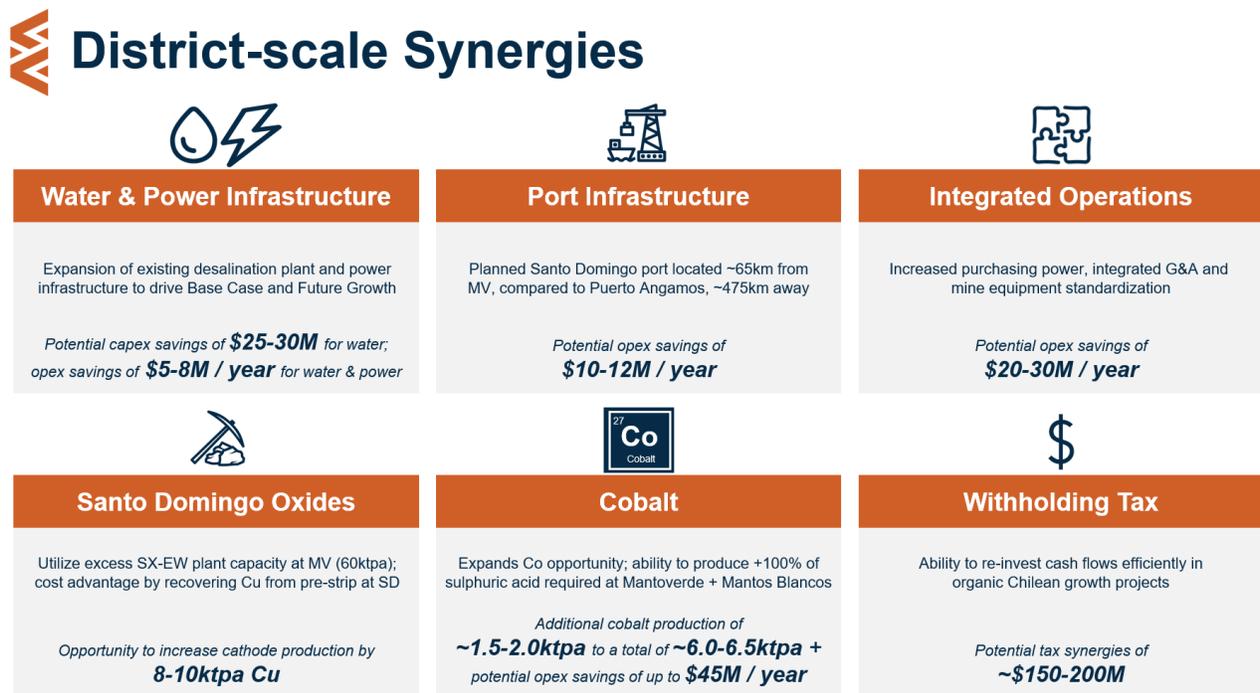
MV-SD District Integration Synergies:

- **Water and Power Infrastructure** – A plan to expand the existing Mantoverde desalination plant to 840 litres per second (“l/s”), utilization of existing water pipelines, and upgraded energy transmission capacity provides the infrastructure foundation to support our district growth opportunities. We are currently expanding the desalination capacity to 380 l/s to supply sufficient water requirements for MVDP with expected completion by year-end 2022. The expansion to 840 l/s is expected to reduce net capex by \$25-30 million by utilizing existing pipeline infrastructure and lower operating costs by \$4-6 million per year while also reducing our environmental footprint by not requiring the previously planned desalination plant at the Santo Domingo port. Additionally, a \$20 million upgrade to the existing power infrastructure is expected to further lower operating costs by \$1-2 million per year, while also allowing us to fully control our own energy distribution needs at our mine sites. The upgrade will provide approximately 50 Megawatts of excess transmission capacity to the port beyond the requirements from the current pipeline of projects and will enable optionality for future growth.
- **Port Infrastructure** – Opportunity to reduce Mantoverde’s concentrate trucking costs by \$10 million per year by using the planned Santo Domingo port (the “Port”), located 65 kilometres from Mantoverde versus Puerto Angamos, 475 kilometers away. The planned Santo Domingo port is expected to have sufficient scale to handle capesize vessels suitable for large cargo, including Santo Domingo copper concentrate, iron ore, district cobalt production, and the potential for sulphuric acid handling. Additionally, the Port could handle Mantoverde’s copper cathode production which could lower transportation costs by approximately \$2 million per year. Designing the Port presents an opportunity to engineer a world-class asset that meets the highest environmental standards, in-line with our overall environmental, social, and governance (“ESG”) strategy. The port framework agreement with Puerto Abierto S.A., a wholly owned subsidiary of Puerto Ventanas S.A., remains in-place and the rail and iron ore pipeline trade-off studies are ongoing.
- **Integrated Operations** – Potential to lower MV-SD district operating costs by \$20-30 million by streamlining the organizational chart across both operations, increasing purchasing power given district scale, and standardizing equipment to promote productivity gains. Decades of technical and operating experience in Chile provide a unique opportunity to significantly de-risk the execution of Santo Domingo with a proven project delivery team from Mantos Blancos and Mantoverde.
- **Santo Domingo Oxides** – Potential addition of 8,000-10,000 tpa of copper production over the first 10 years of production, by leaching copper oxides at Santo Domingo and processing the concentrated solutions at Mantoverde’s underutilized SX-EW facility. The potential increase in production is expected to come from Santo Domingo’s oxide mineralization, much of which is in the pre-strip, providing an operating cost advantage.
- **Cobalt Opportunity** – Ability to reduce operating costs by approximately \$45 million per year by building the cobalt and sulphuric acid production facility at Mantoverde that will process cobaltiferous pyrite produced by both Mantoverde and Santo Domingo. The benefits would be realized through the

