



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(unaudited)**

**September 30, 2022**

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

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

<b>ASSETS</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
<b>Current</b>		
Cash and cash equivalents	\$ 194,457	\$ 262,094
Short-term investments	1,872	2,259
Receivables (Note 6)	117,922	33,489
Inventories (Note 7)	142,478	62,825
Derivative assets (Note 5)	30,486	543
Other assets (Note 9)	41,266	5,450
	<b>528,481</b>	<b>366,660</b>
Mineral properties, plant and equipment (Note 8)	4,623,340	1,310,870
Deferred income tax assets (Note 15)	18,867	30,593
Derivative assets (Note 5)	61,621	—
Other assets (Note 9)	28,490	19,839
<b>Total assets</b>	<b>\$ 5,260,799</b>	<b>\$ 1,727,962</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 241,141	\$ 97,384
Lease liabilities (Note 12)	28,445	3,410
Income taxes payable	12,865	29,375
Derivative liabilities (Note 5)	18,565	387
Other liabilities (Note 10)	19,571	99,671
	<b>320,587</b>	<b>230,227</b>
Long-term debt (Note 13)	509,498	—
Deferred revenue (Note 14)	161,319	165,740
Due to related parties (Note 11)	22,917	—
Lease liabilities (Note 12)	74,277	12,631
Provisions	274,742	161,088
Deferred income tax liabilities (Note 15)	637,146	95,786
Derivative liabilities (Note 5)	2,780	—
Other liabilities (Note 10)	49,892	46,063
<b>Total liabilities</b>	<b>\$ 2,053,158</b>	<b>\$ 711,535</b>
<b>EQUITY</b>		
Share capital	\$ 2,445,498	\$ 849,409
Other reserves	39,969	39,008
Retained earnings	283,433	128,010
<b>Total equity attributable to equity holders of the Company</b>	<b>2,768,900</b>	<b>1,016,427</b>
Non-controlling interest (Note 11)	438,741	—
<b>Total equity</b>	<b>3,207,641</b>	<b>1,016,427</b>
<b>Total liabilities and equity</b>	<b>\$ 5,260,799</b>	<b>\$ 1,727,962</b>

**Commitments** (Note 20)

See accompanying notes to these condensed interim consolidated financial statements.

**Capstone Copper Corp.**

**Condensed Interim Consolidated Statements of Income**

**Three and Nine Months Ended September 30, 2022 and 2021**

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
<b>Revenue</b> (Note 17)	\$ 308,704	\$ 165,412	\$ 933,434	\$ 578,876
<b>Operating costs</b>				
Production costs	(271,434)	(80,544)	(662,267)	(247,818)
Royalties	(2,190)	(1,717)	(7,119)	(5,566)
Depletion and amortization	(46,296)	(20,387)	(131,927)	(67,506)
<b>(Loss) earnings from mining operations</b>	<b>(11,216)</b>	62,764	<b>132,121</b>	257,986
<b>General and administrative expenses</b> (Note 21)	<b>(6,289)</b>	(4,459)	<b>(18,829)</b>	(12,937)
<b>Exploration expenses</b> (Note 8)	<b>(1,777)</b>	(146)	<b>(7,041)</b>	(1,848)
<b>Impairment reversal on mineral properties</b> (Note 8)	—	—	—	92,392
<b>Share-based compensation expense</b> (Note 16)	<b>(2,309)</b>	(1,203)	<b>(8,071)</b>	(47,042)
<b>(Loss) income from operations</b>	<b>(21,591)</b>	56,956	<b>98,180</b>	288,551
<b>Other income (expense)</b>				
Foreign exchange gain (loss)	9,260	1,282	15,857	(1,098)
Realized and unrealized gains on derivative instruments (Note 5)	78,260	(189)	175,523	(164)
Gain on extinguishment of debt (Note 13)	8,035	—	8,035	—
Transaction costs (Note 4)	—	—	(19,433)	—
Other (expense) income (Note 22)	(3,141)	(156)	(6,751)	1,823
Interest on long-term debt and surety bonds (Note 23)	(1,749)	(966)	(4,025)	(3,815)
Other interest expense (Note 23)	(4,674)	(4,263)	(14,525)	(8,624)
<b>Income before income taxes</b>	<b>64,400</b>	52,664	<b>252,861</b>	276,673
Income tax expense (Note 15)	(26,926)	(17,626)	(88,330)	(65,222)
<b>Net income</b>	<b>\$ 37,474</b>	\$ 35,038	<b>\$ 164,531</b>	\$ 211,451

**Net income attributable to:**

Shareholders of Capstone Copper Corp.	\$ 34,113	\$ 35,038	\$ 143,146	\$ 185,415
Non-controlling interest (Note 11)	3,361	—	21,385	26,036
	\$ 37,474	\$ 35,038	\$ 164,531	\$ 211,451

**Net earnings per share**

Earnings per share - basic (Note 18)	\$ 0.05	\$ 0.09	\$ 0.24	\$ 0.46
Weighted average number of shares - basic (Note 18)	687,376,497	406,701,553	604,534,669	405,096,229
Earnings per share - diluted (Note 18)	\$ 0.05	\$ 0.08	\$ 0.23	\$ 0.45
Weighted average number of shares - diluted (Note 18)	692,239,166	415,287,789	610,515,216	413,386,183

See accompanying notes to these condensed interim consolidated financial statements.

**Capstone Copper Corp.**  
**Condensed Interim Consolidated Statements of Comprehensive Income**  
**Three and Nine Months Ended September 30, 2022 and 2021**

*unaudited - expressed in thousands of US dollars*

	Three months ended September		Nine months ended September	
	2022	2021	2022	2021
<b>Net income</b>	<b>\$ 37,474</b>	<b>\$ 35,038</b>	<b>\$ 164,531</b>	<b>\$ 211,451</b>
<b>Other comprehensive (loss) income ("OCI")</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Change in fair value of marketable securities, net of tax of \$289 and \$262 (2021 - \$nil and \$nil)	(679)	(491)	(4,207)	2,230
Remeasurement for retirement benefit plans, net of tax of \$nil (2021 - \$nil)	(18)	—	(118)	—
	<b>(697)</b>	<b>(491)</b>	<b>(4,325)</b>	<b>2,230</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation adjustment	(507)	(240)	(646)	(6)
	<b>(507)</b>	<b>(240)</b>	<b>(646)</b>	<b>(6)</b>
<b>Total other comprehensive (loss) income for the period</b>	<b>(1,204)</b>	<b>(731)</b>	<b>(4,971)</b>	<b>2,224</b>
<b>Total comprehensive income</b>	<b>\$ 36,270</b>	<b>\$ 34,307</b>	<b>\$ 159,560</b>	<b>\$ 213,675</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of Capstone Copper Corp.	\$ 32,909	\$ 34,307	\$ 138,175	\$ 187,639
Non-controlling interest (Note 11)	3,361	—	21,385	26,036
	<b>\$ 36,270</b>	<b>\$ 34,307</b>	<b>\$ 159,560</b>	<b>\$ 213,675</b>

See accompanying notes to these condensed interim consolidated financial statements.

**Capstone Copper Corp.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**Three and Nine Months Ended September 30, 2022 and 2021**

*unaudited - expressed in thousands of US dollars*

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
<b>Cash provided by (used in):</b>				
<b>Operating activities</b>				
Net income	\$ 37,474	\$ 35,038	\$ 164,531	\$ 211,451
Adjustments for:				
Depletion and amortization	46,510	20,719	132,740	68,496
Deferred income and mining tax expense	26,926	17,626	88,330	65,222
Impairment reversal on mineral properties (Note 8)	—	—	—	(92,392)
Inventory write-down	3,449	325	4,015	325
Share-based compensation expense	2,309	1,203	8,071	47,042
Net finance costs	6,793	5,229	19,678	12,439
Unrealized (gain) loss on foreign exchange	(10,523)	(1,664)	(27,560)	750
(Gain) loss on derivatives	(78,141)	137	(183,868)	624
Gain on extinguishment of debt (Note 13)	(8,035)	—	(8,035)	—
Gain on disposal of assets and other	—	—	(391)	(34)
Changes in contingent consideration (Note 22)	—	(998)	—	(5,067)
Amortization of deferred revenue and variable consideration adjustments (Note 14)	(3,769)	(4,071)	(10,126)	(12,959)
Precious metal stream deposits received (Note 14)	—	—	—	180,000
Income taxes paid	(9,215)	(6,436)	(62,897)	(25,393)
Income taxes received	—	7	592	1,097
Other payments (receipts)	109	3	(212)	(74)
Operating cash flow before working capital	13,887	67,118	124,868	451,527
Changes in non-cash working capital (Note 19)	294	22,385	(60,337)	26,533
Other non-cash changes (Note 19)	(2,980)	(19,473)	(1,545)	(19,210)
Operating cash flow	11,201	70,030	62,986	458,850
<b>Investing activities</b>				
Mineral properties, plant and equipment additions	(185,273)	(34,178)	(408,099)	(98,271)
Interest capitalized on construction in progress	(6,569)	—	(14,656)	—
Cash acquired on business combination with Mantos (Note 4)	—	—	219,211	—
(Purchase of) proceeds from short-term investments	(3)	1,203	387	1,305
Other assets	135	596	(7,752)	(9,208)
Investing cash flow	(191,710)	(32,379)	(210,909)	(106,174)
<b>Financing activities</b>				
Proceeds from borrowings (Note 13)	195,000	—	295,000	32,000
Repayment of borrowings (Note 13)	(131,625)	—	(144,750)	(216,925)
Proceeds from related party borrowings (Note 11)	22,900	—	22,900	—
Payment on purchase of non-controlling interest (Note 11)	(34,731)	—	(34,731)	(17,141)
KORES payment against promissory note (Note 11)	—	—	—	1,423
Repayment of lease obligations	(9,568)	(838)	(20,583)	(2,224)
Proceeds from the exercise of options	627	1,089	2,496	4,169
Payments for settlement of financial derivatives	(14,571)	—	(37,509)	(3,690)
Proceeds from settlement of financial derivatives	1,624	754	1,624	1,973
Interest paid on long-term debt and surety bonds	(1,524)	(680)	(2,490)	(2,784)
Financing cash flow	28,132	325	81,957	(203,199)
Effect of exchange rate changes on cash and cash equivalents	(1,351)	(117)	(1,671)	25
<b>(Decrease in) increase in cash and cash equivalents</b>	<b>(153,728)</b>	<b>37,859</b>	<b>(67,637)</b>	<b>149,502</b>
Cash and cash equivalents - beginning of period	348,185	168,223	262,094	56,580
<b>Cash and cash equivalents - end of period</b>	<b>\$ 194,457</b>	<b>\$ 206,082</b>	<b>\$ 194,457</b>	<b>\$ 206,082</b>
<b>Supplemental cash flow information (Note 19)</b>				

See accompanying notes to these condensed interim consolidated financial statements.

