ANNUAL INFORMATION FORM

For the year ended December 31, 2021

December 19, 2022

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1 - GENERAL

1.1 Mantos Transaction

On March 23, 2022, we completed a court-approved plan of arrangement pursuant to which Mantos Copper (Bermuda) Limited was continued from Bermuda into British Columbia, acquired all of the issued and outstanding common shares of Capstone Mining Corp. and changed its name to Capstone Copper Corp. (the "**Mantos Transaction**").

In this Annual Information Form, unless stated otherwise or the context otherwise requires: (i) "**Capstone Copper**", the "**Company**", "**Capstone**", "we", "our" and "us" refers to Capstone Copper Corp., following completion of the Mantos Transaction and includes each of our direct and indirect subsidiaries, including Capstone Mining, as the context requires; (ii) "**Capstone Mining**" refers to Capstone Mining Corp., prior to completion of the Mantos Transaction and (iii) "**Mantos Copper**" refers to Mantos Copper (Bermuda) Limited, prior to completion of the Mantos Transaction.

The business operations of Capstone Copper represent the combination of the businesses of Capstone Mining and Mantos Copper.

All information contained herein is as of December 31, 2021, unless otherwise stated. To the extent that information in respect of Capstone Copper is presented from a date prior to the completion of the Mantos Transaction, such information represents the historical business of Capstone Mining or Mantos Copper, as applicable.

Unless stated otherwise, all references made herein to our financial statements shall mean the Capstone Mining Financial Statements (as defined below) and the Mantos Copper Financial Statements (as defined below) taken together.

1.2 Currency and Conversion

We report our financial results and prepare our financial statements in **United States dollars** ("**$**"). All currency amounts in this Annual Information Form are expressed in United States dollars, unless otherwise indicated. References to "C$" are to Canadian dollars, references to "MX$" are to Mexican pesos and references to "Ch$" are to Chilean pesos.

The United States dollar exchange rates for our principal operating currencies are as follows:

	As at December 31,		
Canadian dollar (C$)[1]	**2021**	**2020**	**2019**
Average	1.2535	1.3415	1.3268
High	1.2942	1.4496	1.3600
Low	1.2040	1.2718	1.2989
Mexican peso (MX$)[2]			
Average	20.2800	21.4976	19.2605
High	21.8185	25.1185	20.1253
Low	19.5793	18.5712	18.7719
Chilean peso (Ch$)[3]			
Average	759.27	792.22	702.63
High	868.76	867.83	828.25
Low	693.74	710.26	649.22

[1] Information on $ to C$ exchange rates obtained from Bank of Canada daily average exchange rates.
[2] Information on $ to MX$ exchange rates obtained from Bank of Mexico.
[3] Information on $ to Ch$ exchange rates obtained from Central Bank of Chile.

In this Annual Information Form, metric units are used with respect to Capstone's mineral properties, unless otherwise indicated. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in the table set out below.

Imperial Measure	=	Metric Unit	Metric Unit	=	Imperial Measure
2.47 acres		1 hectare	0.4047 hectares		1 acre
3.28 feet		1 metre	0.3048 metres		1 foot
0.62 miles		1 kilometre	1.609 kilometres		1 mile
0.032 ounces (troy)		1 gram	31.1 grams		1 ounce (troy)
1.102 tons (short)		1 tonne	0.907 tonnes		1 ton
0.029 ounces (troy)/ton		1 gram/tonne	34.28 grams/tonne		1 ounce (troy)/ton

2 - CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form 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 Capstone 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. Forward-looking statements include, but are not limited to, statements with respect to the estimation of Mineral Resources and Mineral Reserves, the success of the underground paste backfill and tailings filtration projects at Cozamin, the timing and cost of the construction of the paste backfill and dry stack tailings plant at Cozamin, the timing and results of the Pinto Valley pre-feasibility study ("**PV4 PFS**"), timing and success of the Jetti Technology, the successful execution of a port services agreement with Puerto Abierto S.A. and/or rail agreement with Sigdo Kopper's rail business, the expected reduction in capital requirements for the Santo Domingo project, the timing and success of the Cobalt Study for Santo Domingo (the "**Santo Domingo Cobalt Feasibility Study**"), the success of the PV3 Optimization project, the realization of Mineral Reserve estimates, the timing and amount of estimated future production, the costs of production and capital expenditures and reclamation, the budgets for exploration at Cozamin, Santo Domingo, Pinto Valley and other exploration projects, the timing and success of the Copper Cities Project, the success of our mining operations, the continuing success of mineral exploration, the estimations for potential quantities and grade of inferred resources and exploration targets, our ability to fund future exploration activities, our ability to finance the Santo Domingo project, environmental risks, unanticipated reclamation expenses and title disputes, the success of the synergies and catalysts related to the Mantos Transaction (as defined below) for the combined entity, the anticipated future production, costs of production, capital expenditures and reclamation of operations and development projects. The potential effects of the COVID-19 pandemic on our business and operations are unknown at this time, including Capstone's ability to manage challenges and restrictions arising from COVID-19 in the communities in which Capstone operates and our ability to continue to safely operate and to safely return our business to normal operations. The impact of COVID-19 to Capstone 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.

The forward-looking statements in this document are necessarily based upon a number of estimates and assumptions that, while are considered reasonable by the Company as at the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company has based these forward-looking statements on the Company's current expectations and projections about future events. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, amongst others, risks related to:

- inherent hazards associated with mining operations;
- global crises and pandemics;
- future prices of copper and other metals;
- integrating the operations, technologies and personnel of Capstone Mining (as defined below) and Mantos Copper (as defined below);
- operating in foreign jurisdictions with risk of changes to governmental regulation or community interest;
- adoption of a mining royalty tax;
- geotechnical challenges;
- completion requirements for the Cozamin Silver Stream Agreement (as defined below);

- completion requirements for the precious metals purchase agreement for the production of gold from the Santo Domingo Project between Capstone Mining and Wheaton Precious Metals Corp. ("**Wheaton**") dated March 25, 2021 (the "**Santo Domingo Gold Stream Agreement**");
- compliance with financial covenants for project financing;
- surety bonding;
- dependence on the availability of water;
- compliance with financial covenants;
- our ability to raise capital;
- concentrate sales offtake agreements and counterparty risk;
- market access restrictions or tariffs;
- foreign currency exchange rate fluctuations;
- changes in general economic conditions;
- increased operating and capital costs;
- uncertainties and risks related to the costs, timing and complexities of developing Capstone Copper's projects;
- reliance on approvals, licences and permits from governmental authorities;
- accuracy of Mineral Resource and Mineral Reserve estimates;
- exploration results;
- challenges to title to our mineral properties;
- compliance with governmental regulations;
- climate change and its impact on climatic conditions on our operations and projects;
- changes in climate change regulatory regime;
- compliance with environmental laws and regulations;
- ability to recruit and retain qualified personnel;
- land reclamation and mine closure obligations;
- uncertainties and risks related to the Mantos Blancos Concentrator Debottlenecking Project ("**MB-CDP**") and the Mantoverde Development Project ("**MVDP**");
- uncertainties and risks related to the Mantoverde-Santo Domingo ("**MV-SD**") District integration;
- uncertainties and risks related to the potential development of the Santo Domingo Project;
- reliance on infrastructure being adequate and available;
- Capstone's ability to acquire properties for growth;
- 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;
- cybersecurity threats;
- competition in the mining industry;
- risks associated with joint venture partners or relations with non-controlling shareholders;
- our ability to integrate new acquisitions into our operations;
- security and violence;
- reputational risk;
- legal proceedings;
- the volatility of the price of the common shares of Capstone (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 the Company with respect to not paying dividends and anticipation of not paying dividends in the foreseeable future;
- sales of Common Shares by existing shareholders can reduce trading prices; and
- the concentration of share ownership of Capstone.

For a more detailed discussion of these factors and other risks, see "Risk Factors".

Although we have 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.

3 - COMPLIANCE WITH NI 43-101

As required by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), Capstone has filed technical reports detailing the scientific and technical information related to its material mineral properties discussed herein. For the purposes of NI 43-101, Capstone's material mineral properties as of the date of this Annual Information Form are the Pinto Valley Mine, the Cozamin Mine, the Mantoverde Mine, the Mantos Blancos Mine and the Santo Domingo Project. Unless otherwise indicated, Capstone has prepared the scientific and technical information in this Annual Information Form ("**Technical Information**") based on information contained in the technical reports, news releases and other public filings (collectively, the "**Disclosure Documents**") available under Capstone's profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by, or under the supervision of, or approved by a Qualified Person as defined in NI 43-101. For readers to fully understand the information in this Annual Information Form, they should read the Disclosure Documents in their entirety, including all qualifications, assumptions and exclusions that relate to the Technical Information set out in this Annual Information Form which qualifies the Technical Information. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. Readers are advised that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

3.1 Classification of Mineral Reserves and Mineral Resources

In this Annual Information Form and as required by NI 43-101, the definitions of Proven and Probable Mineral Reserves and Measured, Indicated and Inferred Mineral Resources are those used by Canadian provincial securities regulatory authorities and conform to the definitions by the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") in the "CIM Definition Standards for Mineral Resources and Mineral Reserves" adopted on August 20, 2000, as amended ("**CIM Standards**"). The CIM Standards were updated in 2010 and 2014 at the request of the CIM Standing Committee on Mineral Resources and Mineral Reserves. Our Pinto Valley Mine, Cozamin Mine, Mantoverde Mine, Mantos Blancos Mine and Santo Domingo Project NI 43-101 technical reports were written in accordance with the CIM Standards updated in 2014.

3.2 Cautionary Note to United States Investors Regarding Presentation of Mineral Reserve and Mineral Resource Estimates

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

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

4 - ALTERNATIVE PERFORMANCE MEASURES

This Annual Information Form refers to certain non-GAAP financial performance measures including C1 Cash Cost per pound, All-In-Sustaining-Cost per pound ("**AISC**"), net debt/net cash, Adjusted Net Income, EBITDA, Property Cost per Tonne Milled, Sustaining Capital and Expansionary Capital. These measures are not recognized under IFRS as they do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Management uses these measures internally to evaluate the underlying operating performance of the Company for the reporting periods presented. The use of these measures enables management to assess performance trends and to evaluate the results of the underlying business of the Company. We understand that certain investors, and others who follow the Company's performance, also assess performance in this way. We believe that these measures reflect our performance and are useful indicators of our expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

For more information and details regarding Non-GAAP Measures, readers should refer to "Alternative Performance Measures" in the Company's most recent Management's Discussion and Analysis ("**MD&A**"), which information is hereby incorporated by reference herein. The MD&A is available on SEDAR at www.sedar.com.

C1 Cash Cost per pound

C1 cash costs per payable pound of copper produced is a measure reflective of operating costs per unit. C1 cash costs is calculated as cash production costs of metal produced net of by-product credits and is a key performance measure that management uses to monitor performance. Management uses this measure to assess how well the Company's producing mines are performing and to assess overall efficiency and effectiveness of the mining operations and assumes that realized by-product prices are consistent with those prevailing during the reporting period.

All-in Sustaining Costs Per Payable Pound of Copper Produced

All-in sustaining costs per payable pound of copper produced is an extension of the C1 cash costs measure discussed above and is also a key performance measure that management uses to monitor performance. Management uses this measure to analyze margins achieved on existing assets while sustaining and maintaining production at current levels. Consolidated All-in sustaining costs includes sustaining capital and corporate general and administrative costs.

Net debt / Net cash

Net debt / Net cash is a performance measure used by the Company to assess its financial position and is composed of Long-term debt (excluding deferred financing costs and purchase price accounting fair value adjustments), Cash and cash equivalents and Short-term investments.

Attributable Net debt / Net cash

Attributable net debt / net cash is a performance measure used by the Company to assess its financial position and is calculated as net debt / net cash excluding amounts attributable to non-controlling interests.

Available Liquidity

Available liquidity is a performance measure used by the Company to assess its financial position and is composed of RCF credit capacity, Cash and cash equivalents and Short-term investments. Available liquidity excludes undrawn portions of committed funding arrangements at the mine or project level as these amounts can only be drawn on a periodic basis in line with the contractual arrangements and are for use on development project capital. Because of these limitations on availability and flexibility, we do not include these undrawn amounts in "Available liquidity". For clarity, Available liquidity does not include undrawn amounts on the $520 million Mantoverde DP

facility, the Mantoverde $60 million cost overrun facility from MMC, nor the $260 million undrawn portion of the Gold stream from Wheaton related to the Santo Domingo project.

Operating Cash Flow before Changes in Working Capital per Common Share

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

Adjusted Net Income

Adjusted net income is net income as reported, adjusted for certain types of transactions that in our judgment are not indicative of our normal operating activities or do not necessarily occur on a regular basis.