neutralization of a weak acid by-product stream from the cobalt operation at the Mantoverde heap and dump leach operation, as well as through the elimination of port and trucking costs related to sulphuric acid use at Mantoverde. The plan would target an increase in district cobalt production by approximately 1,500 to 2,000 tpa from Mantoverde to a total of 6,000 to 6,500 tpa, which would make MV-SD one of the world's largest and lowest-cost sustainable cobalt producers outside of the Democratic Republic of Congo and China.

- **Withholding Tax** – Potential to realize tax synergies between \$150-200 million by re-investing cash flows to support our overall growth plan in Chile.

Figure 1



ABOUT CAPSTONE COPPER CORP.

Capstone Copper Corp. 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-gold project, located approximately 30 kilometres northeast of Mantoverde in the Atacama region, Chile, as well as a portfolio of exploration properties in the Americas.

Capstone Copper's strategy is to unlock transformational copper production growth while executing on cost and operational improvements through innovation, optimization and safe and responsible production throughout our portfolio of assets. We focus on profitability and disciplined capital allocation to surface stakeholder value. We are committed to creating a positive impact in the lives of our people and local communities, while delivering compelling returns to investors by sustainably producing copper to meet the world's growing needs.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements relate to future events or future performance and reflect our expectations or beliefs regarding future events and the impacts of the ongoing and evolving COVID-19 pandemic and the evolving geopolitical environment. Forward-looking statements include, but are not limited to, statements with respect to the execution of our future growth projects, our financial liquidity and development of our projects, 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 construction of the paste backfill and dry stack tailings plant at Cozamin, the success and timing of the Mantos Blancos Concentrator Debottlenecking Project, the timing and cost of the Mantoverde Development Project, the timing and results of the PV4 study, timing and success of the Jetti Technology, the successful execution of a port services agreement with Puerto Abierto S.A., the expected reduction in capital requirements for the Santo Domingo project, the timing and success of the Cobalt Study for Santo Domingo, the timing and results of the integrated plan for Mantoverde - Santo Domingo, the realization of Mineral Reserve estimates, the timing and amount of estimated future production, the costs of production and capital expenditures and reclamation, 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 and other current or future projects and expansions, environmental risks, unanticipated reclamation expenses and title disputes, the success of the synergies and catalysts related to the combined business following the Company’s recent arrangement, and the anticipated future production, costs of production, including the cost of sulphuric acid and oil and other fuel, capital expenditures and reclamation of the Company’s operations and development projects and the risks included in our continuous disclosure filings on SEDAR at www.sedar.com. The potential effects of the COVID-19 pandemic on our business and operations are unknown at this time, including Capstone Copper’s ability to manage challenges and restrictions arising from COVID-19 in the communities in which Capstone Copper operates and our ability to continue to safely operate and to safely return our business to normal operations. The impact of COVID-19 to Capstone Copper 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 the disease, global economic uncertainties and outlook due to the disease, supply chain delays resulting in lack of availability of supplies, goods and equipment, and evolving restrictions relating to mining activities and to travel in certain jurisdictions in which we operate.