**Capstone Copper Corp.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**Three and Nine Months Ended September 30, 2022 and 2021**  
*unaudited - expressed in thousands of US dollars, except share amounts*

Attributable to equity holders of the Company

	Number of shares	Share capital	Reserve for equity settled share-based transactions	Revaluation reserve	Foreign currency translation reserve	Share purchase reserve	Retained Earnings	Total attributable to equity holders	Non-controlling interest	Total equity
<b>January 1, 2022</b>	413,482,355	\$ 849,409	\$ 53,264	\$ 7,429	\$ (16,551)	\$ (5,134)	\$ 128,010	\$ 1,016,427	\$ —	\$ 1,016,427
Shares issued on exercise of options (Note 16)	2,673,449	2,786	(895)	—	—	—	—	1,891	—	1,891
Share-based compensation (Note 16)	—	—	4,201	—	—	—	—	4,201	—	4,201
Settlement of share units	—	—	—	—	—	2,626	12,277	14,903	—	14,903
Shares issued as compensation	131,775	624	—	—	—	—	—	624	—	624
<b>Business Combination Between Capstone and Mantos (Note 4)</b>	273,888,541	1,592,679	—	—	—	—	—	1,592,679	417,356	2,010,035
Change in fair value of marketable securities	—	—	—	(4,207)	—	—	—	(4,207)	—	(4,207)
Remeasurements for retirement benefit plans	—	—	—	(118)	—	—	—	(118)	—	(118)
Net income	—	—	—	—	—	—	143,146	143,146	21,385	164,531
Foreign currency translation	—	—	—	—	(646)	—	—	(646)	—	(646)
<b>September 30, 2022</b>	<b>690,176,120</b>	<b>\$ 2,445,498</b>	<b>\$ 56,570</b>	<b>\$ 3,104</b>	<b>\$ (17,197)</b>	<b>\$ (2,508)</b>	<b>\$ 283,433</b>	<b>\$ 2,768,900</b>	<b>\$ 438,741</b>	<b>\$ 3,207,641</b>
<b>January 1, 2021</b>	408,884,120	\$ 842,789	\$ 53,578	\$ 3,429	\$ (16,588)	\$ (6,636)	\$ (97,514)	\$ 779,058	\$ 110,109	\$ 889,167
Shares issued on exercise of options (Note 16)	4,533,527	6,330	(2,161)	—	—	—	—	4,169	—	4,169
Share-based compensation	—	—	1,399	—	—	—	—	1,399	—	1,399
Settlement of share units	—	—	—	—	—	1,416	3,475	4,891	—	4,891
Change in fair value of marketable securities	—	—	—	2,230	—	—	—	2,230	—	2,230
Purchase of non-controlling interest in Acquisition Co.	—	—	—	—	—	—	(5,155)	(5,155)	(136,145)	(141,300)
Shares returned and cancelled	(107,099)	—	—	—	—	—	—	—	—	—
<b>Net income</b>	<b>—</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 185,415</b>	<b>\$ 185,415</b>	<b>\$ 26,036</b>	<b>\$ 211,451</b>
<b>Foreign currency translation</b>	<b>—</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (6)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (6)</b>	<b>\$ —</b>	<b>\$ (6)</b>
<b>September 30, 2021</b>	<b>413,310,548</b>	<b>\$ 849,119</b>	<b>\$ 52,816</b>	<b>\$ 5,659</b>	<b>\$ (16,594)</b>	<b>\$ (5,220)</b>	<b>\$ 86,221</b>	<b>\$ 972,001</b>	<b>\$ —</b>	<b>\$ 972,001</b>

See accompanying notes to these condensed interim consolidated financial statements.

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

#### 1. Nature of Operations

The accompanying condensed interim consolidated financial statements have been prepared as at September 30, 2022, after giving effect to the business combination between Capstone Mining Corp. ("Capstone Mining") and Mantos Copper (Bermuda) Ltd. ("Mantos") which was completed on March 23, 2022 (the "Transaction") (Note 4). After the Transaction, the combined entity changed its name to Capstone Copper Corp. (the "Company" or "Capstone Copper"). The Company is listed on the Toronto Stock Exchange.

Mantos was incorporated on August 15, 2015 and migrated to British Columbia, Canada on March 22, 2022, as part of the Transaction. Mantos, through a wholly owned Chilean subsidiary, Mantos Copper S.A., owned and operated the Mantos Blancos mine, located forty-five kilometers northeast of Antofagasta, Chile and the 70%-owned Mantoverde mine, through a Chilean subsidiary, Mantoverde S.A., located fifty kilometers southeast of Chanaral, Chile.

Capstone Mining was engaged in the production of and exploration for base metals in the United States ("US"), Mexico, and Chile, with a focus on copper. Pinto Valley Mining Corp. ("Pinto Valley"), a wholly owned US subsidiary, owns and operates the Pinto Valley mine located in Arizona, US. Capstone Gold, S.A. de C.V. ("Capstone Gold"), a wholly owned Mexican subsidiary, owns and operates the Cozamin Mine located in Zacatecas, Mexico, and has a portfolio of exploration properties in Mexico. Capstone Mining Chile SpA, a wholly owned Chilean subsidiary, is performing exploration for base metal deposits in Chile.

On March 24, 2021, Capstone Mining consolidated a 100% ownership interest in 0908113 B.C. Ltd. ("Acquisition Co.") by purchasing the remaining 30% ownership interest from Korea Resources Corporation ("KORES"), resulting in the elimination of the non-controlling interest ("NCI") in Acquisition Co. (Note 11). Minera Santo Domingo SCM, a wholly owned Chilean subsidiary of Acquisition Co, holds the Santo Domingo copper-iron development project in Chile.

The Company continues to evaluate the potential impacts arising from COVID-19 on all aspects of its business. For the three and nine months ended September 30, 2022 and 2021, there were no significant financial impacts on the Company.

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

The condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on October 31, 2022.

#### 2. Basis of preparation and consolidation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using the same accounting policies and methods of application as the audited annual consolidated financial statements of Capstone for the year ended December 31, 2021, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), except as noted below in Note 3. Accordingly, certain information and footnote disclosures normally included in annual financial statements have been omitted or condensed.

These condensed interim consolidated financial statements are prepared as a continuation of the financial statements of Capstone Mining, but reflecting the continuation of the share capital of Mantos. As a result, comparative information included from the three and nine months ended September 30, 2021, is solely that of Capstone Mining.

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

Certain comparative figures have been reclassified to conform with changes in the presentation of the current year.

### 3. Significant Accounting Policies, Estimates and Judgements

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

In preparing the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2022, the Company applied the critical judgements and estimates disclosed in Note 2 of its consolidated financial statements for the year ended December 31, 2021, in addition to the accounting policies, critical judgements and estimates noted below.

#### Business combination between Capstone and Mantos (Note 4)

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the notional number of equity instruments that the legal subsidiary would have had to issue to the legal parent to give the owners of the legal parent the same percentage ownership in the combined entity. The results of businesses acquired during the year are included in the condensed interim consolidated financial statements from the effective date when control is obtained. The identifiable assets, liabilities and contingent liabilities of the business which can be measured reliably are recorded at provisional fair values at the date of acquisition. These provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. Provisional fair values are finalized at the earlier of (i) the date as soon as the acquirer received the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not available; or (ii) twelve months from the acquisition date. Acquisition related costs are expensed as incurred.

Goodwill arising in a business combination is measured as the excess of the sum of consideration transferred and the amount of any non-controlling interest over the net identifiable assets acquired and liabilities assumed.

As part of the Transaction, Mantos, the legal acquirer, issued 414.3 million shares to Capstone Mining shareholders. After the Transaction, the combined entity changed its name to Capstone Copper Corp. and is listed on the Toronto Stock Exchange.

IFRS 3 requires that one of Capstone Mining and Mantos be designated as the acquirer for accounting purposes. As such, Capstone Mining will be treated as the acquiring entity for accounting purposes. In making this assessment, factors such as the voting rights of the outstanding equity instruments, the corporate governance structure of the combined entity, the composition of senior management of the combined company and the relative size and net asset values of each of the companies were taken into consideration. No single factor was the sole determinant in the overall conclusion; rather all factors were considered in arriving at the conclusion.

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

#### New IFRS Pronouncements

In May 2020, the IASB issued an amendment to IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The amendment clarifies that the costs of fulfilling a contract when assessing whether a contract is onerous comprise both the incremental costs and an allocation of other costs that relate directly to fulfilling the contract. The amendment became effective January 1, 2022 and applies to contracts existing at the date when the amendments are first applied. On adoption of this amendment, the Company assessed the impact of the amendment and determined it does not have a significant effect on the Company's financial statements.

In May 2020, the IASB issued an amendment to IAS 16, Property, Plant and Equipment - Proceeds before Intended Use. The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in the condensed interim consolidated statements of income (loss). The amendment became effective January 1, 2022. The Company has assessed the impact of the amendment and it does not have a significant effect on the Company's financial statements.

In January 2020, the International Accounting Standards Board ("IASB") issued amendments to International Accounting Standards 1 ("IAS 1"), Presentation of Financial Statements, to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Company is in the process of assessing the impact of this amendment to the Company's financial statements.

In May 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which amended IAS 12 Income Taxes. The amendments will become effective January 1, 2023. The Company is assessing the impact of the amendment and does not expect it to have a significant effect on the Company's financial statements.

## 4. Business Combination Between Capstone and Mantos

### **Description of the Transaction**

On March 23, 2022, Capstone Mining, from an accounting point of view, completed the acquisition of Mantos with the deemed issuance of 273,888,541 common shares with a fair value of \$5.82 per share.

The combined entity owns and operates the Mantos Blancos and Mantoverde mines, located in the Antofagasta and Atacama regions, respectively, of Chile. The Mantoverde mine, in which Mitsubishi Material Corp. has a 30% interest, has a current 21-year expected mine life. Mantos Blancos produces copper concentrate and has a 17-year expected mine life. The mine is increasing production via the ongoing Mantos Blancos Concentrator Debottlenecking Project which upon completion is expected to increase production from approximately 45,000 tonnes in 2021 to 60,000 tonnes in 2022. The property contains a land package consisting of 57,620 hectares.

Management has concluded that Mantos constitutes a business and, therefore, the acquisition is accounted for in accordance with IFRS 3 - Business Combinations.

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

The Company is completing a full and detailed valuation of the fair value of the net assets of Mantos with the assistance of independent valuation experts. Therefore, it is likely that the fair values of the assets acquired, and liabilities assumed will vary from those shown below and the differences may be material. The allocation of the purchase price is based on management's preliminary estimates and certain assumptions with respect to the fair value increment associated with the assets acquired and the liabilities assumed. The purchase price allocation is not final as the Company is continuing to obtain and verify information required to determine the fair value of assets and liabilities and the amount of deferred income taxes arising on their recognition. Consequently, the actual allocation of the purchase price may result in different adjustments than those in these unaudited condensed interim consolidated financial statements. IFRS 3 requires that, as of the acquisition date, the identifiable assets acquired and liabilities assumed should be classified or designated as necessary to apply the IFRS Accounting Standards going forward. The Company is in the process of completing those classifications or designations on the basis of the contractual terms, economic conditions, accounting policies and other relevant conditions as they existed as of the acquisition date of March 23, 2022.

