CAPSTONE COPPER

2023 SUSTAINABILITY REPORT

Building Capacity

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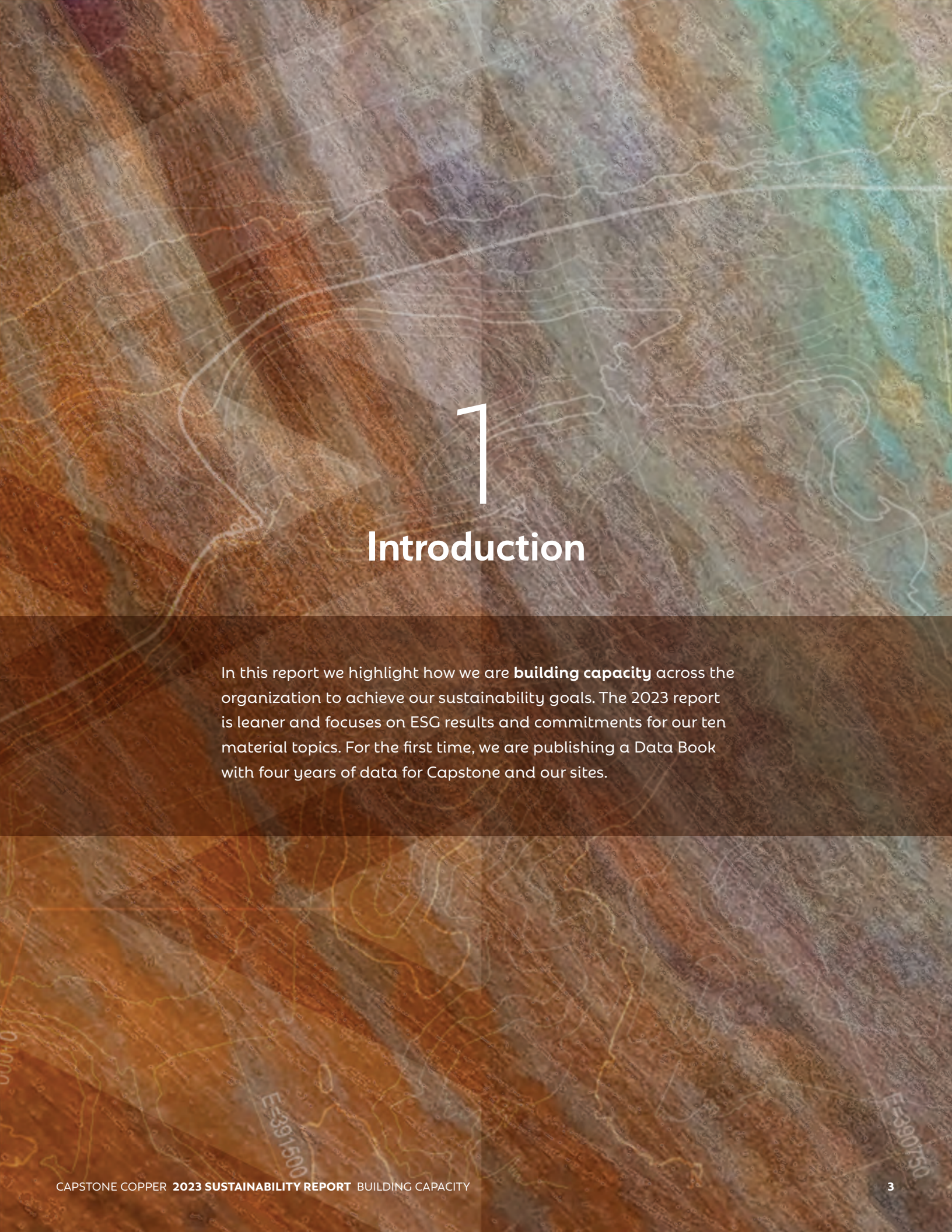
Contents

Lists of Tables



1 Introduction

In this report we highlight how we are **building capacity** across the organization to achieve our sustainability goals. The 2023 report is leaner and focuses on ESG results and commitments for our ten material topics. For the first time, we are publishing a Data Book with four years of data for Capstone and our sites.

Message from the CEO

Capstone Copper marked our first full year as a combined company in 2023. Bringing together the assets and teams of Capstone Mining and Mantos Copper has enabled us to realize opportunities of scale, cross-learning and technical excellence. Our year of working together has solidified our sustainability foundation, with the right skills, broad buy-in and corporate infrastructure to support our sites. It has produced some significant wins, such as achieving The Copper Mark award at our Mantos Blancos and Mantoverde sites in Chile. We started The Copper Mark assurance process three years ago, and it is satisfying to see the result executed exactly per the timeline. Our Pinto Valley and Cozamin operations are also working towards meeting the Copper Mark criteria. However, I do not see The Copper Mark award as an end in itself. Its real value has been the improvement in Capstone's organizational capacity that was required to achieve it, and how we can build on that to keep improving.

In our 2022 Sustainability Report I announced the launch of our Sustainable Development Strategy. Please see the 2023 Highlights section of this report for a summary of our progress on this strategy in 2023. We advanced on our goal to reduce GHG emissions and registered an 11% decrease in market-based emissions compared to 2021 baseline. Our goal to increase the proportion of water withdrawals coming from non-freshwater sources is moving in the right direction, but overall our freshwater use intensity increased. The brightest light in our 2023 water story is the shift by Cozamin to dry-stack tailings, where we have already seen a 48% decrease in total water withdrawals. The implementation of our Sustainable Development Strategy is on track for the remaining three priorities – Tailings, Biodiversity and Communities.

We have opted for a leaner, more results-focused report for 2023, but the headline results are not the whole story. Less visible, but equally critical, are the systems, processes, baselines and deep understanding required to achieve these results. In this report we highlight how we are building capacity across the organization.

Some of the ways we improved our capabilities and strengthened our foundation in 2023:

Involving the right people to implement our strategy. In 2023, we created cross-site and cross-functional working groups for all our Sustainable Development Strategy priorities, as well as a working group for Diversity, Equity and Inclusion (DE&I). Having representation from all sites, along with relevant corporate expertise, encourages buy-in and cross-learning, while respecting each site's unique dynamics.

Focusing on Zero Harm. During 2023, Capstone operations and projects had zero work-related fatalities, however we saw increases in our key incident performance indicators. Our sites responded to this challenge and in the final quarter, we began to see improvements as sites focused on incident review and communication as well as monitoring and detection on the ground by supervisors and site leadership.

Putting key talent in place across Capstone. We made several key hires in 2023, and more in early 2024, to strengthen our corporate and site-level teams in the areas of Health, Safety and Environment (HSE), Environment, Social and Governance (ESG), tailings and operations. We now have significant bench strength in functional, technical and sustainability capabilities. This expertise is essential for achieving the ambitious business and sustainability goals we have set for ourselves.

Finding the right level of standardization. We are also moving towards standardization of key systems and processes, such as our Tailings Management System Framework, while respecting our decentralized operating model. We are aware of the risk of over-standardizing and are moving thoughtfully to develop and roll out consistent systems and processes, with support

Our year of working together has solidified our sustainability foundation, with the right skills, broad buy-in and corporate infrastructure to support our sites. It has produced some significant wins, such as achieving The Copper Mark award at our Mantos Blancos and Mantoverde sites in Chile.

from our corporate teams. Our corporate teams build capacity – setting the standards, training and coaching, and providing governance and oversight. Standardization is also important for measurement and reporting, and we are developing a roadmap for adoption of global sustainability reporting standards.

Supporting all our people. DE&I is a significant area of opportunity for Capstone and remains a work in progress. We are currently focusing on gender diversity, which is our greatest, most immediate opportunity. Over time, we will expand to other areas of diversity. We have seen some progress in terms of the gender diversity numbers, but it's even more important to get the culture right. We do that, in part, by bringing women into leadership positions, and other senior roles, such as the women who serve as our Head of Processing and Head of Geology at Mantos Blancos, and our General Manager at Pinto Valley.

Understanding our baselines. Part of our approach to DE&I is obtaining baselines to help us understand conditions affecting or supporting diversity and inclusion at our mine sites. In 2023, we established site-level DE&I committees that led workplace hygiene studies, including assessment of facilities and practices that support inclusion. Baselines are also important to our management of biodiversity. Our Sustainable Development Strategy Biodiversity priority aims for a net positive impact, so it's vital to understand our starting point at each site and develop bespoke solutions that reflect the hierarchy of management approaches. In 2023, we actively monitored biodiversity at Pinto Valley, Mantoverde and Cozamin, with Cozamin deploying camera traps that allowed for enhanced monitoring of mobile species.

Working with our communities. We are deeply aware that all mines have finite lives and are determined to make a sustainable boost to the wellbeing of our communities while we have the opportunity. Our capacity building extends to our communities, where we are working with local groups and governments at the local, state and national levels to help develop enduring economic opportunities. We support educational programs at all levels, from elementary to high school, as well as internships and technical training for skills development. For instance, for almost 20 years we have been supporting the Delta-UCN Talent Leadership Development program in Antofagasta.

Looking ahead, I see exciting developments on the horizon, based on our strong technical and operational foundation. We have signed an agreement to provide desalinated water to communities near Mantoverde once the local distribution network is in place and will do the same in the future under our Santo Domingo commitments. Another potential synergy in the Mantoverde-Santo Domingo district is the presence of cobalt at both sites. In the past, neither site could justify processing it on their own, but the combined scale of operations improves its feasibility. We are piloting technology to produce cobalt alongside copper at Mantoverde which could improve copper recovery from the ore and overall copper cathode production.

I take pride in the progress we are making on our Sustainable Development Strategy, and in our people who continually demonstrate their commitment to our Capstone way of doing business. On behalf of our entire Board, Executive Committee and site managers, I'd like to thank all our Capstone employees, who help us deliver the copper the world needs, safely and responsibly.

John MacKenzie, CEO, Capstone Copper

In the first year of implementation of our Sustainable Development Strategy, we advanced on our goal to reduce GHG emissions and registered an 11% decrease in market-based emissions compared to our 2021 baseline. Please see the Highlights section for a summary of our progress on this strategy in 2023.

About Capstone Copper

Capstone Copper Corp. is an Americas-focused copper mining company headquartered in Vancouver, Canada. We operate four properties: Pinto Valley in Arizona, US; Cozamin in Zacatecas, Mexico; and Mantos Blancos and Mantoverde[1] in the Antofagasta and Atacama regions of Chile, respectively. We also have a fully permitted development project in the Atacama region of Chile (Santo Domingo) and a portfolio of exploration projects in the Americas. Our Chilean operations and project are supported by a local office in Santiago, Chile. All our operating mines and development projects, except Mantoverde, are 100% owned by Capstone. We own 70% of Mantoverde, with the remaining 30% owned by Mitsubishi Materials Corporation.

Capstone Copper's principal product is copper (in concentrate as well as copper cathode), with silver, zinc and other metals produced as by-products. We serve domestic and international markets, including smelters in Japan, China and Chile.

Our strategy is to unlock copper production growth while executing on cost and operational improvements through innovation, optimization, and safe and responsible production throughout our portfolio of assets. We focus on producing copper to meet the world's growing needs, positively impacting our people and local communities, and delivering returns to investors. We are investing to extend mine life at all our sites.

As of December 31, 2023, Capstone had 3,290 employees and 5,230 contractors, including 54 employees in Canada and 3,236 employees outside of Canada.

Our Values

Capstone's approach to ESG governance, management and doing business responsibly is grounded in our Vision and Values.

Safety

Safety is non-negotiable. Making safe choices ensures, and can improve, the health and well-being of our people, contractors and communities. Zero harm is the ultimate goal.

Accountability

We take ownership for ourselves and our work. We act with integrity. We do everything honestly, ethically, fairly and transparently.

Excellence

We strive to excel at all we do. We continuously seek innovative ways to improve the business. We are focused on growth and committed to unlocking the full potential of ourselves, our teams and our resources.

Caring

We develop open and constructive relationships. We embrace diversity. We see ourselves as stewards of resources. We care deeply for our people, the environment and communities.

[1] A third-party has a non-controlling 30% interest in Mantoverde. We used the financial and operational control test of the GHG Protocol Corporate Standard to determine that Mantoverde emissions should be 100% included and have applied this approach to all material topics. [GRI 2-2c(i) and c(iii)]

Our Operations and Projects

For more information about our corporate structure, operations and exploration, products, markets and supply chains, please see our reports and filings.

PINTO VALLEY

Pinto Valley is a copper-molybdenum open-pit mine and one of only two operating mines located in the historic Globe-Miami mining district of Arizona, one of the oldest and most productive mining districts in the US. Pinto Valley is currently the second-largest private employer in the district. Pinto Valley has a current life of mine plan that extends through 2039 but is being assessed for possible extension.

Type of Mine and Production Process	Open pit with milling and flotation recovery; solvent extraction and electrowinning (SX/EW) plant
Product(s)	Copper concentrate and copper cathode
Workforce at year end (including contractors)	735
Closest Communities	Miami, Globe, Greater Globe-Miami area, Superior
Closest Protected Area	Tonto National Forest
Climate	Semi-arid

MANTOS BLANCOS

Mantos Blancos is a high-grade copper mine in the Antofagasta region of Chile. In 2023, Mantos Blancos focused on ramping up the Concentrator Debottlenecking Project (MBCDP) to increase throughput.

Type of Mine and Production Process	Open pit mine processing both sulphide and oxide ores
Product(s)	Copper concentrate and copper cathode
Workforce at year end (including contractors)	1,678
Closest Communities	Baquedano, Antofagasta
Closest Protected Area	None close to site
Climate	Arid desert

Our Operations and Projects

MANTOVERDE

Mantoverde is an open-pit, oxide heap leach copper mine in the Atacama region of Chile. A significant expansion – the Mantoverde Development Project – is underway to support mining and processing of sulphide ore. Construction of the copper-gold project was completed in 2023, and commissioning commenced in December. Proximity to our project at Santo Domingo presents possibilities for district integration.

Type of Mine and Production Process	Open pit processing oxide ore; development project to process sulphide ore
Product(s)	Copper cathode; copper concentrate with significant gold by-product ramping up in 2024
Workforce at year end (including contractors)	5,013
Closest Communities	Chañaral, El Salado and Flamenco
Closest Protected Area	Pan de Azúcar National Park
Climate	Arid desert

COZAMIN

Cozamin is a copper-silver underground mine with a surface milling facility and is located near the city of Zacatecas in the mineral-rich state of Zacatecas, Mexico. The mine currently has a life of mine plan that extends through 2030. However, in an effort to extend its mine life, brownfield exploration continues.

Type of Mine and Production Process	Underground mine with surface milling facility
Product(s)	Copper concentrate
Workforce at year end (including contractors)	1,000
Closest Communities	Hacienda Nueva, Zacatecas City, Morelos, Veta Grande, Guadalupe
Closest Protected Area	CADNR 001 Pabellón CADNR 043 Estado de Nayarit
Climate	Semi-arid

Our Operations and Projects

SANTO DOMINGO PROJECT

Santo Domingo is a fully permitted copper-iron-gold project located near the town of Diego de Almagro in the Atacama region of Chile. Santo Domingo has potential for producing cobalt, another metal with important clean energy applications. Work continued on an updated feasibility study in 2023, including metallurgical testing and sectorial permit activities as required. The technical report and feasibility study update was issued in July 2024.

Type of Mine and Production Process	Open pit
Product(s)	Potential for copper, iron ore, gold and cobalt
Workforce at year end (including contractors)	31
Closest Communities	Diego de Almagro (mine site), Chañaral (road/pipeline), Caldera (port)
Closest Protected Area	Pan de Azúcar National Park
Climate	Arid desert

EXPLORATION

During 2023 we engaged in brownfield exploration projects in Arizona, Chile and Mexico, as well as one greenfield exploration in Brazil. Most of our exploration takes place within or near existing operations. This is done by operations staff and included within our operations' results. We exited the Brazil exploration joint venture in Q4 2023. We have a small exploration team and these employees are included within the figures for our corporate office in Our People.

About this Report

This report, which covers the period from January 1 to December 31, 2023, has been prepared in accordance with the SASB Metals and Mining Sustainability Accounting Standard, and with reference to the GRI Standards, as set out in our GRI and SASB Index. It focuses on ESG results and commitments for the ten topics we assessed as material, which are unchanged from our 2022 Sustainability Report. It is supplemented by our 2023 Data Book, which contains four years of data for relevant material topics, by site.

We have made some changes from our 2022 Sustainability Report, as we work to integrate ESG disclosures with our other reporting obligations. We shifted some governance-related disclosures into our May 2024 Management Information Circular, and we are developing fact sheets on our management approach to material topics.

The 2023 report is leaner and more focused on results. For more information on our management approach, please see our 2022 Sustainability Report, our Reports and Filings and our website. For the first time, we are publishing a comprehensive Data Book designed for investment analysts and others interested in more detailed data. For 2023, we are reporting with reference to specific GRI disclosures relevant to our material topics and expect to return to reporting in accordance with GRI for 2024.

The scope of this report covers all the entities included in the consolidated financial statements of Capstone Copper for the period ended December 31, 2023. All figures in this report are in US dollars. Data presented in this report includes our four producing mines and development project in Santo Domingo. The Mantoverde Development Project is included under Mantoverde and the Mantos Blancos Expansion is included under Mantos Blancos. The footprint of our corporate activities is minor in comparison to operations. Accordingly, we only report corporate data for economic impact and employment. Exploration activities outside of operating sites are not significant and are out of scope for most topics. Employee and economic data related to exploration are included within tables as 'Corporate".

Restatement Approach

Some sustainability data involves estimations and assumptions that may change with improved information. Our approach is to apply most changes prospectively. However, where changes in sustainability accounting methods could significantly affect meaningful comparison with prior periods for consolidated reporting, or at the site level, we have restated prior periods using the new methods. These are indicated with footnotes where they occur. This restatement approach applies to data presented in this report and in the supporting Data Book.

This report has not been independently assured. It was published December 9, 2024.

For information about Capstone Copper's sustainability disclosures, please contact us at: sustainability@capstonecopper.com.

2023 Materiality Update

As we underwent a detailed materiality process for our 2022 Sustainability Report, we completed a limited materiality review process for this 2023 Sustainability Report. ESG Disclosure Committee members participated in a workshop to review the material topics from the previous year and consider whether any changes should be made. After deliberating, the Committee recommended to the Executive Committee that the list of material topics should stay the same; this list was approved by the Board of Directors.

MATERIAL TOPICS

Topics Related to Sustainable Development Strategy Priorities

Other Material Topics

Energy and Climate Change
Water
Tailings and Waste
Biodiversity
Air Quality
Health and Safety
Our People
Community and Economic Impact
Human Rights
Anti-corruption

2

2023 Highlights

In this section, we highlight our 2023 results, including progress on our Sustainable Development Strategy launched in 2022. We use Sustainability key performance indicators (KPIs) to monitor our impacts and progress.

2023 Sustainability Highlights

- **Making progress on The Copper Mark:** Mantos Blancos and Mantoverde were awarded The Copper Mark[2] in 2023.
- **Hiring of strategic functions:** We strengthened our capabilities in key roles relevant to sustainability management. See Our People.
- **Implementing our Sustainable Development Strategy:** We launched new cross-site and cross-functional working groups for Sustainable Development priorities of Climate, Water, Tailings, Biodiversity and Communities.
- **Increasing renewable energy electricity purchases:** We secured 100% coverage of our electricity use at Mantos Blancos with renewable energy certificates (RECs).
- **Promoting diversity, equity and inclusion (DE&I):** We created both corporate and site-level working groups focused on DE&I best practices.

Sustainable Development Strategy

We began implementing our Sustainable Development Strategy in 2023. The strategy outlines our pathway to realizing significant targets under five strategic priorities that correspond to our areas of greatest opportunity – Climate, Water, Tailings, Biodiversity and Communities. Target dates range from 2025 to 2030; where relevant, the baseline year is 2021. The Sustainable Development Strategy Progress Summary table below shows our progress towards our targets.

Each Sustainable Development Strategy priority is supported by specific initiatives to realize our goals and targets; progress towards these initiatives is outlined in this report.

Sustainable Development Strategy Progress Summary

Sustainable Development Strategy Targets[1]		Totals for All Capstone		
		2023	2021 Baseline	% Change 2021-2023
	Reduce emissions from fuel and power by 30% by 2030 compared to 2021 baseline year.			
	• Total GHG emissions - Market-based (tonnes CO_2e)	612,150	684,352	-11%
	• Total GHG emissions - Location-based (tonnes CO_2e)	667,485	684,352	-2%
	Reduce freshwater use intensity (m^3/tonne ore processed) compared to 2021 baseline, by 2030.	0.069	0.060	15%
	Increase low-quality or recycled water as a proportion of total water consumed by 2030.	78%	77%	1%
	Implement the Global Industry Standard for Tailings Management across all TSFs by YE 2028.	In progress and on track.		
	Assess 100% of sites against the Capstone Biodiversity Standard by 2025.	Standard in development. On track.		
	Assess 100% of sites against the Capstone Social Performance Standard by 2025.	Standard in development. On track.		

[1] For more information on our Sustainable Development Strategy, see our 2022 Sustainability Report.

[2] The sites were assessed based on version 1.0 of the Copper Mark Risk Readiness Assessment Criteria.

Production Summary

In 2023, we milled 5% less ore than we did in 2022, and processed 2% more through leaching, with a similar amount of total ore processed from year to year. Total production of copper was 8% lower in 2023.

Production of Metal Ores and Finished Metals

					Totals for All Capstone		
Production (tonnes)	**Pinto Valley**	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**2023**	**2022**	**% Change 2022-2023**
Tonnes Milled[1]	17,985,000	5,342,000	–	1,328,000	24,655,000	25,871,000	-5%
Tonnes to Leach[2]	–	9,161,000	25,561,000	–	34,722,000	34,203,000	2%
Total Ore Processed	**17,985,000**	**14,503,000**	**25,561,000**	**1,328,000**	**59,377,000**	**60,074,000**	**-1%**
Copper Concentrate Produced	52,378	38,002	–	24,340	114,720	113,634	1%
Copper Cathode Produced	2,712	11,520	35,401	–	49,633	65,683	-24%
Total Copper Produced	**55,090**	**49,522**	**35,401**	**24,340**	**164,353**	**179,317**	**-8%**
Total Copper Equivalents Produced[3]	**57,510**	**52,562**	**35,401**	**29,049**	**174,522**	**186,917**	**-7%**

[1] Tonnes Milled refers to ore processed through a mill that uses a grinding and flotation process to recover sulphide mineral in a copper concentrate that is saleable as an intermediate product to smelters and refiners.
[2] Tonnes to Leach refers to ore that requires sulphuric acid leaching, solvent extraction and electrowinning to produce copper cathodes, which are a finished copper product.
[3] Total Copper Equivalents Produced are calculated based on long-term forecast commodity prices of: $3.30/lb Cu, $1,400/oz Au, $20/oz Ag and $12/lb Mo.

Financial Summary

Financial Information[1] (US$ millions)

TOTAL REVENUE		NET (LOSS) INCOME		TOTAL ASSETS		TOTAL ECONOMIC VALUE DISTRIBUTED[2]	
$1,345.5	$1,296.0	($124.7)	$136.1	$5,873.9	$5,380.9	$1,090.5	$1,152.8
2023	2022	2023	2022	2023	2022	2023	2022

[1] Financial information here corresponds to the 2023 Consolidated Financial Statements for Capstone Copper. 2022 figures include results from former Mantos operations only from the date of the business combination.
[2] See Community and Economic Impact for further analysis of Economic Value Distributed.

Sustainability KPIs

We use sustainability key performance indicators (KPIs) to monitor key results. While the business combination took place in March 2022, results for both years are presented on a full year basis to allow for comparison. For an analysis of results, refer to the relevant material topic section.

Topics Related to Strategic Priorities Other Material Topics

Material Topic	Sustainability KPI	2023	2022	% Change 2022-2023
Energy and Climate Change	Total Energy Consumption (gigajoules)	8,983,513	8,802,338	2%
	Energy Intensity (GJ/tonne ore processed)	0.151	0.147	3%
	Total GHG Emissions - Market-based (tonnes CO_2e)	612,150	633,493	-3%
	GHG Emissions Intensity - Market-based (tCO_2e/tonne Cu produced)	3.7	3.5	5%
	GHG Emissions Intensity - Market-based (tCO_2e/tonne ore processed)	0.0103	0.0105	-2%
Water	Total Water Withdrawal (m^3)	18,970,892	18,362,006	3%
	Other Water as % of Total Water[1]	78%	78%	–
	Water Intensity (m^3/tonne ore processed)	0.319	0.306	5%
	Freshwater Intensity (m^3/tonne ore processed)	0.069	0.068	2%
Tailings and Waste	Total Tailings (million tonnes)	24	25	-5%
Biodiversity	Percentage of (1) proven and (2) probable reserves in or near sites with protected conservation status or endangered species habitat[1]	Proven 15% Probable 7%	Proven 17% Probable 9%	–
Health and Safety	Lost Time Injury Frequency Rate (LTIFR)[3]	0.18	0.15	26%
	Total Recordable Injury Frequency Rate (TRIFR)[3]	0.35	0.21	63%
Our People	Total Workforce	8,520	8,425	1%
	Percent of Employees Who Are Women	9%	8%	–
Community and Economic Impact	Amount of Community Investments (US$ 000s)	1,231	1,390	-11%
	Percentage of Spending on Local Suppliers	14%	14%	–
Human Rights	Percentage of (1) proven and (2) probable reserves in or near areas of conflict[2]	Proven 0% Probable 1%	Proven 0% Probable 1%	–
Anti-corruption	Number of Confirmed Incidents of Corruption	0	0	0%

[1] Other Water is water containing total dissolved solids above 1,000 mg/L.
[2] Refer to Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation Areas in Appendix C.
[3] Calculation based on 200,000 hours.

3

Responsible Business

This section describes Capstone's approach to doing business responsibly including ESG governance, policies, risk management and compliance.

Responsible Business

Capstone's approach to doing business responsibly is grounded in our Vision and Values. This section describes our approach to ESG governance and management, including accountability structures and processes, our policy framework, risk management, stakeholder engagement and environmental and ESG-related compliance. Further information can be found in our 2024 Management Information Circular, Annual Information Form (AIF) and our 2022 Sustainability Report.

ESG Governance and Management

Accountability for ESG impacts and performance is in place at all levels of the organization. Our governance and accountability framework includes Board-level oversight, executive-level accountability, and functional and operational responsibility for ESG matters.

Board Oversight of Sustainability and ESG

Capstone's entire Board is engaged on Sustainability and ESG matters, as set out in our Terms of Reference for Board Oversight of ESG. The Board receives quarterly reports on ESG matters and corporate ESG objectives from the Executive Committee. The Board also oversees our ESG policy framework to support sustainable actions and decision-making. (See Policies Relevant to ESG Matters in Appendix C.) Board committees have specific responsibilities relevant to the oversight of ESG (see Board Committee Responsibilities for ESG).

The Board collectively possesses the competencies to oversee ESG for Capstone. All Board members have experience in sustainability matters and one has an expert level of knowledge. The composition of our current Board can be found on our website; details of their experience and competencies can be found in our 2024 Management Information Circular (see Board Competencies related to Sustainable Development Strategy Priorities).

> **Our Board diversity target was to have 30% women directors by 2023. In 2023, 37.5% of our Board consisted of women; since the 2024 AGM, 43% are women. All Board members are over 50 years of age and one is from Latin America.**

ESG Oversight, Accountability and Responsibility

Executive Accountability

Executive accountability for sustainability is a shared responsibility.

