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HOW WE MANAGE BIODIVERSITY

This fact sheet is one of a series describing Capstone's management approach to material topics. For information on recent developments in our management approach and current performance, see our 2024 Sustainability Report.

Biodiversity refers to the variety of living organisms and the ecosystems of which they are a part. This topic covers the measures we have in place to avoid, mitigate and manage biodiversity impacts in and around our sites, throughout the mining lifecycle.

Impacts and Risks

Biodiversity loss is recognized as a global crisis with all levels of society having a role in halting nature loss. Mining activities have the potential to affect biodiversity at any stage of the mining lifecycle. Activities, including prospecting, exploration, construction, operation and closure, typically result in changes to ecosystems, which affect local plant and animal species. Impacts to water, soil and air from mining or value chain activities may also affect ecosystems, in the short, medium or long term.

Changes in ecosystems may affect local communities or the human rights of individuals that rely on biodiversity and ecosystem services, as well as affecting the rights of Indigenous Peoples. Regulators, lenders, investors and people in our communities have all expressed interest in protecting biodiversity. Biodiversity-rich areas may serve important functions to our workforce or local communities for recreational use, cultural practices, or economic activity, such as tourism, livestock grazing, or plant gathering.

Failure to effectively manage biodiversity risks can lead to regulatory non-compliance, financial penalties, reputational harm, and project delays. These can result in both direct costs—such as remediation expenses—and indirect costs, including loss of stakeholder trust and reduced license to operate.

Local Biodiversity Context

Pinto Valley is located in the Sonoran Desert in southwestern US, where the ecosystem is fragile due to extreme weather conditions, ongoing drought, and pressure from human development. The site is situated in the Pinto Creek watershed, which supports riparian habitat.

Cozamin is located in the Chihuahuan Desert, an arid to semi-arid region characterized by extreme temperatures and scarce rainfall. The project area encompasses two primary vegetation types—dry shrublands and grasslands—and supports a variety of animals adapted to desert and grassland environments.

Our Chilean sites are all located in arid environments in the Atacama Desert, where the ecosystems are complex and fragile. Mantos Blancos has the most extreme desert conditions of any of our sites. There is no regular water course near the site. Mantoverde has desert vegetation and some locally significant fauna. Santo Domingo is located near Mantoverde in a similar environment. Mantoverde accesses water from a desalination plant on the coast and Santo Domingo plans to do the same. Development and operation of desalination plants can have impacts on marine species.

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

Site[1]	Location	Size of Site (km^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	Aguada La Chimba	Approx. 32 km	Nature Sanctuary Polygons
Mantoverde	Chañaral, Atacama, Chile	29	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	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	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.

Governance and Accountability

Capstone's governance framework establishes clear roles, responsibilities, accountability, and oversight for biodiversity management decisions at both corporate and site levels.

Board oversight. The Board of Directors delegates oversight of biodiversity risks to two Board Committees. The Technical and Operational Performance (TOP) Committee oversees policies, activities and results related to environmental matters. The Governance, Nominating and Sustainability (GNS) Committee oversees implementation and reporting on Capstone's Sustainable Development Strategy (SDS), which includes performance on our Biodiversity strategic priority.

Executive accountability and support. The Chief Operating Officer (COO) and the Senior Vice President, Risk, ESG and General Counsel (General Counsel) are the senior executives accountable for matters related to biodiversity impacts and risks. Respectively, they report quarterly to the TOP and GNS Committees on performance. The Corporate ESG team is responsible for developing biodiversity-related corporate policies, standards and guidelines and provides strategic guidance and subject matter expertise to support site implementation. The Biodiversity Working Group comprised of corporate and site representatives, meets quarterly to review progress on implementing the SDS Biodiversity priority and aligning with the Capstone Biodiversity Standard. The group provides quarterly updates to the General Counsel.

Site management. The mine General Manager (GM) is accountable to the COO for site-level biodiversity management. ESG teams implement plans, programs and procedures that comply with applicable legislation, adhere to Environmental Impact Assessment (EIA) and permit conditions, and align with corporate policies, standards and guidelines.

Stakeholder Engagement

Stakeholder engagement on biodiversity takes place at the site level. Key stakeholders include permitting authorities and other government agencies, NGOs, and local communities. Sites adhere to conditions in EIAs and other regulatory requirements which consider the interests of local stakeholders and may mandate specific engagement.

Pinto Valley has a regulatory commitment to host and facilitate annual meetings with stakeholders to discuss the health of the Pinto Creek, where they share results of their biodiversity monitoring activities and stakeholders can raise concerns about biodiversity impacts.

Policy Commitments

Our policy commitments guide our approach to biodiversity management.