In certain cases, forward-looking statements can be identified by the use of words such as “anticipates”, “approximately”, “believes”, “budget”, “estimates”, “expects”, “forecasts”, “guidance”, “intends”, “plans”, “scheduled”, “target”, or variations of such words and phrases, or statements that certain actions, events or results “be achieved”, “could”, “may”, “might”, “occur”, “should”, “will be taken” or “would” or the negative of these terms or comparable terminology. In this document certain forward-looking statements are identified by words including “anticipated”, “expected”, “guidance” and “plan”. The forward-looking statements in this document are necessarily based on a number of estimates and assumptions that, while considered reasonable by the Company as at the date of such statements, are inherently subject to the business, economic and competitive uncertainties and contingencies. The Company has based these forward-looking statements on the Company’s current expectations and projections about future events. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, amongst others, risks related to inherent hazards associated with mining operations and closure of mining projects, future prices of copper and other metals, compliance with financial

covenants, 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 post divestiture, 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, aboriginal title claims and rights to consultation and accommodation, risks relating to widespread epidemics or pandemic outbreak including the COVID-19 pandemic; the impact of COVID-19 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 COVID-19 pandemic, impacts of 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 Mantos Blancos Concentrator Debottlenecking Project and 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, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. 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.

CAUTIONARY NOTE TO UNITED STATES INVESTORS REGARDING PRESENTATION OF MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

As a British Columbia corporation and a "reporting issuer" under Canadian securities laws, we are required to provide disclosure regarding our mineral properties in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. In accordance with NI 43-101, we use the terms mineral reserves and resources as they are defined in accordance with the CIM Definition Standards on mineral reserves and resources (the "CIM Definition Standards") adopted by the Canadian Institute of Mining, Metallurgy and Petroleum. In particular, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" used in this annual information form and the documents incorporated by reference herein and therein, are Canadian mining terms defined in accordance with CIM Definition Standards. These definitions differ from the definitions in the disclosure requirements promulgated by the SEC. Accordingly, information contained in this annual information form and the documents incorporated by reference herein may not be comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

United States investors are also cautioned that while the SEC will now recognize "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of

the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, investors are cautioned not to assume that any “measured mineral resources”, “indicated mineral resources”, or “inferred mineral resources” that we report are or will be economically or legally mineable. Further, “inferred resources” have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, estimates of “inferred mineral resources” cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

COMPLIANCE WITH NI 43-101

Unless otherwise indicated, Capstone has prepared the technical information in this document (“Technical Information”) based on information contained in the technical reports, news releases and other public filings (collectively the “Disclosure Documents”) available under Capstone Copper Corp.’s company profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by or under the supervision of a qualified person (a “Qualified Person”) as defined in National Instrument 43-101. For readers to fully understand the information in this document, readers are encouraged to review the full text of the Disclosure Documents, including the qualifications, assumptions and exclusions that relate to the Technical Information set out in this document, 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 “Santo Domingo Project, Region III, Chile, NI 43-101 Technical Report” effective February 19, 2020 and “Mantoverde and Mantoverde Development Project, NI 43-101 Technical Report, Chañaral / Región de Atacama, Chile” effective November 29, 2021.

The disclosure of Scientific and Technical Information in this document was reviewed and approved by Cashel Meagher, P.Geo., President and Chief Operating Officer and Peter Amelunxen, PE, VP Technical Services (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.

ALTERNATIVE PERFORMANCE MEASURES

This document refers to certain non-GAAP financial performance measures, including “C1 cash cost”, “cash cost”, “EBITDA”, “adjusted EBITDA”, “operating cash flow before changes in working capital”, “adjusted net (loss) income”, “net debt”, “net cash”, “all-in sustaining costs”, “all-in costs”, “available liquidity”, “expansionary capital” and “sustaining capital” are Alternative Performance Measures. Alternative performance measures are furnished to provide additional information. These non-GAAP performance measures are included in this presentation because these statistics are key performance measures that management uses internally to monitor performance, to assess how the Company is performing, to plan and to 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. For full information, please refer to the Company’s latest Management Discussion and Analysis published on its Financial Reporting webpage or on SEDAR (the “MD&A”).

C1 Cash Cost per pound: 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.

EBITDA: EBITDA is net income before net finance expense, tax expense, and depletion and amortization.

Adjusted EBITDA: Adjusted EBITDA is EBITDA before the pre-tax effect of the adjustments made to adjusted 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 Adjusted 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.

Operating cash flow before change in working capital: Operating Cash Flow before changes in working capital per common share is a performance measure used by the Company to assess its ability to generate cash from its operations, while also taking into consideration changes in the number of outstanding shares of the Company.



Adjusted net (loss) income: Adjusted net (loss) income is net income 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.

Net debt / net cash: Net debt / Net cash is a 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), due to related parties, cash and cash equivalents and short-term investments.

All-in sustaining costs: 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 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.