- Our Chief Operating Officer oversees and implements strategies to align business operations with environmental sustainability, including our carbon reduction strategy.
- Our Senior Vice President of Risk, ESG and General Counsel monitors progress and any changes related to the Sustainable Development Strategy, oversees climate and other ESG disclosure practices, and manages regulatory compliance and the ESG governance framework.
- Our Senior Vice President, Technical Services ensures the responsible and sustainable management of tailings and water resources, including climate-related risks.
- Our Vice President, Health, Safety and Environment (HSE) is responsible for oversight of HSE at all operations, including implementation of the Integrated Environmental, Health, Safety & Sustainability (EHSS) Policy and roll-out of HSE management systems.

ESG performance is directly linked to executive-level short-term incentives through our corporate scorecard. In 2023, safety accounted for 15% of the corporate scorecard; this target was not achieved due to a higher Lost Time Injury Frequency Rate (LTIFR) over 2022. Sustainability accounted for another 15% and was measured based on the number of environmental incidents, the launch of the climate risk assessment, the establishment of working groups to advance the Sustainable Development Strategy priorities, and award of The Copper Mark to our Chilean sites. The combined score for sustainability factors exceeded our target.

Functional and Operational Responsibility

At the operational level we have planning processes, operational management systems, standards and practices, and various collaboration initiatives. These tools ensure we plan responsibly, maintain operational excellence and comply with permits and regulatory requirements. (See Compliance).

Site General Managers have operational responsibility for ESG and EHS. EHS and community relations staff at each site are responsible for environmental permitting, compliance and monitoring, health and safety management and performance, and community investments and engagement.

Sites are supported by corporate functional leads in key ESG areas (including a tailings and water management lead responsible for developing and implementing a Tailings Management System to align with the Global Industry Standard on Tailings Management [GISTM]), ESG policy and strategy development, and reporting. These leads provide corporate-level guidance and support site implementation.

We have specific ESG functions at Pinto Valley, Chile and our corporate offices. We also have an ESG Committee that has both site and corporate-level ESG expertise. They play a key role in identifying and assessing ESG risks within our Enterprise Risk Management system (see Risk Management).

Board Committee Responsibilities for ESG

Board Committee and ESG Role	Areas of ESG Oversight Responsibility[1]
Audit Committee Engaged on any ESG risks that could be financially material	ESG disclosures – Ensures disclosures are both qualitative and quantitative as appropriate
	Processes and controls – Ensures disclosures are accurate, comparable and consistent
	Assurance – Ensures disclosures are reliable by independent review, as appropriate
	ESG risks specific to the Audit Committee
Human Resources and Compensation Committee Oversees remuneration processes	Accountability – Ensures ESG goals are integrated into executive compensation
	Talent and culture – Ensures senior management has the right people in place to execute the ESG strategy
	ESG risks specific to the Human Resources and Compensation Committee
Governance, Nominating and Sustainability Committee Has oversight responsibility for strategic sustainability matters delegated by the Board	Engagement – Ensures ESG story is being effectively communicated to investors and stakeholders
	Board composition – Ensures the Board has the necessary expertise and skills to oversee ESG risks and opportunities
	Education and training – Ensures Directors and senior management have up-to-date knowledge related to ESG risks and opportunities
	ESG risks specific to the Governance, Nominating and Sustainability Committee
Technical and Operational Performance Committee Oversees site-specific risks and performance in health, safety, environment, tailings and community relations	Reporting – Ensures accurate and measurable technical data and performance
	ESG risks specific to the Technical and Operational Performance Committee

[1] See Terms of Reference for Board Oversight of ESG.

Policies

Capstone's ESG policy framework is described in our 2024 Management Information Circular (MIC), and applies equally to our employees, business partners, suppliers and the people working for our contractors. (For more information, see Global Policies Applicable to Sustainability in Appendix C.) Capstone has a Whistleblower Policy and Whistleblower Hotline for reporting actual or suspected fraud, ethical concerns, violations of company policies, breaches of law, human rights violations and financial misconduct. (See Communication of Ethical Concerns in the MIC.)

In 2023, Capstone received 29 concerns, all originating from our operations in Chile. The majority of these concerns were related to minor human resources issues, along with a few safety concerns. After thorough investigations, seven of these cases resulted in some form of corrective action and were appropriately remediated. The remaining cases were found to be duplicates, unsubstantiated or without cause.

Risk Management

Capstone management is responsible for identifying, evaluating, managing and mitigating our exposure to risks, including ESG risks. The Board is responsible for providing oversight of the key risks facing Capstone and for reviewing management's strategies for risk mitigation. All our operations are empowered to identify and reduce risk, and to apply risk-based decision-making to all activities.

The Technical and Operational Performance (TOP) Committee is specifically charged with oversight of operational social and environmental risks including those related to tailings management, environmental protection, climate change, occupational health and safety, sustainability and social issues. Risks relating to social or environmental impacts are documented and reported through our Enterprise Risk Management (ERM) framework. See the 2024 Management Information Circular for more information on Capstone's ERM.

See TCFD Disclosures in Appendix D for more information about how Capstone manages climate-related risks.

Capstone's Whistleblower Hotline

Capstone has engaged Integrity Counts, a Canadian provider of global ethics reporting services, as an independent and external administrator of our Whistleblower Hotline. Integrity Counts can be reached by phone, email or website, in English or Spanish.

- **North America, toll-free:** 1-866-921-6714
- **Mexico, toll-free:** 001-800-099-0642
- **Chile, toll-free:** 12300203914 or 188-800-801-033
- **Email:** capstone@integritycounts.ca
- **Website:** https://www.integritycounts.ca/org/capstone

Stakeholder Engagement

Stakeholder engagement is primarily a site-level responsibility within our decentralized business approach, with investor engagement being a corporate-level activity. For an overview of stakeholder engagement approaches, see Stakeholder Categories and Engagement Approaches in Appendix C and refer to Community and Economic Impact for site-level processes.

Environmental and ESG-related Compliance

Our Code of Conduct and core value of Accountability set out the high standards of integrity and compliance, including respect for laws and standards, that guide the conduct of all Capstone employees. We also have a Supplier Code of Conduct (SCC) that outlines expectations for our suppliers to meet Capstone standards and operate in compliance with applicable laws and regulations. In 2023, Pinto Valley and Cozamin piloted programs to enforce our SCC.

> **All jurisdictions in which we operate have environmental laws and regulations that govern expansions and operations. Environmental compliance, including environmental incidents, is addressed in respective chapters of this report.**

In 2023, we did not have any significant instances of non-compliance with environmental or other (non-environmental) laws or regulations that resulted in fines or non-monetary sanctions. We had one reportable environmental incident: at Mantoverde, a pipe joint failure at a pump station released approximately 5,800,000 litres of desalinated water. See Tailings and Waste.

With respect to the sanctioning process before the Chile Environmental Compliance Agency (SMA) reported in 2022, Mantos Blancos submitted a revised compliance program to the SMA in October 2023. The revised program was rejected in August 2024. As a result, the sanctioning process resumed and Mantos Blancos presented submissions to the SMA. Mantos Blancos also filed an appeal with the First Environmental Court regarding SMA's decision relating to its compliance program. At the time of this report, SMA's decision on the sanctioning process remains under consideration and the hearing for the court proceeding is scheduled to take place in December 2024.

Chiripa remediation project at Cozamin

4

Material Topics and Results

In this section we report on our management approach and results for the ten topics we determined were material for 2023.

Energy and Climate Change

Reducing Capstone's carbon footprint is a priority of our Sustainable Development Strategy. Since our carbon footprint is closely tied to our energy use, we treat energy and climate change as one material topic.

Energy refers to the fuel and electricity we use for production, transportation or other uses. In 2023, we are also considering energy use in our value chain, although we are not yet reporting on Scope 3 emissions. Sites are at different stages in terms of how many categories of Scope 3 emissions they can reliably measure. Climate change refers to both our impacts through our greenhouse gas emissions (GHGs) and the impacts of a changing climate on our business.

Sustainable Development Strategy Priority

Priority	Climate: Reduce Capstone's carbon footprint.
Target	Reduce GHG emissions from fuel and power by 30% by 2030 compared to the 2021 baseline year.
Strategy	Transition to 50% renewable electricity in Chile by 2025.
	Transition to >90% renewable electricity across Capstone by 2030.
	Assess future growth opportunities against our 2030 target and incorporate carbon reduction initiatives into engineering and design studies.
	Pursue diesel displacement opportunities.

Fuel includes diesel, gasoline, propane and liquefied petroleum gas. Diesel consumption far outweighs other fuel types.

Fuel and Electricity Consumption includes energy required to support all extraction, processing and associated activities on site. It does not include fuel requirements for transport of employees, supplies or concentrate.

Grid Electricity as % of Total Energy is calculated by dividing Amount of Electricity from Grid by Total Energy Consumption. In previous years, we reported on the percentage of total electricity from the grid which has been replaced by this indicator.

Electric rope shovel at Capstone's Mantoverde operation

2023 UPDATE:

Our Approach to Managing Energy and Climate Change

In 2023, we established a cross-functional ESG Disclosure Committee to enhance climate disclosures. We also established a global, cross-functional Climate Working Group tasked with developing a GHG Action Plan. Pinto Valley, Mantos Blancos and Mantoverde formed cross-functional GHG and energy management teams to develop site-level plans.

We initiated a climate-related risk and opportunities assessment in 2023. The assessment includes two transition risk scenarios and three physical risk scenarios, following the Taskforce on Climate-related Disclosures (TCFD) recommendations. See TCFD Disclosures in Appendix D for more on the assessment process and preliminary results

Our Chile sites were awarded The Copper Mark which included the assessment of practices related to energy management and GHG emissions.

In response to Chile's new energy efficiency law, both Mantos Blancos and Mantoverde focused on reducing electricity in 2023. Both sites established ISO 50001 Energy Management Systems. (They received ISO 50001 certification in Q1 2024.)

We continue to emphasize the following approaches to manage our carbon footprint and ensure our business is more climate ready:

Reducing our Carbon Footprint

- We have a formal Capstone target for GHG reductions that aligns to the Paris Agreement.
- We decentralize accountability for performance to sites, where they can implement systems and programs to reduce their own fuel and electricity use.
- We emphasize energy conservation and efficiency to reduce GHGs, with a focus on replacing equipment with newer, more fuel-efficient models.

Adapting to Climate Change

- We are assessing both physical and transitional climate risks, using a scenario-based approach.
- We are prioritizing investments in technology and enhancements in operational practices to improve our water use efficiency, reduce our reliance on freshwater sources and make our operations more resilient.

Please refer to our 2022 Sustainability Report for more on our Energy and Climate Change management approach.

Heavy equipment at Pinto Valley

Energy Use at Capstone Operations

Most of Capstone's fuel use consists of diesel for powering the haul trucks and heavy equipment required to extract ore and move it to processing. The key lever for reducing related GHG emissions is electrification of the fleet and equipment. Pinto Valley and Mantoverde made progress in this area; see 2023 Results.

Electrical grid power is derived from different sources in each jurisdiction in which we operate. As grid electricity is a shared resource, we have a responsibility to use it efficiently. The mill grinding circuit uses the largest amount of electricity at our operations. The exception is Mantoverde, where the solvent extraction and electrowinning (SX/EW) plant accounts for two thirds of electricity consumption. When the Mantoverde sulphide concentrator plant comes online in 2024, the balance of power demand will change across the operation.

In addition to site-specific energy conservation measures that reduce electricity consumption, we are increasing the proportion of renewable energy purchased through our energy provider in Chile; see 2023 Results. Renewable energy contractual arrangements that meet the GHG Protocol Scope 2 Guidance are not available in Arizona or Mexico.

2023 RESULTS: Energy Consumption and Intensity

Please see our Data Book for more site-level Energy and Climate Change results.

Energy Consumption

	Sites					Capstone		
Fuel and Electricity Consumption[1]	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	2023	2022	% Change 2022-2023
Total Fuel (GJ)[2]	**1,430,100**	**1,995,957**	**2,488,181**	**152,800**	**41**	**6,067,080**	**5,816,832**	**4%**
Total Electricity (GJ)	**1,196,796**	**835,582**	**632,446**	**251,559**	**50**	**2,916,433**	**2,985,505**	**-2%**
Total Energy Consumption (GJ)	**2,626,896**	**2,831,539**	**3,120,627**	**404,359**	**92**	**8,983,513**	**8,802,338**	**2%**
Amount of Electricity from Grid (GJ)	1,196,796	835,582	632,446	251,559	50	2,916,433	2,985,505	0%
Grid Electricity as % of Total Energy[3]	46%	30%	20%	62%	54%	32%	34%	
Amount of Electricity from Renewables (GJ)[4]	0	835,582	0	0	0	835,582	633,744	32%
Renewable Energy as % of Total Energy[5]	0%	30%	0%	0%	0%	9%	7%	

[1] Includes energy required to support all extraction, processing and associated activities on site. Does not include fuel requirements for transport of employees, supplies or concentrate.
[2] Fuel includes diesel, gasoline, propane and liquefied petroleum gas. Diesel consumption far outweighs other fuel types. Prior period fuel results for Mantoverde have been restated to include contractor fuel. This has resulted in an increase in total 2022 fuel use of 220,408 gigajoules. Total Capstone fuel use was previously reported as 5,596,424.
[3] Grid Electricity as % of Total Energy is calculated by dividing Amount of Electricity from Grid by Total Energy Consumption. In previous years, we reported on the percentage of total electricity from the grid which has been replaced by this indicator. Prior period figures have been restated.
[4] Electricity was purchased through a power purchase agreement (PPA) with Guacolda Energia SPA that includes renewable energy certificates (RECs) certified by The International I-REC Standard. This is the only renewable energy that Capstone consumes.
[5] Renewable Energy as % of Total Energy is calculated by dividing Amount of Electricity from Renewables by Total Energy Consumption. The renewable portion of the electricity grid mix is excluded from the scope of renewable energy in accordance with SASB Standard. (EM-MM-130a.1.)

Energy Intensity

	Sites				Capstone		
Energy Intensity[1]	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	2023[2]	2022	% Change 2022-2023
Energy Intensity (GJ/tonne ore processed)	0.146	0.195	0.122	0.304	0.151	0.147	3%
Energy Intensity (GJ/tonne Cu produced)	48	57	88	17	55	49	11%
Energy intensity (GJ/tonne CuEq produced)	46	54	88	14	52	47	9%

[1] Capstone measures energy intensity (and GHG emissions intensity and water intensity) in three ways, including energy use in relation to the amount of ore processed, the amount of copper produced, and the amount of copper equivalents produced. For analysis in this report we use energy use per tonne of ore processed. Restatements relating to Energy Consumption have also been applied to Energy Intensity.
[2] Santo Domingo is not included in the totals. Intensity calculations are not applicable as the project is not in the operating phase.

Energy Intensity (and GHG emissions intensity and water intensity) is measured in three ways at Capstone, including energy use in relation to the amount of ore processed, the amount of copper produced, and the amount of copper equivalents produced. For analysis in this report we use energy use per tonne of ore processed.

Renewable Energy as % of Total Energy is calculated by dividing Amount of Electricity from Renewables by Total Energy Consumption. The renewable portion of the electricity grid mix is excluded from the scope of renewable energy in accordance with SASB Standard.

2023 RESULTS: Energy Consumption and Intensity

All Sites

Capstone's 2023 energy consumption increased 2% over 2022. Fuel use was up 4% and electricity use was slightly lower by 2%. Fuel represented 68% of total energy consumption, compared to 66% in 2022. Energy intensity increased 3% overall in terms of ore processed, but intensity was 11% higher relative to the amount of copper produced. This was mainly driven by increases in fuel intensity related to factors described below rather than electricity intensity.

While we expect energy use to vary with production, there are several factors that make production more or less energy intensive. Fuel (diesel) intensity is influenced by the phase and depth of the pit, the strip ratio (the amount of waste rock that must be removed to access the ore), the route for haul trucks and the age of the fleet. All of these factors are accounted for in our mine plans.

Construction projects also drive fuel consumption. Electricity intensity is less influenced by the amount of production than by the grade and hardness of the ore, which affect milling rates.

The type of ore (sulphide or oxide) and method of production (milling or heap leach) affect the relative mix of fuel and electricity use among sites, as discussed below.

Pinto Valley

Pinto Valley's fuel consumption stayed roughly the same in 2023 compared to 2022, while production dipped slightly. Electricity consumption was similarly flat year over year. Pinto Valley was the biggest user of electricity (41%) among Capstone sites. Milling consumes more electricity than any other mining process; as a copper sulphide concentrate producer, Pinto Valley's process relies on milling rather than leaching. Pinto Valley completed several electrification initiatives in 2023, including:

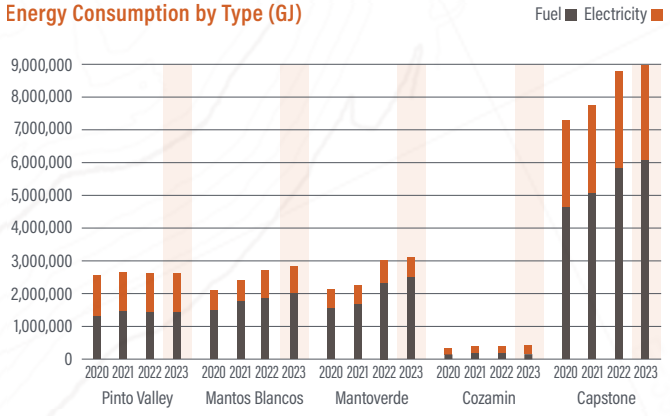
- Replacing a diesel-powered pit dewatering pump with an electric pump to reduce emissions and increase reliability
- Converting two water supply wells from diesel-powered generators to installed electric
- Replacing a diesel-fired boiler with an electric unit

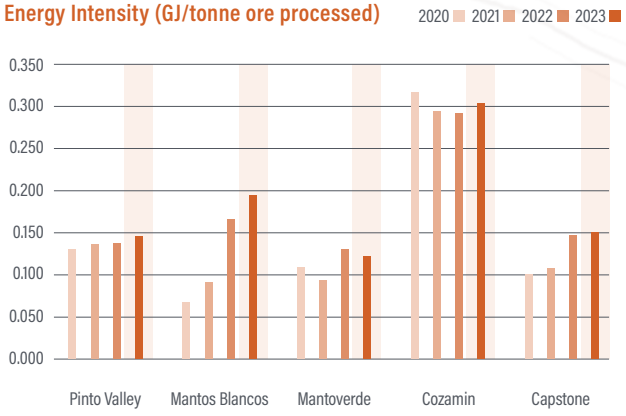
Mantos Blancos

Mantos Blancos used 7% more fuel in 2023 compared to 2022. However, this was ultimately a positive outcome, considering the strip ratio increased 38%. The site had a major mill upgrade in 2022 which led to a step change in electricity consumption from 2021 to 2022, but the upgrade has not delivered the intended throughput, with the result that tonnes of ore milled and electricity use both dropped 3% in 2023. Mantos Blancos obtains its electricity from the grid and has been increasing the amount sourced through renewable energy contracts. In 2023, 100% of its electricity was covered by a renewable energy certificate (REC). As a result, 30% of Mantos Blancos' total energy consumption comes from renewable energy.

Mantoverde

Mantoverde consumed the most fuel of all Capstone sites in 2023 (41% of Capstone fuel consumption) and fuel use rose 7% over 2022. Like Mantos Blancos, the strip ratio was a key factor driving fuel use (strip ratio was 31% higher than 2022). In addition to the fuel consumption factors related to mining discussed above, the Mantoverde Development Project used fuel for construction and for mining ore in preparation for commissioning the new sulphide concentrator. In 2023, Mantoverde added a third electric shovel to its fleet and a fourth in early 2024.





Mantoverde's electricity use was 9% lower than in 2022, but 7% higher than in 2021. Mantoverde does not have the heavy electricity demands of a sulphide mill, as it uses a leaching process and an oxide plant to produce cathode. Electricity use could be expected to increase as the sulphide plant ramps up in 2024.

Cozamin

Cozamin's diesel use dropped 9% year over year while the amount of ore processed dipped 2%. Gasoline use, while not significant in total, increased dramatically as light trucks that use gasoline were added to the fleet for security purposes. Electricity consumption increased 10% as the paste plant constructed in 2022 was commissioned in 2023 and started drawing power. Cozamin focused on above-ground facilities, changing all the light bulbs to LED and programming them to turn off when not in use.

Santo Domingo

Santo Domingo completed construction projects in 2022 so there was no significant activity in 2023. The diesel use corresponds to one light truck in 2023. Electricity in 2023 was used for a sampler, an air quality monitoring station and offices.

2023 RESULTS: Energy-related GHG Emissions

Scope 1 and Scope 2 Energy-related GHG Emissions

	Sites					Capstone		
Energy-related GHG Emissions (tCO_2e)[1]	**Pinto Valley**	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Santo Domingo**	**2023**	**2022**	**% Change 2022-2023**
Scope 1 GHG Emissions[2]	99,339	138,909	173,165	10,621	3	422,037	404,644	4%
Scope 2 GHG Emissions - Location-based[3]	117,622	55,334	41,882	30,606	3	245,448	281,837	-13%
Scope 2 GHG Emissions - Market-based[4]	117,622	0	41,882	30,606	3	190,113	228,849	-17%
Total GHG Emissions - Location-based	**216,961**	**194,243**	**215,047**	**41,227**	**6**	**667,485**	**686,482**	**-3%**
Total GHG Emissions - Market-based	**216,961**	**138,909**	**215,047**	**41,227**	**6**	**612,150**	**633,493**	**-3%**

[1] Includes emissions associated with energy required to support all extraction processing and associated activities on site. Emissions are calculated in carbon equivalent tonnes (tCO_2e) and include CO_2, CH_4 (methane) and N_2O (nitrous oxide). Source for global warming potential factors is the Intergovernmental Panel on Climate Change 5th Assessment Report (IPCC 5) emissions data.

[2] Scope 1 GHG Emissions are related to fuel consumption for activities controlled by our operations. Source for fuel emissions factors is the IPCC 5. Explosives, refrigerants and process emissions from heap leach are excluded. Mantoverde Scope 1 emissions for prior years have been restated to include contractor fuel consumption. This has resulted in an increase in 2022 Capstone Scope 1 emissions of 15,339 tCO_2e. Total Capstone emissions were previously reported as 389,305 tCO_2e for 2022.

[3] Scope 2 Location-based GHG Emissions are related to electricity purchased from other organizations. Sources for electricity emissions factors are: Arizona - EPA eGRID; Mexican Secretariat of Environment and Natural Resources (SEMARNAT); Chile - Coordinador Eléctrico Nacional (CEN) - SIstema Eléctrico Nacional (SEN).

[4] Scope 2 Market-based GHG Emissions are related to electricity purchased through special contractual arrangements with energy providers that have zero emissions. Mantos Blancos is the only site that has contractual arrangements of this kind. Mantos Blancos has an REC with Guacolda Energia SPA for 100% of its energy consumption. Emissions are calculated as the amount of energy covered by the REC multiplied by the emissions factor of the REC (0 $kgCO_2e/kWh$). For all other sites, market-based emissions factors are not available or applicable; therefore, location-based emission factors have been used, in accordance with the GHG Protocol Scope 2 Guidance.

GHG Emissions Intensity

	Sites				Capstone		
Emissions Intensity[1]	**Pinto Valley**	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**2023[2]**	**2022**	**% Change 2022-2023**
GHG Emissions Intensity - Location-based (tCO_2e/tonne ore processed)	0.0121	0.0134	0.0084	0.031	0.0112	0.0114	-2%
GHG Emissions Intensity - Market-based (tCO_2e/tonne ore processed)	0.0121	0.0096	0.0084	0.031	0.0103	0.0105	-2%
GHG Emissions Intensity - Location-based (tCO_2e/tonne Cu produced)	3.9	3.9	6.1	1.7	4.1	3.8	6%
GHG Emissions Intensity - Market-based (tCO_2e/tonne Cu produced)	3.9	2.8	6.1	1.7	3.7	3.5	5%
GHG Emissions Intensity - Location-based (tCO2e/tonne CuEq produced)	3.8	3.7	6.1	1.4	3.8	3.7	4%
GHG Emissions Intensity - Market-based (tCO_2e/tonne CuEq produced)	3.8	2.6	6.1	1.4	3.5	3.4	3%

[1] Capstone measures GHG emissions intensity in three ways, including GHG emissions in relation to the amount of ore processed, the amount of copper produced, and the amount of copper equivalents produced. For analysis in this report, we use GHG emissions per tonne of ore processed. Restatements relating to GHG Emissions have also been applied to GHG Emissions Intensity.

[2] Santo Domingo is not included in the totals. Intensity calculations are not applicable as the project is not in the operating phase.

2023 RESULTS: Energy-related GHG Emissions

Total Emissions Compared to Sustainable Development Strategy Baseline

	Capstone		
Energy-related GHG Emissions[1] (tCO_2e)	2023	2021 Baseline	% Change 2021-2023
Total GHG Emissions - Location-based	667,485	684,352	-2%
Total GHG Emissions - Market-based	612,150	684,352	-11%

[1] Our Sustainable Development Strategy target refers to these as emissions from fuel and power. Our target is a 30% reduction in these emissions by 2030.

All Sites

In 2023, Capstone is reporting both market-based and location-based Scope 2 emissions for the first time. This follows the GHG Protocol Scope 2 Guidance that facilities located where renewable energy contractual instruments exist should report two Scope 2 totals. This change is possible because we secured a renewable energy certificate for all of Mantos Blancos' electricity use in 2023.

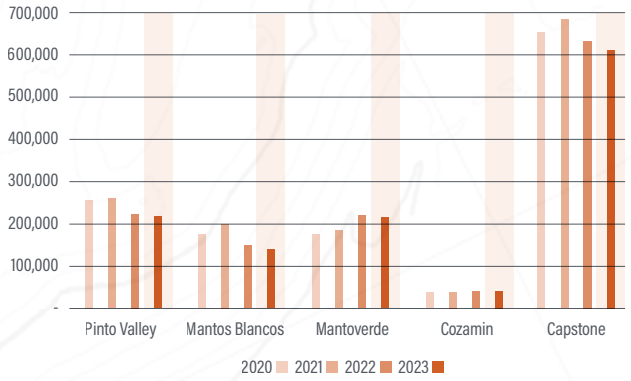
Capstone's GHG emissions from fuel (Scope 1) vary closely with fuel consumption; both were up 4% from 2022 to 2023. Electricity-related location-based emissions (Scope 2) are more complicated owing to the varying mix of energy sources in local grids. As total electricity consumption only dropped 2%, the drop in Scope 2 location-based emissions of 13% can be attributed to further reductions in the Chile and Arizona grid emissions. The drop in market-based emissions (17%) reflects the fact that 100% of Mantos Blancos electricity was covered by RECs in 2023 (versus 73% in 2022) as well as the drop in grid electricity.

Relative to our Sustainable Development Strategy target, Capstone location-based emissions from fuel and power decreased 2% from our 2021 baseline while market-based emissions decreased 11%. In line with the GHG Protocol Corporate Standard, Capstone will begin to track progress against our Corporate GHG reduction target using market-based emissions.