Our Integrated Health Safety Environment and Community Policy commits us to proactively identify and manage our impacts on the environment, people, and communities. It also guides us to mitigate negative impacts we cause or contribute to through preventive or remedial actions as required. Specific policy commitments include:

- Reducing the use of natural resources such as water and energy; minimizing emissions, releases and wastes; and protecting biodiversity, with the ambition of contributing to positive outcomes and to climate change solutions;
- Establishing management systems and processes that drive continual improvement of health, safety, environmental and community performance; and
- Executing our health safety environment ("HSE"), sustainability frameworks & strategies and recognized industry standards while complying with local and international applicable laws and regulations

Our Water Stewardship Policy supports biodiversity by committing us to efficient water use and reducing freshwater withdrawals, addressing water-related risks and opportunities through a catchment-based approach, and collaborating with communities and authorities to promote ethical and sustainable water management.

Our policies apply to all Capstone employees, subsidiaries and suppliers (as defined in the Supplier Code of Conduct). We communicate all policies to new Board members, executives, and employees as part of the onboarding process. Annual training on the Code of Conduct (COC) and supporting policies is provided to all employees at both the corporate and site levels. In addition, Board members, executives, and employees are required to review the COC and supporting policies annually and formally acknowledge their commitment to uphold them. As new policies are introduced, we provide targeted training to relevant roles to facilitate effective implementation. Procurement teams are responsible for communicating the Supplier Code of Conduct requirements to suppliers, who agree to comply by signing our supplier agreement. All policies are available on Capstone's website.

Strategy

Our business strategy considers biodiversity impacts and risks. We recognize that our business activities depend on reliable and cost-effective access to ecosystem services (nature's contribution to people) and that these same ecosystems can be affected by our activities. Responsible mining practices are critical for minimizing disruption to the land and ensuring preservation of ecosystems through all mine phases. Careful stewardship of biodiversity is essential to maintaining our license to operate and grow.

Biodiversity is a priority of our Sustainable Development Strategy. Our goal is to establish a common framework for applying the mitigation hierarchy and prioritizing nature-related risks and opportunities, and to achieve successful regeneration of land restored by Capstone.

Biodiversity priority: 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 at Pinto Valley. • Continue biodiversity conservation initiatives at Mantoverde.

We report on our Sustainable Development Strategy performance in our Annual Sustainability Report.

We pursue The Copper Mark award as part of our strategy to embed sustainability across operations. The Copper Mark includes performance criteria for biodiversity management systems based on a recognized mitigation hierarchy targeting No Net Loss (NNL) or a net gain in biodiversity. Mantos Blancos and Mantoverde were awarded The Copper Mark in 2023. In August 2025, Pinto Valley was awarded The Copper Mark and Cozamin signed a letter of commitment to participate in The Copper Mark Assurance Process.

Management of Impacts and Risks

We manage biodiversity at all phases of the mining cycle. Our objective is to protect habitats that support biodiversity at the facility design stage, during operations and in preparation for eventual closure and remediation.

We operate within regulatory frameworks that protect biodiversity. Our sites comply with national and state-level regulations designed to protect species and habitats. Any expansion project requires detailed EIAs which include opportunities for public input. The impact assessment processes result in monitoring and mitigation measures and permit requirements that we incorporate into our mine plans and subject to strong compliance procedures.

We manage biodiversity risks through our Enterprise Risk Management (ERM) Framework. Our ERM Framework establishes a consistent and systematic methodology for identifying, assessing, and managing both risks and opportunities. Risks to biodiversity identified at the technical and operational levels, including through EIA processes, are further evaluated, managed, and reported through the ERM process.

We have developed a Corporate Biodiversity Standard. Corporate standards help create a shared understanding of sustainability priorities, aligning site-level efforts with Capstone's broader goals and policy objectives. Capstone's Biodiversity Standard, adopted in 2025, establishes minimum biodiversity management requirements for all sites, accounting for each mine's life cycle and geographic context. It requires sites to develop and implement biodiversity action plans and targets aligned to our NNL goal. The standard aligns with industry best practice, including the ICMM Nature Position Statement and The Copper Mark biodiversity management criterion.

We apply a mitigation hierarchy to minimize impacts. The mitigation hierarchy of preventive and remedial actions (avoidance-minimization-restoration-offsets) is intended to help us achieve NNL, with an ambition for a net gain of biodiversity. Our approach entails:

- Applying the mitigation hierarchy with an avoidance-first focus from the earliest feasible stage of exploration and continuing throughout the project lifecycle;
- Pursuing progressive restoration, rehabilitation and/or reclamation where feasible, and commencing with offsets for residual adverse impacts as early as possible; and
- Where NNL is not feasible, disclosing how the mitigation hierarchy and additional conservation actions are applied to appropriately address negative impacts on biodiversity.