Adjusted net (loss) income attributable to shareholders

Adjusted net (loss) income attributable to shareholders is Net income attributable to shareholders as reported, adjusted for certain types of transactions that in our judgment are not indicative of our normal operating activities or do not necessarily occur on a regular basis.

EBITDA

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

Adjusted EBITDA

Adjusted EBITDA is EBITDA before the pre-tax effect of the adjustments made to adjusted net income (above) as well as certain other adjustments required under the RCF agreement in the determination of EBITDA for covenant calculation purposes. The adjustments made to Adjusted net income and Adjusted EBITDA allow management and readers to analyze our results more clearly and understand the cash generating potential of the Company.

Property Cost per Tonne Milled

Property cost per tonne milled is a key performance measure that management uses to monitor performance.

Management uses this measure to assess how well the Company's producing mines are performing and to monitor costs and assess overall efficiency and effectiveness of the mining operations.

Sustaining Capital

Sustaining capital is expenditures to maintain existing operations and sustain production levels. A reconciliation to GAAP segment MPPE additions is included within the mine site sections of the MD&A.

Expansionary Capital

Expansionary capital is expenditures to increase current or future production capacity, cash flow or earnings potential. A reconciliation to GAAP segment MPPE additions is included within the mine site sections of the MD&A.

Realized copper price (per pound)

Realized price per pound is a non-GAAP ratio that is calculated using the non-GAAP measures of revenue on new shipments, revenue on prior shipments and provisional pricing changes. Realized prices exclude the effects of the stream cash effects as well as TC/RCs. Management believes that measuring these prices enables investors to better understand performance based on the realized copper sales in the current and prior period.

Total Pro Forma Combined Gross Revenue by Metal

Total Pro Forma Combined Gross Revenue by Metal is a non-GAAP measure that is calculated as the sum of Capstone Mining gross revenue by metal and Mantos Copper gross revenue by metal, as if the business combination between the two had been completed on January 1st of the respective year.

5 - GLOSSARY OF TECHNICAL TERMS

In this Annual Information Form, the following technical terms are defined:

Ag: silver
Alteration: chemical and mineralogical changes in rock mass resulting from the passage of fluids.
AMT: electromagnetic audio-magnetotellurics geophysical survey method
Assay: an analysis of the contents of metals in mineralized rocks
Au: gold
Biotite: a magnesium-iron mica widely distributed in igneous rocks.
Brownfield Project: a project located near an operating mine.
Chlorite: the general term for hydrated silicates of aluminum, iron and magnesium.
CIB: Cretaceous Iron Belt
CIM: Canadian Institute of Mining, Metallurgy and Petroleum and the "CIM Definition Standards for Mineral Resources & Reserves" adopted on August 20, 2000 and amended on November 27, 2010 and May 10, 2014 (unless indicated otherwise in this Annual Information Form).
Co: cobalt
Cu: copper
CuEq: copper equivalent value, calculated by dividing the sum of the secondary metals multiplied by their own commodity prices by the copper metal price.
diamond drillholes: holes drilled by a method whereby rock is drilled with a diamond impregnated, hollow drilling bit which produces a continuous, in situ record of the rock mass intersected in the form of solid cylinders of rock which are referred to as core.
disseminated: a texture in which minerals occur as scattered particles in the rock.
Dmt: dry metric tonnes
Dmtu: dry metric tonne unit
DT: a Davis Tube is a laboratory instrument designed to separate small samples of magnetic ores into strongly magnetic and weakly magnetic fractions to assess the separability of magnetic ores by low-intensity magnetic separators.
Engineer of Record: Engineer of record is the licenced professional engineer responsible for assuring that the tailings storage facility is safe, in that it is designed and constructed in accordance with the current state of practice and applicable regulations, statutes, guidelines, codes, and standards.
Fault: a fracture in a rock across which there has been displacement
Fe: iron
g: gram
Grade: the amount of valuable mineral in each tonne of ore, expressed as grams per tonne for precious metal and as a percentage by weight for other metals.
Greenfield Project: previously unexplored or undeveloped areas.
g/t: grams per metric tonne.
ha: hectares
host rock: a volume of rock within which mineralization or an ore body occurs.
HQ: approximately 63 millimetre diameter diamond drill core
Hydrothermal: applied to metamorphic and magmatic emanations high in water content; the processes in which they are concerned; and the rocks or ore deposits, alteration products, and springs produces by them.
ICu: acid insoluble copper grade
Igneous: a type of rock that is crystallized from a liquid magma.
Indicated Mineral Resource: in accordance with CIM Definition Standards, is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors (as defined below) in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.
Inferred Mineral Resources: in accordance with CIM Definition Standards, that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must

not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
IP: induced polarization geophysical survey method
IOCG: Iron Oxide Copper Gold deposit
IRR: internal rate of return
k: kilo (thousand)
Koz: thousands of ounces
kt: thousand of tonnes
LOM: life of mine
LIMS: low intensity magnetic separators designed to recover magnetic material from nonmagnetic matter
M: mega (million)
MASL: metres above sea level.
Measured Mineral Resource: in accordance with CIM Definition Standards, is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.
Mineral Reserve: in accordance with CIM Definition Standards, economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a pre-feasibility study or feasibility study.
Mineral Resource: in accordance with CIM Definition Standards, is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Mineralization: significant amounts of mineral(s) that is (are) of economic interest which may be established by prospecting, trenching and drilling.
M lb: millions of pounds.
mm: millimetres
Mo: molybdenum
Modifying Factors: Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
Mt: megatonne (million tonnes)
MW: millions of watts
NI 43-101: National Instrument 43-101 – Standards of Disclosure for Mineral Projects
NPV: net present value
NQ: approximately 47 millimetre diameter diamond drill core.
NSR: net smelter return.
Ore: rock that contains one or more minerals or metals, at least one of which has commercial value, and which is estimated to be able to be recovered at a profit.
Pb: lead
PEA: preliminary economic assessment, a study, other than a pre-feasibility or feasibility study, that includes an economic analysis of the potential viability of Mineral Resources.
PLS: Pregnant Leach Solution is acidic metal-laden water generated from stockpile leaching. Pregnant Leach Solution is used in the solvent extraction/electrowinning process ("SX/EW").
Pyrite: a common iron sulphide mineral commonly found in hydrothermal veins and systems and commonly associated with gold mineralization.

QAQC: quality assurance/quality control in a mineral exploration and mining context is the combination of quality assurance, the process or set of processes used to assure data quality, and quality control, the process of identifying data outside of established tolerance limits.
Qualified Person: has the meaning set out in NI 43-101.
Quartz: a common rock forming mineral made up of Silica.
S: sulphur
Silica: silicon dioxide (SiO_2), which occurs in the crystalline forms as quartz, cristobalite, tridymite, as cryptocrystalline chalcedony, as amorphous opal, and as an essential constituent of the silicate groups of minerals.
TCu: total copper grade
tpd: tonnes per day
TSF: tailings storage facility
SCu: acid soluble copper grade, typically described for material sent to leaching processes
SX/EW: solvent extraction/electrowinning process used to recover copper from PLS.
Vein: a sheet-like body of minerals formed by fracture-filling or replacement of the host rock.
Volcanic: formed by volcanic activity.
Zn: zinc.

6 - CORPORATE STRUCTURE

6.1 Name, Address and Incorporation

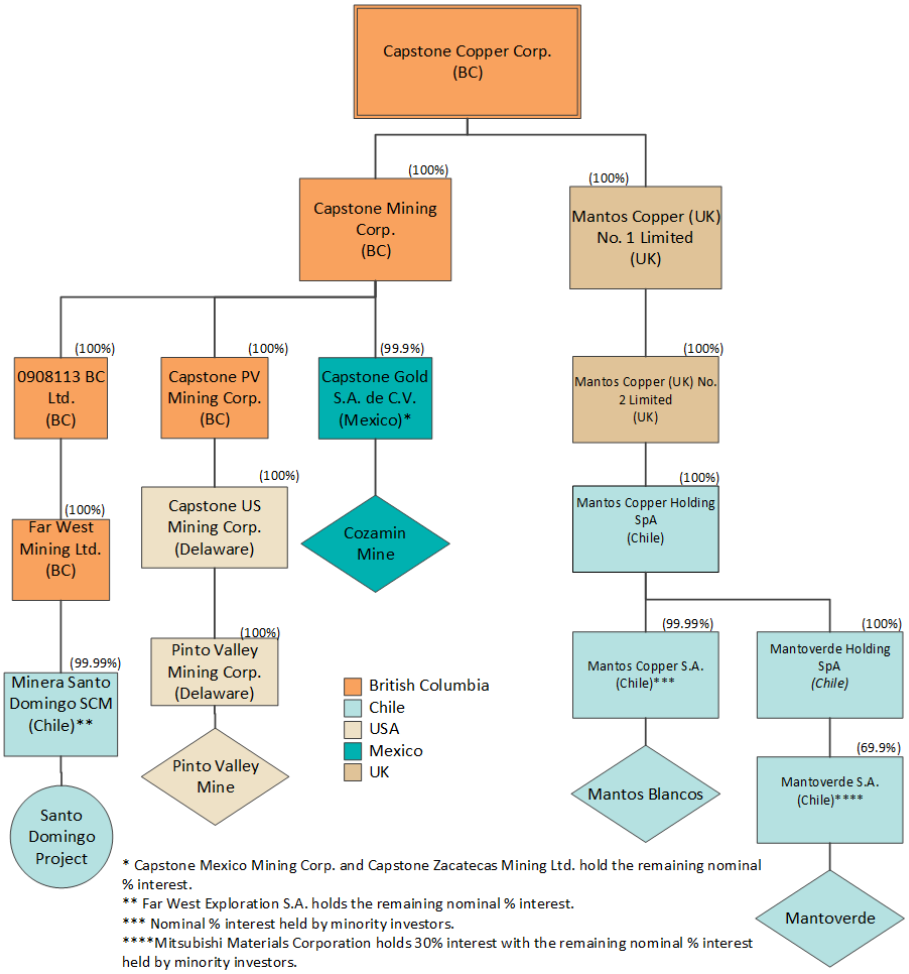
Mantos Copper (Bermuda) Limited ("**Mantos Copper**") was incorporated pursuant to *the Companies Act 1981* (Bermuda) on August 18, 2015. Mantos Copper was continued from Bermuda into British Columbia under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on March 22, 2022. On March 23, 2022, Mantos Copper completed a court-approved plan of arrangement (the "**Mantos Transaction**") pursuant to which it acquired all of the issued and outstanding common shares of Capstone Mining Corp. ("**Capstone Mining**") and changed its name to Capstone Copper Corp. ("**Capstone Copper**"). Following completion of the Mantos Transaction, Capstone Mining is a wholly owned subsidiary of Capstone Copper.

Prior to the completion of the Mantos Transaction on March 23, 2022, Capstone Mining was a reporting issuer in Canada and Mantos Copper was a private company. Upon completion of the Mantos Transaction, Capstone Copper became a reporting issuer in Canada and Capstone Mining made an application to the British Columbia Securities Commission, as principal regulator, and the Ontario Securities Commission for an order that Capstone Mining has ceased to be a reporting issuer in Canada. On April 29, 2022, the order was granted.

Capstone's head and registered office is located at 2100 – 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3, Canada.

6.2 Intercorporate Relationships

The following chart describes the intercorporate relationships amongst Capstone's material subsidiaries and the percentage of voting securities held by Capstone, either directly or indirectly, as of the date of this Annual Information Form, and the jurisdiction of incorporation, formation, continuation or organization of each subsidiary:



7 - GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

2022 and Outlook 2022

- On November 10, the Company provided the MV-SD District Integration Plan. The Company expects to publish an initial Mantoverde and updated Santo Domingo cobalt Mineral Resource Estimate in 2024. The Company also expects to publish the MV-SD cobalt flowsheet and process optimization study.
- During the fourth quarter, the Company expects to complete the ramp up of the MB-CDP Project.
- On August 25, Capstone announced that it has committed to the Copper Mark at its Mantoverde and Mantos Blancos operations in Chile.
- On August 8, the Company published the Mantos Copper 2020-2021 Sustainability Report.
- On July 22, the Company repaid the MB-CDP debt facility with Glencore Chile SpA ("Glencore") in connection with the MB-CDP project using funds drawn from the RCF.
- On May 12, the Company amended the RCF to $500 million plus $100 million accordion.
- On June 21, the Company published its 2021 Sustainability Report.
- Capstone owns and operates the Pinto Valley, Cozamin, Mantos Blancos, and (70%) of Mantoverde Mines, as well as the Santo Domingo Project, and expects to produce between 136,000 and 150,000 tonnes of copper at C1 Cash Costs[1] of between $2.55 and $2.70 per pound of payable copper for the 9 month period between April 1, 2022 and December 31, 2022.
- On February 28, Capstone Mining's shareholders approved the Mantos Transaction. The transaction was completed on March 23, 2022, and the combined companies formed Capstone Copper. Capstone Copper trades on the Toronto Stock Exchange under the symbol CS and is headquartered in Vancouver, Canada.
- On January 20, Capstone Mining entered an 18-month access agreement to conduct drill and metallurgical test work at BHP Copper Inc.'s ("**BHP**") Copper Cities' project, located 10 km east of the Pinto Valley Mine.