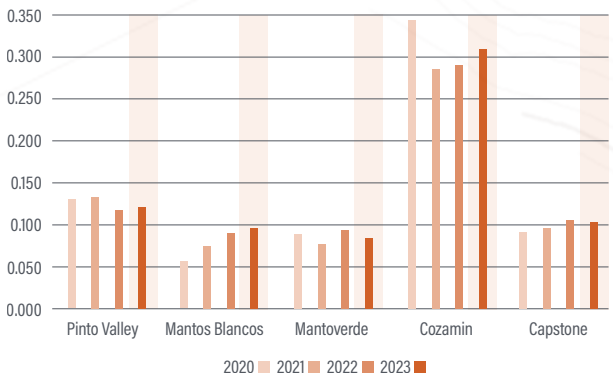
Capstone's market-based emissions intensity per tonne of ore processed decreased 2% in 2023 compared to 2022. Emissions intensity is highest at Mantoverde due to the additional fuel use required for the Mantoverde Development Project, without any additional processing or production.

None of our GHG emissions are subject to emissions-limiting regulations.

Market-based GHG Emissions (tCO_2e)



Market-based GHG Emissions Intensity (tCO_2e/tonne ore processed)

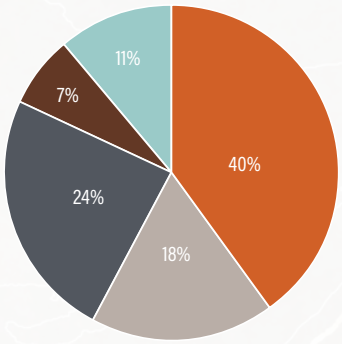


2023 RESULTS: Energy-related GHG Emissions

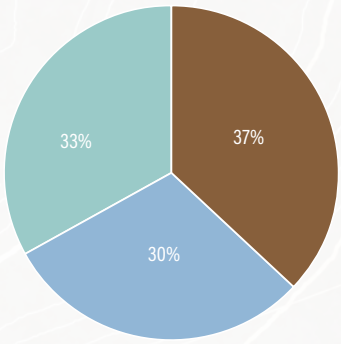
2023 Grid Electricity Emissions Factors (gCO_2e/kWh) and Energy Type Mix

	Capstone			
Country/Grid	**2023 Factor g/KwH**	**2022 Factor g/kWh**	**Change 2023-2022**	**Reason for Change**
USA AZ-NM	354	372	-5%	Increase in nuclear and renewable sources.[1]
Chile – National	238	301	-21%	Increase in hydroelectric and other renewable sources, removal of coal as source.[2]
Mexico – National	438	435	3%	Increase in natural gas and diesel sources, as well as increase in hydroelectric sources.[3]

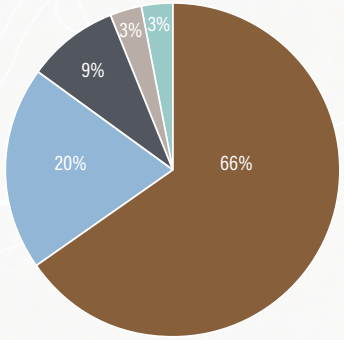
ARIZONA
2023 Grid Electricity Mix[1]



CHILE
2023 Grid Electricity Mix[2]



MEXICO
2023 Grid Electricity Mix[3]



Natural Gas | Nuclear | Coal | Other | Renewables | Natural Gas and Diesel | Hydroelectric

[1] Source: SRP
[2] Source: Coordinador Eléctrico Nacional (CEN)
[3] Source: Sistema de Información Energética (SIE)

Looking Forward

In 2024, Capstone will:
- Conduct a qualitative climate-related risk and opportunities assessment using scenario analysis for all sites.
- Estimate Scope 3 emissions at Mantos Blancos and Mantoverde.

Beyond 2024, Capstone will:
- Develop a sustainability data restatement policy, including GHG emissions and base year adjustments.
- Achieve 50% renewable electricity in Chile (2025).

Water

Responsible water management is a priority of our Sustainable Development Strategy. Water refers to the ways we source, use and reuse water in our operations, including quantity and quality.

Water is critical to the mining process: we require reliable sources to maintain our operations. However, predictable sources are increasingly threatened by climate change. Water is also essential to society and our local communities, and we must responsibly share the water resources with those around us.

All our sites are in water-stressed regions with the potential for water shortages, and water use is highly regulated in all jurisdictions where we operate.

Sustainable Development Strategy Priority

Priority	Water: Reduce freshwater withdrawals in water-stressed regions.
Target	Reduce freshwater use intensity by 2030, compared to 2021 baseline year.
	Increase low-quality or recycled water as a proportion of total water consumed, by 2030, compared to 2021 baseline year.
Strategy	Utilize the Mantoverde desalination plant to provide water for all projected growth in the Mantoverde-Santo Domingo district.
	Convert to filtered and dry-stack tailings to deliver an estimated 15% reduction in annual water use at Cozamin.
	Optimize water reclaim rates from tailings thickening and continue applying evaporation prevention measures at Pinto Valley.
	Study alternative, low-quality water sources at Mantos Blancos, such as desalinated or treated wastewater.

Freshwater is defined as water containing total dissolved solids equal to or below 1,000 mg/L.

Other Water (referred to as low-quality water in prior years) is defined as water containing total dissolved solids above 1,000 mg/L.

Surface Water includes precipitation.

Mantoverde water desalination plant

2023 UPDATE:

Our Approach to Managing Water

Our approach to water management is based on our belief that access to water is a fundamental human right. We treat water, especially freshwater, as a scarce resource and only use what we need.

In 2023, the most significant change to water management arose from the completion of the dry stack tailings facility at Cozamin. This greatly improved water recoveries from tailings, reducing demands on other sources (see 2023 Results).

Continuing aspects of our site-level water management include:

- We reuse process water and prioritize low-quality water use wherever possible.
- We model our water balance to find opportunities for water savings.
- We design sites to avoid impacts to water.
- We monitor our water use to mitigate potential impacts.
- We collaborate for the benefit of all shared interests. For example, in 2023, Pinto Valley hosted a watershed workshop attended by representatives of the Tonto National Forest and community stakeholders such as the Salt River Project.

All of Capstone's freshwater withdrawals are in regions with High or Extremely High Baseline Water Stress. According to the World Resources Institute Aqueduct Country Rankings Tool, Arizona (Pinto Valley) has High Baseline Water Stress, and Zacatecas (Cozamin), Antofagasta (Mantos Blancos) and Atacama (Mantoverde and Santo Domingo) all have Extremely High Baseline Water Stress. [EM-MM-140a.1]

Please refer to our 2022 Sustainability Report for more on our Water Management approach.

Water treatment at Mantos Blancos

Capstone Human Rights Policy
We recognize access to water as a fundamental human right and commit to use it efficiently and responsibly.

Capstone measures water intensity in three ways, including water use in relation to the amount of ore processed, the amount of copper produced and the amount of copper equivalents produced. For analysis in this report, we use water use per tonne of ore processed.

Water discharge
Mantoverde is the only site that discharges water. All of Mantoverde's discharged water is desalinated water returned to the sea as a controllled discharge.

2023 UPDATE:

Our Approach to Managing Water

Overview of Site Water Sources

Site	Water Sources	Considerations for Shared Use
Pinto Valley	Process water reclaimed from TSF3 and TSF4[1] ponds, thickeners and Cottonwood reservoir	Groundwater wells extract water from the regional water system. The Pinto Creek watershed is under pressure from extreme, ongoing drought as well as competing community, recreational and industrial uses. Pinto Valley prioritizes well withdrawals that are further away from the creek, to minimize potential conflicts with other users.
	Contacted water from closed open-pit mines owned by third parties	
	Treated water from the sewage treatment plant	
	Groundwater wells around the mine site	
	Captured rainwater (when available)	
Cozamin	Process water reclaimed from TSF pond and filtered tailings	Local farmers also rely on treated wastewater from the municipal water treatment plant. Cozamin's wastewater use is governed by a contract with capacity limits, and the site's water management strategy focuses on maximizing the use of process water.
	Water removed from the underground mine	
	Captured rainwater (when available)	
	Treated wastewater from a municipal water treatment plant	
	Drinking water from a potable water plant	
Mantos Blancos	Process water reclaimed from TSF pond and thickeners	Both FCAB and ADASA water is piped from inland water sources high in the Andes. The community of Antofagasta relies on its desalination plant for most of its potable water, with some needs met from inland sources.
	Freshwater from Ferrocarril de Antofagasta a Bolivia (FCAB) for use in the oxide line (approximately 10% of withdrawals)	
	Other Water from Aguas de Antofagasta (ADASA) for the concentrator and camp site (approximately 90% of withdrawals)	
Mantoverde	Desalinated seawater from Capstone's desalination plant	Mantoverde signed an agreement in December 2023 to provide desalinated water (2-3 litres per second) to the communities of Flamenco and Las Piscinas as part of its environmental permits. This represents all these communities' water needs.
	Process water reclaimed from TSF pond and thickeners	
Santo Domingo	Purchased water from municipal sources for camp and potable uses during site preparation phase	Santo Domingo has a commitment to provide desalinated water (10 litres per second) to Diego de Almagro to support future growth.
	Desalinated seawater from Capstone's desalination plant (for operations)	

[1] Tailings storage facility

2023 RESULTS: Water Withdrawal and Intensity

Please see our Data Book for more site-level Water results.

Water Withdrawal and Discharge by Quality

	Sites 2023				Capstone 2023			Capstone 2022			% Change 2022-2023		
Water Withdrawal[1] and Discharge (m³)	**Pinto Valley**	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Freshwater[2]**	**Other Water[3]**	**Total 2023**	**Freshwater**	**Other Water**	**Total 2022**	**Freshwater**	**Other Water**	**Total Change**
Surface Water[4]	1,374,822	0	0	1,310	108,749	1,267,383	1,376,132	399,972	1,231,440	1,631,412	-73%	3%	-16%
Groundwater	6,808,454	0	0	313,260	3,404,227	3,717,487	7,121,714	2,855,777	3,263,006	6,118,783	19%	14%	16%
Seawater	0	0	3,228,241	0	0	3,228,241	3,228,241	0	2,697,126	2,697,126	0%	20%	20%
Third-party Water[5]	2,550,683	4,582,945	0	111,177	588,260	6,656,545	7,244,805	822,531	7,092,154	7,914,685	-28%	-6%	-8%
Total Water Withdrawal	**10,733,959**	**4,582,945**	**3,228,241**	**425,747**	**4,101,236**	**14,869,656**	**18,970,892**	**4,078,280**	**14,283,726**	**18,362,006**	**1%**	**4%**	**3%**
% of Water Withdrawal that is Freshwater	33%	10%	0%	26%			22%			22%			
% of Water Withdrawal that is Other Water	67%	90%	100%	74%			78%			78%			
Total Water Discharge[6]	**0**	**0**	**4,687,860**	**0**	**0**	**4,687,860**	**4,687,860**	**0**	**4,061,741**	**4,061,741**	**0**	**15%**	**15%**

[1] Water withdrawal is not equal to water consumption. Capstone does not currently measure water consumption. Data is based on flow meters, meteorological stations and water balance modeling. Santo Domingo withdrew no water in 2023. Water withdrawals for 2022 are included in the Capstone total for the year and the effect on the total is insignificant.
[2] Freshwater is defined as water containing total dissolved solids equal to or below 1,000 mg/L.
[3] Other Water (referred to as low-quality water in prior years) is defined as water containing total dissolved solids above 1,000 mg/L. Pinto Valley's Other Water groundwater includes water pumped from its open pit mine.
[4] Surface Water includes precipitation.
[5] Pinto Valley Third-party Water includes water pumped from closed open-pit mines owned by third parties. Cozamin's Third-party Water is primarily treated wastewater from a local water treatment plant. Cozamin's prior year data has been restated to correct the classification of third-party water sources. Mantos Blancos Third-party Water includes two water sources: FCAB and ADASA. FCAB is a freshwater source. Previously, FCAB water was reported as Other Water. Mantos Blancos data has been restated to reflect this change in classification. As a result of these reclassifications, Capstone 2022 Total Freshwater Withdrawal has been restated from 3,290,664 to 4,078,280 m³ and 2022 Percentage of Water Withdrawal that is Freshwater has been restated from 18% to 22%.
[6] All of Mantoverde's discharged water is desalinated water returned to the sea as a controlled discharge. Due to an error in units, 2022 volume was reported as 4,062 m³ in our 2022 Sustainability Report and has been restated this year as 4,062,000 m³.

Water Intensity by Quality

	Sites 2023[2]				Capstone 2023			Capstone 2022			% Change 2022-2023		
Water Intensity[1]	**Pinto Valley**	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Freshwater**	**Other Water**	**Total 2023**	**Freshwater**	**Other Water**	**Total 2022**	**Freshwater**	**Other Water**	**Total Change**
Water Intensity (m³/tonne ore processed)	0.597	0.316	0.126	0.321	0.069	0.25	0.319	0.068	0.238	0.306	2%	5%	5%
Water Intensity (m³/tonne Cu produced)	194.8	92.5	91.2	17.5	25	90.5	115.4	22.7	79.7	102.4	10%	14%	13%
Water Intensity (m³/tonne CuEq produced)	186.6	87.2	91.2	14.7	23.5	85.2	108.7	21.8	76.4	98.2	8%	11%	11%

[1] Capstone measures water intensity in three ways, including water use in relation to the amount of ore processed, the amount of copper produced, and the amount of copper equivalents produced. For analysis in this report, we use water use per tonne of ore processed. Restatements relating to Water Withdrawal have also been applied to Water Intensity.
[2] Santo Domingo is not included in the totals. Intensity calculations are not applicable as the project is not in the operating phase.

Water Use Compared to Sustainable Development Strategy Baseline

	Capstone 2023		
Water Target	**2023**	**2021 Baseline**	**% Change 2021-2023**
Freshwater Use[1] Intensity (m³/tonne ore processed)	0.069	0.06	15%
Low-quality[2] Water as a Proportion of Total Water Consumed	78%	77%	1%

[1] Table reflects the language in our Sustainable Development Strategy. As Capstone does not currently measure water consumed, "use" and "consumed" refer to water withdrawal.
[2] We now refer to low-quality water as other water. This is defined as water containing total dissolved solids above 1,000 mg/L.

2023 RESULTS: Water Withdrawal and Intensity

All Sites

Capstone withdrew 19.0 million cubic meters of water from all sources in 2023 (18.4 million in 2022), an increase of 3%. Consistent with 2022, most of the water withdrawn by Capstone in 2023 was Other Water (non-freshwater) — 78% both years. This includes all water withdrawals by Mantoverde. The percentage of Other Water withdrawals increased slightly from the baseline year of our Sustainable Development Strategy (2021 at 77%). See Water Use Compared to Sustainable Development Strategy Baseline.

Water intensity per tonne of ore processed increased 5%, with the increase driven mainly by Pinto Valley (up 15%) and Mantoverde (up 9%). The increase at Pinto Valley is due to higher withdrawals of groundwater during a year of high precipitation, to refill the reservoir, which had low levels from recent drought years. Mantoverde's intensity increase aligns with its 10% increase in ore processed.

Our Sustainable Development Strategy commits us to reduce freshwater use intensity relative to 2021, by 2030. Capstone's freshwater use intensity has increased 15% since 2021, with Pinto Valley recording a 12% increase in freshwater intensity over this period. See Pinto Valley discussion for how we are addressing this.

In general, water intensity for processing oxide through heap leach methods to produce copper cathode is less water intensive than processing sulphide to make copper concentrate. Pinto Valley is focused on concentrate, a more water-intensive process. Mantoverde's production in 2023 was exclusively copper cathodes but the site is adding a concentrator plant, which will likely increase its water intensity in the future. Mantos Blancos has a mix of copper cathode and copper concentrate production. Cozamin also has a concentrate process but its investment in dry stack tailings has reduced water intensity. See site-specific comments on the following pages for other factors that affected water intensity.

The award of The Copper Mark to Mantos Blancos and Mantoverde included assessment of practices related to freshwater management and conservation.

In 2023, we created a Tailings and Water Working Group comprised of corporate and site representatives to implement the Sustainable Development Strategy water priority.

There were no incidents of non-compliance related to water quality permits, standards or regulations in 2023 at any sites.

Pinto Valley Cottonwood reservoir

2023 RESULTS: Water Withdrawal and Intensity

Pinto Valley

Due mainly to the inherently water-intensive nature of concentrate production, Pinto Valley operations accounted for 56% of total 2023 Capstone withdrawals. Pinto Valley withdrew 10.7 million cubic metres in 2023 (9.9 million in 2022), an increase of 9%. Two-thirds of the 2023 water withdrawals were from other quality water sources.

Surface water withdrawals dropped 14%, but this is due to a change in how we estimate surface water withdrawals. Previously Pinto Valley counted all rainfall that fell on the site as surface water withdrawals, but since the ground is so arid, rainfall tends to be absorbed into the ground immediately, except over the TSF where it produces surface runoff that is captured in the TSF. We have not restated prior years for this change in methodology as we are currently doing hydrological studies that could result in further adjustments.

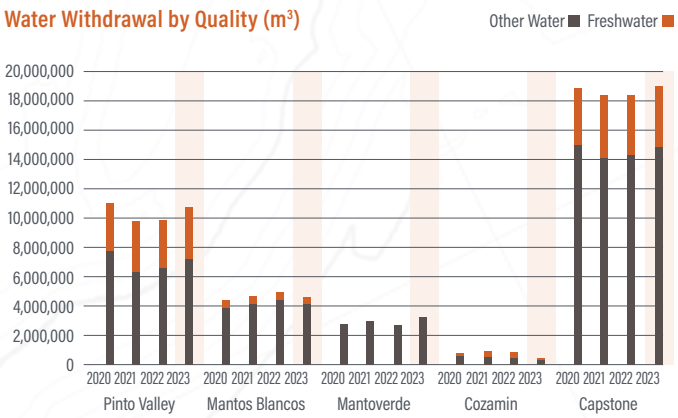
Groundwater withdrawals rose 19% compared to 2022. After several years of drought, Pinto Valley experienced a 20% increase in precipitation in 2023. This raised the levels in groundwater sources and provided Pinto Valley with an opportunity to rebuild water storage. Increasing water storage reduces the risk of production losses due to lack of water. Pumping water from wells to our main reservoir increased water storage levels in the main reservoir from 162,000 m^3 to 611,000 m^3 (370%), a significant factor in the total increase in water withdrawals for this site. It also contributed to the 15% increase in water intensity per tonne of ore processed, compared with 2022.

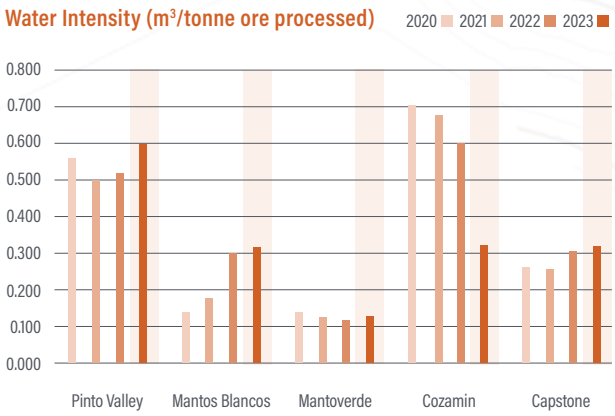
Pinto Valley deployed several strategies in 2023 to conserve water. A shift in the deposition strategy at TSF 4 that started in 2022, and gained momentum in 2023, resulted in less exposure to evaporation and seepage for water recovered from the tailings impoundment. Lining the Cottonwood reservoir embankment also reduced water loss through seepage, in addition to other benefits such as erosion control. Building on its 2022 success of using magnesium chloride in lieu of straight water for dust suppression on roads, Pinto Valley adopted this approach in the pit, partway through the year. Pinto Valley estimated this change saved 64,000 m^3 of water for that part of 2023.

Pinto Valley also invested in a variety of improvements to water management systems and processes that are expected to benefit results in 2024 and beyond. The most significant of these is a process to reduce evaporation in the TSF reclamation pond by 20-30%.

Mantos Blancos

Mantos Blancos had the second-highest water withdrawals of our sites (accounting for 24% of withdrawals) and met 90% of its needs through Other Water (non-freshwater) sourced from third parties. In 2023, the site, which also operates a concentrator plant, withdrew 4.6 million cubic metres, 6% lower than 2022 withdrawals of 4.9 million. However, water use intensity per tonne of ore processed rose by 6%.





2023 RESULTS: Water Withdrawal and Intensity

Please see our Data Book for more site-level Water results.

Mantoverde

Mantoverde had a significant increase in water withdrawal (all seawater) of 20% (over 2022). This was related to management of the heap leaching process, which also produced a 9% increase in water intensity per tonne of ore processed. The adjustment was made to improve leaching efficiency and increase the copper recovery rate.

At the end of 2023, Mantoverde signed an agreement with the Chile Drinking Water and Sewage Company (ECONSSA Chile) and the Regional Government of Atacama to provide desalinated water for coastal communities near the Mantoverde desalination plant (per Mantoverde Development Project environmental approval commitment). Mantoverde has met its commitments to build the infrastructure to deliver desalinated water for the local communities and is awaiting action from the regional government and potable water company to complete the distribution network to the communities.

Mantoverde is the only site that discharges water on a regular basis. In 2023, the site discharged 4,687,860 m^3 of brine to seawater (2022 had 4,062,000 m^3). Due to an error in units, 2022 volume was previously reported as 4,062 m^3 in our 2022 Sustainability Report and has been restated this year. All discharges met Chile's Norma de Emision DS 90 emission standards for liquid waste discharge to marine and inland surface waters, which stipulate that discharge water not exceed the salinity of natural seawater.

In 2023, Cozamin started to realize significant water savings from its new dry stack tailings facility. Total water withdrawals dropped 48% (from 2022), including a 70% decrease in draws from third-party sources.

Cozamin

All water intensity ratios decreased significantly in 2023, as Cozamin improved water recovery from tailings. Cozamin completed construction of the dry stack tailings facility in 2022 and started to realize benefits in 2023. Total water withdrawals dropped 48% (from 2022), including a 70% decrease in draws from third-party sources.

Water pumped out of the mine to access the ore is treated as groundwater withdrawal and represents the most significant source for Cozamin. In 2023, there was 23% less groundwater withdrawn compared to 2022 because Cozamin was mining in shallower areas where less water was found.

Looking Forward

In 2024, Capstone will:

- Assess all sites against the ICMM Water Stewardship Maturity Framework and Water Reporting guidelines.
- Develop a Water Stewardship Strategy to reduce freshwater use intensity.

Beyond 2024, Capstone will:

- Develop a Water Policy and Water Management Standard.
- Develop site-wide water balances to maximize water efficiency and minimize consumption.
- Standardize reporting under ICMM's Water Reporting Framework.

Tailings and Waste

Tailings management is a priority of our Sustainable Development Strategy.

At the end of 2023, Capstone had 12 tailings storage facilities (TSFs) in various stages from construction to closure: five at Pinto Valley, four at Mantos Blancos, two at Cozamin and one at Mantoverde. We also have two TSFs in the design stage – one for Pinto Valley and one for Santo Domingo. All our facilities are on a path to conformance with the Global Industry Standard on Tailings Management (GISTM). See the Tailings Storage Facility Inventory in Appendix C.

This section covers tailings, other mineral waste (i.e., waste rock, sludge) and non-mineral waste (e.g., construction waste). Waste rock and non-mineral waste did not reach our materiality threshold, but we include them here to acknowledge our responsibilities for various forms of waste.

Sustainable Development Strategy Priority

Priority	Tailings: Achieve industry best practices for safe and responsible tailings management.
Target	Implement the GISTM across all Capstone TSFs by YE 2028.
Strategy	Implement the GISTM for Mantoverde, Cozamin and Santo Domingo by 2026 and for Mantos Blancos and Pinto Valley by 2028.

Tailings
Waste materials left after the target mineral is extracted from ore; consist mainly of crushed rock and water.

Independent Tailings Review Board (ITRB)
A board that provides independent technical review of the design, construction, operation, closure and management of tailings facilities. The independent reviewers are third parties who have not been directly involved with the design or operation of the particular tailings facility.

Tailings storage facility at Pinto Valley

2023 UPDATE:

Our Approach to Managing Tailings and Waste

In 2023, we laid the foundation for our global approach to tailings (outlined in our Sustainable Development Strategy), putting us on a pathway to conformance with the GISTM by 2028.

Key developments in 2023 included the following:

- We developed a common Capstone Tailings Management System (TMS) Framework to align our existing site-level systems with GISTM requirements (see What is our TMS Framework?). The scope of the Framework includes tailings, waste and water management.
- We implemented the TMS Framework by enhancing site governance, establishing Independent Tailings Review Boards (ITRBs) and reviewing processes and documentation for technical and social/environmental systems.
- We launched a Tailings and Water Working Group to support implementation.
- We initiated GISTM self-assessments at each site to assess the level of conformance with the GISTM and develop action plans to address gaps.
- We updated our inventory of tailings storage facilities (TSFs) from 13 to 12. At Cozamin, Chiripa North and South have been integrated into one facility, reducing the number of TSFs from three to two. This change was made in consultation with the Independent Tailings Review Board to facilitate conformance with GISTM and simplify implementation.

Other aspects of our tailings management approach continued throughout 2023:

- We continued to follow the four-step approach to Emergency Preparedness and Response Plans for TSFs.
- We engaged independent experts to estimate the TSF closure and post-closure costs at each site (i.e., our Asset Retirement Obligations, or AROs). These estimates and costs were subject to our annual financial statement audit.

Other Waste

There were no significant changes to how we manage other mineral waste (waste rock and sludge) or non-mineral waste.

Please refer to our 2022 Sustainability Report for more on our Tailings and Waste management approach.

While our overall corporate tailings governance structure stayed the same in 2023, we strengthened our Four Lines of Defence Model to move our TMS towards GISTM conformance.

Four Lines of Defence for Tailings Management and Our 2023 Actions to Strengthen Them

1 Site Management

Reviewed and appointed Responsible Tailings Facility Engineers (RTFE) and Engineers of Record (EOR) at all sites

Added positions to site tailings and water management teams

2 Third-party Review

Completed Independent Tailings Review Board (ITRB) sessions at all sites

3 Corporate Oversight and Support

Recruited key positions to the Corporate Technical Services team to support implementation across site (creating a Tailings and Infrastructure team)

4 Board Oversight

No changes in 2023

2023 UPDATE:

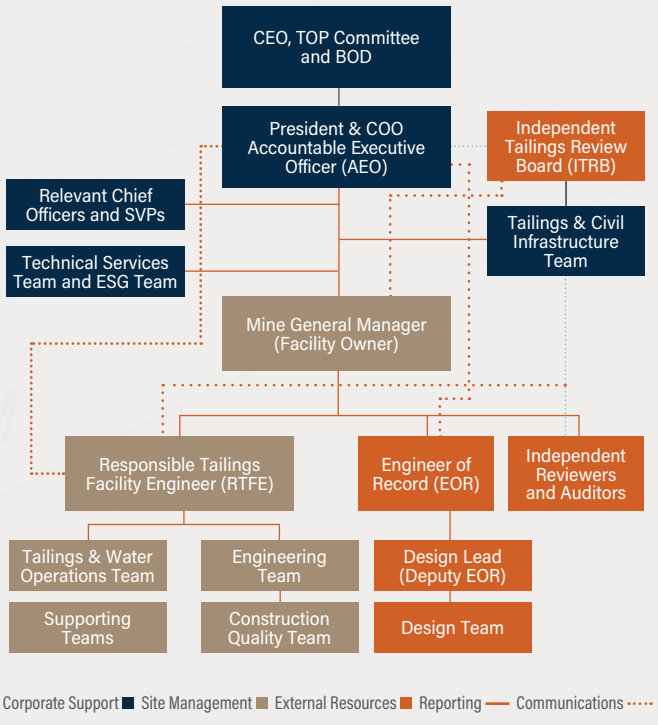
Our Approach to Managing Tailings and Waste

What is our Tailings Management System (TMS) Framework?