We keep species out of harm's way. Our ESG teams may determine the best mitigation measure is to rescue and relocate species that could be affected by construction or operations. This applies to both plants (e.g., cactus) and animals. For example, at Cozamin, our trained biologists relocate cactus, lizards and rattlesnakes as needed. The relocation of rattlesnakes protects both workers and the snakes. At Santo Domingo and Mantoverde, in addition to plants such as cactus, animals subject to relocation include low mobility species such as lizards. Procedures are in place to relocate them to safer, more suitable locations and monitor their survival.

We incorporate biodiversity initiatives into our reclamation and closure plans. Reclamation activities for Pinto Valley's mine closure (currently projected for 2039) will include landform regrading and contouring, and revegetation with native plant species. Pinto Valley conducts baseline monitoring of reclamation reference plots established in 2022, to inform its revegetation strategy for future reclamation. Cozamin maintains a native species nursery on site with about 6,500 plants to support reforestation initiatives. The site just completed restoration of the Chiripa site (Capstone was required to remediate this adjacent closed mine site under an agreement with the Mexican authorities). Mantoverde and Santo Domingo gather and preserve seeds of various species for future restoration in partnership with a government nursery.

We minimize risks associated with acid rock drainage. Pinto Valley is considered to have the potential for acid rock drainage. The site actively manages this potential impact by encapsulating waste rock and tailings with inert materials to prevent interaction with surface water runoff. In addition, Pinto Valley captures and recycles runoff that comes into contact with these materials through a network of catchments, ponds, and reservoirs. Groundwater quality is protected by the hydraulic capture zone created by the open pit, the active pumping of downgradient water production wells, and high evaporation rates on the surface of waste dumps and tailings impoundments. Mantos Blancos and Mantoverde operate in areas with very low rainfall, so the potential for acid rock drainage is considered minimal. Cozamin, similarly, has a low potential for acid drainage due to the design and infrastructure of its facilities.

We are building the necessary expertise and training to minimize impacts on biodiversity. We have been building in-house biological knowledge and experience at our sites, and we engage independent biologists with specialized knowledge of the area. We also provide our workforce with specific information to contribute to biodiversity protection. Employee onboarding training at Mantoverde and Cozamin includes biodiversity awareness, and protocols for wildlife encounters and avoiding impacts in sensitive areas.

We collaborate with stakeholders on opportunities to preserve or enhance biodiversity. At Pinto Valley we have worked closely with the US Forest Service to rehabilitate areas damaged by severe weather. At Mantoverde we support the Pan de Azúcar National Park, which is outside our influence area but close to our local community. Our support helps the National Forestry Corporation (CONAF), a Chilean forestry conservation agency, preserve guanaco and fox species, improve environmental education programs and develop tools for the study of these species.

Monitoring and Continuous Improvement

We conduct baseline assessments and on-going monitoring. All activities requiring permits, including mine operations and expansion plans, must include biodiversity assessments. These assessments begin with an inventory of the local species, with a focus on endangered or threatened species. We assess how our activities could affect these species and develop measures to minimize potential impacts. We then conduct regular monitoring, across a range of seasons, to assess the effectiveness of these measures. If monitoring indicates impacts exceeding set thresholds, then mitigation actions and adaptive management may be required

For example, Pinto Valley has been performing baseline monitoring of Yellow Billed Cuckoo habitat annually since 2022. The detailed monitoring includes vegetation type and vigour, and water depth in Pinto Creek to measure changes to riparian habitat and stream health. The monitoring program is scheduled to continue on a 3-year cycle (starting in 2025) until 2039.

Mantoverde has been monitoring marine biodiversity near the desalination plant for more than a decade and reporting results quarterly to the environmental compliance authority. Members of the local fishers' unions are active participants in the monitoring process. Mantoverde's monitoring activities include studies of guanaco (Lama guanicoe) and fox (Lycalopex griseus) species.

We share the results of our biodiversity monitoring and research studies with key stakeholders and biodiversity research networks. For example, Mantoverde and Cozamin have recently contributed to research that has been shared with the scientific and local communities respectively as well as educational institutions. See the Biodiversity section of our 2024 Sustainability Report for recent publications.

We have processes for responding to stakeholder concerns. Our sites proactively engage local stakeholders to listen and respond to feedback and concerns on a range of topics, including biodiversity. Stakeholders can report concerns through our Whistleblower Hotline or site-level grievance procedures and seek remedy for negative impacts.

Our Biodiversity Working Group functions as a vehicle for continuous improvement. Site and corporate participants share status updates and operational experiences, which facilitates knowledge transfer between sites. The group meets quarterly and monitors progress against the Biodiversity priority of our Sustainable Development Strategy.

We track and report our performance on an annual basis. Please refer to our 2024 Sustainability Report and Data Book for biodiversity performance data.

Metrics

Biodiversity indicators reported at the site and consolidated levels include:

- Operational sites in or adjacent to protected areas and areas of high biodiversity value
- Species of concern with habitats in areas affected by operations
- Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat