

## Capstone Copper and Orion Announce C\$285 Million Secondary Bought Deal Offering of Common Shares

marzo 22, 2023

*NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER UNITED STATES WIRE SERVICES*

VANCOUVER, British Columbia, March 22, 2023 — **Capstone Copper Corp.** («Capstone» or the «Company») (TSX:CS) and Orion Fund JV Limited, Orion Mine Finance Fund II LP and Orion Mine Finance (Master) Fund I-A LP (collectively «Orion» or the «Selling Shareholders») jointly announce that they have entered into an agreement with a syndicate of underwriters led by National Bank Financial and Scotiabank (collectively, the «Underwriters») under which the Underwriters have agreed to purchase, on a bought deal basis from the Selling Shareholders, 50,000,000 common shares of Capstone («Common Shares») at a price of C\$5.70 per Common Share (the «Offering Price»), for gross proceeds to Orion of approximately C\$285,000,000 (the «Secondary Offering»). Orion has granted the Underwriters an option, exercisable in whole or in part at any time up to 30 days after the closing of the Secondary Offering, to purchase up to an additional 7,500,000 Common Shares at the Offering Price (the «Over-Allotment Option») which, if exercised in full, would increase the gross proceeds of the Secondary Offering to Orion to approximately C\$327,750,000. The Secondary Offering is expected to close on or about March 31, 2023 and is subject to Capstone and Orion receiving all necessary regulatory approvals.

The net proceeds of the Secondary Offering will be paid directly to the Selling Shareholders. The Company will not receive any proceeds from the Secondary Offering.

The Secondary Offering will be made by way of a prospectus supplement to the Company's short form base shelf prospectus dated March 1, 2023 in all of the provinces and territories of Canada (other than Quebec) (the «Prospectus Supplement») and may be offered by way of private placement to qualified institutional buyers in the United States.

As part of the Secondary Offering, Orion has agreed, subject to certain limited exceptions, not to sell any Common Shares or other securities of Capstone for a period of 150 days from the closing of the Secondary Offering. The Company has also agreed, subject to certain limited exceptions, not to issue any Common Shares or other securities of Capstone for a period of 90 days from the closing of the Secondary Offering.

The Selling Shareholders currently hold an aggregate of 222,336,179 Common Shares, representing approximately 32.03% of the Company's issued and outstanding Common Shares. Following the closing of the Secondary Offering, but before giving effect to the Over-Allotment Option, the Selling Shareholders will, in the aggregate, beneficially own 172,336,179 Common Shares, representing 24.83% of the outstanding Common Shares. Following the closing of the Secondary Offering, and assuming that the Over-Allotment Option is exercised in full, the Selling Shareholders will, in the aggregate, beneficially own 164,836,179 Common Shares, representing 23.75% of the outstanding Common Shares.

The securities under the Secondary Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the «U.S. Securities Act»), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States (as such term is defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or solicitation of an offer to buy any of these securities in the United States or in any jurisdiction in which the offering or sale is not permitted.

The Prospectus Supplement will be filed on the SEDAR website maintained by the Canadian Securities Administrators at [www.sedar.com](http://www.sedar.com) on or before March 24, 2023.

## ABOUT CAPSTONE COPPER CORP.

Capstone Copper Corp. is an Americas-focused copper mining company headquartered in Vancouver, Canada. We own and operate the Pinto Valley copper mine located in Arizona, USA, the Cozamin copper-silver mine located in Zacatecas, Mexico, the Mantos Blancos copper-silver mine located in the Antofagasta region, Chile, and 70% of the Mantoverde copper-gold mine, located in the Atacama region, Chile. In addition, we own the fully permitted Santo Domingo copper-gold project, located approximately 30 kilometres northeast of Mantoverde in the Atacama region, Chile, as well as a portfolio of exploration properties in the Americas.

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

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## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

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

Forward-looking statements relate to future events or future performance and reflect our expectations or beliefs regarding future events and the impacts of the ongoing and evolving COVID-19 pandemic and the evolving geopolitical environment. Forward-looking statements include, but are not limited to, statements with respect to the Secondary Offering, the exercise of the Over-Allotment Option, the timing of closing and the number of securities held by the Selling Shareholders following the completion of the Secondary Offering and the risks included in our continuous disclosure filings on SEDAR at [www.sedar.com](http://www.sedar.com). The potential effects of the COVID-19 pandemic on our business and operations are unknown at this time, including Capstone Copper's ability to manage challenges and restrictions arising from COVID-19 in the communities in which Capstone Copper operates and our ability to continue to safely operate. The impact of COVID-19 to Capstone Copper is dependent on a number of factors outside of our control and knowledge, including the effectiveness of the measures taken by public health and governmental authorities to combat the spread of the disease, global economic uncertainties and outlook due to the disease, supply chain delays resulting in lack of availability of supplies, goods and equipment, and evolving restrictions relating to mining activities and to travel in certain jurisdictions in which we operate.