The GISTM requires the implementation of site-specific Tailings Management Systems (TMS). Capstone's TMS Framework provides a structure to integrate systems, people, resources, processes and practices to ensure a consistent, comprehensive and systematic approach to tailings, water and waste management through a facility's lifecycle. Capstone's site-level TMS Framework includes the following six pillars:

1] Governance, Planning and Design
2] Registration, Reporting and Public Disclosure
3] Operation, Maintenance and Surveillance (OMS); Emergency Preparedness and Response Plan (EPRP)
4] Risk Management
5] Review and Assurance
6] Training and Competency

Our Corporate Tailings Governance Structure



2023 RESULTS: Mineral and Non-Mineral Waste

Please see our Data Book for more site-level Tailings and Waste results.

Mineral Waste Generated

	Sites					Capstone		
Mineral Waste[1] (million tonnes)	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	2023	2022	% Change 2022-2023
Tailings	18	5	0	1	0	24	25	-5%
Waste Rock[2]	16	55	83	0	0	154	128	20%
Sludge (tonnes)	7	16	63	0	0	86	66	30%

[1] Overburden mined at Pinto Valley, Mantos Blancos and Mantoverde is included in the reported waste rock figures. Overburden mined at Pinto Valley is minimal. Cozamin is an underground operation and does not mine overburden.
[2] Waste rock produced at Cozamin is used as backfill material for ground support, and little or no waste rock is stored permanently at surface. For this reason, this material is not considered waste by Capstone's definition and is not included in these figures.

Non-mineral Waste Generated and Recycled

	Sites					Capstone		
Type of Non-mineral Waste (tonnes)	Pinto Valley[1]	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	2023	2022	% Change 2022-2023
Hazardous Waste Generated	0.8	757	2,096	121	0	2,976	1,904	56%
Non-hazardous Waste Generated	3,038	2,513	3,811	616	0	9,977	13,125	-24%
Total Waste Generated	**3,039**	**3,271**	**5,907**	**737**	**0**	**12,953**	**15,028**	**-14%**
Hazardous Waste Recycled	0.04	178	0	47	0	226	47	378%

[1] In 2023, Pinto Valley began including tires and other industrial waste in its non-hazardous waste amounts. The Capstone total for 2022 has been restated by adding 966 tonnes to the amount previously reported as 12,159 tonnes.

Environmental Incidents

	Sites					Capstone	
Type of Incident[1]	Pinto Valley[1]	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	2023	2022
Reportable Incidents[2]	0	0	1	0	0	1	2
Significant Incidents Associated with Hazardous Materials and Waste Management	0	0	0	0	0	0	0
Volume of Reportable Spills (litres)	0	0	5,800,000	0	0	5,800,000	200,000

[1] We do not report % change for environmental incidents because incidents are unique in nature and comparison would not be meaningful.
[2] Sites have regulatory requirements to report spills, releases of certain types and quantities of materials, or other incidents such as wildlife encounters, to government authorities. We categorize these as reportable incidents.

2023 RESULTS: Mineral and Non-Mineral Waste

All Sites

Mineral Waste

In 2023, the production of mineral waste aligned with our mine plans. Tailings production of approximately 24 million tonnes was down 5% overall compared to 2022, consistent with a 5% overall decline in ore processed. Pinto Valley generates the largest amount of tailings (73% in 2023) because it mills ore for concentrate production. Sites that use the dump or heap leach method to produce cathode do not generate tailings.

We created 20% more waste rock in 2023 compared to 2022, with more than half of the waste rock generated at Mantoverde. Sludge production increased by 30% to 86 tonnes, with 74% coming from Mantoverde. Sludge is generated by the electrowinning process during cathode production. Sludge generated by the Pinto Valley SX/EW plant is annually shipped off site to a lead smelter for recycling. Sludge generated by Mantos Blancos and Mantoverde is shipped off site for disposal.

Non-mineral Waste

In addition to mineral waste, sites generate non-mineral waste, most of which consists of non-hazardous materials such as scrap metal, tires, concrete and wood. Recycling of these materials varies by site, based on local markets and regulations. Sites recycle used oil through licensed contractors.

Hazardous waste is flammable, highly toxic (e.g., heavy metals), corrosive (acidic or basic) or highly reactive. Hazardous waste generated at sites includes aerosol cans, materials contaminated with paints, solvents, acid, reagent containers, lab products and PPE. Definitions vary between jurisdictions. For instance, materials contaminated with fossil fuels are considered hazardous waste in Chile, but as special waste for Pinto Valley. Fluorescent lighting tubes are considered hazardous waste in Chile, but not for Pinto Valley.

Capstone generated approximately 12,000 tonnes of non-mineral waste in 2023, a decrease from 14,000 in 2022. The end of construction at Santo Domingo accounted for much of the decrease. Santo Domingo produced 5,400 tonnes of non-mineral waste in 2022 and none in 2023. Mantoverde saw the largest increase in non-mineral waste of all sites, in both hazardous and non-hazardous waste production, due to the Mantoverde Development Project.

Hazardous waste accounted for approximately 22% of Capstone's total non-mineral waste, up 56% from 2022. This was driven by ongoing construction projects at Mantoverde and improved waste management at Mantos Blancos. Hazardous waste recycling shows an increase of 378% because recycling of hazardous waste is measured when it is taken off site by specialized waste contractors. Timing of shipments can lead to large year-over-year variations, as outlined in site commentaries on next page.

Environmental Incidents

In 2023, Capstone had one reportable incident. Mantoverde reported a spill of 5.8 million litres of desalinated water. A pipe joint failed in Pump Station 2 located between the desalination plant and the mine site, causing water to spill. Due to the location of the rupture, the water was not fully contained in the emergency pool (1 million litre capacity) at the station and 4.8 million litres drained down local roads. The emergency response plan was activated immediately upon discovery of the spill and authorities were notified. The spill was contained within 24 hours and the remediation work on the road completed within 60 days. The causes for the spill were identified and resolved.

Capstone had no significant incidents associated with hazardous materials and waste management in 2023.

Waste rock
Mined native bedrock that is not processed for extraction of minerals or mineral product.

Paste backfill
Tailings with enough water content removed to create a paste consistency that is mixed with a binder, such as cement, then pumped underground into mined-out voids to provide ground support.

Reportable incidents
Spills, releases of certain types and quantities of materials, or other incidents such as wildlife encounters, that sites are required to report to government authorities.

2023 RESULTS: Mineral and Non-Mineral Waste

Please see our Data Book for more Tailings and Waste results.

Pinto Valley

Pinto Valley made progress on aligning its TMS with GISTM requirements. The site engaged actively with the ITRB, which met three times.

Pinto Valley produced 18 million tonnes of tailings in 2023, 6% less than 2022. This was due to lower milling activity that followed the mine plan. There was less stripping activity as Pinto Valley decommissioned some trucks that were expensive to operate; as a result, 31% less waste rock was produced. The sludge produced at Pinto Valley is from the SX/EW plant and it is sent to a lead smelter for metal recovery.

Pinto Valley generated approximately 3,038 tonnes of non-mineral waste in 2023 (compared to 3,737 tonnes in 2022), of which less than 1 tonne was hazardous waste. In 2023, the site began tracking other non-hazardous waste categories such as tires. Prior year data has been restated. Less waste was shipped off site due to site clean-up projects and fewer small spills of fossil fuel products compared to 2022. Used oil and hydraulic fluid, and the soil and rags containing them, are classified as non-hazardous in Arizona, but not in Chile and Mexico. Pinto Valley instituted new controls over reagents and similar products in 2023, which successfully reduced the amount of hazardous waste.

Mantos Blancos

Tailings production at Mantos Blancos was similar to 2022 at 5 million tonnes, and consistent with the change in tonnes of ore processed (a 3% decrease). Waste rock continued its upward trend (since 2020) in line with the mine plan. The 16 tonnes of sludge resulting from production of copper cathode was 16% lower than 2022, reflecting the reduction in copper cathode produced.

Mantos Blancos produced approximately 3,300 tonnes of non-mineral waste in 2023, an increase of 23% from 2022. Non-hazardous waste, representing 77% of the total, was only up 3%, but hazardous waste volumes expanded from 217 tonnes to 757 tonnes. The increase was due to the increase in shipments off site. (Hazardous waste can be stored for six months on site.) Mantos Blancos improved its inventories and management of hazardous waste in 2023. This resulted in more being tallied as it was transferred to an approved waste handler.

Mantoverde

Mantoverde only produced copper cathode in 2023, using the heap leach method that does not generate tailings. This will change as the sulphide plant goes into operation in 2024 and Mantoverde begins to produce copper concentrate. The site had a 46% increase in waste rock generation (from 57 million tonnes in 2022 to 83 million tonnes in 2023), in preparation for the start of sulphide production. Mantoverde's sludge figures were higher in 2023 (63 tonnes) than in 2022 (45 tonnes) due to timing of sludge removal from the oxide plant. As sludge accumulation does not significantly impact cathode production, the timing of its removal varies year to year based on maintenance needs.

Mantoverde has been constructing a TSF to handle waste from the new sulphide plant. Design and construction follow the GISTM standard; it is on track for commissioning in 2024.

Mantoverde produced the largest amount of non-mineral waste (5,900 tonnes) of all Capstone sites in 2023, due to construction projects (Mantoverde Development Project and oxide plant optimization) underway. Sixty-four percent of this was non-hazardous, including wood, metal and domestic waste associated with site camps and cafeterias. Two thousand tonnes of hazardous waste, primarily associated with the construction projects, consisted mainly (80%) of materials contaminated with fossil fuels from clean-up of small spills around diesel generators and machinery.

In 2023, there was one reportable spill when a pipe joint failed in a pump station, causing 5.8 million litres of desalinated water to spill. One million litres were contained onsite in the emergency pool and the rest drained onto two regional roads. The emergency response plan was activated immediately upon discovery of the spill: pipe flow was curtailed, containment equipment was mobilized and cleaning materials were deployed. See Environmental Incidents.

2023 RESULTS: Mineral and Non-Mineral Waste

Cozamin

Cozamin generated a comparatively small amount of tailings in 2023 (1.2 million tonnes), down slightly from 2022. The site does not report waste rock because it gets used as backfill material and incorporated into the mine, rather than being stored at the surface. It also produces no sludge.

2023 is the first year of full operation of the dry tailings paste backfill plant. The plant recovers about 90% of the water from tailings, depositing 'dry' (dewatered) tailings on the TSF, thereby improving geotechnical stability. A portion of the tailings (paste backfill) is mixed with cement and incorporated underground for stability.

Cozamin made significant progress on the Chiripa remediation project in 2023. Chiripa is a 140-hectare legacy mine site, contaminated with lead and arsenic, that includes one TSF (Chiripa North and South) and some derelict structures. Our approved closure plans include two projects – one to stabilize the TSFs and another to remediate and reclaim the site. For discussion of the remediation project, see Biodiversity. The tailings stabilization project, which meets GISTM closure requirements, began in 2022 and was completed in 2023. Elements of the project included constructing a buttress to physically stabilize the TSF, regrading the impoundment to control water flow and covering the area with compacted soil, clay and gravel to prevent water from contacting the tailings.

Cozamin's non-mineral waste amounted to 737 tonnes, 84% of which was non-hazardous. The amount of hazardous waste declined 18% from 2022 as activities related to the Chiripa remediation project and the paste backfill project wound up. Cozamin recycled 39% of its hazardous waste, the highest recycling rate among our sites.


Tailings paste backfill plant at Cozamin

Santo Domingo

Santo Domingo does not produce any mineral waste at this stage of its lifecycle. There was no construction or field work in 2023, eliminating the source of non-mineral waste.

Looking Forward

In 2024, Capstone will:

- Develop a Capstone Tailings Management Standard.
- Update Capstone's Emergency Preparedness and Response Plan (EPRP).

Beyond 2024, Capstone will:

- Develop Mineral Waste Management and Water Policies.
- Develop Capstone Water and Waste Management Standards.
- Conduct GISTM internal audits.

Biodiversity

Biodiversity is a priority of our Sustainable Development Strategy. This topic covers the measures we have in place to protect ecosystems in and around our operations, and their plant and animal species, throughout the mining lifecycle. As Capstone is on a growth trajectory with expansion projects underway at several sites, adopting management practices to safeguard biodiversity is a key aspect of responsible mining.

Sustainable Development Strategy Priority

Priority	Biodiversity: Minimize ecological impacts and protect biodiversity, aiming to deliver a net positive impact.
Target	100% of sites assessed against the Capstone Biodiversity Standard by 2025.
	Reclamation, reforestation and habitat conservation project-specific metrics achieved by 2025, with results annually reported.
Strategy	Develop the Capstone Biodiversity Standard.
	Develop a methodology for setting nature-related targets.
	Complete Chiripa historic tailings remediation project at Cozamin.
	Complete Cottonwood tailings impoundment (and 19 Dump) reclamation and closure at Pinto Valley.
	Continue biodiversity conservation initiatives at Mantoverde.

Most of our sites are a considerable distance from protected areas or recognized areas of high biodiversity value outside protected areas. Pinto Valley overlaps with the Tonto National Forest. Mantoverde is 50 km from the nearest national park but adjoins a prioritized conservation site. Mantos Blancos and Cozamin are both more than 20 km from a protected site. See the table on Operational Sites in or Adjacent to Protected Areas and Areas of High Biodiversity Value for a summary. Refer to our 2022 Sustainability Report for more information on the biodiversity conditions related to our operations.

We have also analyzed our reserves for their proximity to areas of biodiversity. Fifteen percent of Capstone's proven reserves and 7% of probable reserves are in or near a conservation area, all relating to Pinto Valley. See Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation Areas in Appendix C.

We view the inventory of species of concern not as a performance measure, but as an evolving picture of our biodiverse neighbourhoods. The number of species reported tends to increase with the level of biological surveying effort, which can confirm the existence of species expected to be in an area. Since methods of counting species of concern vary by jurisdiction, we do not report a consolidated number. See Species of Concern with Habitats in Areas Affected by Operations table.

The International Union for Conservation of Nature's (IUCN) Red List of Threatened Species has evolved since its inception in 1964 to become the world's most comprehensive information source on the global extinction risk status of animal, fungus and plant species.

Ladder-backed woodpecker in Zacatecas

Operational Sites in or Adjacent to Protected Areas and Areas of High Biodiversity Value

Site[1]	Location	Size of Site (km²)[2]	Nearest Protected/ Biodiversity Area	Position in Relation to Protected Area	Protected Status
Pinto Valley	Miami, Arizona, US	26	Tonto National Forest	Site overlaps with area	Critical Habitat
Mantos Blancos	Antofagasta, Antofagasta, Chile	27.3	Aguada La Chimba	Approx 32 km	Nature Sanctuary Polygons
Mantoverde	Chañaral, Atacama, Chile	29.3	Guamanga Ravine	Adjoining with a minor overlapping area	Biodiversity Conservation Prioritized Site
			Pan de Azúcar National Park	Approx 50 km	National Park
Cozamin	Morelos, Zacatecas, Zacatecas MX	1.4	CADNR 001 Pavilion	Approx 24 km	Natural Resources Protection Area
			CADNR 043 State of Nayarit	Approx 22 km	Natural Resources Protection Area
Santo Domingo Project Site	Diego de Almagro, Chile	28.3	Pan de Azúcar National Park	Approx 60 km	National Park

[1] All sites listed have active mining and production operations with the exception of Santo Domino which is a project and not an active operation. All are surface mining except Cozamin, which is underground.
[2] Areas of Mantos Blancos and Mantoverde have been restated from our 2022 Sustainability Report. They were incorrectly reported as 273 km² and 293 km² respectively.

Most of our sites are a considerable distance from protected areas, or recognized areas of high biodiversity value outside protected areas.

Species of Concern with Habitats in Areas Affected by Operations

	Sites				
Number of Species of Concern in Areas of Operation	Pinto Valley[1]	Mantos Blancos[2]	Man-toverde[3]	Cozamin[4]	Santo Domingo[3]
Critically Endangered	0	0	0	0	0
Endangered	0	0	0	1	2
Vulnerable	1	0	5	1	4
Near Threatened	4	0	2	1	0
Least Concern	58	0	2	110	0
Total Number of Species of Concern	**63**	**0**	**9**	**113**	**6**

[1] Pinto Valley used an independent biologist to reconcile IUCN and National Conservation lists, producing this blended list of expected species.
[2] Mantos Blancos biodiversity surveys completed for Environmental Impact Assessments over subsequent cycles found no species of flora or fauna of concern in the local area.
[3] Mantoverde includes only the species sighted in the area in the given year, while the number of species of concern that could be expected in the area is 14. Santo Domingo uses the same approach; the number of species of concern that could be expected is 14. The categorization of species complies with Chilean Decree No 29 Regulation to Classify Species According to Conservation Status (RCE).
[4] Cozamin includes all the species that have been observed in the area since the mine started using the IUCN Red List.

2023 UPDATE:

Our Approach to Managing Biodiversity

In 2023, we created a global, cross-functional Biodiversity Working Group to implement our Sustainable Development Strategy. They will lead the development of a common biodiversity standard for all sites, which will align to global norms and be integrated into site-level management systems.

At the site level, we continued to practice approaches that follow the guidance in our Integrated EHSS Policy to minimize the impact of our activities on the natural environment through every stage of the mining lifecycle:

- **Planning:** We prepare detailed biodiversity plans, aiming to protect habitats that support biodiversity at the facility design stage, during operations and in preparation for eventual closure and remediation. Closure preparation includes baseline inventories at Pinto Valley and Cozamin and maintenance of a native plant nursery at Mantoverde and Cozamin.
- **Compliance:** We operate within national and state-level regulatory frameworks that protect biodiversity, incorporating any required mitigation measures into our mine plans. This includes keeping key species out of harm's way and using independent experts to relocate species if needed.
- **Monitoring and research:** We conduct detailed biodiversity assessments, update them regularly and monitor our measures. See the table 2023 Biodiversity Monitoring Activities and Outcomes for a summary.
- **Collaboration:** We collaborate with stakeholders, such as the US Forest Service for Pinto Valley, the Pan de Azúcar. National Park and the Chilean National Forest Corporation (CONAF). We share the results of our biodiversity monitoring and research studies with key stakeholders and biodiversity research networks.

Pinto Valley is our only operation exposed to the risk of acid rock drainage. Pinto Valley actively mitigates risk of potential acid rock drainage associated with surface water runoff by capturing and recycling surface water runoff that contacts these materials in a network of catchments, ponds and reservoirs. Alternately, we encapsulate waste rock and tailings with inert materials. Groundwater quality is protected by the hydraulic capture zone created by the open pit, active pumping of downgradient water production wells and high evaporation rates on the surface of waste dumps and tailings impoundments.

In 2023, Pinto Valley updated their groundwater model to check for contaminant dispersion. Water quality monitoring does not show any impact of acid rock drainage beyond the site.

Please refer to our 2022 Sustainability Report for more on our Biodiversity management approach.

2023 Biodiversity Monitoring Activities and Outcomes

Site	Activity	Outcome
Pinto Valley	Surveyed for noxious and invasive weeds along Forest Service Road 287.	Annual activity. No action required.
	Performed a Yellow Billed Cuckoo habitat survey. Monitored livestock exclusion fencing surrounding Pinto Creek.	Riparian tree species density and total vegetation volume have increased. Seven fence breaches were recorded and repaired, ensuring protection of critical Yellow Billed Cuckoo habitat along the creek.
	Surveyed vegetation reference plots.	Establish a vegetative baseline to act as target for future reclamation.
Mantoverde	Conducted quarterly monitoring of flora and fauna across the operations.	No significant changes and no specific actions required based on research.
	Completed six marine monitoring campaigns.	No significant change in marine flora. Salinity is within permit limits.
	Monitored relocated cacti.	Relocated 361 cacti with a survival rate of 97%.
Cozamin	Increased monitoring from 2 to 4 seasons and deployed 5 camera traps to capture nocturnal species. Performed monitoring in every season.	Biodiversity baseline improved with new species and reconsideration of others according to taxonomy.
	Deployed 10 field mouse traps.	Improved monitoring of field mouse populations across site. Field mice are an important source of food for higher-level predators.
	Relocated protected rattlesnake species in accordance with NOM 059 (Mexico's red list).	30 snakes relocated.
Santo Domingo	No field work.	

2023 RESULTS: Biodiversity Activities

All Sites

Mantos Blancos and Mantoverde were awarded The Copper Mark in 2023. The process to achieve this recognition included assessment against the performance criterion related to biodiversity management. The assessment was based on a recognized mitigation hierarchy targeting no net loss or a net gain in biodiversity. Pinto Valley and Cozamin are working towards participating in the Copper Mark process. In 2023, both sites conducted a gap analysis of their biodiversity management practices.

Pinto Valley

In 2023, monitoring showed that water quality in Pinto Creek was in line with EPA standards, demonstrating that operations are not adversely affecting aquatic biodiversity.

In addition to regular monitoring activity, Pinto Valley completed all the advance work needed for a realignment of a US Forest Service road, including vegetation mapping, identification of cultural heritage sites, engineering work and other biological surveys.

We also completed the design for a 140-hectare regrading and reclamation project on the 19 Dump and Cottonwood Tailings Impoundment to commence in 2024.

Mantos Blancos

Mantos Blancos is required to rescue three protected species of seabird if they become disoriented and end up in the desert near our operations. In 2023, we rescued five birds and sent them to the wildlife and rehabilitation centre affiliated with Antofagasta University.

Mantoverde

Mantoverde's biodiversity team made some important contributions to research in 2023. We completed the Guanaco (Lama guanicoe) diet and fox (Zorro culpeo) habitat range studies begun in 2022. Results were shared at conferences and submitted to the Chilean environmental authority, which made them available to the public through an online platform.

Mantoverde collected another 10,000 seeds for 12 different species in 2023, the final year of a program to collect and preserve seeds for the National Seed Bank.

The team also conducted a pet sterilization campaign in the community to create awareness among pet owners of their responsibility for dogs and cats that can harm wildlife. Dogs running wild have been known to attack guanacos, putting them at higher risk. 2023 was the second year of the campaign.

Mantoverde met its regulatory commitment to maintain a 500 m^2 forest grove through felling and pruning, and took the opportunity to monitor birds in the forest area.

Cozamin

Under an agreement with the Mexican authorities, Capstone is required to remediate Chiripa, an adjacent closed mine site. In 2023, Cozamin completed remediation work to remove and secure almost 26,000 cubic metres of contaminated soil and debris in an on-site containment cell. To initiate biological restoration, we replanted 12 hectares of forest area on the treated site. (See Tailings and Waste for information on related Chiripa remediation work on TSF stabilization and closure.)

Cozamin also continued to collect data for a biodiversity handbook, to provide a valuable biodiversity reference for Capstone employees, local communities and educational institutions.

Looking Forward

In 2024, Capstone will:

- Develop a Capstone Biodiversity Standard.
- Publish a biodiversity handbook based on a two-year biodiversity monitoring program at Cozamin.

Beyond 2024, Capstone will:

- Assess all sites against the Capstone Biodiversity Standard (2025).
- Complete the Chiripa remediation and closure project.

Air Quality

This topic includes dust, also known as particulate matter (PM), and non-greenhouse gas air emissions generated at our operations. Our sites operate within air quality standards defined by national regulations, local regulations and permit requirements. Dust is an air contaminant of great concern to our communities and people, and is the focus of this chapter.

2023 UPDATE:

Our Approach to Managing Air Quality

We manage dust and other air emissions at the site level. Methods for monitoring and reporting PM and other emissions vary by site, depending on the local regulations. Pinto Valley calculates the annual inventory from stack testing data. Mantos Blancos and Mantoverde report their authorized PM emission projections, based on their approved plans.[3] Cozamin monitors PM to ensure concentrations stay below regulatory thresholds; however, the site does not prepare an annual inventory. For details, see Ambient Air Quality Monitoring, Measurement and Reporting in Appendix C.

Our management approach did not change significantly in 2023 at any site, but our reporting has changed to better reflect the difference in site approaches for capturing and reporting air quality data (see 2023 Results).

We continued to use a combination of approaches to manage dust. These included:

- Equipment solutions, such as wet scrubbers on conveyor belts and enclosures or covers on dust-prone areas such as conveyors, stockpiles and concentrate storage.
- Water and environmentally benign chemical dust suppressants on roads, in pits and other areas prone to dust. Chemical dust suppressants such as magnesium chloride have the added benefit of reducing water use for dust control.
- Training of employees in weather monitoring and dust minimization procedures.
- Operational procedures, such as equipment maintenance and driving practices that reduce dust.

Through its Copper Mark gap assessment, Pinto Valley identified air quality as an area for improvement. Nine monitoring devices were added for outdoor air quality monitoring and one for indoor monitoring. Pinto Valley conducted a detailed evaluation of the air quality monitoring systems and controls, and is now assessing results.

Cozamin responded to an anticipated increase in PM from the transition to dry stack tailings, by pumping water from inside the mine to deposit on the tailings, mechanically compacting the tailings and using dust suppressants.

Please refer to our 2022 Sustainability Report for more on our Air Quality management approach.

NOx and SOx are the common abbreviations for nitrogen oxide and sulphur oxide emissions which are produced when fuel is burned at high temperatures. NOx and SOx negatively impact air quality.

Particulate matter (PM) is a complex mixture of solid and liquid particles which is the main air pollutant in mining.

Air quality monitoring unit at Pinto Valley

[3] For Mantos Blancos and Mantoverde, the RCA (Resolución de Calificación Ambiental – Environmental qualification resolution) is the government-approved document authorizing the projects. The most current RCAs for both sites, from 2017 and 2020, show the emissions projected for each stage of the project, by year, based on the equipment to be used.

2023 RESULTS: Air Emissions

Air Emissions

	Sites						Capstone Totals	
	Result Measured or Estimated Based on Actual Activity[1]			Data from Approved Forecasts for Regulators				
Emission Type[2] (tonnes)	Pinto Valley	Cozamin	Total Calculated Emissions	Mantos Blancos	Mantoverde	Total Forecast Emissions	2023	2022
Particulate Matter (<2.5 microns)	260	no data	260	512	566	1,078	1,338	1,221
Particulate Matter (<10 microns)	2,242	no data	2,242	3,890	3,393	7,283	9,525	8,572
Total Particulate Matter[3]	**7,633**	**no data**	**7,633**	**18,120**	**12,381**	**30,501**	**38,134**	**35,204**
Nitrogen Oxides (NOx)	52	no data	52	68	2,931	2,999	3,051	2,800
Sulphur Oxides (SOx)	22	no data	22	8	110	118	140	137
Carbon Monoxide (CO)	215	no data	215	17	632	649	864	830
Hazardous Air Pollutants (HAP)	10	1	11	no data	no data	no data	11	11
Lead (Pb)	0.041	no data	0.041	no data	no data	no data	0.041	0.044
Volatile Organic Compounds (VOC)	32	no data	32	no data	no data	no data	32	32

[1] We have modified this table from 2022 to distinguish between emissions calculated based on actual activity (Pinto Valley and Cozamin) and emissions based on authorized projections (Chilean sites). Cozamin data reported in 2022 for PM and lead was found to be in error, as Cozamin is not able to produce inventories of these emissions. The impact on consolidated PM and lead emissions cannot be determined at this time. We have also changed our reporting to clearly indicate emissions that are not measured as "no data", instead of reporting zero emissions. Prior period data has been restated to reflect current reporting practices. We are not reporting % change as it would not be meaningful on a consolidated basis.

[2] None of our sites measure mercury emissions as they are likely to be insignificant.

[3] Total Particulate Matter: total airborne particles <100 microns suspended in air.

Water truck at Mantos Blancos

2023 RESULTS: Air Emissions

All Sites

Since there is considerable variation in the methods used by sites to measure or estimate emissions, it is not meaningful to discuss consolidated emissions. See individual site commentaries.

Pinto Valley

Total PM levels dropped 5% at Pinto Valley. This is likely due to several contributing factors. Blasting is a significant contributor to dust and production was lower in 2023. Reduced blasting activity also reduces the release of NOx emissions as the blasting agent is the main driver of NOx. (Twenty-eight of the 51.6 tonnes of NOx were attributed to the blasting agent.)

Pinto Valley continued to address air quality issues through a continuous improvement approach, including fleet upgrades and electrification. Replacement of aging mine fleet with lower-emission (Tier 4) equipment improves NOx and SOx emissions. The site electrified two water supply well generators helping reduce air emissions associated with diesel generators. Previous experience with the use of magnesium chloride as a dust suppressant were successful, so we expanded its use to other areas of the mine.

Pinto Valley's hazardous air pollutants (HAPs) related primarily to sulphuric acid mist from the electrowinning tank house. HAP emissions were consistent with 2022. Lead emissions result from lead content in the ore.

In 2023 Pinto Valley continued to address air quality issues through continuous improvement. In addition to fleet upgrades, the site electrified two water supply well generators, helping to reduce air emissions associated with diesel generators.

Mantos Blancos and Mantoverde

Reported emissions at our Chilean operations correspond to the projections in their approved Resolución de Calificación Ambiental (RCAs). US EPA emissions factors are applied to detailed estimations of activities, year by year, and the resulting projections approved for each phase of these operations from 2017 through 2029.

Cozamin

Cozamin does not prepare an annual inventory for comparison with prior years. Dust and lead concentrations were monitored by an independent lab and were within regulatory parameters. The only emissions calculated on an annual basis, apart from GHG emissions, are hydrofluorocarbons (HFCs). These are calculated based on Cozamin's purchase of refrigerants. As of 2023, they are now included in the results table as hazardous air pollutants (HAPs).

Looking Forward

In 2024 and beyond, Capstone will:

- Develop a plan to introduce consistency in our air emissions recording and reporting methodology.

Health and Safety

This material topic covers the health and safety of our employees, contractors and communities. It includes occupational safety, health and wellness, with performance data for all operating sites, as well as our development project in Chile.

The safety of our workforce and communities can be affected by the security in a region, which can be undermined by criminal activity and violence. Cozamin, located in Zacatecas, Mexico and, to a much lesser extent, Mantos Blancos, in the Antofagasta region of Chile, have reported regional violence that could negatively affect their workforce.

Capstone's Value of Safety
Safety is non-negotiable. Making safe choices ensures we can improve the health and well-being of our people, contractors and communities. Zero harm is the ultimate goal.

2023 UPDATE:

Our Approach to Managing Health and Safety

In 2023, we focused on building out a consistent global approach to health, safety and environment (HSE) practices and data management. All our sites use Capstone's 9 Pillar Safety Management Standard (SMS) or a comparable health and safety management system. The SMS is based on a Plan, Do, Check, Act model. All employees and contractors are covered by our SMS.

Preparation for the Copper Mark assessment provided an impetus to align our existing health and safety management systems (SMS) towards a common framework that recognizes the best practices developed by each site. Mantos Blancos and Mantoverde were awarded The Copper Mark in 2023, and both Pinto Valley and Cozamin completed gap assessments against the criteria. To achieve The Copper Mark award, sites must have an SMS equivalent to ISO 45001.

Our biggest challenge has been the ability to manage data that is not uniformly captured and reported across sites. In 2023, we invested in data management capability and formalized standards. As a result, we are now able to report data for all sites for high-consequence work-related injuries. We are also now distinguishing Restricted Duty incidents. This finer degree of reporting supports our teams in root cause analysis and the ability to learn from events.

The security environment in Zacatecas state did not improve in 2023. To protect our workforce and their families, we reinforced preventive measures, including training, technology and due diligence processes. We continue to maintain strong relationships with relevant government authorities. We did not have any incidents at the mine site in which security was breached during 2023. We remain vigilant and maintain appropriate controls.

We continued to pursue approaches to health and safety management that have proven their value in recent years. These include:

- Reinforcing our zero harm goal through all our systems, programs, training and recognition, to embed it in our culture.
- Empowering our workforce to take responsibility for their own safety using the hierarchy of controls, and to report all safety incidents.
- Supporting joint management-worker safety committees at each site.
- Sharing our health and safety learnings and experiences with our communities through site-based events and community outreach.
- Extending our health and safety requirements to our contractors and suppliers through our Supplier Code of Conduct.
- Planning and preparing for emergencies through standing Mine Rescue Teams and routine drills.

Please refer to our 2022 Sustainability Report for more on our Health and Safety management approach.


Safety management at Mantoverde

PLAN
1. Leadership and Personal Commitment
2. Training and Competence
3. Risk Management and Legal Obligations

DO
4. Operational Controls and Procedures
5. Occupational Health and Wellness
6. Contractor and Supplier Controls

CHECK
7. Incident Investigation and Analysis
8. Emergency Preparedness

ACT
9. Performance Assessment and Records Management

2023 RESULTS: Safety Incidents and Rates

Please see our Data Book for more site-level Health and Safety results.

Work-related Injuries and Ill Health

	Workforce Incidents by Sites 2023					Capstone 2023			Capstone 2022			% Change 2022-2023		
Incidents and Rates	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Contractors	Employees	Total 2023	Contractors	Employees	Total 2022	Contractors	Employees	Total Change
Medical Aid[1]	11	0	0	2	0	5	8	13	1	5	6	400%	60%	117%
Lost Time Incident[2]	7	4	6	1	0	8	10	18	7	6	13	14%	67%	38%
Restricted Duty[3]	0	3	0	0	0	2	1	3	0	0	0			
High Consequence Work-related Injury[4]	0	1	1	0	0	1	1	2	no data	no data	no data	no data	no data	no data
High Consequence Work-related Injury Rate	0	0.05	0.02	0	0	0.02	0.03	0.02	no data	no data	no data	no data	no data	no data
Fatalities	0	0	0	0	0	0	0	0	0	0	0	0%	0%	0%
Fatality Rate	0	0	0	0	0	0	0	0	0	0	0	0%	0%	0%
LTIFR[5]	0.77	0.2	0.11	0.08	0	0.12	0.3	0.18	0.12	0.2	0.15	3%	53%	26%
TRIFR[6]	1.98	0.35	0.11	0.25	0	0.23	0.58	0.35	0.14	0.36	0.21	70%	58%	63%
Near Miss[7]	36	10	no data	147	0	87	106	193	no data	no data	no data	no data	no data	no data
Near-miss Frequency Rate[8]	3.96	0.5	no data	12.13	0	1.34	3.22	1.97	no data	no data	no data	no data	no data	no data
Numbers of Hours Worked (Employee and Contractor)	1,818,871	4,018,024	11,285,236	2,423,157	58,490	13,011,750	6,592,028	19,603,778	11,768,882	6,036,506	17,805,388	11%	9%	10%
Number of Fatalities as a Result of Work-related Ill Health	0	0	0	0	0	0	0	0	0	0	0	0%	0%	0%
Number of Cases of Recordable Work-related Ill Health	0	0	0	10	0	0	10	10	0	0	0	0%		

[1] Medical Aid: Medical treatment beyond first aid and diagnostic procedures that do not lead to further treatment.
[2] Lost Time Incident: An incident that results in a worker missing time on the job due to injury or occupational illness.
[3] Restricted Duty: A workplace injury or occupational illness that results in the person not being able to complete their typical work duties. Response may include light duties or transfer to another position with a different range of duties.
[4] High-consequence Work-related Injury: A work-related injury that results in a fatality or in an injury from which the worker cannot, does not or is not expected to recover fully to pre-injury health status within 6 months. Rate is calculated by High Consequence Injuries x 200,000/number of hours worked. Results for 2022 and % Change are not available because this category was not tracked prior to 2023 at all sites.
[5] Lost Time Injury Frequency Rate (LTIFR) is calculated by the number of Lost Time Incidents x 200,000/number of hours worked.
[6] Total Recordable Injury Frequency Rate (TRIFR) is calculated by adding Medical Aid, Restricted Duty, Lost Time Incidents and Fatalities x 200,000/numbers of hours worked.
[7] Near Miss: An unplanned or uncontrolled event or chain of events that has not resulted in a recordable injury, illness, physical damage or environmental damage, but had the potential to do so in other circumstances. Results for 2022 and % Change are not available because this category was not tracked prior to 2023 at all sites.
[8] Near-miss Frequency Rate: Total Number of Near Misses x 200,000 / number of hours worked. Results for 2022 and % Change are not available because this category was not tracked prior to 2023 at all sites.

2023 RESULTS: Safety Incidents and Rates

All Sites

During 2023, Capstone operations and projects had zero work-related fatalities and no fatalities as a result of work-related ill health.

Incidents requiring medical aid doubled, from 6 employees in 2022 to 13 in 2023. Pinto Valley accounted for 11 of these incidents, which included hand and ankle injuries. There was no underlying cause connecting these injuries. Pinto Valley also had the most Lost Time incidents, with 7 of 18 incidents. The high incident rate in the early part of 2023 came down in Q4 as new procedures were brought in to simplify safety measures, such as high-level task risk assessments in place of detailed but underutilized checklists.

2023 marked the first year we are reporting on Restricted Duty incidents as a separate category. Capstone had three Restricted Duty incidents, all at Mantos Blancos. 2022 had no injuries that would be classified as Restricted Duty.

In 2023, we also began reporting data on High Consequence Work-related Injuries at all sites. Two were recorded, one each at Mantos Blancos and Mantoverde, and both incidents were captured under Lost Time incidents.

Capstone's two key lagging indicators, Lost Time Injury Frequency Rate (LTIFR) of 0.18 and Total Reportable Injury Frequency Rate (TRIFR) of 0.35, increased year over year. The LTIFR increased from 0.15 to 0.18 (26%) while TRIFR increased from 0.21 to 0.35 (63%). All these rates are exposure based: they are calculated based on the number of hours worked, which increases exposure to hazards. Capstone's workforce logged 19.6 million hours in 2023, compared to 17.8 million in 2022, an increase in exposure of 10%.

Health and safety performance targets accounted for 15% of our Corporate Scorecard and included lagging indicators such as Lost Time Injury Frequency Rate (LTIFR), and leading indicators such as compliance with site safety management plans that promote a more proactive approach to safety performance. In 2023, Capstone did not achieve target performance due to a higher LTIFR over the prior year.

Most of our sites track near misses to identify areas for improvement. In 2023, we recorded 193 near misses across Pinto Valley, Mantos Blancos and Cozamin. Most of these were recorded by Cozamin, with 67 near misses for employees and 80 for contractors. Cozamin implemented a strategy in 2022 to improve reporting of near miss safety incidents as a proactive way to prevent future accidents. In 2024, Capstone will also report near misses for Mantoverde.

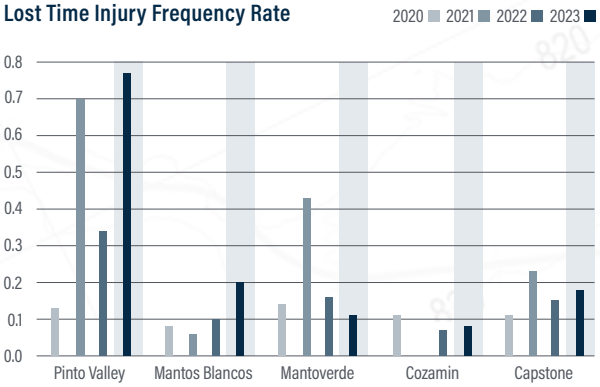
Capstone had ten cases of recordable work-related ill health, compared to zero in 2022. All cases arose at Cozamin and represented occupational disease claims made to the Mexican Institute of Social Security. We are at an early stage in capturing and reporting occupational health cases across our sites and will be addressing this in our centralized Health, Safety and Environment (HSE) records system (see Looking Forward).

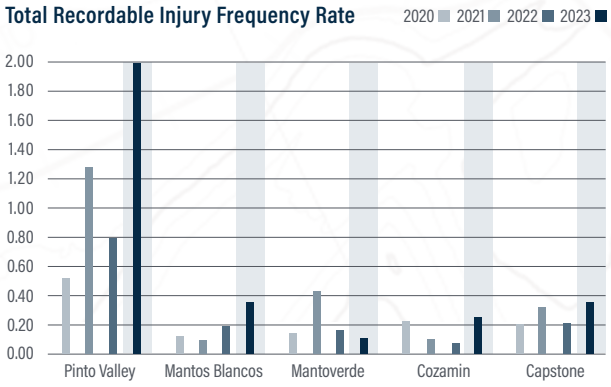
Near Miss: An unplanned or uncontrolled event or chain of events that has not resulted in a recordable injury, illness, physical damage or environmental damage, but had the potential to do so in other circumstances. Most of our sites track near misses to identify areas for improvement.

Restricted Duty: A workplace injury or occupational illness that results in the person not being able to complete their typical work duties. Response may include light duties or transfer to another position with a different range of duties.

High-consequence Work-related Injury: A work-related injury that results in a fatality or in an injury from which the worker cannot, does not or is not expected to recover fully to pre-injury health status within 6 months.

2023 RESULTS: LTIFR, TRIFR and Training





In 2023, employees received an average of 15 hours of safety training and contractors received 7 hours, compared to 13 for employees and 7 for contractors in 2022. [EM-MM-320a.1] [GRI 403-5]

Health and Safety Training

	Workforce Training Hours by Sites 2023					Capstone 2023			Capstone 2022			% Change 2022-2023		
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Contractors	Employees	Total 2023	Contractors	Employees	Total 2022	Contractors	Employees	Total Change
Total Safety Program Training Hours	**20,325**	**27,067**	**12,423**	**32,673**	**60**	**43,902**	**48,646**	**92,548**	**35,131**	**38,136**	**73,267**	**25%**	**28%**	**26%**
Average Hours of Health, Safety and Emergency Response Training per Worker	28	11	2	33	2	7	15	10	7	13	9	12%	17%	14%

Looking Forward

In 2024 Capstone will:

- Conduct a Health and Safety Maturity Assessment at each operational site.
- Develop a global Health, Safety and Environment (HSE) 3-Year Strategic Plan.

Beyond 2024 Capstone will:

- Implement a centralized HSE software records program.

Our People

Capstone's growth and success depend on the development of a diverse, engaged and skilled workforce. This topic covers Capstone's relationship with, and responsibilities towards, employees and contractors, and specifically addresses workforce composition, diversity, equity and inclusion (DE&I), and labour relations.

2023 UPDATE:

Our Approach to Managing Our People

Planning for Succession

In 2023, we made significant new hires at senior corporate levels to support Capstone culture and technical excellence. These included a Vice President of Mining and Maintenance, a Director of Tailings and Civil Infrastructure and a Director of Internal Audit. A new Vice President of Health, Safety and Environment joined us in early 2024. These key roles were supported by operation-wide succession planning for the superintendent level and above, to ensure we develop our high-potential people and have the talent we need.

Diversity, Equity and Inclusion

We also focused on deepening our commitment to Diversity, Equity and Inclusion (DE&I). We launched our Global DE&I Committee, which is comprised of senior management and ESG representatives, and site-level human resources representatives. Its mandate is to develop and integrate DE&I strategies and programs into Capstone's business practices and operations, and regularly review and report on progress.

In 2023, we also launched DE&I committees at every site. Their mandate is to operationalize DE&I strategies at their respective sites and to build and retain a diverse and inclusive workforce representative of our communities. Site-level DE&I Committees completed internal workplace hygiene assessments at three of our four operating sites in 2023. See Workplace Hygiene Assessments.

Other highlights from 2023:

- Pinto Valley reinvigorated its Women in Mining Chapter and began holding monthly meetings, which attracted large numbers of both women and men.
- Mantos Blancos and Mantoverde held workshops to reinforce aspects of the Code of Conduct and other Capstone policies that support DE&I and respectful workplace expectations.
- Pinto Valley increased communication and outreach to attract local Indigenous Peoples to recruiting opportunities, using social media and our employee referral program.

Capstone's Value of Caring
We develop open and constructive relationships. We embrace diversity. We see ourselves as stewards of resources. We care deeply for our people, the environment and communities.

DE&I: Diversity, equity and inclusion in the workplace ensures fair, respectful and equitable treatment and opportunity for all employees where diverse perspectives, thinking, skills, experience and working styles are valued..


Lab metallurgist at Cozamin

2023 UPDATE:

Our Approach to Managing Our People

Workplace Hygiene Assessments

Capstone's workplace hygiene self-assessments are about more than personal cleanliness and sanitary working conditions. They also ensure all sites have the physical infrastructure to enable men, women and people with disabilities to work safely and comfortably.

Our recent assessments indicated we are doing well in the following areas:

- Inclusive recruitment and training practices
- Safe and clean restrooms and changerooms for men and women
- Adequate breaks
- Precautions to get employees to and from sites safely

The assessments found we can do more to improve:

- Ratio of women's to men's washrooms
- Wheelchair accessibility
- Inclusive sizing for personal protective equipment (PPE)
- Awareness of our Respectful Workplace Policy across all sites

People Practices

Other aspects of our people management approach continued throughout 2023:

- We continue to offer industry-competitive compensation and benefits. Board-approved corporate objectives cascade to Operations and are linked to employee compensation.
- We recruit locally and collaborate with educational institutions to develop our future workforce via trainee and apprenticeship programs.
- We offer enriching training and development opportunities, ranging from role-specific training to leadership development.
- We work closely with labour representatives. As of December 31, 2023, 2,389 Capstone employees (73%) were covered by collective bargaining agreements. (See table Summary of Collective Bargaining Agreements.)
- Our Supplier Code of Conduct (SCC) outlines expectations that suppliers will engage in fair labour practices, respect workers' rights, treat their employees and contractors with dignity and respect, create a safe work environment and adhere to Capstone's Human Rights Policy. It also explicitly prohibits any form of forced or child labour. We are developing policies and procedures to monitor compliance with the SCC. See Human Rights.
- We enable and encourage two-way communication with employees through multiple mechanisms. Each site has options for employees to anonymously voice concerns.

Please refer to our 2022 Sustainability Report for more on Our People management practices.

Summary of Collective Bargaining Agreements (as of December 31, 2023)

Site	Number of Unions	Employees Covered by CBA	Expiry Date of Agreement
Pinto Valley	1	455 (67%)	August 31, 2026
Mantos Blancos	2	795 (80%)	June 30, 2026
Mantoverde	3	805 (80%)	October 31, 2025
Cozamin	1	334 (63%)	No expiry

[1] We use year-end numbers, consistent with other employment data, rather than averages. This is because operations are not seasonal and employment levels do not vary significantly during the year.

Members of our workforce at Mantoverde

2023 RESULTS: Workforce Composition

Please see our Data Book for more site-level Workforce results.

Workforce Levels and Type

At the end of 2023, Capstone had 3,290 employees and 5,230 contractors for a total global workforce of 8,520. This was 1% higher than year-end 2022 (8,425). We had a net increase of 259 employees (9%) and a decrease of 164 contractors (-3%). For Capstone as a whole, contractors as a percentage of total workforce dropped from 64% (2022) to 61%. This number varied widely across sites from a low of 7% at Pinto Valley to a high of 80% at Mantoverde driven by the workforce needs of the Mantoverde Development Project.

At the site level, the workforce composition picture varied:

- Pinto Valley's total number of employees increased by 36 (6%), while the number of contractors decreased by 44 (38%). Pinto Valley made efforts to replace contractors with full-time positions for increased stability.
- Mantos Blancos had stable employment but saw a jump in contractors (19%) as a result of operational needs in the sulphide plant and both maintenance and mine areas.
- Mantoverde had more than 4,000 contractors due to the Mantoverde Development Project, the largest number of any site. The number of employees grew by 204 (25%) as the new sulphide plant was commissioned for operation.
- Cozamin had a 1% dip in employment numbers and a larger decrease in contractors (31%), with the completion of the dry stack tailings and paste plant construction in 2022.
- Santo Domingo had a small workforce suitable for its project status. With the completion of road construction in 2022, the remaining contractor workforce dropped 47% in 2023.
- The corporate office had a net increase of five employees in 2023 to add specific expertise. The exploration team added nine people for Chilean exploration.

There was a large increase (60%) in temporary employees, driven by a doubling (from 33 to 67) of temporary workers at Mantoverde to serve as truck and plant operators-in-training.

Workforce Composition and Employee New Hire and Turnover Rates

	Sites						Capstone		
Workforce by Type	**Pinto Valley**	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Santo Domingo**	**Corporate**	**2023**	**2022**	**% Change 2022-2023**
Full-time Permanent Employees[1]	680	960	944	531	21	53	3,189	2,968	7%
Temporary Employees[2]	0	33	67	0	0	1	101	63	60%
Total Employees	**680**	**993**	**1,011**	**531**	**21**	**54**	**3,290**	**3,031**	**9%**
Total Contractors[3]	**55**	**685**	**4,002**	**469**	**10**	**9**	**5,230**	**5,394**	**-3%**
Total Workforce	**735**	**1,678**	**5,013**	**1,000**	**31**	**63**	**8,520**	**8,425**	**1%**
Contractors as % of Workforce	7%	41%	80%	47%	32%	14%	61%	64%	
Employee New Hire Rate[4]	31%	12%	29%	8%	29%	33%	21%	22%	
Employee Turnover Rate[5]	25%	11%	9%	9%	5%	24%	13%	14%	

[1] Includes full-time salaried and hourly employees (by headcount) who are employees of Capstone Copper or one of its subsidiaries.
[2] Includes employees with finite employment contracts as well as one part-time employee at corporate office.
[3] Includes contractors who are regularly on site performing core business functions (e.g., surface and underground mining, blasting, security) and major capital projects.
[4] Annual Employee New Hire Rate is calculated as total number of new hires in each gender or age group divided by the total number of individuals in each gender or age group at year end.
[5] Annual Employee Turnover Rate is calculated as total number of departures in each gender or age group divided by the total number of individuals in each gender or age group at year end.

2023 RESULTS: Workforce Composition

Diversity

Capstone's Diversity and Inclusion Policy sets targets for gender diversity of the Board of Directors. The percentage of women on Capstone's Board has increased year over year: 25% in 2022, 37.5% in 2023 and 43% since the 2024 AGM.

Capstone continues to increase the proportion of women employees. In 2023, Capstone had a net increase of 52 women (a 23% increase over 2022) and the proportion of employees who are women increased from 8% (2022) to 9% for the company as a whole. The percentage of women employees ranges from 5% at Cozamin to 52% in our corporate office.

The percentage of women employees at both Mantos Blancos and Mantoverde increased from 5% in 2022 to 7% in 2023. This was the result of targeted recruitment efforts through social media, aimed at sharing the view that Capstone is a caring organization that welcomes women.

The number of women contractors for Capstone dropped overall by 184 (a 34% decrease from 2022), while men contractors stayed about the same. Most of the decrease in women contractors was at Mantoverde where the total number of contractors declined slightly.

The company age profile did not shift dramatically from 2022 to 2023. There was some growth in the 30-50 age range resulting from a need for people with more skills and experience. Most of the growth in this age group came from Mantoverde, which hired 209 people aged 30-50. Mantoverde also made 43 new hires in the over-50 age group, 48% more than in 2022.

Chile requires companies to meet a target that 1% of staffing positions are filled by people certified as having a disability. Mantos Blancos and Mantoverde achieved this target in 2023.

Workforce by Gender

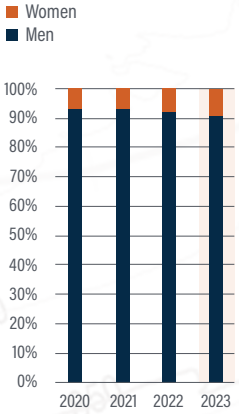
	Sites						Capstone		
Workforce by Gender	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Corporate	2023	2022	% Change 2022-2023
Men Employees	594	927	944	503	15	26	3,009	2,802	7%
Women Employees	86	66	67	28	6	28	281	229	23%
Men as % of Employees	87%	93%	93%	95%	71%	48%	91%	92%	
Women as % of Employees	13%	7%	7%	5%	29%	52%	9%	8%	
Men Contractors	41	620	3,734	454	7	9	4,865	4,845	0.4%
Women Contractors	14	65	268	15	3	0	365	549	-34%
Men as % of Contractors	75%	91%	93%	97%	70%	100%	93%	90%	
Women as % of Contractors	25%	9%	7%	3%	30%	0%	7%	10%	
Men Workforce	635	1,547	4,678	957	22	35	7,874	7,647	3%
Women Workforce	100	131	335	43	9	28	646	778	-17%
Men as % of Workforce	86%	92%	93%	96%	71%	56%	93%	91%	
Women as % of Workforce	14%	8%	7%	4%	29%	44%	7%	9%	

2023 RESULTS: Employee Gender and Age Group

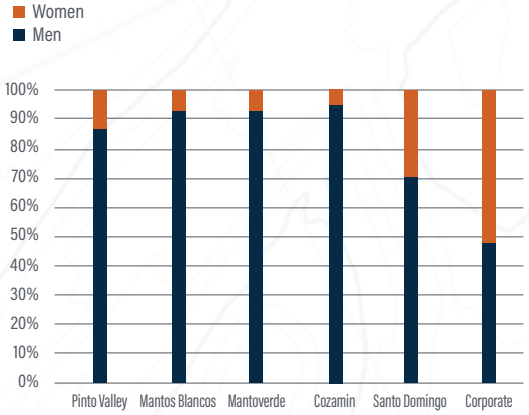
Please see our Data Book for more site-level Workforce results.

Capstone had a net increase of 52 women (a 23% increase over 2022) and the proportion of employees who are women increased from 8% (2022) to 9% for the company as a whole. The percentage of women employees ranges from 5% at Cozamin to 52% in our corporate office.

Employee Gender Diversity (%)



2023 Employee Gender Diversity by Site (%)

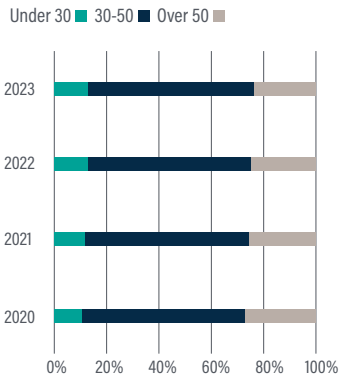


Employees by Age Group

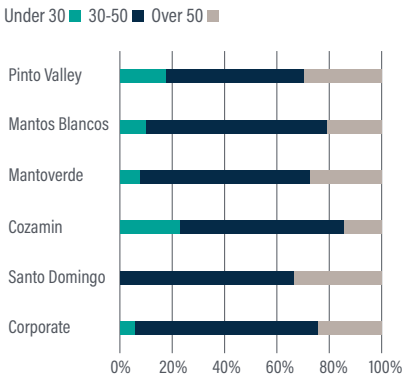
Under 30 30-50 Over 50

	Sites						Capstone		
Age Group	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Corporate	2023	2022	% Change 2022-2023
Under 30	119	100	80	123	0	3	425	398	7%
30-50	360	687	653	332	14	38	2,084	1,884	11%
Over 50	201	206	278	76	7	13	781	749	4%
Total	**680**	**993**	**1,011**	**531**	**21**	**54**	**3,290**	**3,031**	**9%**

Employees by Age Group (%)



2023 Employees by Age Group – by Site (%)



2023 RESULTS: New Hires, Turnover, and Labour Relations

Please see our Data Book for more detailed new hire and turnover results.