Total transaction costs of \$nil and \$19.4 million related to the acquisition were expensed during the three and nine months ended September 30, 2022.

#### Consideration and Purchase Price Allocation

Total consideration for the acquisition was valued at \$1,593 million on the acquisition date. The preliminary purchase price allocation, which is subject to final adjustments, is estimated as follows:

<b>Total Consideration</b>	
273,888,541 shares deemed issued to Mantos' shareholders with a fair value of US\$5.82 per share	<b>\$ 1,592,679</b>
<b>Total consideration</b>	<b>\$ 1,592,679</b>

  

	<b>Preliminary as reported</b>		<b>Revised as reported</b>	
	<b>March 31, 2022</b>	<b>Adjustments</b>	<b>September 30, 2022</b>	
<b>Allocation of Purchase Price</b>				
Cash and cash equivalents	\$ 219,211	\$ —	\$ 219,211	
Receivables (i)	118,028	16,563	134,591	
Inventories	77,136	32,066	109,202	
Due from related party (ii)	259,843	—	259,843	
Mineral properties, plant and equipment	3,006,687	(17,950)	2,988,737	
Other assets	36,376	(12,851)	23,525	
Derivative assets	25,504	1,300	26,804	
Accounts payable and accrued liabilities	(268,100)	2,971	(265,129)	
Due to related party (ii)	(259,843)	—	(259,843)	
Income taxes payable	(9,983)	—	(9,983)	
Long-term debt	(354,438)	(17,204)	(371,642)	
Derivative liabilities	(155,386)	—	(155,386)	
Lease liabilities	(81,865)	3,719	(78,146)	
Deferred income tax liabilities	(484,553)	(15,787)	(500,340)	
Provisions	(111,409)	—	(111,409)	
<b>Net assets acquired before non-controlling interest</b>	<b>\$ 2,017,208</b>	<b>\$ (7,173)</b>	<b>\$ 2,010,035</b>	
Non-controlling interest (Note 11)	(424,529)	7,173	(417,356)	
<b>Net assets acquired</b>	<b>\$ 1,592,679</b>	<b>\$ —</b>	<b>\$ 1,592,679</b>	

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

- i. Trade receivables acquired as part of the acquisition have a fair value of \$64.2 million which is equal to their gross contractual value. Other receivables acquired have a fair value of \$64.5 million which is equal to their gross contractual value. Trade and other receivables are expected to be collected during the next 12 months.
- ii. The amounts previously due from a related party relates to a loan granted by Capstone Copper (previously Mantos Copper (Bermuda) Ltd.) to Orion Fund JV Limited, a shareholder of the Company. Amounts previously due to a related party relates to a loan granted by Orion Fund JV Ltd. to Mantos Copper Holdings SpA. These amounts were settled during June 2022 via a non-cash assignment and offset agreement.

Financial and operating results of Mantos are included in the Company's condensed interim consolidated financial statements effective March 23, 2022. During the three and nine months ended September 30, 2022, the acquisition of Mantos contributed \$169.3 million and \$419.9 million of revenue and \$11.8 million and \$88.7 million of net income, respectively.

Had the business combination been effected at January 1, 2022, revenue and net income for the nine months ended September 30, 2022, would have been \$1,119.0 million, and \$175.1 million, respectively.

## 5. Financial Instruments

### *Fair value of financial instruments*

Certain of the Company's financial assets and liabilities are measured at fair value on a recurring basis and classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of fair value hierarchy that prioritize the inputs to the valuation techniques used to measure fair value, with Level 1 having the highest priority. The levels and valuations techniques used to value the financial assets and liabilities are as follows:

Level 1 – Fair values measured using unadjusted quoted prices in active markets for identical instruments.

Marketable securities are valued using quoted market prices in active markets. Accordingly, these items are included in Level 1 of the fair value hierarchy.

Level 2 – Fair values measured using directly or indirectly observable inputs, other than those included in level 1.

Derivative instruments and embedded derivatives are included in Level 2 of the fair value hierarchy as they are valued using pricing models or discounted cash flow models. These models require a variety of inputs, including, but not limited to, market prices, forward price curves, yield curve and credit spreads. These inputs are obtained from or corroborated with the market. Also included in Level 2 are receivables from provisional pricing on copper concentrate and cathode sales because they are valued using quoted market prices derived based on forward curves for the respective commodities and published priced assessments.

Level 3 – Fair values measured using inputs that are not based on observable market data.

**Capstone Copper Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

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

As of September 30, 2022 the Company's classification of financial instruments within the fair value hierarchy are summarized below:

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Short-term investments	\$ —	\$ 1,872	\$ —	\$ 1,872
Copper concentrate receivables (Note 6)	—	21,900	—	21,900
Copper cathode receivables (Note 6)	—	48,050	—	48,050
Derivative assets	—	92,107	—	92,107
Investment in marketable securities (Note 9)	1,756	—	—	1,756
	\$ 1,756	\$ 163,929	\$ —	\$ <b>165,685</b>
<b>Financial liabilities</b>				
Derivative liabilities	\$ —	\$ 21,345	\$ —	\$ 21,345
	\$ —	\$ 21,345	\$ —	\$ <b>21,345</b>

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between Level 1, Level 2 and Level 3 during the three and nine months ended September 30, 2022.

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

	September 30, 2022			
	Fair value through profit or loss	Fair value through OCI	Amortized cost	Total
Cash and cash equivalents	\$ —	\$ —	\$ 194,457	\$ 194,457
Short-term investments	1,872	—	—	1,872
Copper concentrate receivables (Note 6)	21,900	—	—	21,900
Copper cathode receivables (Note 6)	48,050	—	—	48,050
Other receivables (Note 6)	—	—	9,953	9,953
Derivative assets	92,107	—	—	92,107
Investment in marketable securities (Note 9)	—	1,756	—	1,756
Receivable on sale of Minto (Note 6)	—	—	5,000	5,000
	\$ 163,929	\$ 1,756	\$ 209,410	\$ 375,095

	December 31, 2021			
	Fair value through profit or loss	Fair value through OCI	Amortized cost	Total
Cash and cash equivalents	\$ —	\$ —	\$ 262,094	\$ 262,094
Short-term investments	2,259	—	—	2,259
Concentrate receivables (Note 6)	24,686	—	—	24,686
Other receivables (Note 6)	—	—	1,292	1,292
Derivative assets	543	—	—	543
Investment in marketable securities (Note 9)	—	6,079	—	6,079
Receivable on sale of Minto (Note 6)	—	—	5,000	5,000
	\$ 27,488	\$ 6,079	\$ 268,386	\$ 301,953

**Capstone Copper Corp.**

## Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

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

	September 30, 2022		
	Fair value through profit or loss	Amortized cost	Total
<b>Accounts payable and accrued liabilities</b>	\$ —	\$ 241,141	\$ 241,141
<b>Payable on purchase of non-controlling interest (Note 10)</b>	—	39,872	39,872
<b>Long-term debt (Note 13)</b>	—	509,498	509,498
<b>Derivative liabilities</b>	21,345	—	21,345
	<b>\$ 21,345</b>	<b>\$ 790,511</b>	<b>\$ 811,856</b>

	December 31, 2021		
	Fair value through profit or loss	Amortized cost	Total
Accounts payable and accrued liabilities	\$ —	\$ 97,384	\$ 97,384
Payable on purchase of non-controlling interest (Note 10)	—	81,829	81,829
Derivative liabilities	387	—	387
	<b>\$ 387</b>	<b>\$ 179,213</b>	<b>\$ 179,600</b>

Apart from the assessment and categorization of the financial assets and liabilities acquired during the Mantos acquisition, there have been no changes during the three and nine months ended September 30, 2022 in how the Company categorizes its financial assets and liabilities by fair value through profit or loss, fair value through OCI, and amortized cost.

Observable and unobservable inputs that would have been impacted by the COVID-19 pandemic have been appropriately considered into the fair value measurements of the Company's financial instruments for the three and nine months ended September 30, 2022.

*Financial instruments and related risks*

The Company's activities expose it to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are commodity price risk, credit risk, foreign exchange risk, liquidity risk and interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis. There have been no significant changes in the Company's exposure to these financial risks. During the three and six months ended September 30, 2022, the Company's exposure to these financial risks has not been significantly impacted by COVID-19.

*Derivative instruments*

As at September 30, 2022, the Company's derivative financial instruments are composed of copper commodity swap contracts, copper zero-cost collar contracts, interest rate swap contracts, foreign currency zero-cost collars ("ZCC"), forward and swap contracts, quotational pricing contracts and share purchase warrants.

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

#### (a) Commodity Price Risk Management

As part of the Mantoverde Development Project ("MVDP") financing arrangements, Mantos was required to enter into a number of fixed-for-floating swaps to hedge LME copper prices. Under the agreements, a subsidiary of the Company has hedged a total of 39,134 metric tonnes consisting of 6,561 metric tonnes for the remainder of 2022, 20,310 metric tonnes in 2023 and 12,263 metric tonnes in the first half of 2024. At September 30, 2022, the fair value of these derivatives is \$1.7 million (2021 - \$nil).

In addition, the Company entered into zero cost collar ("ZCC") contracts whereby it sold a series of call option contracts and purchased a series of put option contracts for \$nil cash premium, and also entered into fixed-for-floating swaps. The intent is to ensure positive operating margins on the production of cathodes and balance sheet protection in a lower copper price environment. At September 30, 2022, the fair value of these derivatives is \$38.7 million (2021 - \$nil).

The Company's outstanding commodity derivative instruments as of September 30, 2022, are as follows:

Type	Remaining term	Average price per pound	Notional
Fixed-for-Floating Swaps Copper	October 2022 - June 2024	\$3.43	39,134
Fixed-for-Floating Swaps Copper	January - December 2023	\$3.64	37,375

  

Type	Remaining term	Put strike (floor)	Call strike (ceiling)	Notional
ZCC - Call and Put Option Contracts	October - December-2022	\$4.00/lb	\$4.86/lb	10,000
ZCC - Call and Put Option Contracts	January - December-2023	\$3.20/lb	\$4.15/lb	27,500

#### (b) Interest Rate Risk Management

The Company has exposure to interest rates, specifically the 3-month US\$ London Inter-bank Offered Rate ("LIBOR") rate related to the debt financing facility associated with the MVDP. To mitigate the risk of movements in interest rates, and in compliance with a covenant in the MVDP financing, a subsidiary of the Company entered into a fixed-for-floating LIBOR swap at 1.015% until March 2030, with a 0% floor on the LIBOR rate until September 2025.