In certain cases, forward-looking statements can be identified by the use of words such as «anticipates», «approximately», «believes», «budget», «estimates», «expects», «forecasts», «guidance», «intends», «plans», «scheduled», «target», or variations of such words and phrases, or statements that certain actions, events or results «be achieved», «could», «may», «might», «occur», «should», «will be taken» or «would» or the negative of these terms or comparable terminology. In this document certain forward-looking statements are identified by words including «anticipated», «expected», «guidance» and «plan». By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or

achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, amongst others, risks related to inherent hazards associated with mining operations and closure of mining projects, future prices of copper and other metals, compliance with financial covenants, surety bonding, our ability to raise capital, Capstone Copper's ability to acquire properties for growth, counterparty risks associated with sales of our metals, use of financial derivative instruments and associated counterparty risks, foreign currency exchange rate fluctuations, market access restrictions or tariffs, changes in general economic conditions, availability and quality of water, accuracy of Mineral Resource and Mineral Reserve estimates, operating in foreign jurisdictions with risk of changes to governmental regulation, compliance with governmental regulations, compliance with environmental laws and regulations, reliance on approvals, licences and permits from governmental authorities and potential legal challenges to permit applications, contractual risks including but not limited to, our ability to meet the completion test requirements under the Cozamin Silver Stream Agreement with Wheaton Precious Metals Corp. («Wheaton»), our ability to meet certain closing conditions under the Santo Domingo Gold Stream Agreement with Wheaton, acting as indemnitor for Minto Metals Corp.'s surety bond obligations post divestiture, impact of climate change and changes to climatic conditions at our operations and projects, changes in regulatory requirements and policy related to climate change and greenhouse gas («GHG») emissions, land reclamation and mine closure obligations, aboriginal title claims and rights to consultation and accommodation, risks relating to widespread epidemics or pandemic outbreak including the COVID-19 pandemic; the impact of COVID-19 on our workforce, risks related to construction activities at our operations and development projects, suppliers and other essential resources and what effect those impacts, if they occur, would have on our business, including our ability to access goods and supplies, the ability to transport our products and impacts on employee productivity, the risks in connection with the operations, cash flow and results of Capstone Copper relating to the unknown duration and impact of the COVID-19 pandemic, impacts of inflation, geopolitical events and the effects of global supply chain disruptions, uncertainties and risks related to the potential development of the Santo Domingo project, risks related to the Mantos Blancos Concentrator Debottlenecking Project and the Mantoverde Development Project, increased operating and capital costs, increased cost of reclamation, challenges to title to our mineral properties, increased taxes in jurisdictions the Company operates or is subject to tax, changes in tax regimes we are subject to and any changes in law or interpretation of law may be difficult to react to in an efficient manner, maintaining ongoing social licence to operate, seismicity and its effects on our operations and communities in which we operate, dependence on key management personnel, potential conflicts of interest involving our directors and officers, corruption and bribery, limitations inherent in our insurance coverage, labour relations, increasing input costs such as those related to sulphuric acid, electricity, fuel and supplies, increasing inflation rates, competition in the mining industry including but not limited to competition for skilled labour, risks associated with joint venture partners and non-controlling shareholders or associates, our ability to integrate new acquisitions and new technology into our operations, cybersecurity threats, legal proceedings, the volatility of the price of the Common Shares, the uncertainty of maintaining a liquid trading market for the Common Shares, risks related to dilution to existing shareholders if stock options or other convertible securities are exercised, the history of Capstone Copper with respect to not paying dividends and anticipation of not paying dividends and the anticipation of not paying dividends in the foreseeable future and sales of Common Shares by existing shareholders can reduce trading prices, and other risks of the mining industry as well as those factors detailed from time to time in the Company's interim and annual financial statements and management discussion and analysis of those statements and annual information form, all of which are filed and available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause our actual results, performance or achievements to differ materially from those described in our forward-looking statements, there may be other factors that cause our results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that our forward-looking statements will prove to be accurate, as our actual results, performance or achievements could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on our forward-looking statements.



# COMPANY NAME

Address | Phone | Link | Email