Employee New Hire and Turnover Rates

The global employee new hire rate (21%) and turnover rate (13%) were consistent with 2022. See table Workforce Composition and Employee New Hire and Turnover Rates. Sites ranged from a high in the new hire rate in the corporate office (33%) to a low of 8% at Cozamin. Pinto Valley increased their efforts to recruit more women, including print ads that featured women in active mining roles.

Mantos Blancos had a new hire rate of 12%, slightly lower than in 2022 (15%). Declines in new hires in younger age groups were offset by an increase of 30% in new hires age 50 and over, as Mantos Blancos sought experienced employees for vacant positions.

Mantoverde made 292 new hires in 2023, primarily for the new sulphide plant and operation of electric shovels, for a new hire rate of 29%.

Turnover was highest at Pinto Valley (25%). Pinto Valley significantly increased compensation as a result of a negotiated collective bargaining agreement in 2022. However, competition for skilled labour continues to be stiff in Pinto Valley's nearest community, Globe-Miami, as well as Phoenix.

Mantos Blancos saw its turnover rate dip slightly from 13% in 2022 to 11% in 2023. However, in the over-50 age group, turnover increased 18%, driven by departures at the superintendent level.

Mantoverde's turnover rate was 9%, slightly higher than 2022 (7%). Similarly to Mantos Blancos, much of the turnover was at the superintendent level for operations and maintenance.

Labour Relations

As of December 31, 2023, 2,389 Capstone employees (73%) were covered by collective bargaining agreements. See table Summary of Collective Bargaining Agreements.

We pre-emptively negotiated two new collective bargaining agreements for Mantos Blancos in July 2023. Mantoverde was in the first year of its new collective bargaining agreement.

In 2023, Cozamin negotiated a collective bargaining agreement with the Sindicato Nacional de Trabajadores Mineros, Metalúrgicos, Siderúrgicos y Similares de la República Mexicana (National Union of Miners, Metalworkers, Steelworkers and Allied Workers of the Mexican Republic) per the new Mexican requirement that all mines be unionized. The new reform required Capstone to create union representation at the local level in the form of an elected local executive committee. Under the agreement, which does not expire, salary increases are reviewed every year and benefits are reviewed every two years.

We work diligently with our unions to resolve any employee grievances. We consider the ability to resolve grievances to be a leading indicator for healthy management-employee relations and work stoppage reductions. Capstone did not experience any labour-related work stoppages in 2023.

Pinto Valley continued its trend of improving labour relations. In 2023, Pinto Valley had a total of 9 labour grievances (compared to 10 in 2022). No grievances have gone to arbitration for almost a decade.

Mantos Blancos and Mantoverde established dialogue tables with their unions in 2023. The tables, which include labour representatives and Capstone management, work constructively on topics such as health and safety, DE&I, career development opportunities, bonuses and administrative matters. The tables also provide a forum to resolve concerns and align on action plans.

At Cozamin, the new collective bargaining agreement established a formal role for the local executive committee to represent employees in regards to individual grievances or disciplinary matters. The local committee also collectively represents employees in monthly meetings with management to discuss working conditions and health and safety issues. The new forum complements the established suggestion/complaint box process. All issues received are discussed, documented and tracked through the resolution stage.

Looking Forward

In 2024 Capstone will:

- Conduct its first-ever Employee Engagement and Culture Survey.

Beyond 2024 Capstone will:

- Implement action plans to address feedback received through the Employee Engagement and Culture Survey.

Community and Economic Impact

Capstone's Communities strategic priority is to proactively manage impacts and deliver socioeconomic benefits in line with local development priorities. Mining can make a significant contribution to local economies through tax revenues, employment, procurement and community investments. However, the proximity of some of our operations to local communities increases the potential for negative social or environmental impacts to disrupt communities and undermine their support of our operations. As these social and economic impacts are intertwined, we treat community and economic impact as one material topic. Other impacts that could affect human rights or Indigenous rights are covered in Human Rights.

This chapter also addresses issues of community security, especially at Capstone's Cozamin mine in Zacatecas, Mexico, a region that is experiencing an increasing rate of criminal activity and violence. See Health and Safety to learn more about how we ensure the security of our employees and contractors, and Human Rights to find out how we balance security needs with the rights of local people.

Sustainable Development Strategy Priority

Priority	Communities: Proactively manage impacts and deliver socioeconomic benefits in line with local development priorities.
Target	100% of sites assessed against the Capstone Social Performance Standard by 2025.
Strategy	Develop the Capstone Social Performance Standard as a company-wide framework for managing social impacts and socioeconomic contributions by 2024.
	Align with IFC Performance Standards, ICMM and the UN Guiding Principles on Business and Human Rights.

2023 UPDATE:

Our Approach to Managing Community and Economic Impact

The award of The Copper Mark to Mantos Blancos and Mantoverde represented a step change for these sites in 2023. The Copper Mark assessment covered Capstone Chile's grievance mechanism, which was found to be performing well, and its community development practices, which were assessed as partially meeting the community development criterion[4]. In 2024, both sites will conduct community perceptions and expectations surveys to address gaps identified through the process which included a community needs assessment and evaluation of the impact of community investments.

As we worked to bring our systems in line with Copper Mark, notably those for robust complaints and grievance mechanisms, we strengthened our relationships with communities. Pinto Valley and Cozamin continued to work towards meeting the Copper Mark criteria related to community impact. For more information on our performance, please visit The Copper Mark Participants.

In 2023, we formed a Communities Working Group to begin work on our Capstone-wide Social Performance Standard. The company-wide standard will incorporate practices from globally recognized standards, while formalizing expectations and processes across all sites.

Our approach to managing community and economic impact continued to emphasize local development priorities. Other aspects of our management approach that continued during 2023 are included in the sidebar.

[4] The assessment was based on version 1.0 of the Copper Mark Risk Readiness Assessment Criteria.

Continuing Aspects of Our Management Approach in 2023:

- Our Code of Conduct and Human Rights Policy guide us to respect communities and understand their rights and interests. Our governance framework holds us accountable for community interests in all our projects, operations and contractors. See Community Interests by Site.
- We listen and respond to feedback and concerns, and have a mix of formal and informal mechanisms for accomplishing this. Our sites in Chile have formal grievance mechanisms that were assessed in 2023 through the Copper Mark process. Community stakeholders who want to anonymously raise a concern can also use Capstone's Whistleblower Hotline in all jurisdictions where we operate.
- We engage with community and government stakeholders through both regulatory assessments and proactive stakeholder engagement processes.
- We are active in our communities so we can support local priorities for skill-building, employment and community development.
- We hire most of our workforce locally, and source locally as much as possible. All our suppliers, local and global, must conform to our Supplier Code of Conduct.

Please refer to our 2022 Sustainability Report for more on our management approach to this topic.

2023 RESULTS: Regional Economic Impact

Direct Economic Value Generated and Distributed (in US $000s)

	Sites by Country				Capstone		
Economic Value	Canada	Chile	Mexico	United States	Total 2023	Total 2022	% Change 2022-2023
Economic Value Generated							
Revenues[1]	(5,066)	698,083	214,436	444,371	1,351,824	1,296,020	4%
Economic Value Distributed							
Operating Costs[2]	16,499	486,835	76,216	236,277	815,827	869,670	-6%
Employee Wages and Benefits[3]	12,899	126,177	18,112	84,119	241,307	212,005	14%
Payments to Providers of Capital[4]	11,513	3,634	234	2,385	17,766	30,990	-43%
Income and Resource Taxes[5]	2,138	1,986	9,022	1,103	14,249	70,540	-80%
Community Investments[6]	9	855	205	162	1,231	1,390	-11%
Economic Value Distributed	43,058	619,487	103,789	324,046	1,090,380	1,184,595	-8%
Economic Value Retained	(48,124)	78,596	110,647	120,325	261,444	111,425	135%

[1] Revenues are presented based on an accrual basis.
[2] Operating Costs include operating expenses at our mining operations and our general and administrative expenses, exploration, and costs related to production-phase capitalized stripping.
[3] Wages and Benefits reflect total amounts to employees relating to wages and benefits, excluding payroll taxes. In 2023, we also included share-based compensation, and 2022 comparatives have been restated accordingly.
[4] Payments to Providers of Capital includes interest paid to debtholders.
[5] Income and Resource Taxes include amounts paid during the year.
[6] Community Investments include voluntary donations paid during the year.

In 2023, our sites generated and distributed a level of regional economic benefits similar to 2022. Economic benefits flowed to employees in the form of wages and benefits; to suppliers for energy, equipment, materials and services; and to governments through taxes and resource payments.

We also continued to provide financial support for community priorities through our community investment programs. In 2023, Capstone provided more than $1.3 million to build infrastructure and to support community events, recreation programs, community service groups, local emergency services and other community-identified needs. See details by site in Social Performance and Community Relations below.

Capstone continued to meet most of its employment needs locally (70% local) in 2023. At Mantoverde, the overall workforce expanded significantly (a 25% increase over 2022) with the commissioning of the new sulphide line. While the number of employees from the local community increased by 13% (55 positions), the local proportion dropped 10% as some required skills sets were not available locally. Santo Domingo has a small workforce, and the senior management role has been scaled back as the project enters a new phase. See Local Employment table.

Capstone saw an overall decline in the proportion of senior management hired from the local community, driven by changes at both Mantoverde and Mantos Blancos. Pinto Valley had gains (from 13% in 2022 to 60% in 2023) due to internal promotions of some superintendents and a drop in the number of senior managers at year end due to vacant positions. Cozamin's proportion of senior managers hired locally was unchanged from 2022.

Mantos Blancos and Mantoverde both increased the number of senior manager positions, but these required professional skill sets that could not be met locally. Mantos Blancos increased the number of senior managers from 6 (3 of which were local) to 20 (6 of which were local).

2023 RESULTS: Regional Economic Impact

Please see our Data Book for more Regional Economic Impact results.

Mantoverde increased the senior management ranks from 5 (3 of which were local) to 13 (none of which were local). The net effect was that while Mantos Blancos hired three more managers locally, the percentage of local management dropped from 50% to 30%. Mantoverde's percentage dropped from 60% to 0%.

Capstone spent $170.9 million on local suppliers in 2023. This was down 5% from 2022 due to a decrease in the total overall spend Capstone wide. The proportion spent on local suppliers stayed the same (14% in both 2023 and 2022). Between sites the picture varied. Pinto Valley spent 5% on local suppliers (down from 7% in 2022). In 2023, Mantos Blancos increased the proportion spent on local suppliers (from 21% to 24%) as did Mantoverde (from 8% to 13%). Cozamin stayed about the same at 27% (26% in 2022).

Local Employment

	Sites						Capstone		
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Corporate	2023	2022	% Change 2022-2023
Total Employees	**680**	**993**	**1,011**	**531**	**21**	**54**	**3,290**	**3,031**	9%
Employees from Local Community[1]	397	901	485	495	0	38	2,316	2,226	4%
% of Employees from Local Community	58%	91%	48%	93%	0%	70%	70%	73%	
Proportion of Senior Management[2] from Local Community	60%	30%	0%	57%	0%	25%	30%	40%	

[1] Local for employment purposes is defined as the communities in which we operate that are directly impacted economically, socially or environmentally. Local communities at Pinto Valley include Miami, Globe, Greater Globe-Miami area and Claypool. Many employees choose to live in the Greater Phoenix area, which is not included in our definition of local. Mantos Blancos defines local as communities in the Antofagasta region including Antofagasta and Baquedano. Mantoverde defines local as communities in the Atacama region including Chañaral, Diego de Almagro and Copiapo. Cozamin communities include Hacienda Nueva, Zacatecas City, Morelos, Veta Grande, Guadalupe and Calera; Santo Domingo communities include Diego de Almagro (mine site), Chañaral (transportation route) and Caldera (port facility).
[2] Senior management includes direct reports to mine general managers.

Spending on Local Suppliers

	Sites				Capstone		
	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	2023	2022	% Change 2022-2023
Spending on Local[1] Suppliers (US$ millions)	$16.8	$68.9	$48.8	$36.4	$170.9	$180.3	-5%
Proportion Spent on Local Suppliers	5%	24%	13%	27%	14%	14%	

[1] Local for procurement purposes is defined by sites as follows: Pinto Valley – Miami, Globe, and Greater Globe-Miami area; Cozamin – Zacatecas State; Mantoverde – Atacama Region; Mantos Blancos – Antofagasta Region. We do not report local spending at Santo Domingo because amounts are relatively small at this early stage of the project.

In 2023, our sites generated and distributed a level of regional economic benefits similar to 2022. Economic benefits flowed to employees in the form of wages and benefits; to suppliers for energy, equipment, materials and services; and to governments through taxes and resource payments.

2023 RESULTS: Social Performance and Community Relations

All Sites

Capstone initiated a multi-site Communities Working Group in late 2023, which is charged with developing a Capstone Social Performance Standard in 2024. The standard will ensure global norms for social performance are recognized and followed across all sites.

All our sites have implemented local engagement, impact assessment and/or development programs to some extent, but the maturity and formality of these programs vary. See site updates for details. With mining operations there is a potential for negative social, environmental or economic impacts on communities and we undertake impact assessment processes for regulatory and other purposes to identify, prevent and mitigate impacts. We also disclose inherent mining risks in our Annual Information Form.

In 2023, there were no significant actual negative impacts on local communities. There were no non-technical delays due to permits, community issues, protests or armed conflict. No community complaints were reported through our Whistleblower Hotline.

Road dust is a recurring community concern for our operations. The common industry response is to spray roads with water, but since this consumes precious water resources, we have been switching to other approved dust suppressants where possible. Cozamin also proactively places dust suppressors and sprinklers on the tailings storage facility.

In Chile, Mantos Blancos shares results of ongoing air quality monitoring with the community. Input received via Santo Domingo's grievance mechanism led us to begin monitoring air quality, even though the project is still in an early stage.

Pinto Valley

In 2023, Pinto Valley strengthened and formalized its community relations approach. We hired a manager dedicated to advancing the Copper Mark process. Actions included:

- Completing the Copper Mark gap assessment.
- Updating the stakeholder register.
- Enhancing channels for community members to file grievances, such as adding a dedicated website form and local phone line to collect comments, with formal follow-up procedures. (These new features were launched in fall 2023. While efforts were made to promote these channels, no submissions had been filed by year end.)
- Creating a community advisory committee representing local government and businesses, as well as health, education and social welfare interests, to advise Pinto Valley on community needs and inform Pinto Valley's new corporate giving strategy.
- Conducting annual polling of community members on their perceptions of Pinto Valley and the mining industry, with issues of greatest concern used to inform Pinto Valley's community engagement strategy.
- Contributing $162,000 to support community priorities, including the construction of a playground in Globe-Miami that spurred community revitalization of the downtown area, and launching a golf tournament that raised $57,000 for local high schools.

Mantos Blancos

In 2023, Mantos Blancos received The Copper Mark award, a process that requires well-developed social performance systems. As part of that process, an external auditor evaluated the site's community grievance procedure and found the system is working well. The vast majority of submissions received to date are general inquiries.

In 2023, Mantos Blancos contributed $393,000 to support community foundations and other priorities. Three programs accounted for most of this funding. The Delta-UCN program provides talent and leadership development to teens and university scholarships for vulnerable students. The Eureka program supports innovation and start-ups at local high schools. The Mi Baquedano program with the Transcender Foundation supports several projects each year, focusing on stakeholder engagement with the local Worktable in Baquedano.

2023 RESULTS: Social Performance and Community Relations

Community Interests by Site

Site	Community Interests Identified in Regulatory and Other Processes
Pinto Valley	Water resources, air quality, public health, public safety, recreation, wilderness and threatened species, local economic impact and jobs, community investments, housing, Indigenous interests and traffic
Mantos Blancos	Local employment and procurement, dust, traffic and social investment
Mantoverde	Local employment and procurement, dust, traffic, social investment, impacts to marine environment and marine harvesting in coastal area (brine discharge area for desalination plant)
Cozamin	Local employment and procurement, dust, impacts from blasting, traffic and social investments
Santo Domingo	Local employment and procurement, and improvements in general infrastructure

Mantoverde

In 2023, Mantoverde received The Copper Mark award. In a significant move for this arid region, Mantoverde signed an agreement with the regional government and local water supplier, committing Mantoverde to delivering desalinated water to the communities of Flamenco and Las Piscinas. Capstone has completed its responsibilities in terms of infrastructure and awaits action by the water company and the regional government to make the connections.

Mantoverde donated $446,000 to local organizations and projects in 2023. Three of these projects accounted for 64% of the funding. FORCOM provides technical training to public high school students in Chañaral, the CONAF project provides community environmental education, and six local fishers' unions received economic development support as part of our commitment under the desalination plant approvals.

Cozamin

Cozamin once again received a Socially Responsible Business distinction, awarded annually by the Mexican Center for Philanthropy for sustainability practices in the local community.

Some community members expressed concerns that vibrations from detonations could be destabilizing their homes. In 2022, we set up an ongoing seismograph monitoring program in town to measure blasting vibrations and shared results with the community. In 2023, we convened a roundtable with community, government and university representatives to address their concerns.

Cozamin supported community organizations with $205,000 in funding in 2023. The top three donations consisted of:

1. Baskets with basic food goods for seniors distributed by the Ejido Hacienda Nueva
2. Scholarships and school books to families of the Ejido Hacienda Nueva
3. Rehabilitation of the multimedia room of the Emiliano Zapata high school

Santo Domingo

There was little activity at this project in 2023. Like Mantoverde, Santo Domingo has made an agreement to deliver desalinated water to the community of Diego de Almagro, once operations begin. Santo Domingo contributed $16,000 to various community initiatives.

Looking Forward

In 2024 Capstone will:

- Develop the Capstone Social Performance Standard to manage social impacts and socioeconomic contributions.
- Develop a stakeholder engagement plan and formal grievance procedure for Pinto Valley.
- Complete Community Perceptions and Expectations Study, and a formal needs assessment, with communities near Mantos Blancos and Mantoverde.

Beyond 2024 Capstone will:

- Assess 100% of sites against the Standard (2025).

Human Rights

Capstone's Human Rights Policy commits us to respecting and promoting the human rights of all individuals. We recognize the potential for our activities, decisions and business relationships to affect the human rights of people in our workforce, communities near our operations, Indigenous Peoples and workers in supply chains. For more information on labour rights, including freedom of association, see Our People.

2023 UPDATE:

Our Approach to Managing Human Rights

Our approach to governance and management of human rights did not change significantly in 2023. We did make advances in the areas of risk assessment, regulatory reporting and responsible sourcing.

Human Rights Risk Assessments

We undertake annual human rights risk assessments (using the Equator Principles) of employees and contractors at our two operations in Chile – Mantoverde and Mantos Blancos. The assessments found there was a low risk of human rights abuses in our Chilean operations. In 2023, our risk analysis was externally assessed for the first time, through the Copper Mark assurance process. (See 2023 Results.)

2023 was Capstone's first reporting period under Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act. We published our initial Modern Slavery Report in May 2024. Some content from that report has been incorporated in this chapter.

Responsible Sourcing

We have a diverse supply chain that produces the goods and services we need to operate. (See Community and Economic Impact.) Our Responsible Sourcing Program is currently in development and will address both the procurement of goods and services and our supply of products to downstream markets. We have not yet mapped our supply chain to gain a more detailed understanding of how our spend is divided into different product and service categories, and geographic regions.

Our primary responsible sourcing activities in 2023 involved rolling out our Supplier Code of Conduct (SCC) to strategic suppliers and developing SCC compliance procedures. Pinto Valley and Cozamin were the first two sites to pilot the procedures with strategic suppliers. (See our Modern Slavery Report for details of procedures.) For downstream risks, we developed a Know-Your-Customer (KYC) process to assess the corporate, financial, legal and ESG risks, including human rights risks of potential and existing customers.

With the release of Canada's Fighting Against Forced and Child Labour in Supply Chains Act, and in line with our corporate growth, we have decided to re-evaluate our responsible sourcing approach to ensure we adequately integrate child labour and forced labour considerations enterprise wide. See our Modern Slavery Report for more information on this work.

Other aspects of our Human Rights Management approach that continued during 2023 are included in the sidebar.

Continuing Aspects of Our Management Approach in 2023:

- Our human rights commitment extends across all Capstone activities with a Human Rights Policy that complements our Code of Conduct and goes beyond regulatory requirements to embrace global norms.
- Our Code of Conduct guides us to respect the cultural values, beliefs and traditions of people in the countries and regions in which we operate, including the rights of Indigenous Peoples.
- Our Executive Committee conducts quarterly reviews of all human rights concerns and reports any significant human rights violations to the Board Governance, Nominating and Sustainability Committee.
- Through our enterprise risk management (ERM) framework, we monitor trends or events that may increase risk.
- We include a complaints procedure in our Code of Conduct, bolstered by our Whistleblower Policy and Whistleblower Hotline.
- We take a measured and responsible approach to security that respects human rights. While we have full-time security at each site, they are not armed.

Please refer to our 2022 Sustainability Report for more on our management approach to this topic.

2023 RESULTS

All Sites

During 2023, no concerns received through whistleblower channels or other feedback and grievance mechanisms resulted in any findings related to human rights.

At the time of our most recent reserves analysis, 1% of Capstone's probable mineral reserves were in conflict-affected areas.[5] See Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation Areas. None of Capstone's proven mineral reserves were in areas of conflict as there is no proven mineral reserve at Cozamin, our only site in a conflict-affected area.

In recent years the security situation in Zacatecas, Mexico has worsened significantly due to a rise in criminal activity. On the whole, our presence positively impacts security by providing a legitimate source of income for families and social supports through our community investments. Nevertheless, we adopt a vigilant approach and take measures to protect our employees and sites, depending on the situation. This can include technology, procedures and training for employees to help them reduce personal security risks in all aspects of their lives. We also work with local authorities.

Pinto Valley and Santo Domingo are our only sites with identified Indigenous interests. In 2023, we did not have any operations or projects in or near (within 5 km) Indigenous People's territories, which translates to 0% of proven or probable mineral reserves.

Pinto Valley

Pinto Valley adopted measures to identify and protect Native American heritage. The closest Native American community to our Pinto Valley mine is the San Carlos Apache Indian Reservation, which is 30 km away. There are documented cultural sites in the area surrounding the mine. In 2023, we installed discrete signage to alert our workforce to the presence of these sites, without attracting public attention that might inadvertently disrupt them. Pinto Valley also mapped the vegetation and cultural heritage sites for a 2-mile realignment of the US Forest Service road, identifying 18 historic check dams and 1 archaeological site.

Mantos Blancos and Mantoverde

Both sites received The Copper Mark award in 2023. As part of the assurance process, assessments were conducted using the ISO 19011:2018 methodology against the Copper Mark criterion[6] for responsible production and the Joint Due Diligence Standard. Assessed criteria included practices relating to forced labour, child labour and human rights; both sites were found to be in full alignment with criteria requirements. However, both sites only partially met the criteria related to grievance mechanisms and supplier due diligence in mineral supply chains. Improvement plans are in progress at both sites. For more information on our performance, please visit The Copper Mark Participants.

Cozamin

Cozamin received an award from the State Human Rights Commission of the State of Zacatecas for a second year, following submission of evidence by the site and a visit by the Commission. The four factors considered in granting the award were: culture of human rights, work harmony, inclusion and non-discrimination, and the diagnostic evaluation and indicators to support it.

The site also completed the first stage of our SCC compliance program, which included sign-offs from top suppliers and evaluations of compliance questionnaires. In addition, Cozamin amended its contract templates to require suppliers to comply with the SCC and cooperate with Capstone to address any breaches. See the Modern Slavery Report for more details on procedures adopted. The results of the pilot work at Cozamin (and Pinto Valley) will inform further responsible sourcing program development.

Santo Domingo

The Santo Domingo mine site will not be near Indigenous territory, but the port area that will service the mine is home to a group that was recognized as Indigenous by the Chilean government in 2020. Due to the project stage, there was no new activity with respect to coastal residents in 2023.

[5] Using the Uppsala Conflict Data Program definition, we determined our Cozamin operation in Mexico should be considered to be in an area of conflict.
[6] The assessment was based on version 1.0 of the Copper Mark Risk Readiness Assessment Criteria.

Looking Forward

In 2024 Capstone will:

- Conduct a review of Capstone's policies, procedures and systems to manage the risk of forced and child labour in our supply chain.
- Develop the Capstone Social Performance Standard.
- Provide modern slavery training to employees globally.

Beyond 2024 Capstone will:

- Assess 100% of sites against the Standard (2025).

Anti-corruption

This topic covers the measures we have in place to avoid incidents of bribery, fraud or extortion involving any Capstone employee, director, supplier or any other third party acting on our behalf.

Doing business responsibly is fundamental to our work culture. Capstone respects and follows anti-corruption laws. Capstone employees, directors and suppliers are expected to conduct business in an honest and ethical manner when dealing with government officials and any other parties. Anti-corruption is part of the global risk-based decision-making processes we apply to all business activities.

2023 UPDATE:

Our Approach to Managing Anti-corruption

In 2023, there were no significant changes to our anti-corruption management and due diligence approach, but we made incremental improvements. For example, Capstone's corporate office developed and implemented a Know-Your-Client (KYC) process for customer contracts, which includes an assessment of bribery and corruption risks. In recognition of the ongoing security risks in Zacatecas, Mexico, Cozamin conducted employee training on security awareness and extortion call management.

Training on anti-corruption is mainly a site-level responsibility. Corporate employees receive in-person training every second year and are tested in the non-training years. Pinto Valley continued to cover the Capstone Code of Conduct (including anti-corruption) through a day-long policy refresher course all employees are required to attend annually. Employees at Mantos Blancos and Mantoverde participate in 1-2 hour training sessions on our Code of Conduct and related policies. The workshops communicate the policies and engage employees with scenarios relating to anti-bribery measures, respectful workplace practices and human rights. In 2023, 92% of the employees at our Chilean sites participated in the training. As the level of tracking varies by site, we do not have a consolidated view of the number or percentage of site employees who receive anti-corruption training. See the sidebar for other aspects of our Anti-corruption management approach that continued during 2023.

2023 RESULTS

There were no significant corruption incidents reported at any of our sites or to our Board. We do not have any production in the countries that have the lowest 20 rankings on Transparency International's 2023 Corruption Perception Index. Mantos Blancos and Mantoverde were awarded The Copper Mark in 2023, which included practices related to business integrity.

Continuing Aspects of our Management Approach in 2023:

- We communicate anti-corruption policies to Board members and employees when they are onboarded.
- Annually, Board members and all employees globally are expected to review our policies – including our Code of Conduct and Anti-bribery Policy – and sign off that they will uphold them.
- Significant risks and violations are reported to the Governance, Nominating and Sustainability Committee on a quarterly basis. Any incidents of corruption or bribery are reported through Capstone's Whistleblower Hotline or directly to the Board.
- We extend anti-corruption measures to our supply chain via our Supplier Code of Conduct, our Anti-Bribery Policy and our contracting processes. We do not require established business partners to annually sign off on anti-corruption agreements and we do not provide supplier training.
- We annually disclose payments made to public bodies in countries where we operate, as required by Canada's Extractive Sector Measures Transparency Act (ESTMA).