2021

- During 2021, Capstone Mining produced 84,874 tonnes of copper, at the higher end of annual guidance, at cash costs within guidance of $1.81 per payable pound of copper and Mantos Copper produced 94,395 tonnes of copper.
- On November 30, Capstone Mining and Mantos Copper announced the Mantos Transaction.
- On November 4, the Pinto Valley Mine received a new Mine Plan of Operations from the US Forest Service, to fully permit the mine life to 2039.
- During the fourth quarter of 2021, Mantos Copper commenced the ramp-up of the MB-CDP.
- On June 30, Capstone Mining published its 2020 Sustainability Report.
- On June 11, Capstone Mining announced the filing of a Preliminary Base Shelf Prospectus to provide future financial flexibility and the Pinto Valley Technical Report (as defined below) for Pinto Valley (as defined below).
- On March 25, Capstone Mining announced that it would advance the cobalt project at the Santo Domingo Project to create an opportunity to build a vertically integrated cobalt business in Chile.
- On March 25, Capstone Mining announced a Santo Domingo Gold Stream Agreement with Wheaton Precious Metals and entered into a binding port deal, as well as consolidated 100% ownership of the Santo Domingo Project pursuant to the KORES Purchase Agreement (as defined below).
- On March 7, a fatal accident occurred at the Cozamin Mine when a contractor was pinned by a rockfall from a drill face.
- On February 19, Capstone Mining announced the closing of the Cozamin Silver Stream Agreement with Wheaton announced on December 11, 2020 (the "**Cozamin Silver Stream Agreement**"). Capstone Mining applied the upfront cash consideration of $150 million towards its net debt[2] balance, resulting in

[1] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

[2] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

Capstone Mining being in a net cash[3] position. Subsequently the RCF was amended to reduce the credit limit from $300 million to $225 million.

- In February 2021, Mantos Copper commenced construction on the Mantoverde Development Project (the "**MVDP"** or **"MV Development Project**"), triggering a payment of $50 million to Inversiones Anglo American Norte S.A. and Inversiones Minorco Chile S.A. ("**Anglo American**") This payment was made on February 17, 2021, pursuant to the share purchase agreement through which Mantoverde and Mantos Blancos were acquired from Anglo American in 2015.
- As part of the financing of the MVDP, on February 12, 2021 Mantos Copper completed the sale of a 30% interest in the Mantoverde Mine to Mitsubishi Materials for $275 million. A further $20 million (contingent consideration) may be payable by Mitsubishi Materials in the future depending on the satisfaction of certain technical requirements related to the expansion of the tailings storage capacity.
- In connection with the financing of the MVDP, on February 4, 2021, Mantoverde S.A. entered into agreements with a lending syndicate of international banks and export credit agencies for a total debt financing package of $572 million. Mitsubishi Materials Corp. ("**Mitsubishi Materials**") also agreed to provide a $60 million cost overrun facility.
- On January 27, Capstone Mining announced an updated life of mine plan to 2031 for the Cozamin Mine, with Mineral Reserves of 14.1 million tonnes grading 1.77% copper and 44 grams per tonne (g/t) silver and Measured and Indicated Mineral Resources of 29.7 million tonnes grading 1.52% copper and 44 g/t silver. Capstone Mining also initiated the "Impact 23" growth project to further extend the mine life through exploration, innovation, and enhanced pillar recovery.
- In 2021 the adoption of Eriez HydroFloat Coarse Particle Flotation Technology (the "**HydroFloat**") coarse particle flotation technology at Pinto Valley Mine was suspended pending a review of capital costs. It will be reassessed as part of the PV4 PFS in 2023.

2020

- In December, a pilot plant test of the HydroFloat at Pinto Valley Mine resulted in a 6 to 8% increase in recovery. The project moved to feasibility.
- On December 11, Capstone Mining announced a Cozamin Silver Stream Agreement, through a wholly-owned subsidiary, with Wheaton. Wheaton paid an upfront cash consideration of $150 million upon closing for 50% of the silver production from Cozamin, until 10 million ounces have been delivered, thereafter dropping to 33% of silver production for the life of mine. Wheaton will make ongoing payments equal to 10% of the spot silver price at the time of delivery for each ounce delivered to them.
- On December 7, development work on Cozamin's one-way haulage network to debottleneck the mine and increase vehicle-flow safety completed three weeks ahead of schedule without any safety incidents.
- On October 23, filed a NI 43-101 compliant technical report for Cozamin with an updated Mineral Reserve Estimate, increasing Proven and Probable Reserves by 97% relative to December 31, 2019, to 10.2 million tonnes grading 1.79% copper, as announced on September 9.
- On September 16, Capstone Mining announced its 70% owned subsidiary Minera Santo Domingo SCM entered into a memorandum of understanding with Puerto Ventanas S.A. (subsidiary of Sigdo Koppers S.A.), for the rail and port portion of the Santo Domingo Project.
- In July, Pinto Valley Mine completed the majority of work for Phase 1 of PV3 optimization project, which included installing the first of two secondary crushers, three secondary screen decks, as well as the first of two new ball mill shells.
- On July 27, Capstone Mining announced Pinto Valley Mine has successfully demonstrated positive economics from increased dump leach performance using a novel patented catalytic technology developed by Jetti Resources, LLC ("**Jetti**") and a plan to increase cathode production to 300-350 million pounds from residual and high-grade waste over the next two decades, creating 30 new jobs.
- On June 11, Capstone Mining released an updated Mineral Resource Estimate for Cozamin with total Measured and Indicated Resource of 26,458 kt at 1.63% copper, 45 g/t silver, 1.08% zinc and 0.29% lead with contained copper metal of 949 million pounds and contained silver of 39 million ounces.
- In April, as part of an underground expansion at Cozamin, development of an 818 metre ventilation raise was completed ahead of schedule and without any safety incidents.
- On March 31, Cozamin Mine reduced mining and processing activities to comply with a Mexican Federal Government decree to suspend all non-essential activities in private and public sectors, in response to

[3] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

the COVID-19 pandemic. On May 12, the Mexican Federal Government announced that mining is an essential industry, at which time Cozamin started ramping up operational activities.

- In January, Capstone Mining announced the results of an updated feasibility level technical report for Santo Domingo. Updates included a higher level of capital expenditure and operational expenditure certainty, receipt of additional key permits and the development of the 2020 Santo Domingo Technical Report (as defined below) with respect to cobalt production.

2019

- On September 13, Mantos Copper provided notice to proceed on the commencement of the construction of MB Debottlenecking Project.
- In connection with the financing of the MB Debottlenecking Project, Mantos Copper received funds from a $25 million equity contribution by Orion Fund JV Limited, Orion Mine Finance II LP and Orion Mine Finance (Master) Fund I-A LP (collectively, "**Orion**").
- In connection with the financing of the MB Debottlenecking Project, Mantos Copper entered into a facility agreement with Glencore Chile SpA ("**Glencore**"), as lender, and Mantos Copper S.A., as borrower on August 31, 2019 (the "**Glencore Facility**"). The Glencore Facility provides for up to $150 million in term loans to finance capital expenditures related to the MB Debottlenecking Project.
- In connection with the financing of the MB Debottlenecking Project, Mantos Copper S.A. entered into a royalty agreement with Southern Cross Royalties Limited ("**Southern Cross**"), a subsidiary of the Anglo Pacific Group plc on August 31, 2019 (the "**Southern Cross Royalty Agreement**"). Under the Southern Cross Royalty Agreement, Southern Cross paid $50.3 million for a 1.525% royalty on the net smelter return of copper production at Mantos Blancos.
- In connection with the financing of the MB Debottlenecking Project, Mantos Copper S.A. entered into an upsized silver production agreement with Osisko Gold Royalties Ltd. ("**Osisko**") on August 31, 2019 (the "**Osisko Silver Production Agreement**"). Under the Osisko Silver Production Agreement, Osisko advanced an additional $25 million.
- Capstone Mining extended and amended its $300 million senior secured corporate RCF to July 2022, with improved terms and resulting saving of approximately $1 million per year in interest costs.
- Santo Domingo obtained all critical long-lead permits required for the start of construction from Chilean authorities, including approval of its mine closure plan (the "**Santo Domingo Mine Closure Plan**").
- On June 3, Capstone Mining sold its Minto mine to Pembridge Resources PLC.
- On January 24, Capstone Mining filed the updated NI 43-101 technical report titled "NI 43-101 Technical Report on the Cozamin Mine, Zacatecas, Mexico".
- On January 3, Capstone Mining filed the NI 43-101 technical report titled, "Santo Domingo Project, Region III, Chile, NI 43-101 Technical Report on Feasibility Study Update".

8 - DESCRIPTION OF THE BUSINESS

8.1 General

Capstone Copper 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-iron-gold-cobalt 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 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.

Capstone Copper's material mineral properties consist of:

- Pinto Valley Mine, an open-pit, copper mine located in Arizona, US ("**Pinto Valley**" or the "**Pinto Valley Mine**");
- Cozamin Mine, an underground, copper-silver mine located in the State of Zacatecas, Mexico ("**Cozamin**" or the "**Cozamin Mine**");
- Mantos Blancos mine copper-silver mine located in Antofagasta region, Chile ("**Mantos Blancos**" or the "**Mantos Blancos Mine**");
- 70% ownership of the Mantoverde copper-gold mine, located in the Atacama region, Chile ("**Mantoverde**" or the "**Mantoverde Mine**"); and
- The large-scale copper-iron-gold-cobalt Santo Domingo development project in the Atacama Region, Chile ("**Santo Domingo**" or the "**Santo Domingo Project**").

In addition to ongoing exploration at the Cozamin Mine aimed at increasing mine life, we have a portfolio of early-stage, base metals exploration projects and are actively pursuing additional exploration opportunities through staking and acquiring properties under the earn-in and/or joint venture models.

Principal Products and Operations

Capstone Copper's principal product is copper (in concentrate as well as copper cathode), with silver, zinc and other metals produced as by-products. The following table summarizes key operational outputs from the assets that are today part of Capstone Copper for Q3 year-to-date ("YTD") 2022, 2021 and 2020:

Operating	Pinto Valley			Cozamin			Mantos Blancos			Mantoverde		
	Q3 YTD 2022	2021	2020	Q3 YTD 2022	2021	2020	Q3 YTD 2022	2021	2020	Q3 YTD 2022	2021	2020
Production (contained metal and cathode)[1]												
Copper (tonnes)	41,833	60,456	53,963	18,675	24,418	17,203	36,455	45,382	41,937	36,901	49,013	36,640
Zinc (000's pounds)	-	-	-	1,235	6,238	14,587	-	-	-	-	-	-
Silver (000s ounces) [2]	-	-	-	1,422	1,531	1,204	700	635	710	-	-	-

Operating	Pinto Valley			Cozamin			Mantos Blancos			Mantoverde		
Mining - Open Pit												
Waste (000s tonnes)	17,862	25,839	27,292	-	-	-	32,217	42,957	37,180	40,945	25,672	44,010
Ore (000s tonnes)	16,236	22,067	19,882	-	-	-	9,004	9,062	6,145	17,664	28,101	24,786
Total (000s tonnes)	34,098	47,906	47,174	-	-	-	40,221	52,019	43,325	58,610	53,773	68,796
Mining – Underground												
Ore (000s tonnes)	-	-	-	1,038	1,358	1,083	-	-	-	-	-	-
Milling												
Milled (000s tonnes)	13,948	19,601	19,674	1,037	1,359	1,079	3,958	4,197	3,828	-	-	-
Tonnes per day	51,088	53,700	53,755	3,803	3,724	2,949	16,356	11,500	10,486	-	-	-
Copper grade (%)	0.33	0.35	0.31	1.86	1.86	1.67	0.90	0.90	0.90	-	-	-
Zinc grade (%)	-	-	-	0.37	0.56	0.92	-	-	-	-	-	-
Silver grade (g/t)	-	-	-	38.7	42.5	43.3	7.9	6.9	8.1	-	-	-
Heap operations												
Throughput (000s tonnes)	-	-	-	-	-	-	-	-	-	8,103	10,277	9,584
Grade (%)	-	-	-	-	-	-	-	-	-	.47	.51	.37
Recoveries (%)	-	-	-	-	-	-	-	-	-	78.5	74.6	79.4
Dump operations												
Throughput (000s tonnes)	-	-	-	-	-	-	6,826	22,380	27,659	9,253	13,749	10,129
Copper grade (%)	-	-	-	-	-	-	.19	.17	.17	.17	.17	.15
Recoveries (%)	-	-	-	-	-	-	-	-	-	40.1	39.9	44.3
Recoveries												
Copper (%)	86.3	85.7	85.0	96.7	96.4	95.4	73.1	79.0	78.4	-	-	-
Zinc (%)	-	-	-	18.8	37.0	66.4	-	-	-	-	-	-
Silver (%)	-	-	-	82.2	82.4	80.1	77.5	77.8	79.6	-	-	-
Concentrate												
Copper (dmt)	152,337	228,342	211,431	69,726	91,651	62,705	82,601	93,526	87,126	-	-	-
Copper (%)	26.2	25.5	25.1	26.8%	26.6	27.4	30.2	31.1	29.4	-	-	-
Silver (g/t)	-	-	-	474	511	553	293	241.3	283.5	-	-	-
Zinc (dmt)	-	-	-	1,515	5,941	13,548	-	-	-	-	-	-
Zinc (%)	-	-	-	47.6	47.8	48.8	-	-	-	-	-	-

[1] Adjustments based on final settlements will be made in future periods.
[2] Pinto Valley Mine gold production reaches payable levels from time to time. Any payable gold production will be reported in the period revenue is received. Gold and silver are not assayed on site, resulting in a significant lag time in receiving data. As such, this figure is an estimate.