The Company's outstanding interest rate derivative instruments as of September 30, 2022 are as follows:

Type	Remaining term	Fixed Rate	Notional
Fixed-for-floating swaps	October 2022 - March 2030	1.015%	6,888,319
Floor options	October 2022 - September 2025	0%	5,312,671

Fixed for floating swap notional represents a series of quarterly contracts, with notional amounts in line with planned quarterly balances based on expected project finance debt drawdown and expected amortization. At September 30, 2022, the fair value of the fixed-for-floating swaps and floor option derivative contracts is \$51.1 million (2021 - \$nil).

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

#### (c) Foreign Currency Risk Management

The Company operates on an international basis and therefore, foreign exchange risk exposures arise from transactions denominated in a foreign currency. The Company's foreign exchange risk arises primarily with respect to the Chilean Peso ("CLP"), the Chilean Unidad de Fomento ("UF"), the Mexican Peso ("MXN") and the Canadian dollar ("CDN"). The UF is an artificial inflation-indexed monetary unit used in Chile to denominate certain contracts. The Company's cash flows from Chilean and Mexican operations are exposed to foreign exchange risk, as commodity sales are denominated in US dollars and a substantial portion of operating expenses is denominated in local currencies. As such, the group may use foreign exchange forward and swap contracts and ZCCs to mitigate changes in foreign exchange rates. As a covenant in the MVDP financing, a subsidiary of the Company, entered into contracts in February 2021 to hedge the foreign exchange risk related to the capital expenditures for the MVDP.

At September 30, 2022, the fair value of these derivatives is \$(15.7) million (2021 - \$nil).

The Company's outstanding foreign exchange forwards and swaps as of September 30, 2022, are as follows:

Type	Remaining term	Average Price	Notional
Foreign Exchange Forwards - CLP	October 2022 - March 2024	727.7	20,308,771
Foreign Exchange Swaps - UF	October 2022 - May 2024	41.7	1,389

In September 2022, the Company entered into US dollar to CAD foreign exchange forward contracts whereby it purchased \$12.2 million CAD and sold \$8.9 million USD at an average rate of 1.372. The contracts mature in February 2023. At September 30, 2022, the fair value of these derivatives is \$(0.1) million (2021 - \$nil).

The Company's outstanding foreign exchange ZCCs are as follows:

In 2021, the Company entered into ZCCs CLP to US dollar foreign exchange option contracts covering the period from January through December 2022, representing approximately 75% of Santo Domingo's expected CLP capital costs during this period.

In February 2022, the Company entered into ZCCs CLP to US dollar foreign exchange option contracts covering the period from April 2022 through December 2023, representing approximately 50% of Mantoverde's and Mantos Blancos' expected CLP operating costs during this period.

At September 30, 2022, the fair value of the outstanding CLP contracts is \$(5.5) million (2021 - \$(0.4) million).

In 2021, the Company entered into MXN zero cost collars to US dollar foreign exchange option contracts covering the period from January through December 2022, representing approximately 75% of the expected MXN costs of the Cozamin mine during this period.

At September 30, 2022, the fair value of outstanding MXN contracts is \$0.1 million (December 31, 2021 - \$0.1 million).

The details of the foreign exchange ZCCs outstanding at September 30, 2022 are as follows:

Quantity	Remaining term	Put strike (floor)	Call strike (ceiling)
19.0 billion CLP	October - December 2022	750.0	931.0 - 976.0
62.7 billion CLP	January - December 2023	775.0	965.0 - 1,046.0
126 million MXN	October - December 2022	20.0	24.75

**Capstone Copper Corp.**

## Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

*(tabular amounts expressed in thousands of US dollars, except share and per share amounts)**(d) Quotational pricing contracts*

The Company enters into copper time-spread swaps in order to manage the risk associated with provisional pricing in terms of copper concentrate sales agreements. As at September 30, 2022 the Company had 9,330 metric tonnes of copper swaps outstanding at an effective average cost of \$49 per tonne and settling across November 2022 to January 2023. At September 30, 2022, the fair value of the outstanding contracts is \$0.5 million.

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

	<b>September 30, 2022</b>	December 31, 2021
<b>Derivative financial assets:</b>		
Foreign currency contracts	\$ 49	\$ 76
Interest rate swap contracts	16,664	—
Copper commodity contracts	13,273	—
Quotational pricing contracts	500	—
Share purchase warrants	—	467
<b>Total derivative financial assets - current</b>	<b>30,486</b>	<b>543</b>
Interest rate swap contracts	34,469	—
Copper commodity contracts	27,152	—
<b>Total derivative financial assets - non-current</b>	<b>\$ 61,621</b>	<b>\$ —</b>
<b>Derivative financial liabilities:</b>		
Foreign currency contracts	18,478	387
Copper commodity contracts	87	—
<b>Total derivative financial liabilities - current</b>	<b>\$ 18,565</b>	<b>\$ 387</b>
Foreign currency contracts	2,780	—
<b>Total derivative financial liabilities - non-current</b>	<b>\$ 2,780</b>	<b>\$ —</b>

**Capstone Copper Corp.**

## Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Unrealized gain (loss) on derivative financial instruments:				
Foreign currency contracts	\$ 769	\$ (831)	\$ (9,342)	\$ (2,326)
Copper commodity contracts	61,918	—	184,168	—
Interest rate swap contracts	14,953	—	25,541	—
Quotational pricing contracts	500	—	500	—
Unrealized (loss) gain on warrants	—	(59)	(387)	172
Total unrealized gain (loss) on derivative financial instruments	78,140	(890)	200,480	(2,154)
Realized gain (loss) on derivative financial instruments:				
Foreign currency contracts	(11,577)	701	(18,710)	2,039
Copper commodity contracts	10,457	—	(7,480)	—
Interest rate swap contracts	1,240	—	1,233	(49)
Total realized (loss) gain on derivative financial instruments	120	701	(24,957)	1,990
Total unrealized and realized gain (loss) on derivative financial instruments:	\$ 78,260	\$ (189)	\$ 175,523	\$ (164)

**6. Receivables**

Details are as follows:

	September 30, 2022	December 31, 2021
Copper cathode	\$ 48,050	\$ —
Copper concentrate	21,900	24,686
Value added taxes and other taxes receivable	27,282	2,135
Income taxes receivable	5,737	—
Receivable on sale of Minto	5,000	5,000
Other	9,953	1,668
Total receivables	\$ 117,922	\$ 33,489

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

## 7. Inventories

Details are as follows:

	<b>September 30, 2022</b>	December 31, 2021
Raw materials and consumables	\$ 76,998	\$ 41,290
Work-in-progress	31,663	4,463
Finished goods - copper cathode	21,020	635
Finished goods - copper concentrate	12,797	16,437
Total inventories	\$ 142,478	\$ 62,825

During the three and nine months ended September 30, 2022, concentrate and cathode inventories recognized as production costs, including depletion and amortization, amounted to \$273.0 million and \$749.4 million (2021 – \$100.9 million and \$315.3 million).

During the three and nine months ended September 30, 2022, the Company recorded write-downs of \$3.4 million and \$4.0 million related to Mantoverde's cathode inventories and Pinto Valley's ore stockpile and supplies inventories. Of the \$3.4 million and \$4.0 million of write-downs during the three and nine months ended September 30, 2022, \$3.3 million and \$3.9 million and \$0.1 million and \$0.1 million was recorded as production costs and depletion and amortization, respectively.

During the three and nine months ended September 30, 2021, the Company recorded write-downs of \$0.3 million related to Pinto Valley's molybdenum concentrate inventories. Of the \$0.3 million of write-downs during the three and nine months ended September 30, 2021, \$0.3 million and \$nil was recorded as production costs and depletion and amortization, respectively.

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

## 8. Mineral Properties, Plant and Equipment

Details are as follows:

	Mineral properties			Plant and equipment			Total
	Depletable		Non-depletable	Subject to amortization		Not subject to amortization	
	Producing mineral properties	Deferred stripping	Mineral exploration and development properties	Plant & equipment	Right of use assets	Construction in progress	
At January 1, 2022, net	\$ 413,573	\$ 89,245	\$ 411,154	\$ 293,938	\$ 14,622	\$ 88,338	\$ 1,310,870
Business combination with Mantos	1,887,089	—	206,860	117,991	78,146	698,651	2,988,737
Additions	71,643	51,365	38,442	4,290	27,163	273,693	466,596
Rehabilitation provision adjustments	(106)	—	—	—	—	—	(106)
Reclassifications	23,943	—	(23,684)	27,885	(4,871)	(23,273)	—
Depletion and amortization	(63,334)	(23,562)	—	(38,496)	(17,365)	—	(142,757)
At September 30, 2022, net	\$ 2,332,808	\$ 117,048	\$ 632,772	\$ 405,608	\$ 97,695	\$ 1,037,409	\$ 4,623,340
At September 30, 2022:							
Cost	\$ 2,742,489	\$ 218,449	\$ 632,772	\$ 1,979,436	\$ 202,803	\$ 1,037,409	\$ 6,813,358
Accumulated amortization and impairment	(409,681)	(101,401)	—	(1,573,828)	(105,108)	—	(2,190,018)
Net carrying amount	\$ 2,332,808	\$ 117,048	\$ 632,772	\$ 405,608	\$ 97,695	\$ 1,037,409	\$ 4,623,340

The Company's exploration costs were as follows:

	Three months ended		Nine months ended	
	September 30, 2022	2021	September 30, 2022	2021
Exploration capitalized to mineral properties	\$ 1,591	\$ 1,391	\$ 3,971	\$ 5,480
Greenfield exploration expensed to the statement of income	1,777	146	7,041	1,848
	\$ 3,368	\$ 1,537	\$ 11,012	\$ 7,328

Exploration capitalized to mineral properties during the three and nine months ended September 30, 2022 and 2021, relates primarily to brownfield exploration at the Cozamin mine. Greenfield exploration expenses during the three and nine months ended September 30, 2022 and 2021 relate primarily to exploration efforts in the US and Brazil.

As at September 30, 2022, construction in progress primarily relates to capital costs incurred in connection with the Mantos Blancos Concentrator Development Project ("Mantos Blancos CDP"), the MVDP, expansionary and sustaining capital at the Pinto Valley and Cozamin mines and the exploration at the Santo Domingo development project. As at December 31, 2021, construction in progress primarily relates to capital costs incurred in connection with sustaining capital at the Pinto Valley and Cozamin mines and the exploration and the Santo Domingo development project. Capital expenditures committed as at September 30, 2022, but not yet incurred is \$270.0 million (December 31, 2021 - \$21.5 million).

## Capstone Copper Corp.

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

As at September 30, 2022, the Revolving Credit Facility ("RCF") (Note 13) was secured by the Pinto Valley, Cozamin and Mantos Blancos mineral properties, plant and equipment with a net carrying value of \$1,447.9 million (December 31, 2021 – \$920.1 million).

#### *Mineral property impairment reversal*

On March 31, 2021, the Company identified indicators of impairment reversal related to the Santo Domingo cash generating unit ("CGU"). The Company had recorded impairments of the Santo Domingo CGU in 2015 and 2016 totalling \$302.0 million based on discounted cash flow models due to declining long-term copper and iron ore prices, which negatively impacted future estimated cash flows.

Indicators of impairment reversal included improvements in the long-term outlook for copper and iron ore prices and improved project economics, including the announcement of the \$290 million gold stream ("Gold PMPA") with Wheaton Precious Metals Corp. ("Wheaton"), were considered to be indicators of impairment reversal related to Santo Domingo.

The recoverable amount of \$368.0 million for the Santo Domingo CGU, based on the fair value of the CGU, was determined to be higher than the carrying value by \$92.4 million. The amount of the impairment reversal was determined using management's best estimates, including pricing parameters implied by the market value of selected comparable transactions involving the sale of similar companies and mineral properties. Valuation methodology differs from the previous discounted cash flow model to reflect trading multiples applied by market participants in valuing development stage projects. Due to the combination of observable and unobservable inputs used in the cash flow models, the valuation falls within Level 3 of the fair value hierarchy. As a result, \$92.4 million of the previously recorded impairment was reversed during the three months ended March 31, 2021.

*Long-term copper and iron prices used in the impairment reversal tests were as follows:*

	March 31, 2021
Iron ore price (62% China) - \$/t	\$ 70
Premiums for 65% iron grade - \$/t	\$ 31
Shipping - iron cape sized - \$/t	\$ (20)
Final iron price to model - \$/t	\$ 81
Copper price (\$/lb)	\$ 3.00

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

## 9. Other Assets

Details are as follows:

	September 30, 2022	December 31, 2021
<i>Current:</i>		
Prepays and other	\$ 33,148	\$ 5,450
Other	8,118	—
Total other assets - current	\$ 41,266	\$ 5,450
<i>Non-current:</i>		
Prepayments	\$ 18,046	\$ 12,046
Investments in marketable securities	1,756	6,079
Finance lease receivable	521	861
Capitalized finance fees (Note 13)	—	566
Deposits	8,167	287
Total other assets - non-current	\$ 28,490	\$ 19,839

## 10. Other Liabilities

Details are as follows:

	September 30, 2022	December 31, 2021
<i>Current:</i>		
Current portion of share-based payment obligations	11,306	50,140
Current portion of payable on purchase of NCI (Note 11)	—	43,401
Current portion of deferred revenue (Note 14)	7,926	6,130
Other	339	—
Total other liabilities - current	\$ 19,571	\$ 99,671
<i>Non-current:</i>		
Retirement benefit liabilities	7,559	5,105
Non-current portion of payable on purchase of NCI (Note 11)	39,872	38,428
Other	2,461	2,530
Total other liabilities - non-current	\$ 49,892	\$ 46,063

## 11. Non-Controlling Interest

### Mitsubishi Materials Corporation ("MMC")

As part of the financing for the MVDP, MMC acquired a 30% non-controlling interest in Mantoverde S.A., and agreed to make an additional \$20 million contingent payment upon satisfaction of certain technical requirements relating to the expansion of the tailings storage facility.

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

In addition to the contingent arrangement, MMC agreed to provide a \$60 million Cost Overrun Facility ("COF") in exchange for additional off-take of copper concentrate production under a 10-year contract. The COF carries an interest rate of LIBOR plus 1.70% and amortizing over 37 quarters from the earlier of September 30, 2024 or three quarters after project completion. As at September 30, 2022, the drawn amount of the COF was \$22.9 million.

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 per annum of 20,000 to 30,000 tonnes of copper concentrate depending on the amount that is drawn by Mantoverde under the COF 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 Mantoverde's commercial mine life. The amount payable for copper is based on average LME prices, subject to certain terms (Note 20).

The table below presents a condensed summary of the financial information for Mantoverde S.A. shown on a 100% basis:

	<b>September 30, 2022</b>
Cash and cash equivalents	\$ 96,740
Mineral properties, plant and equipment	2,295,228
Other assets	161,475
<b>Total assets</b>	<b>2,553,443</b>
Accounts payable and accrued liabilities	94,102
Long-term debt	417,730
Amounts due to related party - Cost Overrun Facility	22,917
Deferred income tax liabilities	427,859
Other liabilities	122,724
<b>Total liabilities</b>	<b>1,085,332</b>
Equity attributable to owners of Mantoverde SA	1,029,370
Non-controlling interest	438,741

	<b>Three months ended September 30, 2022</b>	<b>Nine months ended September 30, 2022</b>
Net Revenue	\$ 82,621	\$ 227,583
Earnings (loss) from mining operations	(35,568)	(33,382)
Realized and unrealized gain on derivative instruments	44,034	131,188
Income tax and other expense	2,737	(26,522)
Net income for the period ended September 30, 2022	<b>11,203</b>	<b>71,284</b>
Profit attributable to owners of Mantoverde SA	7,842	49,899
Profit attributable to the non-controlling interest	3,361	21,385
Profit for the period	<b>\$ 11,203</b>	<b>\$ 71,284</b>
Business combination with Mantos (Note 4)	435,380	417,356
Share of profit for the period ended September 30, 2022	3,361	21,385
Balance at September 30, 2022	<b>\$ 438,741</b>	<b>\$ 438,741</b>

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

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#### Purchase of Non-Controlling Interest from KORES

On March 24, 2021, Capstone Mining completed a Share Purchase Agreement (the “SPA”) with KORES to purchase KORES’ 30% ownership interest in Acquisition Co. for cash consideration of \$120 million and non-cash consideration of \$32.4 million, enabling Capstone Mining’s consolidation of 100% ownership in Santo Domingo (Note 1).

The cash consideration of \$120 million consists of three payments, payable as follows and subject to withholding taxes:

- \$30 million paid on closing (paid \$17.1 million to KORES net of withholding taxes of \$12.9 million on March 24, 2021);
- \$45 million payable 18 months following closing (paid \$34.7 million to KORES net of withholding taxes of \$10.3 million on September 26, 2022); and
- \$45 million payable 48 months following closing (Note 10)

The non-cash consideration consisted of Capstone Mining assuming the KORES promissory note of \$32.4 million.

Details of the purchase price allocation are as follows:

Cash consideration	\$	120,000
Discount rate		5 %
Fair value of cash consideration		108,846
Non-cash consideration		32,424
Purchase price		141,270
Accumulated KORES NCI		(136,145)
Portion of purchase price allocated to equity		5,125
Transaction costs		30
Total allocation to equity	\$	5,155

Details of changes in the balance of the KORES promissory note are as follows:

Balance, December 31, 2020	\$	33,847
Cash calls against the promissory note		(1,423)
KORES promissory note assumed by Capstone		(32,424)
Balance, December 31, 2021	\$	—

If Capstone Mining subsequently sold Santo Domingo within 18 months of the purchase of the NCI, and the sale met any of the triggering events set out in the SPA, then the second deferred payment to KORES of \$45 million would have been accelerated. As at September 30, 2022, an unsecured liability of \$39.9 million (December 31, 2021 - \$81.8 million) has been recognized in the condensed interim consolidated statement of financial position equal to the discounted amount of the remaining \$45 million to be paid (Note 10). The discounted amount of the remaining \$45 million will be accreted up to its face value at 5% per annum. During the three and nine months ended September 30, 2022, \$1.0 million and \$3.0 million (September 30, 2021 - \$1.0 million & \$2.0 million) of accretion was recorded in other interest expense in the condensed interim consolidated statements of income.

The net income attributable to the NCI during the three and nine months ended September 30, 2022 was \$nil and \$nil (2021 – \$nil and \$26.0 million), which resulted from the 30% interest owned by KORES in Acquisition Co. prior to this transaction. During the three and nine months ended September 30, 2022, Acquisition Co.’s net (loss) income was \$(0.5) million and \$(2.7) million (2021 - \$(0.8) million and \$85.1 million).

## Capstone Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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### 12. Lease Liabilities

Details are as follows:

	September 30, 2022	December 31, 2021
Lease liabilities (i)	\$ 102,722	\$ 16,041
Less: current portion	(28,445)	(3,410)
Non-current portion	\$ 74,277	\$ 12,631

- i. \$78.1 million in lease liabilities were acquired through the business combination between Capstone and Mantos.

Undiscounted lease payments:

	September 30, 2022
Not later than 1 year	\$ 33,567
Later than 1 year and not later than 5 years	67,502
Later than 5 years	15,401
	\$ 116,470

### 13. Long-Term Debt

Details of the long-term debt balances are as follows:

	September 30, 2022
Mantoverde Development Project Facility <sup>(i)</sup>	\$ 417,730
Revolving Credit Facility	91,768
Long-term debt	\$ 509,498

- i. At September 30, 2022, \$410 million was drawn on the facility with the remaining \$7.7 million an adjustment to record the debt at its fair value as required as part of the accounting for the business combination with Mantos. This fair value adjustment amortizes down to its historical cost over the duration of the facility.

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

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

#### *Mantoverde Development Project Facility*

Mantoverde secured \$572 million in debt financing facility to fund the construction of the MVDP. The debt facility comprises a senior secured amortizing project debt facility in an aggregate amount of \$520 million (the "Covered Facility" \$250 million, the "Uncovered Facility" \$210 million, and the "ECA Direct Facility" \$60 million) and a \$52 million senior secured mine closure bonding facility (the "Bonding Facility"). 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 respective project's property and shares, insurance coverage, maintenance of off-take agreements, compliance with environmental and social matters, restrictions on new financial indebtedness, distributions and dispositions, and compliance with certain financial ratios. As at September 30, 2022, the Company was in compliance with these covenants.

As a condition to the financing facilities, 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 financing agreements and the financing for the MVDP.

Interest on borrowings under the MVDP Facility is payable quarterly at a variable rate of 3-month US\$ LIBOR plus a margin per annum (i.e., 1.65% for the Covered Facility and, with respect to the Uncovered Facility, a rate of 3.75% and with respect to the ECA Direct Facility, a rate of 4.00% pre-completion of the MVDP, and decreasing to 3.50% and 3.75% respectively post-completion of the MVDP). Pursuant to the Covered Facility, an export credit agency guaranteed premium of 2.05% per annum is also payable quarterly and calculated over amounts outstanding under the Covered Facility. The MVDP is secured by a comprehensive security package covering substantially all of Mantoverde's assets. These facilities amortize from the earlier of September 30, 2024 and 180 days after project completion. The Uncovered Facility amortizes over a 10 year period and the Covered Facility and ECA Direct Facility amortize over 12 years.