Looking Forward

In 2024 and beyond, Capstone will:

- Roll out a global responsible sourcing program that includes enhanced measures to identify bribery and corruption risk in our supply chain.
- Enhance corruption risk management systems, procedures and controls and assign "responsible persons" for key risks at Mantos Blancos and Mantoverde.
- Conduct a global corruption fraud risk assessment to identify and monitor specific corruption risks.

Please refer to our 2022 Sustainability Report for more on our Anti-corruption management approach.

5
Appendices

Glossary

Baseline Water Stress
Ratio of total water demand (domestic, industrial and agricultural) to available renewable water supplies (surface and groundwater). Higher values indicate more competition among users.

Brownfield
Exploration or mining that takes place in an area near or adjacent to an existing mining operation.

Contacted water
Water that has had contact with mining, mineral processing or tailings disposal, and therefore is not suitable for direct release into the environment without prior treatment.

Downgradient
The direction that groundwater flows; similar to 'downstream' for surface waters.

Dry stack tailings
A tailings storage method that involves removing water from the tailings then placing and compacting the tailings in a storage facility.

Intensity
A measure to assess energy, emissions or water efficiency; refers to the amount of energy, emissions or water required per unit output or activity.

Greenfield
Exploration or mining that takes place in an area where there has been no previous activity.

Hydraulic capture zone
Area around a groundwater or drinking water supply that contributes water to the supply.

Independent Tailings Review Board (ITRB)
A board that provides independent technical review of the design, construction, operation, closure and management of tailings facilities. The independent reviewers are third parties that have not been directly involved with the design or operation of the particular tailings facility.

NOx and SOx
The common abbreviations for nitrogen oxide and sulphur oxide emissions which are produced when fuel is burned at high temperatures; both NOx and SOx negatively impact air quality.

Particulate matter (PM)
A complex mixture of solid and liquid particles; the main air pollutant in mining.

Paste backfill
Tailings with enough water content removed to create a paste consistency that is mixed with a binder, such as cement, then pumped underground into mined-out voids to provide ground support.

Physical climate risk
Risks related to the physical impacts of climate change. These risks can be event-driven (acute) such as increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires), or relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g., sea level rise).

Pit dewatering
The process of removing or pumping water that collects in the pit bottom when it extends below the water table and fills with water in the form of groundwater intrusion and storm water.

Scenario analysis
A process for identifying and assessing a potential range of outcomes of future events under conditions of uncertainty. In the case of climate change, scenarios allow an organization to explore and develop an understanding of how the physical and transition risks of climate change may impact its business, strategies and financial performance over times.

SX/EW
Solvent extraction-electrowinning technology, a process that leaches copper from rock.

Sludge
Liquid waste produced by mining activities.

Tailings
Waste materials left after the target mineral is extracted from ore; consist mainly of crushed rock and water.

Transition climate risk
Risks associated with the transition to a low-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.

Waste rock
Mined native bedrock that is not processed for extraction of minerals or mineral product.

Wet scrubbers
Devices that use a scrubbing solution to help eliminate PM and other pollutants.

GRI and SASB Index

Statement of Use
Capstone Copper has reported the information cited in this GRI content index for the period from January 1 to December 31, 2023 with reference to the GRI Standards. Capstone has also reported in accordance with the SASB Metals and Mining Sustainability Accounting Standard Version 2023-12. Any scope restrictions or other limitations are reported in the Report Page or Reference column.
GRI 1 used
GRI 1: Foundation 2021

GRI / SASB Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	Report Page or Reference
GRI 2: General Disclosures 2021	2-1		Organizational details	6-8
	2-2		Entities included in Capstone's sustainability reporting	10
	2-3		Reporting period, frequency and contact point	10
	2-4		Restatements of information	10
	2-5		External assurance	10
	2-7		Employees	5, 55
	2-8		Workers who are not employees	5, 55
	2-9		Governance structure and composition	16, Management Information Circular (MIC pp. iv, 10-19, 21-24, 26)
	2-10		Nomination and selection of the highest governance body	MIC (p. 11, 26)
	2-11		Chair of the highest governance body	MIC (pp. 19)
	2-16		Communication of critical concerns	18, MIC (p. 29), Whistleblower Policy
	2-17		Collective knowledge of the highest governance body	16, MIC (pp. 24-25)
	2-19		Remuneration policies	16, MIC (pp. 42-70)
	2-20		Process to determine remuneration	MIC (pp. 42-70)
	2-22		Statement on sustainable development strategy	4
	2-23		Policy commitments	18, Appendix C (p. 75)
	2-26		Mechanisms for seeking advice and raising concerns	18, Whistleblower Policy
	2-27		Compliance with laws and regulations	19
	2-30		Collective bargaining agreements	54, 58
GRI 3: Material Topics 2021	3-1		Process to determine material topics	10
	3-2		List of material topics	10

GRI AND SASB INDEX

GRI / SASB Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	Report Page or Reference
Community and Economic Impact				
GRI 201: Economic Performance 2016	201-1		Direct economic value generated and distributed	60
GRI 202: Market Presence 2016	202-2		Proportion of senior management hired from the local community	61
GRI 204: Procurement Practices 2016	204-1		Proportion of spending on local suppliers	61
GRI 413: Local Communities 2016	413-1		Operations with local community engagement, impact assessments and/or development programs	62-63, Appendix C (p. 76)
GRI 413: Local Communities 2016	413-2		Operations with significant actual and potential negative impacts on local communities	62, Annual Information Form (p. 86), MIC (pp. 31-32)
SASB Community Relations		EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	62-63
SASB Community Relations		EM-MM-210b.2	Number and duration of non-technical delays	62
SASB Activity Metric		EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	13
Anti-corruption				
GRI 205: Anti-Corruption 2016	205-2		Communications and training about anti-corruption policies and procedures	66
GRI 205: Anti-Corruption 2016	205-3		Confirmed incidents of corruption and actions taken	66
SASB Business Ethics & Transparency		EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	66
SASB Business Ethics & Transparency		EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	66
Water				
GRI 303: Water and Effluents 2018	303-3		Water withdrawal	31-34
GRI 303: Water and Effluents 2018	303-4		Water discharge (breakdown by destination)	31
Minimum Standards are SASB Water Management		EM-MM-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	29, 31 except that we do not measure water consumed
SASB Water Management		EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	32

GRI AND SASB INDEX

GRI / SASB Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	Report Page or Reference
Biodiversity				
GRI 304: Biodiversity 2016	304-1		Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	43
GRI 304: Biodiversity 2016	304-4		IUCN Red List species and national conservation list species with habitats in areas affected by operations	43
SASB Biodiversity Impacts		EM-MM-160a.1	Description of environmental management policies and practices for active sites	44-45
SASB Biodiversity Impacts		EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	44
SASB Biodiversity Impacts		EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	14, 42, Appendix C (p. 78)
Energy and Climate Change				
GRI 302: Energy 2016	302-1		Energy consumption within the organization	23-24
GRI 302: Energy 2016	302-3		Energy intensity	23-24
SASB Energy management		EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	23
GRI 305: Emissions 2016	305-1		Direct (Scope 1) GHG emissions	25-26
GRI 305: Emissions 2016	305-2		Energy indirect (Scope 2) GHG emissions	25-26
GRI 305: Emissions 2016	305-4		GHG emissions intensity	25-26
SASB Greenhouse Gas Emissions		EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	25-26
SASB Greenhouse Gas Emissions		EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	22, 25-26, Appendix D (p. 81)
Air Quality				
GRI 305: Emissions 2016	305-7		Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	47, Appendix C (p. 80)
SASB Air Quality		EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	47

GRI AND SASB INDEX

GRI / SASB Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	Report Page or Reference
Tailings and Waste				
GRI 306: Waste 2020	306-3		Waste generation by composition	38
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.4	Total weight of non-mineral waste generated	38
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.5	Total weight of tailings produced	38
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.6	Total weight of waste rock generated	38
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.7	Total weight of hazardous waste generated	38
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.8	Total weight of hazardous waste recycled	38
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	39
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.10	Description of waste and hazardous materials management	39-41
SASB 2021 Tailings Storage Facilities Management		EM-MM-540a.1	Tailings storage facility inventory table	Appendix C (p. 77)
SASB 2021 Tailings Storage Facilities Management		EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	35-37
SASB 2021 Tailings Storage Facilities Management		EM-MM-540a.3	Approach to development of Emergency Preparedness and Response Plans	36, 37
Employment				
GRI 401: Employment 2016	401-1		New employee hires and employee turnover	55
GRI 405: Diversity and Equal Opportunity	405-1		Diversity of governance bodies and Employees	16, 56, 57
SASB Labor Relations		EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	54, 58
SASB Labor Relations		EM-MM-310a.2	Number and duration of strikes and lockouts	58
SASB Activity Metric		EM-MM-000.B	Total number of employees, percentage contractors	55

GRI AND SASB INDEX

GRI / SASB Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	Report Page or Reference
Health and Safety				
GRI 403: Occupational Health and Safety 2018	403-8		Workers covered by an occupational health and safety management system	49
GRI 403: Occupational Health and Safety 2018	403-9		Work-related injuries	50, 52
GRI 403: Occupational Health and Safety 2018	403-10		Work-related ill health	50
SASB Workforce Health & Safety		EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	50, 52 except that we do not calculate the MSHA all-incidence rate
Human Rights				
SASB Security, Human Rights & Rights of Indigenous Peoples		EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	65, Appendix C (p. 78)
SASB Security, Human Rights & Rights of Indigenous Peoples		EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	65
SASB Security, Human Rights & Rights of Indigenous Peoples		EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	64-65

Additional Data and Other Disclosures

Additional Data and Other Disclosures

Global Policies Relevant to Sustainability

Policy Name	References Global Norms	Stipulates Due Diligence	Stipulates Precautionary Principle[1]	Stipulates Respect for Human Rights	Approval Level
Anti-Bribery	Yes. All international and local anti-bribery and anti-corruption laws.	Due diligence on third parties.	Yes	No	BOD
Code of Conduct	Yes. Respect for the law.	No, but refers to supporting policies which may include this practice.	Yes	Yes	BOD
Diversity and Inclusion	No	No	No	Yes	BOD
Human Rights	Yes. United Nations Guiding Principles on Business and Human Rights, the United Nations' Universal Declaration of Human Rights, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.	Evaluate and track effectiveness of company response; due diligence on supplier performance and compliance.	Yes	Yes	BOD
Integrated Environment, Health, Safety and Sustainability	Yes. Operate in accordance with recognized industry EHS standards and applicable regulations and laws.	Yes. Risk management practices to identify and control risks and minimize environmental impacts.	Yes	No	BOD
Respectful Workplace	No	Yes. Process for resolving complaints and corrective actions.	Yes	No	CEO
Supplier Code of Conduct	Yes. Laws, regulations, codes and other regulations and governmental requirements in the jurisdictions in which they operate and in those jurisdictions in which they conduct business with or for Capstone.	Yes. Process for reporting and resolving violations.	No	Yes	CEO
Tailings Management	Yes. Adopt and implement the Global Industry Standard for Tailings Management (GISTM). Achieve industry best available practices ("BAP") and best available/applicable technologies ("BAT"). Comply with all applicable legal, regulatory, and permit requirements, and conform with generally accepted, reasonable and prudent tailings engineering practices.	Yes. Included in commitment to implement the GISTM and achieve BAP and BAT.	Yes	Yes	BOD
Whistleblower	No	Yes. Establishes a program to report and investigate concerns.	Yes	Yes	BOD

[1] We do not use the term "precautionary principle," but our policies direct us to proactively minimize negative impacts to people or the environment.

Additional Data and Other Disclosures

Stakeholder Categories and Engagement Approaches

Stakeholder Group	Who They Are	How We Engage
Employees and Contractors	Hourly, salary, union and non-union employees and full-time contractors regularly on site performing core business functions	Individual and group meetings, town halls, surveys, intranet, materials mailed to homes, emails, social media
Governments	Local, regional and national government bodies responsible for implementing related legislation or with mandated interest in our operations and projects	In-person meetings, site visits, regulatory inspections, participation in government consultation on relevant local issues
Indigenous Groups	Self-determined and/or as identified by national or international legislation and standards	In-person meetings, site tours, information presentations at community meetings, participation in community events, job fairs, information exchange in technical groups
Industry and Professional Associations	Associations that regulate members or lobby on their behalf	Board of Directors meetings, committee meetings, conference calls, review of policy and position statements, comments on proposed regulations
Local Communities	Communities that may be economically, socially or environmentally impacted by our operations and projects	In-person meetings, site tours, participation in community events, job fairs, community response mechanisms, social media
Local/Public Institutions	Local entities that provide a community service (e.g., emergency service providers, hospitals, colleges, universities)	In-person meetings, written and verbal correspondence, training programs and exercises
Non-government Organizations	Local-level groups focused on community, health or environmental interests	Verbal and written correspondence, meetings
Shareholders, Potential Investors and ESG Research and Rating Agencies	Individuals or entities with interest in Capstone's financial, operational and ESG performance	Conference calls, one-on-one and group meetings with Board and management, annual general meeting, news releases, disclosure documents, presentations, site tours
Suppliers, Business Partners and Customers	Entities that provide an input to Capstone's value chain either upstream or downstream of our operations	In-person meetings, written and verbal correspondence
Unions	Collective bargaining agreements at Pinto Valley, Mantos Blancos, Mantoverde and Cozamin	In-person meetings, written and verbal correspondence

Additional Data and Other Disclosures

Tailings Storage Facility Inventory

Mine Site	Facility Name	Location	Ownership Status	Operational Status	Construction Method	Maximum Permitted Storage Capacity (M tonnes)	Current Amount of Tailings Stored (M tonnes)	Current Amount of Tailings Stored (M m^3)	Consequence Classification	Date of Most Recent Independent Technical Review	Material Findings	Mitigation Measures	Site-specific EPRP
Pinto Valley	PV TSF1	Arizona (Globe-Miami), USA	Owned & operated	Closure	Upstream	75[1]	75	50	High	2023	No	No	Yes
Pinto Valley	PV TSF2	Arizona (Globe-Miami), USA	Owned & operated	Inactive	Upstream				Extreme	2023	No	No	Yes
Pinto Valley	PV TSF3	Arizona (Globe-Miami), USA	Owned & operated	Active	Upstream	101	84.2	58.5	Extreme	2023	No	No	Yes
Pinto Valley	PV TSF4	Arizona (Globe-Miami), USA	Owned & operated	Active	Upstream	755	416.6	275	Extreme	2023	No	No	Yes
Pinto Valley	PV CTI	Arizona (Globe-Miami), USA	Operated[2]	Inactive	Upstream	54	54	36	High	2023	No	No	Yes
Cozamin	Cozamin TSF	Zacatecas, Mexico	Owned & operated	Active	Upstream	17	~15.5	~10.3	Very High	2023	No	No	Yes
Cozamin	Chiripa Norte & Sur	Zacatecas, Mexico	Owned & operated	Closure	Upstream	~0.80	~0.80	~0.53	Significant	2023	No	No	Yes
Mantoverde	MV TSF3	Atacama Region, Chile	Owned & operated	Construction	Centerline	232	N/A	N/A	Significant	2023	No	No	Yes
Mantos Blancos	MB Fine TSF - Pit fase 8	Antofagasta Region, Chile	Owned & operated	Active	Downstream	23	11.3	7.5	Significant	2023	No	No	Yes
Mantos Blancos	MB Coarse TSF	Antofagasta Region, Chile	Owned & operated	Active	Dry stack	67	44	22	Significant	2023	No	No	Yes
Mantos Blancos	MB Cubeta 1	Antofagasta Region, Chile	Owned & operated	Inactive	Centerline	37	37	23	Significant	2023	No	No	Yes
Mantos Blancos	MB Cubeta 2	Antofagasta Region, Chile	Owned & operated	Inactive	Centerline	63	63	33.5	Significant	2023	No	No	Yes

[1] Pinto Valley facilities TSF1 and TSF2 are beside each other and combined here.
[2] Operated by Pinto Valley on land owned by the US Forest Service.
[3] Mantoverde MV TSF was in the construction phase so there were no tailings stored as of December 31, 2023.

Additional Data and Other Disclosures

Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation

		Mineral Reserves										Contained Metal							
	Category	kt	TCu	SCu	ICu	Zn	Pb	Mo	Ag	Au	Fe	Cu	Zn	Pb	Mo	Ag	Au	Fe[1]	
			%	%	%	%	%	%	g/t	g/t	%	kt	kt	kt	kt	koz	koz	Mt	
Pinto Valley, Dec. 31, 2023[1]																			
	Proven	231,409	0.34	–	–	–	–	0.007	–	–	–		780	–	–	16	–	–	–
	Probable	104,556	0.28	–	–	–	–	0.006	–	–	–		294	–	–	6	–	–	–
	Total	**335,966**	**0.32**	**–**	**–**	**–**	**–**	**0.007**	**–**	**–**	**–**		**1073**	**–**	**–**	**22**	**–**	**–**	**–**
In or Near Conservation Area		335,966	0.32	–	–	–	–	0.007	–	–	–		1073	–	–	22	–	–	–
Mantos Blancos, Dec. 31, 2023[2]																			
Sulphides + Mixed (Flotation)	**Proven**	60,426	0.74	0.09	0.65	–	–	–	6.0	–	–		450	–	–	–	11,631	–	–
	Probable	50,972	0.54	0.08	0.46	–	–	–	4.3	–	–		270	–	–	–	7,012	–	–
	Total	**111,397**	**0.65**	**0.09**	**0.56**	–	–	–	**5.2**	–	–		720	–	–	–	18,643	–	–
Oxides + Mixed (Dump Leach)	**Proven**	1,756	0.48	0.34	–	–	–	–	–	–	–		6	–	–	–	–	–	–
	Probable	2,199	0.35	0.24	–	–	–	–	–	–	–		5	–	–	–	–	–	–
	Total	**3,954**	**0.41**	**0.28**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**11**	**–**	**–**	**–**	**–**	**–**	**–**
Mantoverde, Jun 1, 2024[3]																			
Sulphides + Mixed (Flotation)	**Proven**	219,000	0.56	–	–	–	–	–	–	0.10	–		1231	–	–	–	–	702	–
	Probable	179,000	0.40	–	–	–	–	–	–	0.09	–		723	–	–	–	–	521	–
	Total	**398,000**	**0.49**	–	–	–	–	–	–	**0.10**	–		1954	–	–	–	–	1,223	–
Oxides (Dump + Heap Leach)	**Proven**	148,000	0.29	0.22	–	–	–	–	–	–	–		325	–	–	–	–	–	–
	Probable	88,000	0.27	0.19	–	–	–	–	–	–	–		170	–	–	–	–	–	–
	Total	**236,000**	0.28	**0.21**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**495**	**–**	**–**	**–**	**–**	**–**	**–**
Cozamin, Dec 31, 2023[4]																			
	Proven	–	–	–	–	–	–	–	–	–	–		–	–	–	–	–	–	–
	Probable	8,892	1.62	–	–	0.58	0.33	–	43.8	–	–		144	51	29	–	12,526	–	–
	Total	**8,892**	**1.62**	**–**	**–**	**0.58**	**0.33**	**–**	**43.8**	**–**	**–**		**144**	**51**	**29**	**0**	**12,526**	**–**	**–**
In or Near Area of Conflict		8,892	1.62	–	–	0.58	0.33	–	43.8	–	–		144	51	29	–	12,526	–	–

Additional Data and Other Disclosures

Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation (continued from the previous page)

		Mineral Reserves										Contained Metal							
	Category	kt	TCu	SCu	ICu	Zn	Pb	Mo	Ag	Au	Fe	Cu	Zn	Pb	Mo	Ag	Au	Fe[1]	
			%	%	%	%	%	%	g/t	g/t	%	kt	kt	kt	kt	koz	koz	Mt	
Santo Domingo, Mar 31, 2024[5]																			
	Proven	130,945	0.52	–	–	–	–	–	–	0.07	27.2		675	–	–	–	–	291	13
	Probable	305,111	0.25	–	–	–	–	–	–	0.04	26.2		761	–	–	–	–	346	56
	Total	**436,056**	**0.33**	**–**	**–**	**–**	**–**	**–**	**–**	**0.05**	**26.5**		1435	**–**	**–**	**–**	**–**	**637**	**68**
Total Reserves		1,530,265											**5,832**	**51**	**29**	**22**	**31,169**	**1,860**	**68**
Total Reserves in or Near Conservation Areas																			
Proven		**15%**											**13%**	**0%**	**0%**	**72%**	**0%**	**0%**	**0%**
Probable		**7%**											**5%**	**0%**	**0%**	**28%**	**0%**	**0%**	**0%**
Total Reserves in or Near Areas of Conflict																			
Proven		**0%**											**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Probable		**1%**											**2%**	**100%**	**0%**	**0%**	**40%**	**0%**	**0%**

NOTES: Mineral Reserves take into account mining activities as stated, where applicable. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content. Grade TCu% refers to total copper grade in percent sent to the mill for metallurgical recovery by flotation. Grade SCu% refers to soluble copper grade in percent sent to the leaching processes. Grade ICu% refers to insoluble copper grade in percent, based on TCu% minus SCu%. All Mineral Reserve estimates take into account dilution and mining recovery factors. Contained ounces (oz) are troy ounces. COG is cut-off grade. NSR is net smelter return. All amounts in US$ unless otherwise specified. Stockpiled material is included in the Mineral Reserves, described below. See Technical Reports filed under Capstone Coppers's profile on SEDAR+ for further information.

[1] Clay Craig, P.Eng., Director, Mining & Strategic Planning at Capstone Copper, is the Qualified Person responsible for the Pinto Valley Mineral Reserve estimate as at December 31, 2023. Economic inputs to the block model were $3.00/lb per pound copper, $10.00/lb molybdenum, 86.0% average Cu recovery, 8.5% average Mo recovery, $1.68/tonne average mining costs, $1.13/tonne G&A costs, $0.88/tonne Ops Support costs, $4.67/tonne milling costs, and pit slopes by rock type. The Mineral Reserve is reported 0.19% copper. Stockpiled material is included as Proven Mineral Reserve. Pinto Valley Mine is an open-pit mine with mineral processing by flotation.

[2] Carlos Guzman, RM CMC, FAusIMM, an employee of NCL, is the independent Qualified Person responsible for the Mineral Reserve in the Mantos Blancos Technical Report effective November 29, 2021. Clay Craig, P.Eng., Director, Mining & Strategic Planning at Capstone Copper, oversaw depletion of the Mineral Reserve for mining activities as at December 31, 2023. The Mineral Reserve is based on average off-site costs (selling cost) of US$0.27/lb for sulphides and US$0.42/lb for oxides. Mineral Reserves are contained within an optimized pit shell. The estimated Mineral Reserves are reported using metal prices of US$2.90/lb Cu and US$17/oz Ag. Mining will use conventional open pit methods and equipment and a stockpiling strategy (direct mining costs are estimated at the base bench at 900 masl, averaging US$1.60/t of material mined). Processing costs average US$9.98/t of milled material, including concentrator, tailings storage facility and port costs. Processing cost for material sent to dump leach is US$1.47/t. TCu recovery averages 83.1% for sulphides and silver recoveries average 79.5%. SCu recovery averages 42% for material sent to the dump leach. Inter-ramp angles vary from 36° to 59°. The life-of-mine strip ratio is 4 to 1. Through the Osisko silver production agreement, Osisko Gold has the right to buy 100% of the silver production in concentrate (less specified deductions) until reaching 19.3 million ounces and subsequently 40% paying 92% of the market price. Stockpiled material is included in the Probable Mineral Reserve.

[3] Peter Amelunxen, P. Eng., Senior Vice President, Technical Services at Capstone Copper is the Qualified Person responsible for the Mineral Reserve at the Mantoverde Mine effective June 1, 2024. Mineral Reserves are reported on a 100% basis as constrained within Measured and Indicated Resources and pit designs included within the mine schedule. The attributable percentage to Capstone Copper is 69.993%. The block model is considered to be fully diluted and no dilution or mining losses are applied. The pit designs and mine plan were optimized using assumed metal prices of $3.50/lb Cu and $1,500/oz Au. Mineral Reserves for flotation are estimated above a 0.20% Total Copper (TCu) cut-off. Mineral Reserves for leach are estimated above a 0.10% Soluble Copper (SCu) cut-off for Dump leach, with a variable Heap cut-off between 0.16% and 0.21% SCu to reflect ore availability. Leach-grade material mined after 2037 was scheduled as waste. LOM feed to flotation averaged 87.7% total copper recovery and 65.3% gold recovery. Average heap leach recovery applied in Mine Planning was 71.5% of SCu and 50% of ICu, where ICu = TCu – SCu. Average dump leach recovery applied inwas 38.0% of SCu. Mineral Reserves considered the following average costs: mining cost of $1.87 per tonne moved; $10.11/t flotation processing+tails+G&A; $0.31/lb TC/RC+freight for flotation; $10.14/t heap+G&A; $1.78/t dump leach; $0.35/lb SX/EW costs; and $0.05/lb cathode selling cost. Heap leach Reserve figures include the costs and benefits of bioleaching. Inter-ramp angles in rock vary from 52° to 59°. The LOM strip ratio is 2.7:1.

[4] Clay Craig, P.Eng., Director, Mining & Strategic Planning at Capstone Copper, is the Qualified Person for the Cozamin Mine Mineral Reserve as at December 31, 2023. The Mineral Reserve is reported within fully diluted mineable stope shapes generated by the Deswik Mineable Shape Optimiser software. Mining methods include long-hole stoping and cut-and-fill methods. The Mineral Reserve is reported at or above a blended cut-off of US$60.54/t NSR for long-hole stoping and US$65.55/t NSR for cut-and-fill mining. The NSR cut-off is based on operational mining and milling costs plus general and administrative costs. The NSR formulae vary by zone. Three separate NSR formulae are used based on zone mineralization and metallurgical recoveries. Copper-silver dominant zones use the NSR formula: (Cu*66.638 + Ag*0.484)*(1-NSRRoyalty%). MNFWZ zinc-silver zones use the NSR formula: (Ag*0.290 + Zn*13.723 + Pb*13.131)*(1-NSRRoyalty%). MNV zinc-silver dominant zones use the NSR formula: (Ag*0.228 + Zn*12.121 + Pb*11.363)*(1-NSRRoyalty%). Metal price assumptions of Cu = US$3.55/lb, Ag = US$20.00/oz, Pb = US$0.90/lb, Zn = US$1.15/lb and metal recoveries of 96% Cu, 86% Ag, 0% Pb and 0% Zn in copper-silver dominant zones, 0% Cu, 61% Ag, 93% Pb and 88% Zn in MNFWZ zinc-silver dominant zones, and 0% Cu, 56% Ag, 80% Pb and 77% Zn in MNV zinc-silver dominant zones. The formulae include consideration of confidential current smelter contract terms, transportation costs and 1–3% net smelter return royalty payments. Royalties are dependent on the mining concession, and are treated as costs in the Mineral Reserve estimates. Totals may not sum due to rounding.