During the nine months ended September 30, 2022, Capstone Copper generated gross revenue of $986.3 million primarily from the sale of 115.2 thousand tonnes of payable copper. During the year ended December 31, 2021, Capstone Mining generated gross revenue of $838.6 million primarily from the sale of 81.1 thousand tonnes of payable copper, and Mantos Copper generated gross revenue of $777.2 million primarily from the sale of 65.6 thousand tonnes of payable copper. During the year ended December 31, 2020, Capstone Mining generated gross revenue of $493.9 million primarily from the sale of 66.9 thousand tonnes of payable copper, and Mantos Copper generated gross revenue of $480.3 million primarily from the sale of 52.2 thousand tonnes of payable copper

As included in the table below, on a pro-forma combined basis the combined company had total pro forma combined gross revenue of $1,615.8 million and $974.2 million in 2021 and 2020, respectively.

The following table summarizes the gross sales revenue for Q3 year-to-date ("YTD") 2022, 2021 and 2020 from sales to customers:

Gross Revenue by Metal[1]

	Q3 YTD 2022[1,3]	
	$ millions	%
Copper	955.4	96.6
Silver	25.7	2.7
Zinc	1.7	0.3
Gold	0.9	0.1
Lead	-	0.0
Molybdenum	2.6	0.3
Total[3.]	986.3	100

[1] The current and subsequent period may include final settlement quantity and/or price adjustments from prior shipments.
[2] Q3 YTD 2022 gross revenue figures reflect the results from Mantos Copper with effect from March 23, 2022, the effective date of the Transaction between Capstone Mining and Mantos Copper.
[3] Treatment and selling costs of $52.9 million are deducted from gross revenue of $986.3 million resulting in reported revenue of $933.4 million in Q3 YTD 2022 as per the Consolidated Statement of Income.

	Capstone Mining	Mantos Copper	Total Pro Forma Combined Gross Revenue by Metal[3]	
	$ millions	$ millions	$ millions	%
Copper	789.0	761.2	1,550.2	95.9
Silver	39.3	16.0	55.3	3.4
Zinc	6.8	-	6.8	0.4
Gold	3.1	-	3.1	0.2
Lead	0.4	-	0.4	0.0
Total[2]	838.6	777.2	1,615.8	100

[1] The current and subsequent period may include final settlement quantity and/or price adjustments from prior shipments.
[2] Treatment and selling costs of $43.8 million and $52.8 million are deducted from gross revenue of $838.6 million and $777.2 million resulting in reported revenue of $794.8 million and $724.5 million in 2021 as per the Consolidated Statement of Income for Capstone Mining and Mantos Copper, respectively.
[3] Total Pro Forma Combined Gross Revenue by Metal is calculated at the sum of Capstone Mining and Mantos Copper gross revenue, as if the business combination had occurred on January 1, 2021.

	Capstone Mining	Mantos Copper	Total Pro Forma Combined Gross Revenue by Metal[3]	
	$ millions	$ millions	$ millions	%
Copper	440.8	465.3	906.1	93.0
Silver	30.1	15.0	45.1	4.6
Zinc	12.2	-	12.2	1.3
Gold	8.8	-	8.8	0.9
Lead	1.6	-	1.6	0.2
Molybdenum	0.4	-	0.4	0.0
Total[2]	493.9	480.3	974.2	100

[1] The current and subsequent period may include final settlement quantity and/or price adjustments from prior shipments.
[2] Treatment and selling costs of $40.1 million and $45.7 million are deducted from gross revenue of $493.9 million and $480.3 million resulting in reported revenue of $453.8 million and $434.6 million in 2020 as per the Consolidated Statement of Income for Capstone Mining and Mantos Copper, respectively.
[3] Total Pro Forma Combined Gross Revenue by Metal is calculated at the sum of Capstone Mining and Mantos Copper gross revenue, as if the business combination had occurred on January 1, 2020.

Pinto Valley Mine production is primarily copper in concentrate with a small amount of copper cathode produced from run-of-mine leaching and SX/EW production and molybdenum concentrate as a by-product. The mine also recovers a small amount of silver and gold as a by-product credit, though it is not estimated in the block model and is not included in the Mineral Resource or Mineral Reserve estimate. In 2021, 98% of the copper concentrate production was exported, mostly to Asia, and one shipment was exported to Europe. The copper concentrate was hauled using a modular truck system and shipped out of the port of Guaymas, Mexico. The copper cathode and

molybdenum concentrate are sold through a competitive tendering process. In 2021, 2% of the copper concentrate was sold and delivered by truck to a local US smelter.

Cozamin Mine concentrate production is primarily copper with significant by-product silver, lesser amounts of by-product zinc and lead concentrate and small amounts of by-product gold credits. The copper concentrate is delivered by truck under an agreement to a major trading company in Manzanillo, Mexico. Depending on market conditions the copper concentrate is sold under an annual or multi-year agreement. Similarly, the zinc and lead concentrates are sold under annual tenders or multi-year agreements and delivered by truck to Manzanillo or local Mexican smelters.

Mantos Blancos Mine production is primarily copper in concentrate as well as copper cathode produced from run-of-mine leaching and SX/EW production. The mine also recovers silver as a by-product credit. In 2021, 100% of the copper concentrate production was delivered domestically to a local smelter 61 km away from the mine via covered open dump truck. 100% of the copper cathode was exported in 2021 and it was transported via flat bed truck to either Angamos or Antofagasta Port before being exported to Asia, Europe, and the US Gulf. The copper concentrate is delivered under a long-term contract while the copper cathode was sold mostly under a long-term contract with a few spot sales of off grade material.

Mantoverde Mine production is primarily composed of high-grade oxide ore which is crushed and leached on heaps and low-grade oxide ore which is sent directly to leach dumps as run-of-mine ore. In 2021,100% of the copper cathode was exported and it was transported via flat bed truck to either Angamos or Antofagasta Port before being exported to Asia, Europe, and the US Gulf. The copper cathode was sold mostly under a long-term contract with a few spot sales of off grade material.

Competitive Conditions

Our business is to produce and sell copper, with a focus on production, development and exploration. Prices are determined by world markets over which we have no influence or control. Our competitive position is primarily determined by our costs and high-grade copper concentrate with low impurities compared to other producers throughout the world and our ability to maintain our financial integrity through metal price cycles. Costs are governed to a large extent by the grade, nature and location of our Mineral Reserves as well as by input costs and operating and management skills. Due to our high leverage to copper, our financial position is more sensitive to movements in copper prices, when compared to other mining companies with a more diversified portfolio.

The mining industry is competitive, particularly in the acquisition of additional Mineral Reserves and Mineral Resources in all phases of operation, and we compete with many companies possessing similar or greater financial and technical resources.

Metal Prices

The Company’s financial flexibility is highly dependent on the prevailing prices for the commodities it produces. Certain circumstances may arise where increased certainty of cash flows is considered more important to long term value creation than providing investors short term exposure to the volatility of metal prices. In these circumstances, the Company may elect to lock in prices within a contractual quotational period or to lock in future prices through the variety of financial derivative instruments available.

Environmental Protection

Capstone’s operations (Pinto Valley Mine, Cozamin Mine, Mantos Blancos Mine and Mantoverde Mine) and development projects (Santo Domingo, MB Debottlenecking Project and MVDP) are subject to the national and local laws and regulations in respect of the construction, operating standards and the eventual closure and reclamation costs applicable to each location.. Each operation is subject to a reclamation and closure cost obligations review at year-end to assess the closure and reclamation cost for the operation at that point. Capstone conducts this review at least annually. Any changes from the previous period are reflected in the balance sheet and could flow through the earnings statement. While the financial obligations will increase as disturbance increases, given the relatively modest amounts involved, such impacts are likely to be relatively minor from a capital and earnings perspective in the near term.

Pinto Valley Mine has a long history of operations in an established mining district of Arizona. As such, there are significant reclamation liabilities. These were reviewed with regulators in 2013 at the time of the acquisition by Capstone and were also the subject of a detailed third-party assessment commissioned by the Company in 2015 and have been updated to reflect the current mine life. In May 2016, Pinto Valley Mine submitted a formal Mine Plan of Operations in support of the Phase 3 mine plan ("**PV3**") to the US Forest Service, marking the first step of the permitting process required under the National Environmental Policy Act ("**NEPA**"). The NEPA process was formally initiated in January 2017 after publishing a Notice of Intent to conduct an Environmental Impact Statement ("**EIS**"). The draft EIS was published for public comment in December 2019. On November 4, 2021, Pinto Valley received final approval from the US Forest Service for the new mine plan of operations for the Pinto Valley Mine. The plan, approved by the Tonto National Forest, extends Pinto Valley's mine life to the year 2039.

Santo Domingo's Environmental Impact Assessment ("**EIA**") was presented to authorities in October 2013 and approved in 2015. The Company commenced early works activities on the Santo Domingo Project in 2020 prior to the expiry of the Environmental Qualification Resolution ("**RCA**"). Early works consist primarily of site access from existing road network and some site grading. In September 2019, an EIS was submitted and approved in 2020 for the modifications identified at the port for the expanded desalination plant and auxiliary facilities.

Mantoverde started in the mid 1990's, with over 25 years of operation on Copper Oxides. Several environmental approvals and sectoral permits support this fully permitted operation, with a long history on stakeholder engagement, social performance and biodiversity studies in its surroundings. The Mantoverde Development Project, which includes the Sulphide ore with a Concentrate Plant and a TSF, was environmentally approved by the RCA 16 in March 2018, and is currently on Construction Phase, with all permits settled on place and fulfilling the environmental commitments compliance requested in this stage, including voluntary commitments on biodiversity, cultural heritage, dust controls and underground waters monitoring.

Mantos Blancos is a long-term operation, started in 1960, includes Oxides and Sulphides ore process, fully environmental and sectoral permitted through several approval over the last decades. Located in a very dry zone of the Antofagasta Region, in a low biodiversity and cultural heritage area, the main controls are related to dust control and underground water monitoring. The Mantos Blancos Debottlenecking Project was environmentally approved by the RCA 419 in November 2017 and is currently fully constructed, within the ramp up process to allow the operational goals in 2022.

Capstone prioritizes environmental protection in all its activities and is committed to continuous improvement in our environmental performance through initiatives to further this commitment. We expect all our operations and projects to comply with local and international environmental standards as a minimum standard and continuously look for best practices. A copy of our Integrated Environment, Health, Safety and Sustainability ("**EHSS**") Policy is available on our website: www.capstonecopper.com.

Employees

As of September 30, 2022, Capstone had 3,008 employees and 4,941 contractors.

There are approximately 423 hourly employees at the Pinto Valley Mine, a portion of whom are members of six unions, and who are all governed by one collective bargaining agreement negotiated by the United Steelworkers Union which is in effect until August 31, 2026.

Approximately 94% of employees at Mantos Blancos and 96% of employees at Mantoverde are covered by agreements with one of the labour unions with a presence at our mining operations.