#### *Revolving Credit Facility*

On May 12, 2022, Capstone Mining amended its corporate RCF. The amended RCF was increased to \$500 million, plus \$100 million accordion option available 180 days after closing, and has a maturity of four years from closing and an interest cost of adjusted term Secured Overnight Financing Rate ("SOFR") plus a margin of 1.875% - 2.75% depending on the total net leverage ratio. The amended RCF became effective on July 22, 2022 after all the required security was in place and customary closing conditions were met.

The interest rate at September 30, 2022 was adjusted term SOFR plus 1.875% (2021 - US LIBOR plus 2.50%) with a standby fee of 0.42% (2021 - 0.56%) payable on the undrawn balance (adjustable in certain circumstances).

The RCF in effect as of September 30, 2022 is secured against the present and future real and personal property, assets and undertakings of Capstone Copper (other than defined excluded entities, Acquisition Co., Far West Mining Ltd., Minera Santo Domingo SCM, and Far West Exploration S.A., Mantoverde Holding SpA, Mantoverde S.A., Mantos Copper Delaware LLC and subject to certain exclusions for Capstone Mining Chile SpA).

The credit facility requires Capstone to maintain certain financial ratios relating to debt and interest coverage. Capstone was in compliance with these covenants as at September 30, 2022. As at September 30, 2022, the balance of the RCF was \$91.8 million (December 31, 2021 - \$nil).

## Capstone Copper Corp.

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Details of the balance are as follows:

	<b>September 30, 2022</b>
Balance drawn on the RCF	<b>\$ 95,000</b>
Deferred financing fees	<b>(3,232)</b>
Total RCF balance	<b>\$ 91,768</b>

As at September 30, 2022, there were seven surety bonds totaling \$216.6 million to support various reclamation obligation bonding requirements. This comprises \$167.6 million securing reclamation obligations at Pinto Valley, \$4.0 million provided as security as part of a power supply agreement at Pinto Valley, \$1.7 million related to the construction of a port for the Santo Domingo development project in Chile, \$19.5 million at Mantoverde, and \$23.9 million at Mantos Blancos, respectively, securing reclamation obligations.

#### *Mantos Blancos Concentrator Development Project Debt Facility*

A subsidiary of the Company entered into a \$150 million debt facility with Glencore Chile SpA ("Glencore") in connection with the Mantos Blancos CDP, with an associated off-take agreement with Complejo Metalúrgico Altonorte S.A. for 75% of the concentrates produced including the silver contained (both agreements expire on December 31, 2026). Interest on borrowings under the Mantos Blancos CDP Facility is payable quarterly at a variable rate of 3-month US\$ LIBOR plus a margin of 4.5% per annum and repayment terms require that the Company make repayment installments quarterly, equal to a percentage of the aggregate loans outstanding at the end of the period. On July 22, 2022, the Company fully repaid the Mantos Blancos CDP debt facility and the facility was cancelled.

## 14. Deferred Revenue

#### *Silver Precious Metals Purchase Arrangement ("Silver PMPA")*

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

The Company recorded the upfront cash consideration received of \$150 million as deferred revenue and recognizes amounts in revenue as silver is delivered under the Silver PMPA. Capstone determines the amortization of deferred revenue to the condensed interim consolidated statements of income on a per unit basis using the estimated total number of silver ounces expected to be delivered over the life of the Cozamin mine. The amortization rate requires the use of proven and probable mineral reserves and certain mineral resources which management is reasonably confident will be transferred to mineral reserves. The Company estimates the current portion of deferred revenue based on deliveries anticipated over the next twelve months. During the three and nine months ended September 30, 2022, the Company delivered 172,732 and 466,626 ounces (2021 - 176,243 and 561,008 ounces) of silver to Wheaton under the Silver PMPA.

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

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#### Gold Precious Metals Purchase Arrangement ("Gold PMPA")

On April 21, 2021, Capstone Mining received an early deposit of \$30 million ("the Early Deposit") in relation to the Gold PMPA with Wheaton effective March 24, 2021. Additional deposits of \$260 million are to be received under the Gold PMPA 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 (collectively "the Deposit"). Wheaton will receive 100% of the gold production from the Company's Santo Domingo development project until 285,000 ounces have been delivered, thereafter dropping to 67% of the gold production for the remaining life of mine.

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

Details of changes in the balance of deferred revenue are as follows:

	Silver PMPA	Gold PMPA	Total
Balance, December 31, 2021	\$ 140,510	\$ 31,360	\$ 171,870
Non-cash finance costs	5,901	1,599	7,500
Recognized as revenue on delivery of silver and gold	(10,126)	—	(10,126)
Balance, September 30, 2022	\$ 136,285	\$ 32,959	\$ 169,244

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

Details of the deferred revenue balance are as follows:

	September 30, 2022	December 31, 2021
Deferred revenue	\$ 169,244	\$ 171,870
Less: current portion (Note 10)	(7,925)	(6,130)
Non-current portion	\$ 161,319	\$ 165,740

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

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## 15. Income Taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Income before income taxes	\$ 64,400	\$ 52,664	\$ 252,861	\$ 276,673
Canadian federal and provincial income tax rates	27.00 %	27.00 %	27.00 %	27.00 %
Income tax expense based on the above rates	17,388	14,219	68,272	74,702
Increase (decrease) due to:				
Non-deductible expenditures	(261)	440	9,395	1,080
Effects of different statutory tax rates on losses (income) of subsidiaries	899	231	789	(3,385)
Mexican and Chilean mining royalty taxes	2,937	2,119	9,001	5,747
Current period losses for which deferred tax assets (were) were not recognized	3,280	(1,405)	(2,527)	5,338
Non-recognition of tax liabilities related to impairment reversal	—	—	—	(20,991)
Withholding taxes	1,921	685	1,921	1,211
Adjustments to tax estimates in prior years	306	—	300	(552)
Foreign exchange and other translation adjustments	67	784	(298)	1,163
Other	389	553	1,477	909
Income tax expense	\$ 26,926	\$ 17,626	\$ 88,330	\$ 65,222
Current income and mining tax expense	\$ 12,404	\$ 14,232	\$ 36,005	\$ 37,043
Deferred income tax expense	14,522	3,394	52,325	28,179
Income tax expense	\$ 26,926	\$ 17,626	\$ 88,330	\$ 65,222

## 16. Share Capital

### Authorized

An unlimited number of common voting shares without par value.

### Stock options

Pursuant to the Company's amended stock option plan, directors may authorize the granting of options to directors, officers and employees of the Company to a maximum of 10% of the issued and outstanding common shares at the time of grant, with a maximum of 5% of the Company's issued and outstanding shares reserved for any one person annually. Options granted under the plan have a term not to exceed five years, with the vesting term at the discretion of the Board. The exercise price of options granted are denominated in Canadian dollars ("C\$").

## Capstone Copper Corp.

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Three and Nine Months Ended September 30, 2022 and 2021

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

	Options outstanding	Weighted average exercise price (C\$)
Outstanding, December 31, 2021	10,443,887	\$ 1.14
Granted	1,008,320	6.41
Exercised	(2,673,449)	0.89
Expired	(6,389)	3.90
Forfeited	(97,950)	1.54
Outstanding, September 30, 2022	8,674,419	\$ 1.82

As at September 30, 2022, the following options were outstanding and outstanding and exercisable:

Exercise prices (C\$)	Outstanding			Outstanding & exercisable		
	Number of options	Weighted average exercise price (C\$)	Weighted average remaining life (years)	Number of options	Weighted average exercise price (C\$)	Weighted average remaining life (years)
\$0.54 - \$0.91	5,717,645	\$ 0.67	2.2	4,362,265	\$ 0.66	2.1
\$1.44	871,773	1.44	0.4	871,773	1.44	0.4
\$3.23 - \$3.90	1,066,802	3.90	3.4	468,871	3.90	3.4
\$4.72	41,939	4.72	4.6	—	—	—
\$5.08 - \$6.97	976,260	\$ 6.50	4.5	141,040	\$ 6.74	4.4
	8,674,419	\$ 1.82	2.4	5,843,949	\$ 1.18	2.0

During the three and nine months ended September 30, 2022, the total fair value of options granted was \$0.1 million and \$2.1 million (2021 – \$nil and \$1.4 million) and had a weighted average grant-date fair value of C\$1.64 and C\$2.97 (2021 – C\$nil and C\$1.65) per option. During the three and nine months ended September 30, 2022, the weighted average share price of the 0.1 million and 2.7 million options exercised during the period was C\$3.27 and C\$6.46 (2021 - 1.6 million and 4.5 million options and C\$5.48 and C\$5.02, respectively).

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Risk-free interest rate	2.87 %	N/A	1.88 %	0.34 %
Expected dividend yield	nil	N/A	nil	nil
Expected share price volatility	63 %	N/A	61 %	59 %
Expected forfeiture rate	6.24 %	N/A	6.24 %	6.14 %
Expected life	3.8 years	N/A	3.8 years	3.7 years

#### Other share-based compensation plans

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

## Capstone Copper Corp.

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

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

During the three and nine months ended September 30, 2022, the total fair value of DSUs, RSUs, and PSUs granted under the SUP was \$0.1 million and \$5.4 million (2021 – \$nil and \$3.2 million), and had a weighted average grant-date fair value of C\$3.23 and C\$6.90 (2021 – C\$nil C\$3.94) per unit.

Beginning in 2021, PSUs and RSU's awarded to executives have been granted under a Treasury Share Unit Plan ("TSUP"). Treasury PSUs granted to executives vest after three years and are subject to a performance measure of 0% to 200%. Treasury RSUs granted to executives vest 1/3 per year starting on the first anniversary of the grant date. Canadian based executives are able to retain the PSUs and RSUs after vesting and elect when to redeem the units within 10 years of the grant date. Under the TSUP, PSU and RSU obligations can be settled in shares from treasury or cash, at the election of the Company.

During the three and nine months ended September 30, 2022, the total fair value of units granted under the TSUP was \$nil and \$3.5 million (2021 – \$nil and \$2.1 million), and had a weighted average grant-date fair value of C\$nil and C\$4.53 (2021 – \$nil and C\$2.61) per unit.

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Risk-free interest rate	N/A	N/A	1.90 %	0.67 %
Expected dividend yield	N/A	N/A	nil	nil
Expected share price volatility	N/A	N/A	60 %	60 %
Expected forfeiture rate	N/A	N/A	nil	nil
Expected life	N/A	N/A	9.2 years	10 years

No Capstone shares were purchased by the Share Purchase Trust during the three and nine months ended September 30, 2022 and 2021.