[5] Peter Amelunxen, P. Eng., Senior Vice President, Technical Services at Capstone Copper is the Qualified Person responsible for the Santo Domingo Project Mineral Reserve effective March 31, 2024. 1) Mineral Reserves are reported as constrained within Measured and Indicated Resources and pit designs optimized using the following economic and technical parameters: metal prices of US$3.75/lb Cu, US$1,400/oz Au and Fe prices ranging from US$69/dmt to US$114.51/dmt based on the Fe grade in concentrate (net of Fe concentrate transport costs); average recovery to concentrate is 90.1% for Cu and 56.3% for Au, with magnetite concentrate recovery varying on a block-by-block basis; copper concentrate treatment charges of US$80/dmt, U$0.08/lb of copper refining charges, US$5.0/oz of gold refining charges, US$40/wmt and US$25.75/dmt for shipping copper and iron concentrates respectively; waste and ore mining cost of $1.55/t and process and G&A+SUSEX of US$9.77/t processed; average pit slope angles that range from 36.3° to 47.9°; a 2% royalty rate assumption and an assumption of 100% mining recovery. No formal production has occurred from the Santo Domingo property area.

Additional Data and Other Disclosures

Ambient Air Quality Monitoring, Measurement and Reporting

	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin
Particulate Matter				
Types of Particulate Matter Regulated	PM2.5 PM10	PM2.5 PM10	PM2.5 PM10	PM2.5 PM10
Methods of PM Monitoring	Visible emissions observations.[1] Annual stack testing.	Two continuous online dust monitoring stations, one on site and one in the town of Baquedano. Used to check compliance with regulatory thresholds, but results not externally reported.	One continuous online dust monitoring station on site. Two monitoring stations off site measured once a year. Used to check compliance with regulatory thresholds, but results not externally reported.	External lab comes 3-4 times a year to sample for four days at a time, providing data on PM concentrations. This is point-in-time testing for comparison to regulatory threshold. Lead (Pb) concentrations monitored by same lab that does PM monitoring.
Measurement or Estimation Methodology for Sustainability Report Data	Annual totals calculated from stack testing data and approved emissions factors.[2]	Reported amounts are the authorized emissions projections for each year in the environmental approval document (RCA).[2] They do not do an inventory of actual emissions.	Reported amounts are the authorized emissions projections for each year in the environmental approval document (RCA).[2] They do not do an inventory of actual emissions.	Lab provides concentration data only. Site does not do annual inventory of PM emissions.
Data Reported to Regulators	Annual Emissions Inventory.	RCA projected emissions.	RCA projected emissions.	Lab results for concentrations of PM and lead.
Other Emissions - Stationary		Mantos Blancos does not distinguish between stationary and mobile sources.	Mantoverde does not distinguish between stationary and mobile sources.	
Other Regulated Emissions - Stationary Sources	Carbon monoxide (CO) Volatile organic compounds (VOCs) Nitrogen oxides (NOx) Sulphur oxides (SOx)	CO, NOx and SOx.	CO, NOx and SOx.	CH_4 and HFCs. HFCs are included in sustainability report as HAPs.
Measurement or Estimation Methodology for Sustainability Report Data	Annual totals calculated from stack testing data and approved emissions factors.	See PM.	See PM.	Annual totals extrapolated from activity data using emission factors from Mexican regulation.[3]
Data Reported to Regulators	Annual Emissions Inventory.	RCA projected emissions.	RCA projected emissions.	Annual declaration of calculated emissions to environmental regulator (COA).
Other Emissions - Mobile				
Other Regulated Emissions - Mobile Sources	Not regulated.	See Stationary.	See Stationary.	Emissions associated with fuel use (CO_2, N_2O, CH_4).[4]
Measurement or Estimation Methodology for Sustainability Report Data	Non-regulated emissions excluded from scope.			See Stationary.
Data Reported to Regulators	N/A			

[1] The Pinto Valley method for visual observations follows EPA Method 9 https://www.epa.gov/emc/method-9-visual-opacity.
[2] Pinto Valley, Mantos Blancos and Mantoverde use the U.S. Environmental Protection Agency's AP-42 estimation method for PM and other air emissions https://www.epa.gov/air-emissions-factors-and-quantification/ap-42-compilation-air-emissions-factors.
[3] Two Mexican regulations apply: NOM-035-SEMARNAT-1993 and NOM-025-SSA1-1993.
[4] Mexican regulation: Factores de emisión para los diferentes tipos de combustibles fósiles y alternativos que se consumen en México (www.gob.mx)

TCFD Disclosures

In this appendix, we report on our 2023 progress in relation to the Taskforce on Climate-related Financial Disclosures (TCFD). We report in relation to four TCFD framework components below.

1. Governance
2. Strategy
3. Risk Management
4. Metrics and Targets

The high-level TCFD guidance for each component is included in italics at the start of each section.

1. Governance

a) Describe the board's oversight of climate-related risks and opportunities.
b) Describe management's role in assessing and managing climate-related risks and opportunities.

Capstone's Board oversees management to ensure our long-term goals and strategic plan reflect the climate-related opportunities and risks of Capstone's business. As outlined in the Board Terms of Reference for ESG Oversight, the Board oversees the effectiveness of policies, procedures, practices, controls, reporting and disclosure with respect to Capstone's ESG risks and opportunities (including climate) and provides guidance (when needed) to Senior Management on management of these risks and opportunities. The Board delegates oversight of different aspects of the management of climate-related risks and opportunities to its four Committees as described in the table below.

All Board members have experience in Sustainability matters and one has an expert level of knowledge. Five members have specific competencies relevant to climate-related impacts.

Senior management reports on all major risks including climate change and other ESG risks, identified through Capstone's ERM framework, to the Board on a quarterly basis. Responsibility for managing climate-related risks is shared between three senior executives:

- Our Chief Operating Officer oversees and implements strategies to align business operations with environmental sustainability, including our carbon reduction strategy.
- Our Senior Vice President of Risk, ESG and General Counsel monitors progress and any changes related to the Sustainable Development Strategy, oversees climate and other ESG disclosure practices, and manages regulatory compliance and the ESG governance framework.
- Our Senior Vice President, Technical Services ensures the responsible and sustainable management of tailings and water resources, including climate-related risks.

In 2023, Management also established a global, cross-functional Climate Working Group tasked with, amongst other things, monitoring and reporting on climate-related risks, opportunities, and progress to senior management and the Board. More discussion on the Climate Working Group can be found in the Transition Plan sub-section below.

ESG performance is directly linked to executive-level short-term incentives through our corporate scorecard. Sustainability accounted for 15% and was measured based on the number of environmental incidents, the launch of the climate risk assessment, the establishment of working groups including the Climate Working Group to advance the Sustainable Development Strategy priorities, and award of The Copper Mark to our Chilean sites. The combined score for sustainability factors in 2023 exceeded our target.

Board Delegated Oversight of Different Aspects of the Management of Climate-related Risks and Opportunities

The Governance, Nominating and Sustainability Committee provides oversight and ensures Capstone's:	The Technical, Operations and Performance Committee provides technical oversight to:	The Audit Committee provides oversight to:	The Human Resources Committee provides oversight to ensure:
• Sustainable Development Strategy includes Climate as a priority. • Business Strategy incorporates climate-related risks. • Material climate-related impacts are disclosed annually.	• ESG risks, performance and operational opportunities including climate-related issues.	• Financial impacts of ESG risks (including climate-related risks) and disclosure of material financial impacts.	• ESG goals (including climate-related) are integrated into executive compensation.

2. Strategy

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (including plans for transitioning to a low-carbon economy such as GHG emissions reductions targets and specific activities to reduce GHG emissions in operations and value chain).

Climate-related Risks and Opportunities Assessment and Scenario Analysis

Climate change is a strategic priority for Capstone. Climate is one of five priority areas in our Sustainable Development Strategy. Our climate priority is to reduce Capstone's carbon footprint.

In 2023, Capstone engaged a consultant to assist with a systematic and TCFD -aligned process for identifying and evaluating the potential effects of a changing climate and low carbon transition-related challenges that could materially impact Capstone's operations and projects.

This process is being referred to as the climate-related risk and opportunities assessment and scenario analysis project and is being conducted over two phases. The first phase is qualitative, and the second phase is quantitative. This assessment aims to:

- Deepen our understanding of climate-related risks and opportunities facing the business and operations under different scenarios.
- Anticipate potential climate-related risks and generate action plans to ensure the operational continuity of our assets.
- Support answering the question of: are there plans, processes, and/or policies in place to effectively manage these risks?
- Help to analyze whether, at an aggregate level, Capstone could be resilient under a range of possible 'futures', or scenarios.
- Further align with TCFD and IFRS S2 climate-related disclosures, Equator Principles framework and/or future regulatory requirements.

Climate-related Scenarios

The scenario analysis has been conducted under a range of possible 'futures' including three physical, and two transition scenarios as outlined below.

PHYSICAL RISK SCENARIOS

The Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) uses Shared Socioeconomic Pathways (SSPs) scenarios to assess the state of the physical climate under a range of plausible futures. They combine qualitative storylines of societal features and quantified measures of development alongside climate data to create plausible scenarios for how quickly humans can curb emissions. The three scenarios chosen for this assessment were:

- **The SSP1-2.6 scenario,** a low emissions scenario that stays below 2°C warming by 2100, aligned to current commitments under the Paris Agreement. Net zero emissions in the second half of the century.
- **The SSP3-7.0 scenario,** a high emissions scenario following a 'business as usual' trajectory, assuming current levels of climate policy and seeing CO_2 emissions increase significantly by 2100. Warming expected to be >3.0°C.
- **The SSP5-8.5 scenario,** represents the highest emission scenario with warming expected to be >4.0°C by 2100. This scenario is used for stress testing assets under severe impacts.

TRANSITION RISK SCENARIOS

The International Energy Agency (IEA) has developed three hypothetical scenarios that explore how emissions reductions might be achieved towards 2050 and the resultant temperature outcomes. Each scenario applies a varying composition to sectors, including but not limited to, market dynamics, energy systems, and technology progression. For the purposes of the qualitative assessment, the two transition scenarios chosen were as follows:

- **Announced Pledges Scenario (APS)** – In line with TCFD recommendations and the Paris Agreement, this is a 2°C or lower scenario which assumes that national pledges made by governments around the world are achieved on time and in full. In this scenario, warming of ~1.7°C is expected by 2100, and transition risks and opportunities are high.
- **Stated Policies (STEPS)** – This scenario explores how the energy system evolves if we retain current policy settings. This includes the latest policy measures adopted by governments around the world. In this scenario, warming of ~2.4°C is expected by 2100, and transition risks and opportunities are moderate.

Time Horizons

Climate-related risks and opportunities were evaluated over the short- (2020), medium- (2030) and long-term (2050) time horizons. These time horizons were selected to align with shorter-term strategy planning cycles, national climate policy milestones (e.g., the Canada's 2050 climate-neutral target) and the current remaining mine life of Capstone's asset portfolio.

At the time of the assessment, the following Life of Mine ("LOM") estimates were in effect: Mantoverde LOM 2042, Mantos Blancos LOM 2037, Pinto Valley LOM 2039, and Cozamin LOM 2031.

2. Strategy

Results of the Assessment

The preliminary high-level results of the qualitative phase of the assessment are outlined below. We will expand more on these findings in our 2024 reporting when both phases of the assessment are completed.

PHYSICAL RISK ANALYSIS

A scenario screening was conducted against Capstone's material locations (also referred to as "assessed locations") using nine physical climate hazards both acute and chronic in nature. Many of these hazards will be exacerbated by climate change. The table below outlines the climate hazards and corresponding indicators evaluated during the qualitative assessment. These indicators are variables used to measure and monitor the potential changes in hazards over time.

Of the nine physical climate-driven hazards assessed, four were identified as primary risks for Capstone. These include:

- water stress
- extreme heat
- wildfire weather (conditions influencing the ignition, spread, intensity, and duration of wildfires)
- rainfall-induced landslides

Water stress is projected to be the primary physical risk for assessed locations in the coming years as water stress is high in the baseline years and continues to be high in future projected years. Elevated heat is identified as an emerging risk for all locations as the extreme heat hazard is projected to rapidly increase in future years. Capstone will evaluate these hazards further in the quantification stage. Below is a high-level summary of the climate hazards and their potential impacts to operations.

9 Physical Climate-driven Hazards Assessed

Primary Physical Risks Identified for Capsone								
Water Stress	**Extreme Heat**	**Wildfire Weather**	**Landslide Susceptibility**	**Extreme Cold**	**Extreme Rainfall Flooding**	**Riverine Flooding**	**Coastal Flooding**	**Tropical Cycone**
Percent of total water withdrawals from the available water supplies	Percent of days when maximum temps > 90th percentile	Number of days with fire-permitting climatic conditions	Number of days with a potential chance of a rainfall-induced landslide	Percent of days when minimum temps < 10th percentile	1-in-500-year rainfall flooding inundation depth (meters)	1-in-500-year river flooding inundation depth (meters)	1-in-500-year coastal flooding inundation depth (meters)	Maximum tropical cyclone wind speed (knots)

High-level Summary of Climate Hazards and Potential Impacts to Operations

Hazards Driving the Risk	Physical Risks to Mining Sites	Potential Financial Impact
Water Stress **Extreme Heat** **Wildfire Weather** **Rainfall-induced Landslides**	1] Physical damage and degradation of mining sites / machinery	• Increased capital expenditures • Loss of production
	2] Reduced operating efficiency and output and increasing energy / power demands	• Loss of revenue • Rising fuel costs • Increased operational and capital expenditures
	3] Impacts to worker safety and access roads from extreme climate events	• Operational downtime and working hours
	4] Increased strain on water supply	• Increased water costs • Productivity impacts and operational downtime if water is unavailable

2. Strategy

Results of the Assessment

TRANSITION RISK AND OPPORTUNITY ANALYSIS

The qualitative assessment analyzed how the changing environmental, political and market factors relating to climate change could impact Capstone. The following transition risks (top row) and opportunities (bottom row) were evaluated.

TRANSITION RISKS		
Policy and Legal	**Technology**	**Market and Repuation**
• Carbon pricing • Mandates on regulation of existing products and services • Exposure to litigation	• Unsuccessful investment in new technologies • Costs of / barriers to transition to lower emissions technology	• Changing customer behavior • Increased cost of materials and services • Increased stakeholder concern / negative feedback
TRANSITION OPPORTUNITIES		
Resource Efficiency	**Energy Source**	**Products, Services and Markets**
• Use of more efficient modes of transport and production processes	• Use of lower-emission sources of energy • Use of new technologies • Participation in carbon market	• Development and / or expansion of low emission goods and services • Use of public-sector incentives

A high-level scenario screening was conducted across the categories above. The findings indicated that under the business-as-usual scenario i.e., taking into account current policies – the IEA Stated Policies Scenario (STEPS), Capstone does not face significant risk exposure. Under the increased decarbonization ambition scenario Announced Policies Scenario (APS), potential risks with increasing significance begin to emerge including carbon pricing and increased costs of goods and services. However, these risks could be potentially offset by Capstone's role as a critical mineral producer, especially if there are future copper supply disruptions. Capstone will evaluate these transition risks further in the quantification stage.

Transition Plan

Climate is one of five priority areas in our Sustainable Development Strategy. Our Climate priority is to reduce Capstone's carbon footprint. This section describes Capstone's plans for reducing our footprint and supporting the transition to a low-carbon economy.

Capstone has adopted a target to reduce GHG emissions from fuel and power emissions by 30% by 2030 over 2021 baseline. Since 2021, Capstone has reduced its location-based emissions by 2% and its market-based emissions by 11%. See Metrics and Targets below.

Our carbon reduction strategy to achieve this includes the following elements:

- Transition to 50% renewable electricity in Chile by 2025.
- Transition to >90% renewable electricity across Capstone by 2030.
- Assess future growth opportunities against our 2030 target and incorporate carbon reduction initiatives into engineering and design studies.
- Pursue diesel displacement opportunities.

2. Strategy

Transition Plan

CARBON REDUCTION STRATEGY

In 2023, we made progress on our carbon reduction strategy in the following ways.

ESG Disclosure Committee and Climate Working Group

We established global and site-level committees and working groups to implement climate-related initiatives. In 2023, we established a cross-functional ESG Disclosure Committee (ESGDC) to enhance climate-related disclosures to meet market and regulator expectations for meaningful disclosure of governance, strategy, risks, metrics, and targets, for both general ESG and specific climate-related disclosures. Membership of the ESGDC is drawn from the ESG Committee plus additional members as needed to represent financial and disclosure expertise. The role of the committee is to:

- Formulate Capstone's ESG disclosure strategy.
- Determine disclosure requirements for climate-related and other ESG risks and opportunities.
- Improve Capstone's corporate and site level systems and processes for ESG disclosure.
- Align Capstone's ESG disclosures in financial, regulatory, and voluntary reporting.

Management also established a global, cross-functional Climate Working Group tasked with developing a Capstone GHG Action Plan. The group is made up of corporate and site level employees with key responsibilities related to management of climate-related risks. This working group aims to meet quarterly. The group's objectives include:

- Lead development of site-level GHG management plans.
- Establish site and corporate KPIs to measure progress towards the target.
- Monitor and report on progress related to our Climate priority to senior management and Board.
- Identify budget requirements to achieve GHG plans.

Pinto Valley, Mantos Blancos and Mantoverde formed cross-functional GHG and energy management teams to develop site-level Energy and GHG management plans including detailed reduction and abatement projects. These teams include representatives from mining, processing, Supply Chain, permitting, ESG, and Safety.

The Copper Mark Progress

In 2023, Mantos Blancos and Mantoverde were awarded The Copper Mark which included the assessment of practices related to GHG emissions and energy consumption (see below for summary of the intent of the criteria). The sites were assessed based on version 1.0 of the Copper Mark Risk Readiness Assessment Criteria (2020):

- GHG Emissions: To quantify, establish reduction targets for and disclose CO_2 equivalent emissions in line with established international reporting protocols (e.g. Intergovernmental Panel on Climate Change or GHG Protocol).
- Energy Consumption: To implement and quantify energy efficiency improvements and increased use of renewable energy to reduce total energy consumption and/or energy intensity.

Both sites were found to partially meet these criteria. Improvement plans are in place to address the gaps in 2024, including quantifying efficiency and implementing programs to reduce energy consumption as well as procedures to monitor emissions trends and set site-level short-term reduction targets.

ISO 50001 Energy Management Systems

In response to Chile's new energy efficiency law, both Mantos Blancos and Mantoverde focussed on establishing ISO 50001 Energy Management Systems. (Both sites received ISO 50001 certification in Q1 2024.) This certification provides a set of requirements that enable organizations to develop a plan-do-check-act management system to:

- Develop a policy for more efficient use of energy.
- Fix targets and objectives to meet that policy.
- Gather data to better understand and make decisions concerning energy use.
- Measure the results obtained.
- Review the effectiveness of the policy.
- Continually improve energy management.

Transitioning to 50% Renewable Electricity in Chile by 2025

Starting in 2022, Mantos Blancos began to transition to renewable electricity meeting 73% of its electricity needs (and 23% of its total energy needs) through renewable energy certified contracts. In 2023, 100% of its electricity and 30% of its total energy needs were met through these types of contracts. As a result, Capstone's renewable energy as a percentage of total energy increased to 9% from 7% (2022). As the Mantoverde Development Project ramps up in 2024 and beyond, Mantoverde is expected to meet up to 100% of its electricity use with renewable energy certified contracts.

See 2023 Results: Energy Consumption in Energy and Climate for a discussion of overall and site level performance.

Electrification Opportunities

In 2023, Mantoverde added a third electric rope shovel to its fleet with a fourth one added in early 2024. These shovels have been used to stockpile over 5 million tonnes of sulphide ore in preparation for Mantoverde Development Project commissioning and ramp up in 2024. The use of this type of electric equipment is expected to reduce new emissions associated with the expansion.
Pinto Valley completed several electrification initiatives in 2023, including:

- Replacing a diesel-powered pit dewatering pump with an electric pump to reduce emissions and increase reliability.
- Converting two water supply wells from diesel-powered generators to installed electric.
- Replacing a diesel-fired boiler with an electric unit.

3. Risk Management

a) Describe processes for identifying and assessing climate-related risks.
b) Describe processes for managing climate-related risks.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

The Climate-related risk and opportunities assessment and scenario analysis engaged stakeholders across the organization including cross-functional teams at the corporate office and asset locations. Workshops were held to identify and log the top climate-related risks and opportunities across the business and across all material locations. Stakeholder input paired with our consultant's Climate Impact Platform assisted with the exposure modeling of climate hazards for a particular geographic location.

The results of the Climate-related risk and opportunities assessment and scenario analysis are being managed through our Enterprise Risk Management (ERM) framework with support from the Climate Working Group.

We use our ERM framework to further identify, assess and monitor climate-related risks. Our ERM process reviews and reports on strategic, operational, and financial risks for Capstone. We also use the ERM framework to identify where climate-related risks may accelerate and develop strategies to mitigate and address the risks.

Risks relating to social or environmental impacts are documented and reported through our ERM framework. Site and corporate teams collaborate to identify and assess risks. Detailed risk registers are developed for the operating sites, major projects, and corporate activities. The site and project risk registers are assessed, evaluated, and updated through workshops and meetings with General Managers and their respective management teams. Top risks at each site are regularly discussed during management meetings.

During the quantification phase of our climate-related risk and opportunities assessment and scenario analysis, we will map the relevant climate-related risks and opportunities on our ERM Risk Assessment Matrix which includes likelihood and consequence to determine the overall severity of the risks.

The key climate-related risks previously identified through ERM to date are included in the tables on Physical Risks and Transition Risks below. Following the quantification stage of the scenario analysis, Capstone will further evaluate its existing controls and initiatives outlined below including the need for additional controls.

Key Climate-related Physical Risks Previously Identified Through ERM to Date

Physical Risk	Potential Impacts	Initiatives to Manage Risks
Water Stress and Drought	Water shortages – caused by changes in precipitation patterns and prolonged drought conditions in already water-scarce regions – may impact the productivity of our operations.	We have implemented strategies to conserve freshwater, such as maximizing reuse and reducing evaporation. We continually improve the accuracy of our site water balance models using climate trend data and drought cycle forecasting. Capital planning and allocation decisions consider water availability. The option to use desalinated seawater for Chilean operations is a key aspect of our climate resilience. In Mexico, Cozamin mine has converted to filtered and dry-stack tailings which is allowing for improved water recovery from tailings. Find out more about how we manage water risks in Water.
Extreme Weather Events, Elevated Heat and Wildfire Hazards	Increased severity and occurrence of the effects of extreme weather events such as floods, landslides, tidal waves, heat waves, drought and wildfires near our sites could lead to operational interruptions, health and safety risks to personnel due to reduced air quality, disruptions to transport networks, damage to equipment and public infrastructure, and negative impacts to communities and livelihoods.	We monitor for escalating weather conditions particularly fire-permitting climatic conditions. We engage directly with authorities and stakeholders on regional emergency preparedness and response and adaptation planning. The effects of extreme weather events are considered in our site technical designs, stormwater management systems and mine closure plans.

3. Risk Management

Key Climate-related Transition Risks Previously Identified Through ERM to Date

Transition Risk	Potential Impacts	Initiatives to Manage Risks
Regulatory Changes	Government policies and regulations aimed at mitigating or adapting to climate change could have financial implications for our operations. Carbon pricing policies may increase operating costs, including a higher cost of electricity and fuels, or costs linked to emissions produced. Increased regulatory and permitting requirements related to energy and emissions management may require additional human resources and technology investments.	Currently, none of Capstone's operations are covered by carbon pricing regimes. Chile has adopted a Green Tax law with a carbon tax component. At present, none of our Chile operations meet the thresholds for taxation.
Restriction of Freshwater Use for Mining Purposes	Increased operating costs and/or operating restrictions.	Our Sustainable Development Strategy includes a goal to increase low-quality or recycled water as a proportion of total water consumed. We identify opportunities for low-quality water sourcing such as the use of a desalination plant for Mantoverde's operations.
Changes to insurance coverage	Exposure of our operations to physical climate risks could lead to increased insurance premiums or reduced availability of insurance.	Capstone continues to transfer risks as appropriate through a robust global insurance program. Capstone maintains an insurance captive as a strategic tool to mitigate against future gaps in coverage availability.
Supply disruption or shortage	Increased costs and/or operating disruptions.	There are several strategies to address this risk: identification of critical suppliers, multiple contracts for critical supplies and contracting with local suppliers.
Reputation	Capstone's performance in managing climate change could impact our reputation with stakeholders, including communities, employees, investors, and governments. Poor performance could impact Capstone's ability to secure project financing or regulatory approvals.	Our Sustainable Development Strategy includes a goal to reduce GHG emissions from fuel and power by 30% by 2030, using a 2021 baseline. We disclose Scope 1 and 2 GHG emissions annually. We conduct proactive outreach with the investment community and stay up to date on disclosure requirements and expectations.

4. Metrics and Targets

a) Disclose the metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
c) Describe the targets used to manage climate-related risks and opportunities and performance against targets.

Measuring GHG Emissions

Capstone uses the GHG Protocol Corporate Standard as the basis for calculating GHG emissions. We measure Scope 1 (fuel related) and Scope 2 (electricity related) emissions. Scope 3 emissions are not currently reported. We anticipate reporting Scope 3 emissions for Mantos Blancos and Mantoverde in the 2024 Sustainability Report.

Emissions are reported at the site level and for Capstone as a whole, with four years of data (2020-2023). See 2023 Results section of Energy and Climate for 2022 and 2023. Refer to the 2023 Sustainability Data Book for site-level and historical data.

In 2023, we are reporting market-based emissions in addition to location-based emissions for Scope 2 GHG emissions and total GHG emissions (Scope 1 and Scope 2) following the GHG Protocol Scope 2 Guidance. Going forward, Capstone will use market-based emissions to measure reductions.

Capstone's methodology for calculating emission is as follows:

- Emissions are calculated in carbon equivalent tonnes (tCO_2e) and include CO_2, CH_4 (methane) and N_2O (nitrous oxide). The source for global warming potential factors is the Intergovernmental Panel on Climate Change 5th Assessment Report (IPCC 5) emissions data.
- Scope 1 GHG emissions are related to fuel consumption for activities controlled by our operations, including contractors that perform ongoing work on site. The source for fuel emissions factors is the IPCC 5. Explosives, refrigerants and process emissions from heap leach are excluded.
- Scope 2 location-based GHG emissions are related to electricity purchased from other organizations. Sources for electricity emissions factors are: Arizona - EPA eGRID; Mexican Secretariat of Environment and Natural Resources (SEMARNAT); Chile - Coordinador Eléctrico Nacional (CEN) - Sistema Eléctrico Nacional (SEN).
- Scope 2 market-based GHG emissions are related to electricity purchased through special contractual arrangements with energy providers that have zero emissions. Mantos Blancos is the only site that has contractual arrangements of this kind. Emissions are calculated as the amount of energy covered by the renewable energy contract multiplied by the emissions factor (0 $kgCO_2e/kWh$). For all other sites, market-based emissions factors are not available or applicable; therefore, location-based emission factors are used.

Capstone reports GHG emissions efficiency based on three intensity measures, including GHG emissions in relation to the amount of ore processed, the amount of copper produced, and the amount of copper equivalents produced. For analysis of results in this report, we use GHG emissions per tonne of ore processed. See Energy and Climate.

GHG Emissions Targets

Capstone has adopted a global target to reduce GHG emissions from fuel and power by 30% by 2030, using a 2021 baseline. This is an absolute reductions target. Capstone has not set targets for Scope 1 or Scope 2 separately.

Capstone is starting to make progress in relation to our 2030 reduction target. In 2023, Capstone saw an 11% decrease in total market-based emissions (2% decrease for location-based) compared to our 2021 baseline. These gains are due to improvements in our Scope 2 emissions resulting in the grid electricity emissions in Chile and Arizona and the purchase of renewable energy certified power contracts at Mantos Blancos.

Please refer to Energy and Climate for more discussion on our results and performance.