Foreign Operations

Capstone's material properties are in foreign jurisdictions, being the Pinto Valley Mine (US), the Cozamin Mine (Mexico), the Mantos Blancos Mine (Chile), Mantoverde Mine (Chile) and the Santo Domingo Project (Chile). We also have interests in exploration projects in the United States, Mexico, Chile, and Brazil.

All of the revenue from continuing operations in 2021 related to foreign operations. Foreign operations represented substantially all of our assets as at December 31, 2021.

Social and Environmental Policies

Capstone places great emphasis on providing a safe and secure working environment for all our employees and contractors as we recognize the importance of operating in a sustainable manner. Capstone recognizes climate change as a global and societal risk and incorporates climate-related impacts into its strategic business planning and continues to assess opportunities to improve energy efficiency and investigate low-carbon technologies.

Our Values and Ethics – Code of Conduct ("**Code of Conduct**") is our Company policy that sets out the standards which guide the conduct of our business and the behaviour of our employees, officers and our board of directors (the "**Board of Directors**"). The Code of Conduct is reviewed annually by the Board of Directors, and amongst other things, sets out standards in areas relating to:

- Promotion and provision of a work environment in which individuals are treated with respect, provided with equal opportunity and is free of all forms of discrimination;
- Zero tolerance policy relating to use of prohibited substances;
- Ethical business conduct and legal compliance, including without limitation prohibition against accepting or offering bribes;
- Commitment to health and safety in our business operations, and the identification, elimination or control of workplace hazards; and
- Commitment to maintain and improve sound environmental practices in all our activities.

In 2020, Capstone expanded our Code of Conduct and implemented a Human Rights Policy as well as a Supplier Code of Conduct. Capstone provides regular training to employees and suppliers (as applicable) on its Code of Conduct and Human Rights Policy and requires suppliers to comply with the Supplier Code of Conduct.

Capstone is committed to building and preserving value for our stakeholders, including our employees and contractors, the local communities in which we operate, our shareholders and adapting to changing conditions, including global climate change, cyclical industry trends and evolving political and social issues worldwide. For example, Capstone's commitment to sustainable performance is defined in our EHSS Policy. The Technical and Operational Performance Committee of the Board of Directors has oversight of the EHSS Policy. Annual corporate objectives for sustainable performance and improvement are approved by the Board of Directors and are linked to the objectives and compensation for employees at all levels of the organization. We measure our performance against these objectives.

Capstone's Tailings Management Policy (the "**Tailings Management Policy**") outlines our commitment to responsible tailings management, aimed at identifying, monitoring and mitigating tailings-related risks at all of Capstone's mines and projects. The Tailings Management Policy requires the implementation of a Company-wide Tailings Management System and establishes the governance and management structures to support adequate oversight of tailings management.

Capstone regularly reviews and implements internal standards based on industry best practice to ensure continual improvement in key areas including health and safety, environmental management, tailings management, energy management and social aspects, including stakeholder engagement.

8.2 Material Mineral Properties

Pinto Valley Mine (US)

The Pinto Valley Mine is the subject of a report titled "NI 43-101 Technical Report on the Pinto Valley Mine, Arizona, USA" dated June 11, 2021 with an effective date of March 31, 2021 (the "**Pinto Valley Technical Report**"). This technical report was compiled by Capstone Mining Corp., and authored by Clay Craig, Tony J. Freiman, J. Todd Harvey, Garth Kirkham, Colleen Roche, Klaus Triebel, and Edward C. Wellman, each a Qualified Person as defined by NI 43-101. The description of the Pinto Valley Mine in this document is based on assumptions, qualifications and procedures which are set out in the Pinto Valley Technical Report. Reference should be made to the full text of this report, which is available in its entirety on SEDAR at www.sedar.com under

Capstone's profile. The Pinto Valley Technical Report supersedes the report titled "Pinto Valley Mine Life Extension – Phase 3 (PV3 PFS) Pre-Feasibility Study" dated February 23, 2016 with an effective date of January 1, 2016 (the "Prior PV Report").

Capstone purchased Pinto Valley from BHP Billiton Ltd. ("**BHP**") in October 2013. Pinto Valley consists of an open-pit mining operation, mill, and an electrowinning ("**SX-EW**") facility. The mill produces copper and molybdenum concentrates. The copper concentrate has numerous potential destinations; smelters in Arizona (domestic) and smelters internationally, mostly in Asia due to the geographical location, but material has also been shipped to Europe in the past. The domestic bound concentrate is trucked directly to the smelters from Pinto Valley. The international bound concentrate is trucked in Rotainers® directly to the Port of Guaymas in western Mexico, and then loaded onto ships destined for the receiving smelter.

Pinto Valley has been in operation since 1974, with a brief shutdown in 1983, and subsequent shutdowns from 1998 to 2007 and from 2008 to 2012. Since restarting in 2012, Pinto Valley has operated continuously.

Project Description, Location and Access

Pinto Valley is an open-pit mine that produces copper and molybdenum concentrates and copper cathode. Administration, ore processing and tailings and waste rock storage facilities and related infrastructure are located within 3 miles of the pit on Pinto Valley property or on adjacent National Forest System land administered by the Tonto National Forest. The processing facility consists of three crushing stages, grinding in six ball mills, copper flotation stages, a molybdenum flotation circuit, and associated thickeners for concentrates and tailings. The two existing tailings storage facilities (each a "**TSF**" and together the "**TSFs**") will provide adequate tailings storage for the planned life of mine through 2039. Pinto Valley also has an SX-EW facility that processes PLS from low copper grade material that is leached and Capstone is reviewing potential opportunities to enhance dump leach performance and increase copper cathode production from mineralized waste over the life of mine, with the study expected to conclude in 2022.

Pinto Valley is located in Gila County, Arizona, at the west end of the Globe-Miami mining district, approximately 11 miles west of Globe and 80 miles east of Phoenix via U.S. Highway 60, at 33°23′32″ N and 110°58′15″ W. Primary road access to the mine is along US 60, which runs east and west 3 miles south of the mine site. The highway's maximum elevation of 4,600 ft occurs just west of Pinto Valley.

Capstone owns approximately 10 square miles (mi^2) of patented land, 467 unpatented mining claims around the perimeter of the patented land and a 27 acre ranch including 33,000 acre grazing allotment within the Tonto National Forest administered by the U.S. Department of Agriculture - Forest Service ("**USFS**").

There are 26 unpatented lode claims located outside of the Pinto Valley patented land boundary that have a 2% NSR royalty payable to William E. Bohme and Eula Belle Bohme (half interest) and Patricia M. Green. Pinto Valley's Mine Plan of Operations does not impact those claims, and as such, no royalty payments are expected.

Pinto Valley Mine possesses the requisite permits for continued operation through 2039 at the current mill throughput rate.

History

The Globe-Miami mining district is one of the oldest and most productive mining districts in the United States, with its first recorded production occurring in 1878. Since that time, more than 15 billion pounds of copper have been produced in the district. Prior to the construction of the Pinto Valley Mine, a chalcocite-enriched zone of the deposit was mined from 1943 until 1953 as the Castle Dome Mine.

Ownership of the Pinto Valley Mine has changed numerous times since its inception. Pinto Valley Mine originated as Miami Copper Company in 1909. In 1960, the Tennessee Corporation took over Miami Copper Company, and, in 1969, Cities Service Company merged with Tennessee Corporation. At the time of construction and commissioning, Pinto Valley Mine was owned by Cities Service Company, who had recently merged with Tennessee Corporation. Occidental Petroleum Corporation acquired Cities Service Company in late 1982 and sold the Miami operations to Newmont Mining Corporation ("**Newmont**") in 1983. At this time, the company's name was changed to Pinto Valley Copper Corporation ("**Pinto Valley Copper**"). In 1986, Newmont merged the Pinto

Valley Copper assets into Magma Copper Company holdings ("**Magma Copper Company**"), and Pinto Valley Copper became the Pinto Valley Mining Division of Magma Copper Company. In 1995, Broken Hill Proprietary Company Limited purchased Magma Copper Company. With the merger of Broken Hill Proprietary Company Limited and BHP in 2001, the Pinto Valley Mining Division became Pinto Valley Operations of BHP. In 2013, Capstone affiliate, Pinto Valley Mining Corp., purchased the Pinto Valley Operations, now referred to as Pinto Valley Mine.

Development of the Pinto Valley Mine open-pit began in 1972 and the concentrator went into production in 1974. The SX-EW plant began processing PLS from the leach dumps in 1981. A short shutdown occurred in 1983. In February 1998, mining and milling operations were suspended and environmental permits were maintained during the suspension of operations, as were the water and electrical systems. SX-EW facilities and cathode copper production continued during the suspension of mining and milling operations.

The mine has had two restarts since the 1998 shutdown. The mine resumed sulfide operations in mid-2007 for 18 months to January 2009 and then went into care and maintenance with only leaching operations continuing. The second restart began in December 2012 and included extensive rehabilitation of the site and purchase of a new mining fleet. During the financial year ended June 30, 2013, sulfide mining resumed at Pinto Valley with production for the financial year ended June 30, 2013 of 16.6 kt of copper concentrate and 4.9 kt of copper cathode.

Under Capstone's ownership, Pinto Valley has produced 473.84 kt of copper since 2014. Pinto Valley Mine production since 2014 is summarized in Table 1.

Table 1: Pinto Valley Mine Production Summary since 2014

Operating Statistics[1]	2021	2020	2019	2018	2017	2016	2015	2014
Production (contained metal in concentrate and cathode)								
Copper (tonnes)	60,459	53,963	53,356	54,008	57,331	68,850	60,412	65,129
Mining								
Ore (kt)	22,067	19,883	18,888	19,290	20,605	21,586	23,139	20,931
Waste (kt)	25,839	27,292	30,101	27,687	26,164	19,507	11,464	932
Milling								
Milled (kt)	19,601	19,674	18,665	19,246	19,655	20,565	17,730	17,231
Milled (average tpd)	53,700	53,755	51,137	52,728	53,849	56,189	48,576	47,209
Copper grade (%)	0.35	0.31	0.33	0.32	0.32	0.37	0.38	0.41
Recovery								
Copper (%)	85.7	85.0	85.1	84.6	89.2	87.6	87.4	88.9
Concentrate Production								
Copper Concentrate (dmt)	228,342	211,432	196,560	201,747	196,583	234,702	203,966	211,709
Copper Concentrate grade (%)	25.5	24.5	26.3	26.0	28.2	28.5	28.6	29.6
Property costs ($/t milled)[(2)]	$ 12.16	$11.29	$11.17	$11.63	$11.00	$10.01	$11.55	$12.46
Payable copper produced (tonnes)	**58,419**	**52,153**	**51,549**	**52,171**	**55,392**	**66,527**	**58,396**	**62,986**
C1 cash costs[(2)] **($/lb payable copper)**	$2.16	$2.21	$2.05	$2.16	$1.95	$1.61	$1.97	$2.03

Note:
1. Source of the operating statistics is Capstone's Form 51-102F1 Management Discussion & Analysis from December 2014 to 2021. The abbreviation dmt refers to dry metric tonnes.
2. This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

Previous estimates with respect to Cu% and Mo% were reported in the Prior PV Report. The updated model in the Pinto Valley Technical Report reflects the following additional information: an additional five years of operational observations to refine estimation strategy; drilling samples from an additional 54 drillholes; a correction to the molybdenum database; and more accurate estimation of rock density based upon new data.

Geological Setting, Mineralization and Deposit Types

Several mines and numerous prospects have been developed in the Globe-Miami mining district. Larger mines in the district are porphyry copper deposits associated with Paleocene (63–59 Ma) granodiorite to granite porphyry

stocks. The porphyry copper deposits have been dismembered by faults and affected by later erosion and oxidation. Vein deposits and possible exotic copper deposits are also found within the district.

The primary minerals of the porphyry copper deposits are pyrite and chalcopyrite, with minor amounts of molybdenite; gold and silver are recovered as by-products. Sphalerite and galena occur locally in non-economic occurrences. Hydrothermal alteration associated with the deposits include potassic, argillic, sericitic, and propylitic mineral assemblages.

The Pinto Valley Mine deposit is a hypogene ore body with chalcopyrite, pyrite, and minor molybdenite as the only significant primary sulfide minerals. The primary host rock for the Pinto Valley Mine porphyry copper deposit is the Precambrian-age Lost Gulch Quartz monzonite, which is equivalent to the Ruin Granite. Formation of the deposit was associated with the intrusion of small bodies and dikes of granite porphyry and granodiorite.

Figure 1 shows Pinto Valley Mine's geology in plan view. Figure 2 illustrates the generalized columnar sections of sedimentary and volcanic rocks for the Castle Dome (i.e. Pinto Valley Mine) area while Figure 3 presents a visual hypothetical and stylistic distribution of the major rock types of the Pinto Valley Mine.