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

	Share Unit Plan			Treasury Share Unit Plan	
	DSUs	RSUs	PSUs	RSUs	PSUs
Outstanding, December 31, 2021	3,116,341	8,294,406	6,102,367	347,033	694,063
Granted	65,102	878,824	44,843	350,323	700,640
Transferred	—	24,485	48,970	(24,485)	(48,970)
Forfeited	—	(162,372)	—	—	—
Settled	(909,702)	(6,193,883)	(2,766,920)	—	—
Outstanding, September 30, 2022	2,271,741	2,841,460	3,429,260	672,871	1,345,733

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

#### Share-based compensation expense

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Share-based compensation expense related to stock options	\$ 371	\$ 297	\$ 2,569	\$ 840
Share-based compensation expense related to RSUs and PSUs (TSUP)	479	239	1,633	559
Share-based compensation expense related to DSUs, RSUs and PSUs (SUP)	1,459	667	3,869	45,643
Total share-based compensation expense	\$ 2,309	\$ 1,203	\$ 8,071	\$ 47,042

## 17. Revenue

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Copper concentrate	\$ 200,399	\$ 164,146	\$ 640,054	\$ 573,154
Copper cathode	119,706	—	315,360	—
Silver	7,741	8,872	25,661	29,439
Molybdenum	771	—	2,693	—
Zinc	—	739	1,712	6,016
Gold	34	679	851	2,064
Lead	—	(7)	—	359
Total gross revenue	328,651	174,429	986,331	611,032
Less: treatment and selling costs	(19,947)	(9,017)	(52,897)	(32,156)
Revenue	\$ 308,704	\$ 165,412	\$ 933,434	\$ 578,876

Revenue recognized in the reporting period for provisional pricing changes recorded in the above table:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Copper concentrate	\$ 10,886	\$ 4,448	\$ (24,217)	\$ (10,710)
Copper cathode	131	—	(3,439)	—
Silver	213	378	(201)	(598)
Gold	(274)	213	(359)	(51)
Zinc	—	(90)	(35)	(21)
Lead	—	(7)	—	(9)
Molybdenum	(84)	—	(87)	—
Revenue adjustments from provisional pricing arrangements	\$ 10,872	\$ 4,942	\$ (28,338)	\$ (11,389)

**Capstone Copper Corp.**

## Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

*(tabular amounts expressed in thousands of US dollars, except share and per share amounts)***18. Earnings Per Share***Earnings per share, calculated on a basic and diluted basis, is as follows:*

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Earnings per share				
Basic	\$ 0.05	\$ 0.09	\$ 0.24	\$ 0.46
Diluted	0.05	0.08	0.23	0.45
<i>Net earnings</i>				
Net earnings attributable to common shareholders - basic and diluted	\$ 34,113	\$ 35,038	\$ 143,146	\$ 185,415
Weighted average shares outstanding - basic	687,376,497	406,701,553	604,534,669	405,096,229
Dilutive securities				
Stock options	4,862,669	8,316,425	5,779,954	8,095,013
TSUP units	—	269,811	200,593	194,941
Weighted average shares outstanding - diluted	692,239,166	415,287,789	610,515,216	413,386,183
<i>Potentially dilutive securities excluded (as anti-dilutive)</i>				
Stock options	3,811,750	2,299,269	2,894,465	2,520,681
TSUP units	2,018,604	771,285	1,818,011	846,155

**19. Supplemental Cash Flow Information***The changes in non-cash working capital items are composed as follows:*

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Receivables	\$ 6,062	\$ (8,430)	\$ 40,658	\$ 1,783
Inventories	10,677	(5,215)	5,763	1,426
Other assets	7,281	(15,709)	(3,045)	(12,777)
Accounts payable and accrued liabilities	(23,452)	12,907	(67,263)	8,038
Other liabilities	(274)	38,832	(36,450)	28,063
Net change in non-cash working capital	\$ 294	\$ 22,385	\$ (60,337)	\$ 26,533

## Capstone Copper Corp.

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
VAT receivable	\$ (93)	\$ 7,307	\$ (258)	\$ 6,384
Other non-current assets	(3,373)	15,086	(3,374)	15,292
Other non-current liabilities	486	(41,866)	2,087	(40,886)
Net change in other non-cash items	\$ (2,980)	\$ (19,473)	\$ (1,545)	\$ (19,210)

The significant non-cash financing and investing transactions during the year are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Decrease (increase) in accounts payable and accrued liabilities related to mineral properties, plant and equipment	\$ 15,673	\$ (860)	\$ 6,129	\$ 5,017
Amortization of mining equipment capitalized to deferred stripping assets	2,138	778	4,113	3,001
Fair value of stock options allocated to share capital upon exercise	9	550	895	2,161
Business combination with Mantos (Note 4)	—	—	1,592,679	—
	\$ 17,822	\$ 470	\$ 1,603,818	\$ 10,181

## 20. 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 Jetty Resources, LLC ("Jetty")

Under the terms of the 2019 agreement, the Company is required to make quarterly royalty payments to Jetty 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 (Note 13).

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

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

The Company 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") up to the end of December 2027.

The Company has a concentrate off-take agreement with a third party whereby the third party will purchase 100% of the copper concentrate produced by the Cozamin Mine up to the end of December 2022.

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 thousand 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 per annum of 20,000 to 30,000 tonnes of copper concentrate depending on the amount that is drawn by Mantoverde under the COF 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 Mantoverde's commercial mine life. The amount payable for copper is based on average LME prices, subject to certain terms (Note 11).

#### Other

The Company has a contractual agreement extending until 2033 to purchase water for operations at Mantos Blancos.

The Company has contractual agreements for the purchase of power for operations at Mantos Blancos and Mantoverde, extending until 2028 and 2039, respectively.

The Company has contractual arrangements at Mantos Blancos and Mantoverde for the purchase of acid in 2023 and 2024 of 325 ktonnes and 420 ktonnes, respectively.

Included in value added taxes ("VAT") and other taxes receivable is \$1.3 million of VAT related to Minera Santo Domingo which has been reclassified from non-current other assets (Note 6). The Company has provided a guarantee to the Chilean Internal Revenue Service that all VAT amounts refunded, plus interest, will be repaid if construction of the Santo Domingo development project is not completed by August 31, 2026.

## 21. General & Administrative Expenses

Details are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
General & administrative	\$ 6,147	\$ 4,289	\$ 18,358	\$ 12,438
Corporate depreciation	142	170	471	499
	\$ 6,289	\$ 4,459	\$ 18,829	\$ 12,937

**Capstone Copper Corp.**

## Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

*(tabular amounts expressed in thousands of US dollars, except share and per share amounts)***22. Other (Expense) Income***Details are as follows:*

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Mantos integration costs	\$ (281)	\$ —	\$ (3,401)	\$ —
Insurance proceeds	—	—	2,368	—
Mark-to-market gain on contingent consideration (Note 9)	—	998	—	5,067
Streaming arrangement transaction costs	—	(100)	—	(1,029)
Business development costs	—	(509)	—	(1,110)
Other expense	(2,860)	(545)	(5,718)	(1,105)
	\$ (3,141)	\$ (156)	\$ (6,751)	\$ 1,823

**23. Finance Costs***Details of interest on long-term debt and surety bonds are as follows:*

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Interest and standby fees on RCF and surety bonds	\$ 1,524	\$ 683	\$ 3,233	\$ 2,966
Amortization of financing fees (Note 9)	225	283	792	849
	\$ 1,749	\$ 966	\$ 4,025	\$ 3,815

*Details of other interest are as follows:*

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Interest accretion on deferred revenue (Note 14) (i)	\$ 2,500	\$ 2,950	\$ 7,500	\$ 5,750
Interest on leases	1,451	165	3,005	470
Accretion on payable on purchase of NCI (Note 11) (ii)	971	987	3,037	1,963
Accretion on asset retirement obligations	823	169	2,338	505
Other interest (income) expense	(1,071)	(8)	(1,355)	(64)
	\$ 4,674	\$ 4,263	\$ 14,525	\$ 8,624

## Capstone Copper Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022 and 2021

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

## 24. Segmented Information

The Company is engaged in mining, exploration and development of mineral properties, and has operating mines in the US, Chile and Mexico. The Company has six reportable segments as identified by the individual mining operations of Pinto Valley (US), Mantos Blancos (Chile), Mantoverde (Chile), Cozamin (Mexico), as well as the Santo Domingo development project (Chile) and Other. The business combination with Mantos was completed on March 23, 2022, therefore no results for the Mantos Blancos and Mantoverde segments are reflected in the prior period comparative figures. Early stage exploration, other and corporate operations are reported in the Other segment. Intercompany revenue and expense amounts have been eliminated within each segment in order to report on the basis that management uses internally for evaluating segment performance. Total assets and liabilities do not reflect intercompany balances, which have been eliminated on consolidation. Segments are operations reviewed by the CEO, who is considered to be the chief operating decision maker.

Operating segment details are as follows:

	Three months ended September 30, 2022						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
<b>Revenue</b>							
Copper concentrate	\$ 94,826	\$ 61,930	\$ —	\$ 43,643	\$ —	\$ —	\$ 200,399
Copper cathode	4,983	30,508	84,215	—	—	—	119,706
Silver	694	424	—	6,623	—	—	7,741
Molybdenum	771	—	—	—	—	—	771
Gold	34	—	—	—	—	—	34
Treatment and selling costs	(9,400)	(6,191)	(1,594)	(2,762)	—	—	(19,947)
<b>Net revenue</b>	<b>91,908</b>	<b>86,671</b>	<b>82,621</b>	<b>47,504</b>	<b>—</b>	<b>—</b>	<b>308,704</b>
<b>Production costs</b>	<b>(70,719)</b>	<b>(74,680)</b>	<b>(108,903)</b>	<b>(17,132)</b>	<b>—</b>	<b>—</b>	<b>(271,434)</b>
<b>Royalties</b>	<b>(385)</b>	<b>(1,400)</b>	<b>—</b>	<b>(405)</b>	<b>—</b>	<b>—</b>	<b>(2,190)</b>
<b>Depletion and amortization</b>	<b>(18,764)</b>	<b>(14,283)</b>	<b>(9,286)</b>	<b>(3,963)</b>	<b>—</b>	<b>—</b>	<b>(46,296)</b>
<b>Income (loss) from mining operations</b>	<b>2,040</b>	<b>(3,692)</b>	<b>(35,568)</b>	<b>26,004</b>	<b>—</b>	<b>—</b>	<b>(11,216)</b>
<b>General and administrative expenses</b>	<b>(85)</b>	<b>—</b>	<b>—</b>	<b>(18)</b>	<b>(18)</b>	<b>(6,168)</b>	<b>(6,289)</b>
<b>Exploration expenses</b>	<b>—</b>	<b>—</b>	<b>(1)</b>	<b>(9)</b>	<b>(3)</b>	<b>(1,764)</b>	<b>(1,777)</b>
<b>Share-based compensation expense</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,309)</b>	<b>(2,309)</b>
<b>Income (loss) from operations</b>	<b>1,955</b>	<b>(3,692)</b>	<b>(35,569)</b>	<b>25,977</b>	<b>(21)</b>	<b>(10,241)</b>	<b>(21,591)</b>
<b>Realized and unrealized gains on derivative instruments</b>	<b>—</b>	<b>—</b>	<b>44,034</b>	<b>—</b>	<b>—</b>	<b>34,226</b>	<b>78,260</b>
<b>Other (expense) income</b>	<b>(459)</b>	<b>11,368</b>	<b>2,887</b>	<b>119</b>	<b>(271)</b>	<b>510</b>	<b>14,154</b>
<b>Net finance costs</b>	<b>(1,282)</b>	<b>(467)</b>	<b>48</b>	<b>(2,091)</b>	<b>(533)</b>	<b>(2,098)</b>	<b>(6,423)</b>
<b>Income (loss) before income taxes</b>	<b>214</b>	<b>7,209</b>	<b>11,400</b>	<b>24,005</b>	<b>(825)</b>	<b>22,397</b>	<b>64,400</b>
<b>Income tax recovery (expense)</b>	<b>941</b>	<b>(6,594)</b>	<b>(197)</b>	<b>(8,223)</b>	<b>—</b>	<b>(12,853)</b>	<b>(26,926)</b>
<b>Total net income (loss)</b>	<b>\$ 1,155</b>	<b>\$ 615</b>	<b>\$ 11,203</b>	<b>\$ 15,782</b>	<b>\$ (825)</b>	<b>\$ 9,544</b>	<b>\$ 37,474</b>
<b>Mineral properties, plant &amp; equipment additions</b>	<b>\$ 36,796</b>	<b>\$ 21,903</b>	<b>\$ 64,128</b>	<b>\$ 17,599</b>	<b>\$ 8,082</b>	<b>\$ —</b>	<b>\$ 148,508</b>