Figure 1:
Pinto Valley Mine Geology Plan (Source: Pinto Valley Mine property 2021, geology compilation by SRK, 2009)

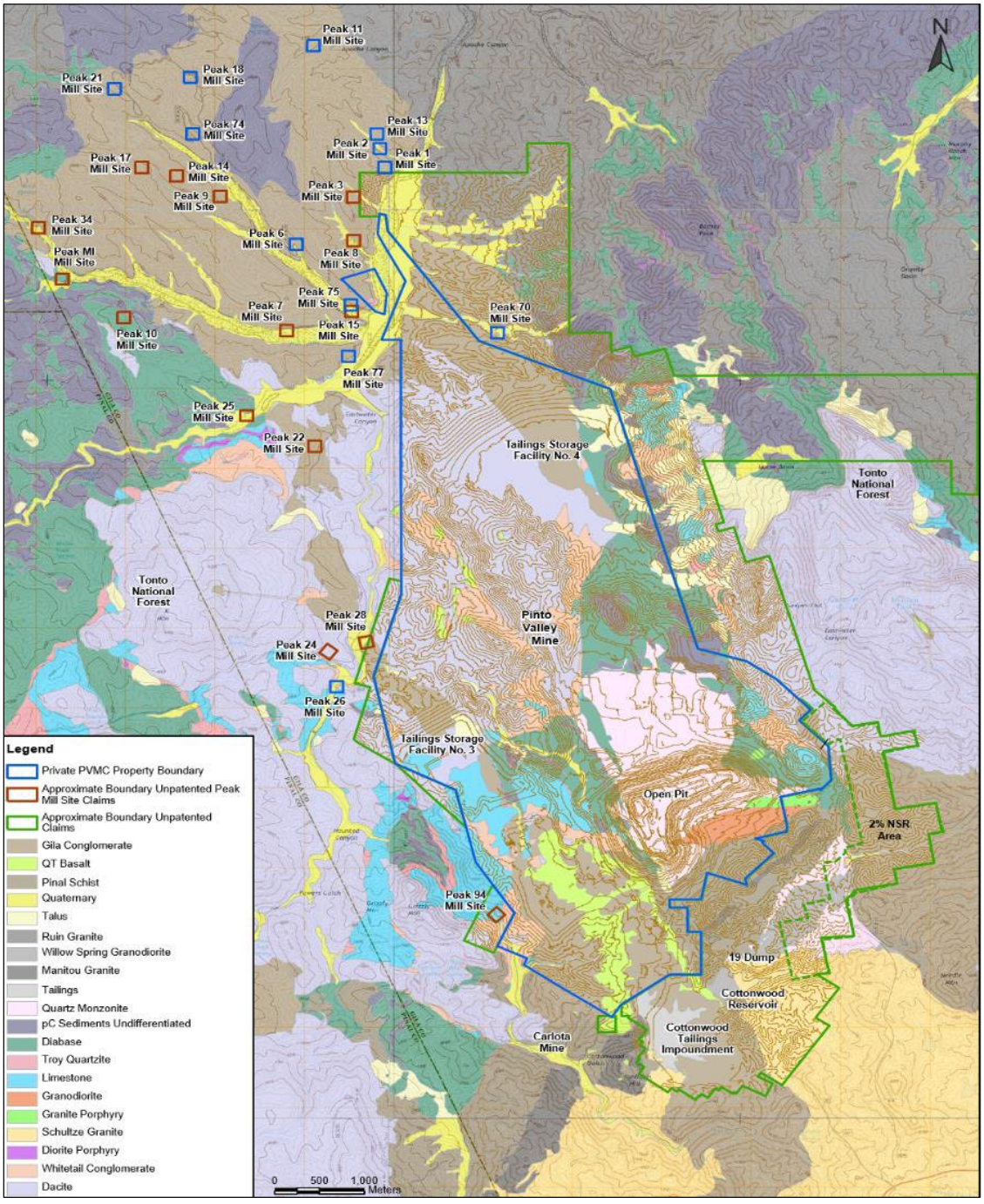


Figure 2:
Generalized Columnar Lithology Sections for the Castle Dome Area (after Peterson, N. P., C. M. Gilbert, and G. L. Quick. 1951. Geology and Ore Deposits of the Castle Dome Area, Gila County, Arizona: U.S. Geological Survey Bulletin 971. Washington: U.S. Government Printing Office)

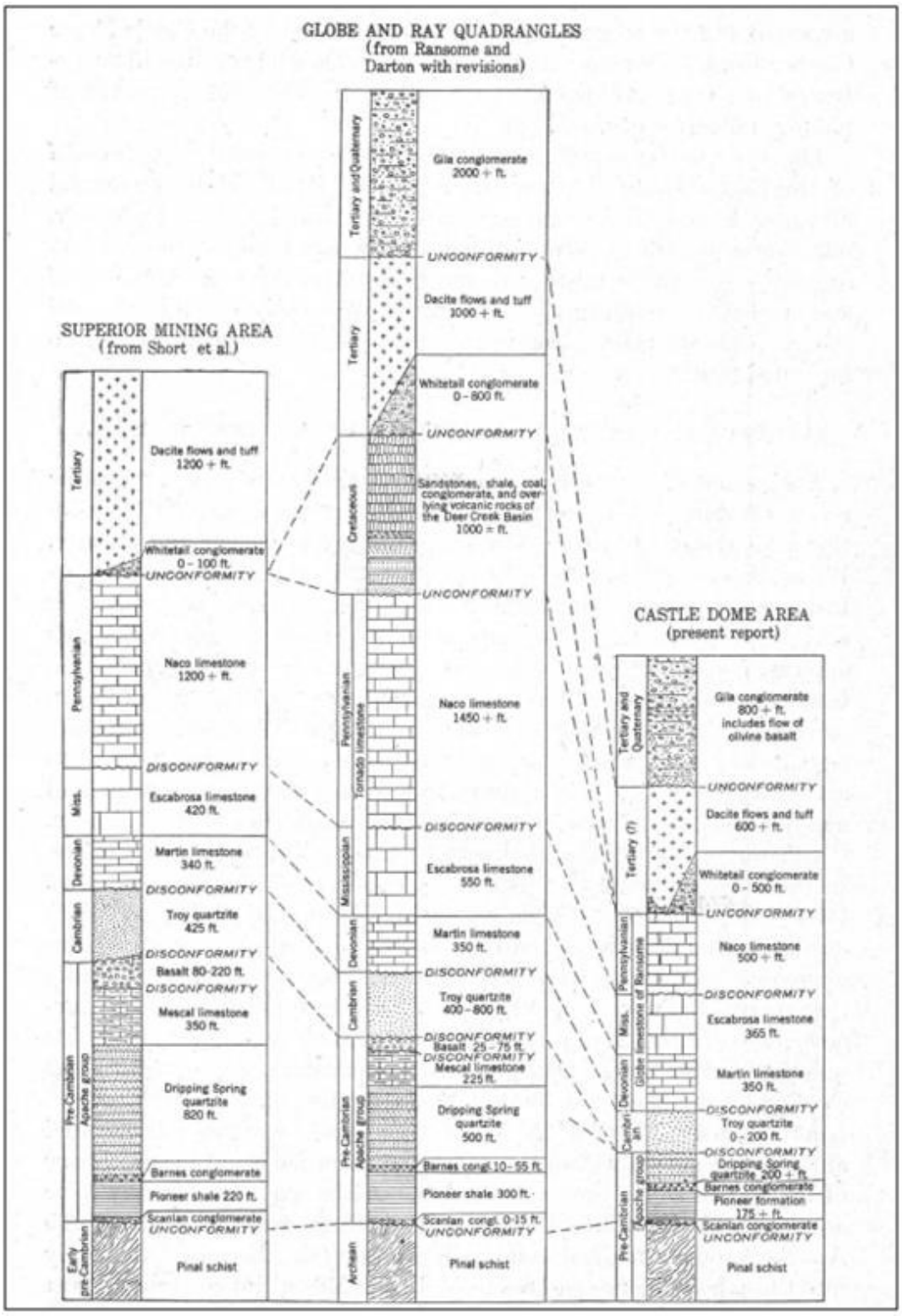
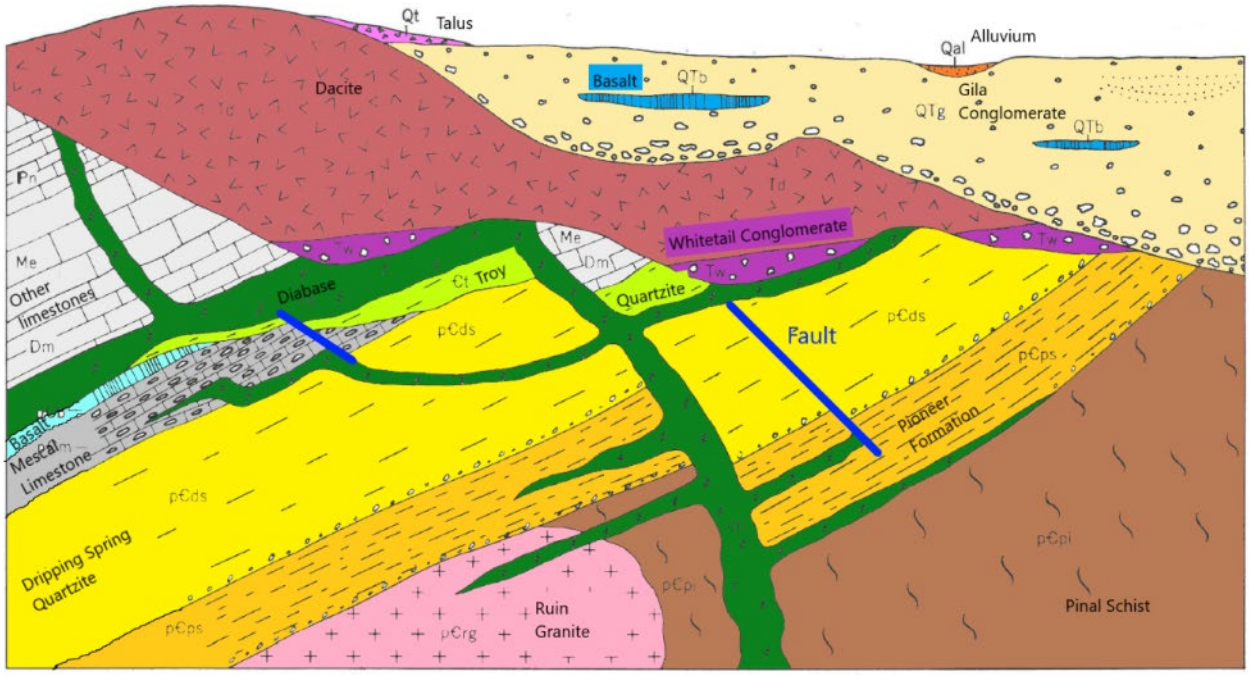


Figure 3:
Hypothetical distribution of major rock types of the Pinto Valley Mining area (modified after Peterson, Nels Paul. 1962. Geology and Ore Deposits of the Globe-Miami District, Arizona: U.S. Geological Survey Professional Paper 342. Washington: U.S. Government Printing Office)



Exploration

Capstone has not carried out any exploration work since Pinto Valley Mine was purchased in 2013.

Drilling

A total of 951 drill holes have informed the Mineral Resource in the Pinto Valley Technical Report. 778 of these holes were drilled prior to Capstone's ownership, and consisted of core, rotary, and churn drillholes. Churn holes defined much of the early mineralization, which has been mostly mined out. Since Capstone's ownership in 2013 an additional 173 diamond drill core holes ("**DDH**") and reverse circulation rotary ("**RC**") holes have been drilled, generally targeting to infill upcoming production volumes to measured drill spacing.

The data was confirmed as acceptable for use in resource estimation through database audits and quality assurance/quality control ("**QA/QC**") programs. For data prior to 2006, data quality was confirmed using a re-assaying program that included certified reference materials. All drilling campaigns after 2006 conform to industry standards for QA/QC.

A drilling summary for Capstone's drilling activities from 2015 to 2021 can be found in Table 2.

Table 2: Drilling Summary, 2015 to 2021

Year	2015	2016	2017	2018	2019	2020	2021
# of drillholes available for model update	897	901	919	942	951	951	951
Drilling Campaign Summary	Infill: 43 RC (9,010 feet) 19 PRC Geotech: 3 RC (1,100 feet)	Infill: 4 RC (3,370 feet)	Infill: 17 RC holes (15,820 feet) 1 DDH[1] with RC pre-collar (1,950 feet)	Infill: 22 RC holes (14,280 feet) 1 DDH[1] with RC pre-collar (1,090 feet)	Infill: 8 DDH[1] with RC pre-collar (12,460 feet) 1 DDH[1] (600 feet)	None	Infill: 2 DDH[1] (4,250 feet)

[1.] DDH core is HQ size, with a diameter of 63.5 mm.

Data from drill programs up to 2019 were incorporated into the 2021 block model which can be found in the Pinto Valley Technical Report.

Sampling, Analysis and Data Verification

RC drill cuttings are blown into a cyclone and collected at 10-foot intervals. The recovered material was split to 12.5% of the original volume, using a rotary splitter at the drill, since 2015.

Diamond drill core is placed in wax-covered core boxes with depth markers for every drill run of up to 10 ft then transported to the core handling facility by Pinto Valley employees or the drilling contractor. QuickLogs are done at core reception which includes initial lithology and a visual estimation of mineralization and alteration, particularly biotite content. The mine is set up on a bar code system for ease of handling and to track the core and samples. There is a triple bar code tag: the first tag is for the half core that remains in the box, the second tag is for the split that is sent to the lab for analysis, and the third tag is for the coarse duplicate and is used to tag the pulps and rejects. The core is logged for geology and split by saw at one of two stations.

The detailed geological logs are entered into an acQuire® relational database system which also records the collar, survey, assay, lithology, alteration, mineralization, and geotechnical ("**RQD**") data. These data are tagged and tracked using the bar codes, and all subsequent assay information provided by the laboratory, including the QA/QC data, is linked to the database. A dispatch report is created which is then sent to the laboratory and subsequently matched against the shipments. Deviations and discrepancies are reported and investigated. Any updated assay data from the laboratory is linked to the bar code system and relayed to the company electronically via Excel® CSV files and imported into acQuire® automatically. The data are imported into MineSight™ for the purpose of resource estimation.

A number of different companies and laboratories have provided assay services to Pinto Valley over the years. Details of sampling and assaying procedures used during the earlier stages of operation are not readily available. Procedures used by outside labs that ran assays for some of the later drilling campaigns, such as those performed by Mountain States for the RC holes and Chemex for the AD holes, are also not readily available. The analytical procedures requested by Pinto Valley for assays procedures of contract laboratories since 2013 are in line with industry standards for total copper and molybdenum (3 or 4-acid digestion with ICP finish) but procedures were BHP-specific with respect to acid soluble copper (i.e., digestion with 10% sulfuric acid, placed in a hot bath at 40°C, and read after 40 minutes).

Pinto Valley contracted Skyline Assayers and Laboratories ("**Skyline**") since 2015 assay samples informing the resource model. Skyline picks up the bagged samples directly from Pinto Valley. For sample preparation, Skyline enters all data into their laboratory information system. If necessary, samples are dried for eight to 24 hours at 225° to 250°F. Before processing, washed-river-rock is fed through the crusher to prevent contamination from the previous batch. The sample is then crushed to produce a nominal 70 to 80% minus 10 mesh product, which is transferred to a Jones or Gilson Splitter. After blending three times, a parent and reject pan are established, and the parent poured back into the splitter, repeating the procedure until 250 to 300 grams of material remains and is poured into a labeled envelope. Between samples, the crusher and splitter are cleaned out using compressed air to minimize cross contamination. During pulverization, each envelope is poured into a pulverizing bowl, where between 90 seconds and two minutes of pulverization results in a pulp to a nominal 95% minus 150 mesh. Between batches, the bowl is cleaned out with silica sand.

Data Verification

Verification of Geology, Drilling, Sample Preparation, Analyses and Security:

Klaus Triebel is present at the mine on a weekly basis. He conducts frequent pit mapping and remote data analyses (i.e. propeller drone flight interpretations) to verify lithology and structural interpretations. He is familiar with most of the literature references cited in the Pinto Valley Technical Report where geology is presented. He was in charge of the 2019 drilling campaign including the bidding process and drilling activities. He frequently visited the core shed to assure proper logging and sampling of RC cuttings and core and monitored the shipping process to insure security of the samples. Under his supervision assays were entered into the database.

No issues were identified and the Qualified Person is confident that the statements regarding geology, drilling, sample preparation, analyses and security in the Pinto Valley Technical Report are valid.

Verification of Geology, Drilling, Sampling, Analyses and Security for use in Mineral Resource Estimates:

Garth Kirkham visited the property on May 14, 2013, April 16-17, 2015 and June 2, 2022. The site visits included an inspection of the core logging facilities, offices, pit tour, outcrops, drill collars, core storage facilities, core receiving area, and core sawing stations, and a tour of the major centers and surrounding towns that are affected by the mining operation.

The tour of the offices and core logging and storage facilities showed a clean, well-organized, professional environment. On-site staff led the author through its chain of custody and methods used at each stage of the logging and sampling process.

The Qualified Person randomly selected four complete drillholes from the database and laid the core out at the core storage area. Site staff supplied the logs and assay sheets so the author could verify the core and logged intervals. The data correlated with the physical core, and no issues were identified. In addition, the author toured the complete core storage facility, pulling and reviewing core throughout the tour. No issues were identified and recoveries appeared to be very good to excellent.

The Qualified Person is confident that the data and results are valid, based on the site visit and inspection of all aspects of the project; this confidence extends to the methods and procedures used. It is the opinion of the independent author that all work, procedures, and results have adhered to best practices and industry standards required by NI 43-101. No duplicate or verification samples were taken to verify assay results in historical work, but the author believes that the work was conducted by a well-respected, large, multi- national company that employs competent professionals who adhere to industry best practices and standards. Current practices include additional QA/QC to verify assay results.

The Qualified Person also visited Skyline on May 15, 2013. The laboratory tour was performed by Jim Martin, Senior Chemist and Arizona Registered Assayer (No. 11122), who provided a complete review of the laboratory facilities, laboratory preparation procedures, instrumentation, assay methods, QA/QC protocols, and reporting procedures. The laboratory appeared to be operated in a very professional manner, as is expected from a widely used North American laboratory facility. Skyline, because of its long standing service to many large copper mines, appears to specialize in and have extensive experience with the assay processes and procedures for copper. Skyline has been ISO 17025 certified since 2008.

The reconciliation of production grades as compared to those defined by drill data (both legacy and current) and predicted by the block model which resulted in excellent correlations particularly within the core mine block. Reconciliation of the production data further away from the mine block, particularly within the Castle Dome area were less favorable, however an extensive remodeling of the deposit was completed to rectify these discrepancies and are now within reasonable tolerances.

Mineral Processing and Metallurgical Testing

Pinto Valley Mine has been in continuous operation for approximately 47 years with two copper price-related shutdowns occurring from 1998 to 2007 and from 2008 to 2012, and a short shutdown in 1983. The process plant is a conventional porphyry copper concentrator that produces a primary copper sulfide flotation concentrate and

a by-product molybdenum flotation concentrate. The plant flowsheet is typical of its era with primary through tertiary crushing, ball milling and conventional flotation. The mill has undergone a number of process optimizations during its operating life. The most recent upgrades have been undertaken to replace aging equipment and optimize throughput and recovery.

In 2014, Capstone commenced the Pinto Valley Phase 3 Study to define the extension of the mine life. The Prior Pinto Valley Technical Report provided additional technical support for the mine life extension with the addition of new metallurgical test work on future ores and the identification of plant optimization opportunities. The Pinto Valley Technical Report provides further support for the mine plan presented therein.

The mineralized material at Pinto Valley has been classified into a series of lithologies. The main lithologies with relevant rock codes and the life of mine anticipated tonnage distributions are outlined in Table 3.

Table 3: Lithological Distribution Life of Mine

Lithology	Tonnage (%)
30 - Diabase	0.03%
50 - Granodiorite	0.24%
60 - Granite Porphyry	2.91%
72 - Aplite	0.40%
11 – Ruin Granite	96.42%
Grand Total	100%

The distribution of mineralized materials at Pinto Valley Mine is dominated by the Ruin Granite with a small proportion of Granite Porphyry. As such, the focus of the majority of test work and analysis has been placed on the Ruin Granite. The minor lithologies have been highlighted in the report in terms of their potential impact on plant performance.

Grinding

The Prior PV Report provides a detailed analysis of the Bond ball mill work index testing for the main lithologies. A wide variety of grinding tests have been undertaken over the mine's life with test data available dating back to 1993. A major test program was undertaken by SGS Minerals Services in 2013 on drill core samples in support of the original PV2 Project. Further grinding analysis was conducted by Base Metallurgical Laboratories in 2015.

The most recent test work indicates that the Ruin Granite work index is distributed over a narrow range from 13.1 kWh/t to 14.1 kWh/t. Previous analysis completed by BHP indicated that the Ruin Granite may have a bimodal work index distribution being split into "soft" and "hard" classifications depending on the location within the pit with the work index ranging from approximately 13 to 15 kWh/t.

Diabase samples have consistently shown a high hardness ranging from 17.0 kWh/t to 17.5 kWh/t. The proportion of Diabase over the life of mine has been reduced and now makes up only 0.03% of the mineable mineralized material (from the originally reported value of 2.9% in the Prior PV Report) as a result of its reduced copper recovery. The inclusion of harder lithologies in the ore blend will tend to reduce mill throughput.

Copper Flotation

Significant flotation test work has been conducted over the life of Pinto Valley; details of much of this past work are available in the Prior PV Report. In general, the results suggest that the copper recovery in flotation is a function of the feed grade (total copper and oxide copper), mass pull, grind size (P80) and throughput (retention time). Global Resource Engineering ("**GRE**") has examined the plant's production statistics for the period of January 1, 2014 through to March 30, 2021 along with associated test work to develop flotation recovery predictions. A significant portion of the most recent test results has been summarized in an investigation conducted in 2020 by 911Metallurgy Corp. (2020)

The metallurgy of the Pinto Valley Mine deposit is well understood and relatively straightforward. There have been several metallurgical reports produced for this site from ALS Metallurgy Kamloops (ALS) (2014), Blue Coast

Metallurgy, Ltd (Blue Coast) (2019), FL Smidth (FLS) (2017), BaseMetLabs (2015) and Amelunxen Mineral Processing Ltd (Aminpro) (2017).

Processing Factors or Deleterious Elements

No processing factors or deleterious elements that may have a significant effect on potential economic extraction have been identified.

Mineral Resource and Mineral Reserve Estimates

In estimating the Mineral Resource presented in the Pinto Valley Technical Report, effective March 31, 2021, surfaces and solids were generated for lithology and structural domains, and an indicator-based grade shell was generated at a 0.08% Cu threshold. A 45 ft composite length was used in order to minimize the smoothing of the grades, reduce the influence of very high-grade samples, and to match the 45 ft pit benches.

Updated density values were applied based upon lithology and alteration using information from 305 samples.

The block model grades for copper were estimated using Ordinary Kriging, with molybdenum being estimated by Inverse Distance. During grade estimation, search orientations were designed to follow the general trend of the mineralization in each of the zone domains. The great majority of blocks (greater than 98%) were estimated in a single pass for each domain, with the remaining areas of non-typical drillhole geometry receiving a “finishing” estimation from two further passes. The primary estimation pass required a minimum of five composites and a maximum of eight, with a maximum of three from any one drillhole. The Mineral Resource listed in Table 4 are for % copper (Cu) and % molybdenum (Mo) at a base-case cut-off grade of 0.14% Cu.

The Measured and Indicated Mineral Resource at Pinto Valley are inclusive of the Mineral Resource converted to a Mineral Reserve using modifying factors, including, but not limited to mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors. The Inferred Mineral Resource was not considered for conversion to a Mineral Reserve. Inferred Mineral Resources are estimated using limited geological evidence compared to Measured and Indicated Resources; this evidence is adequate to imply but not verify sufficient continuity of grade or geology. However, it is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to Indicated Mineral Resource with continued exploration and are consistent with the definition of Mineral Resources and their confidence categories in CIM (2014).

Table 4: PINTO VALLEY MINE MINERAL RESOURCE AT 0.14% CU CUTOFF, AT DECEMBER 31, 2021 (METRIC UNITS)

Classification	Tonnes (millions)	%Cu	%Mo	Contained Cu (kt)	Contained Mo (Mt)
Measured (M)	604	0.33	0.006	1,962	36
Indicated (I)	783	0.26	0.005	2,037	39
Total M & I	**1,387**	**0.29**	**0.005**	**3,999**	**75**
Inferred	171	0.26	0.006	439	10

NOTE: Garth Kirkham is the Qualified Person responsible for the Pinto Valley Mine Mineral Resource estimate. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Mineral Resources are presented inclusive of Mineral Reserves. The Mineral Resource is reported as at December 31, 2021 above a 0.14% Cu cut-off grade. The economic assumptions for the reasonable prospects pit include: $3.50/lb Cu, $10.00/lb Mo, 84.6% Cu recovery, 8.9% Mo recovery, $1.74/tonne mining costs, $1.13/tonne G&A costs, $0.88/tonne operational support costs, $4.67/tonne milling costs, and pit slopes by rock type. Totals may not tally due to rounding. Contained metals are reported at 100%.