- i. Intersegment sales and transfers are eliminated in the table above. For the three months ended September 30, 2022, intersegment revenue for Cozamin and the Other segment was \$3.4 million and \$0.3 million (2021 - \$4.1 million and \$0.4 million), respectively.

**Capstone Copper Corp.**

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Three and Nine Months Ended September 30, 2022 and 2021

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

	Three months ended September 30, 2021				
	Pinto Valley	Cozamin	Santo Domingo	Other	Total
Revenue					
Copper	\$ 108,130	\$ 56,016	\$ —	\$ —	\$ 164,146
Cathode	—	—	—	—	—
Silver	1,197	7,675	—	—	8,872
Zinc	—	739	—	—	739
Gold	679	—	—	—	679
Lead	—	(7)	—	—	(7)
Treatment and selling costs	(6,143)	(2,874)	—	—	(9,017)
Net revenue	103,863	61,549	—	—	165,412
Production costs	(63,506)	(17,038)	—	—	(80,544)
Royalties	(506)	(1,211)	—	—	(1,717)
Depletion and amortization	(16,676)	(3,711)	—	—	(20,387)
Earnings from mining operations	23,175	39,589	—	—	62,764
General and administrative expenses	(535)	(61)	(1)	(3,857)	(4,454)
Exploration expenses	—	(33)	(3)	(130)	(166)
Share-based compensation expense	—	—	—	(1,203)	(1,203)
Earnings (loss) from operations	22,392	39,495	(4)	(5,190)	56,693
Unrealized and realized gains on derivative instruments	—	—	—	555	555
Other income (expense)	142	942	(62)	(998)	24
Net finance costs	(456)	(2,304)	—	(1,619)	(4,379)
Earnings (loss) before income taxes	22,078	38,133	(66)	(7,252)	52,893
Income tax expense	(3,389)	(13,783)	—	(454)	(17,626)
Total net income (loss)	\$ 18,689	\$ 24,350	\$ (66)	\$ (7,706)	\$ 35,267
Mineral properties, plant & equipment additions	\$ 20,628	\$ 9,569	\$ 7,547	\$ 60	\$ 37,804

**Capstone Copper Corp.**

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Three and Nine Months Ended September 30, 2022 and 2021

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

	Nine months ended September 30, 2022						
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
<b>Revenue</b>							
Copper concentrate	356,083	135,798	—	148,173	—	—	640,054
Copper cathode	16,634	67,880	230,846	—	—	—	315,360
Silver	3,651	983	—	21,027	—	—	25,661
Molybdenum	2,693	—	—	—	—	—	2,693
Zinc	—	—	—	1,712	—	—	1,712
Gold	851	—	—	—	—	—	851
Treatment and selling costs	(28,769)	(12,387)	(3,263)	(8,478)	—	—	(52,897)
<b>Net revenue</b>	<b>351,143</b>	<b>192,274</b>	<b>227,583</b>	<b>162,434</b>	<b>—</b>	<b>—</b>	<b>933,434</b>
<b>Production costs</b>	<b>(228,333)</b>	<b>(149,905)</b>	<b>(233,014)</b>	<b>(51,015)</b>	<b>—</b>	<b>—</b>	<b>(662,267)</b>
Royalties	(1,622)	(2,708)	—	(2,789)	—	—	(7,119)
Depletion and amortization	(63,627)	(28,155)	(27,951)	(12,194)	—	—	(131,927)
<b>Income from mining operations</b>	<b>57,561</b>	<b>11,506</b>	<b>(33,382)</b>	<b>96,436</b>	<b>—</b>	<b>—</b>	<b>132,121</b>
<b>General and administrative expenses</b>	<b>(461)</b>	<b>—</b>	<b>—</b>	<b>(77)</b>	<b>(72)</b>	<b>(18,219)</b>	<b>(18,829)</b>
<b>Exploration expenses</b>	<b>—</b>	<b>—</b>	<b>(1)</b>	<b>(60)</b>	<b>(38)</b>	<b>(6,942)</b>	<b>(7,041)</b>
<b>Share-based compensation expense</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(8,071)</b>	<b>(8,071)</b>
<b>Income (loss) from operations</b>	<b>57,100</b>	<b>11,506</b>	<b>(33,383)</b>	<b>96,299</b>	<b>(110)</b>	<b>(33,232)</b>	<b>98,180</b>
<b>Realized and unrealized gains on derivative instruments</b>	<b>—</b>	<b>—</b>	<b>131,188</b>	<b>—</b>	<b>—</b>	<b>44,335</b>	<b>175,523</b>
Other (expense) income	(1,168)	21,425	(816)	(480)	(665)	(20,588)	(2,292)
<b>Net finance costs</b>	<b>(2,459)</b>	<b>(1,114)</b>	<b>(988)</b>	<b>(6,515)</b>	<b>(1,599)</b>	<b>(5,875)</b>	<b>(18,550)</b>
<b>Income (loss) before income taxes</b>	<b>53,473</b>	<b>31,817</b>	<b>96,001</b>	<b>89,304</b>	<b>(2,374)</b>	<b>(15,360)</b>	<b>252,861</b>
<b>Income tax expense</b>	<b>(5,754)</b>	<b>(14,393)</b>	<b>(24,717)</b>	<b>(29,135)</b>	<b>—</b>	<b>(14,331)</b>	<b>(88,330)</b>
<b>Total net income (loss)</b>	<b>\$ 47,719</b>	<b>\$ 17,424</b>	<b>\$ 71,284</b>	<b>\$ 60,169</b>	<b>\$ (2,374)</b>	<b>\$ (29,691)</b>	<b>\$ 164,531</b>
<b>Mineral properties, plant &amp; equipment additions</b>	<b>\$ 77,226</b>	<b>\$ 94,446</b>	<b>\$ 218,047</b>	<b>\$ 53,306</b>	<b>\$ 23,556</b>	<b>\$ 15</b>	<b>\$ 466,596</b>

- i. Intersegment sales and transfers are eliminated in the table above. For the nine months ended September 30, 2022, intersegment revenue for Cozamin and the Other segment was \$10.5 million and \$1.0 million (2021 - \$10.7 million and \$1.4 million), respectively.

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Three and Nine Months Ended September 30, 2022 and 2021

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

	Nine months ended September 30, 2021				
	Pinto Valley	Cozamin	Santo Domingo	Other	Total
Revenue					
Copper	414,330	158,824	—	—	573,154
Cathode	—	—	—	—	—
Silver	4,918	24,521	—	—	29,439
Zinc	—	6,016	—	—	6,016
Gold	2,062	2	—	—	2,064
Lead	—	359	—	—	359
Treatment and selling costs	(22,524)	(9,632)	—	—	(32,156)
Net revenue	398,786	180,090	—	—	578,876
Production costs	(200,346)	(47,472)	—	—	(247,818)
Royalties	(843)	(4,723)	—	—	(5,566)
Depletion and amortization	(56,012)	(11,494)	—	—	(67,506)
Earnings from mining operations	141,585	116,401	—	—	257,986
General and administrative expenses	(716)	(239)	(7)	(11,975)	(12,937)
Exploration expenses	—	(1,061)	(25)	(762)	(1,848)
Impairment reversal on mineral properties	—	—	92,392	—	92,392
Share-based compensation expense	—	—	—	(47,042)	(47,042)
Earnings (loss) from operations	140,120	115,101	92,360	(59,779)	287,802
Unrealized and realized gain on derivative instruments	—	—	—	25	25
Other income (expense)	77	1,204	(647)	62	696
Net finance costs	(1,417)	(5,512)	(850)	(4,660)	(12,439)
Earnings (loss) before income taxes	138,780	110,793	90,863	(64,352)	276,084
Income tax (expense) recovery	(24,052)	(37,555)	(3,961)	346	(65,222)
Total net income (loss)	\$ 114,728	\$ 73,238	\$ 86,902	\$ (64,006)	\$ 210,862
Mineral properties, plant & equipment additions	\$ 65,741	\$ 28,308	\$ 20,674	\$ 117	\$ 114,840

**As at September 30, 2022**

	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Other	Total
<b>Mineral properties, plant and equipment</b>	<b>\$ 749,285</b>	<b>\$ 941,945</b>	<b>\$ 2,295,228</b>	<b>\$ 221,700</b>	<b>\$ 414,244</b>	<b>\$ 938</b>	<b>\$4,623,340</b>
<b>Total assets</b>	<b>\$ 854,022</b>	<b>\$1,053,406</b>	<b>\$ 2,553,443</b>	<b>\$ 268,279</b>	<b>\$ 481,482</b>	<b>\$ 50,167</b>	<b>\$5,260,799</b>
<b>Total liabilities</b>	<b>\$ 245,965</b>	<b>\$ 290,397</b>	<b>\$ 1,085,332</b>	<b>\$ 217,330</b>	<b>\$ 41,764</b>	<b>\$ 172,370</b>	<b>\$2,053,158</b>

**As at December 31, 2021**

	Santo Domingo				Total
	Pinto Valley	Cozamin	Other	Total	
Mineral properties, plant and equipment	\$ 737,878	\$ 390,721	\$ 180,873	\$ 1,398	\$ 1,310,870
Total assets	\$ 912,132	\$ 434,797	\$ 281,718	\$ 99,315	\$ 1,727,962
Total liabilities	\$ 243,704	\$ 36,585	\$ 247,379	\$ 183,867	\$ 711,535