The Mineral Reserve was estimated by Clay Craig using industry standard practices. Contained measured and indicated (Proven and Probable) material inside of the designed pit based on the best economic limit, subject to the storage capacity of TSF4, was tabulated. The schedule utilizes a variable cut-off grade between 0.17 to 0.21% Cu. The final pit design and the Mineral Reserve do not include the low-grade leach dump material in the economic analysis. Economic assumptions used in the Mineral Reserve design are $3.00/lb Cu and $10.00/lb Mo, 86.0% Cu Recovery, 8.5% Mo recovery, $1.68/tonne mining costs, $1.13/tonne G&A costs, $0.88/tonne operational support costs, $4.67/tonne milling costs and pit slopes by rock type. To simplify the Mineral Reserve reporting process, the cut-off grade was changed from the variable 0.17-0.21% Cu to 0.19% Cu. This cut-off closely

approximates the reported Mineral Reserves and will be used going forward. The effective date of the Mineral Reserve is January 1, 2022.

The Pinto Valley Mineral Reserve presented in Table 5 was developed in line with industry guidelines by tabulating the contained Measured and Indicated (Proven and Probable) material inside of the designed pit at the mill cut-off grades. The schedule utilizes a variable cut-off grade to the mill that fluctuates between 0.17 to 0.21% Cu. The final pit design and the Mineral Reserve do not include low grade leach dump material in the economic analysis or Mineral Reserve.

Table 5: PINTO VALLEY MINE MINERAL RESERVE AT 0.19% CUT-OFF, REMAINING AT DECEMBER 31, 2021 (METRIC UNITS)

Classification	Tonnes (millions)	%Cu	%Mo	Contained Cu (kt)	Contained Mo (kt)
Proven	228	0.34	0.007	774	16
Probable	140	0.28	0.006	396	8
Total P + P	**368**	**0.32**	**0.007**	**1,170**	**24**

NOTE: Clay Craig is the Qualified Person responsible for the Pinto Valley Mine Mineral Reserve estimate. Economic assumptions used in the Mineral Reserve design are $3.00/lb Cu and $10.00/lb Mo, 86.0% Cu Recovery, 8.5% Mo recovery, $1.68/tonne mining costs, $1.13/tonne G&A costs, $0.88/tonne operational support costs, $4.67/tonne milling costs and pit slopes by rock type. Summation errors due to rounding. Contained metals are reported at 100%.

Scientific and technical information about the Mineral Reserve is based on forward-looking information, including metal price assumptions, resource modelling assumptions, modifying factors applied and other risks described herein. Changes in these could impact the Mineral Reserve in a positive or negative way.

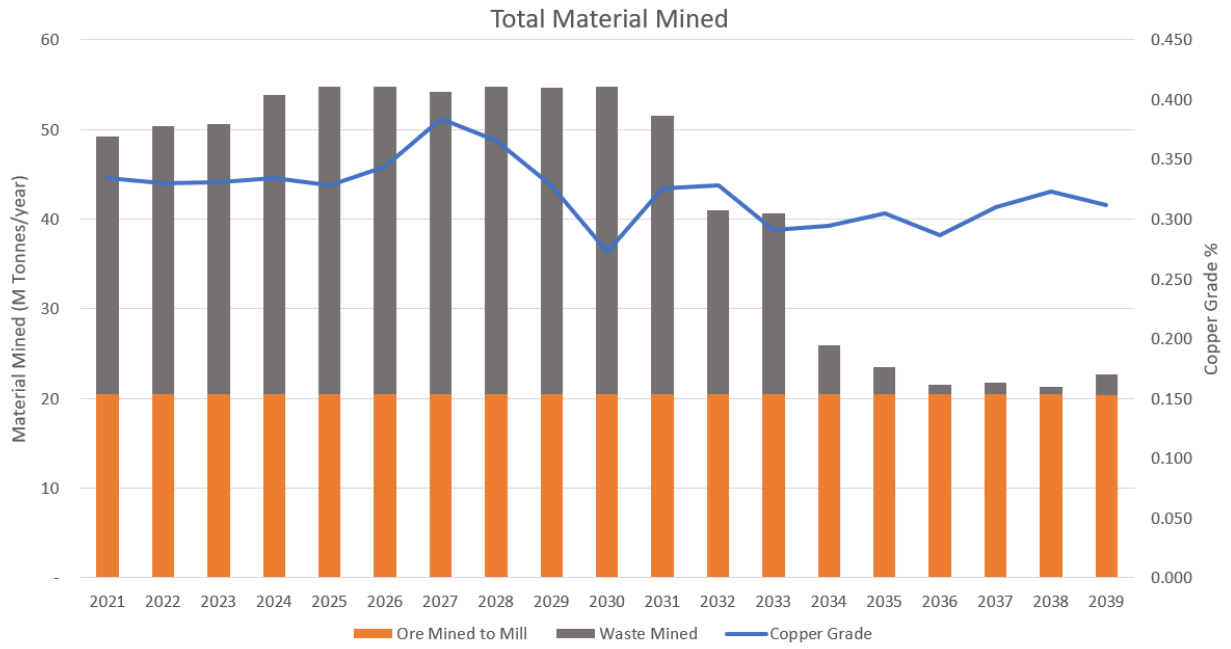
As reserve models are an estimate based on certain assumptions and interpretations, they have certain inherent risks. Risks to the Pinto Valley Mine Mineral Reserve as outlined in the Pinto Valley Technical Report include, but may not be limited to:

- Changes to the resource model, potentially resulting from revised interpretation and/or the results of additional drilling and sampling.
- Changes to financial assumptions, including metal pricing.
- Significant changes to land tenure or the permitting requirements, including anticipated timelines for renewals of permits currently in place.
- Technical challenges such as water supply shortages or geotechnical stability of the open pit or tailings storage facilities

Mining Operations

Pinto Valley is an open-pit hard-rock mine, producing copper bearing sulfide ore to a conventional grinding and flotation concentrator. Conventional open-pit mining utilizes the cycle of drilling, blasting, loading, and hauling of material to the respective destinations. Ore is hauled to the primary crusher for processing and waste rock material is hauled to waste storage facilities. The mine plan continues mine life to 2039. Total mining rates will average 52.6 M tonnes per year from 2021 through 2031, then decrease from 2032 to 2039, as shown in Figure 4. The Pinto Valley Technical Report incorporates a mill throughput of 56,000 tonnes per day (tpd) from 2021 through 2039. No significant changes are made to mining equipment fleets relative to current capacity. The areas mined in the study are the south east, east and north walls of the Pinto Valley pit, along with deepening the pit with every pushback. Waste rock is to be placed on the Main Dump and a new dump named the West Dump, situated in a valley immediately west of the Main Dump.

Figure 4: Life of Mine Plan – Mill Rate of 56,000 tpd (2021+)



Processing and Recovery Operations

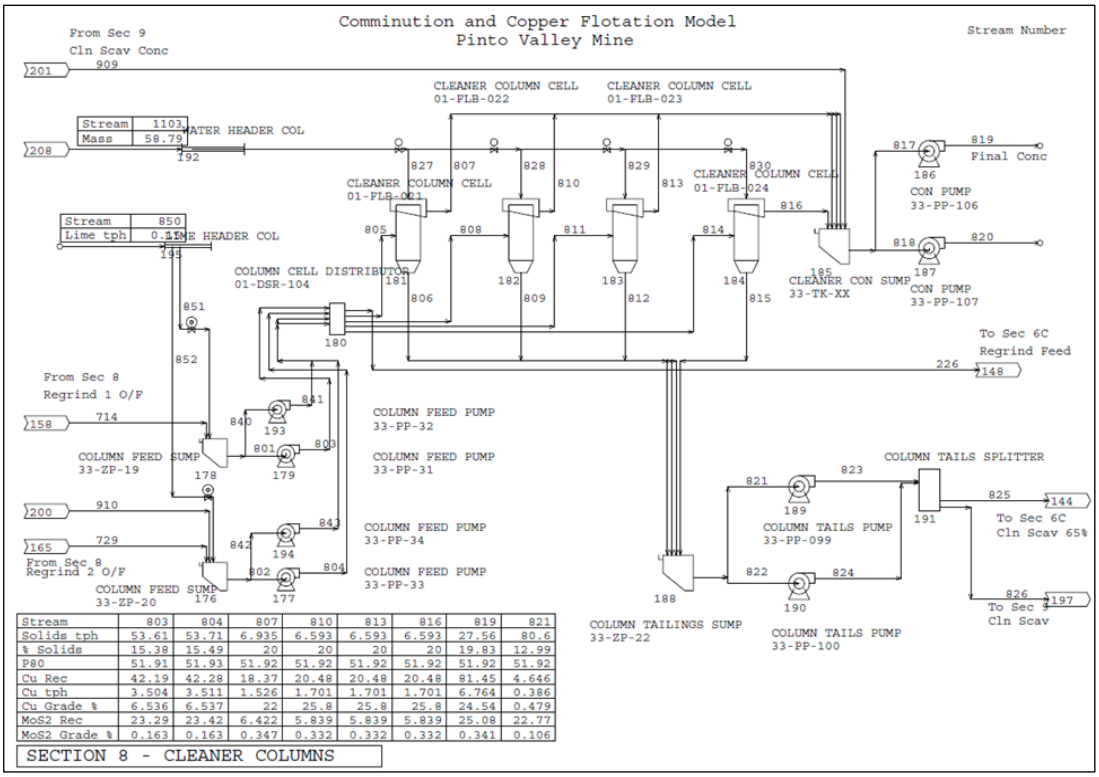
As noted previously the Pinto Valley concentrator facilities consist of conventional stage crushing, ball milling and flotation unit operations. The primary crusher discharge is directed to a fine crushing plant (FCP) composed of two Raptor 900 secondary cone crushing units and one Nordberg 7ft cone crusher operating with 8ft x 20ft double deck Ludowici vibrating scalper screens, followed by six tertiary Nordberg 7ft shorthead cone crushers operating with 8ft by 20ft double deck Ludowici screens in closed circuit. The FCP product reports to fine ore bins with 42,000t live capacity. The crushed ore is drawn by feeders onto six ball mill feed belts, each feeding a 18ft diameter by 21ft long ball mill equipped with a 4,000 HP motor and operating in closed circuit with hydrocyclones. The hydrocyclone overflow, averaging between 250 and 350 micrometers (P80) reports to rougher flotation, which consists of three sections:

- Section 1: 2 rows of eleven 1,000 ft3 Wemco cells (Ball Mills 1 and 2)
- Section 2: 2 rows of eleven 1,000 ft3 Wemco cells (Ball Mills 3 and 4)
- Section 3: 3 rows of seven 1,000 ft3 Wemco cells (Ball Mills 5 and 6)

The following is typical for each of two flotation Sections, which operate independently in conjunction with the corresponding regrind sections. The rougher concentrate from the two rows is combined with regrind ball mill overflow and pumped to a bank of four 20-inch regrind cyclones. The cyclone overflow is screened to remove any tramp oversize which might adversely affect the column cell operation. The cyclone overflow feeds the cleaner cells. The underflow from all cyclones feeds an 11-foot by 15-foot regrind ball mill, driven by a 500 HP synchronous motor. Recleaners and cleaners & cleaner scavengers are combined in one row of 300 cubic foot flotation machines in a 4-6-4 arrangement. New feed is fed to the six cleaner cells and the resulting concentrate is pumped to the four re-cleaning cells. The re-cleaner concentrate flows by gravity to a 90-foot diameter Cu-Mo thickener. The concentrate from the four cleaner scavengers is recycled back to the regrind system. The tails are combined with the rougher tails.

The Cu-Mo thickener underflow is pumped to the molybdenum separation circuit, where one mechanically agitated roughing stage and four column flotation cells are used in serial configuration, with sodium hydrosulfide as the copper depressant, to produce a molybdenum concentrate grading approximately 48% Mo. The molybdenum rougher tails reports to the copper concentrate thickener and thereafter to the filter and load-out area.

A significant amount of process modeling has been conducted for the Pinto Valley Mine process plant. The majority has been focused on the crushing and grinding circuit using Bruno™ or JKSimMet™. GRE has also developed a model for the complete process plant using MetSim™. The model was developed to allow the analysis of various production scenarios and to provide an estimation of various stream flows that cannot or are not physically be measured in the plant.



Stream	803	804	807	810	813	816	819	821
Solids tph	53.61	53.71	6.935	6.593	6.593	6.593	27.56	80.6
% Solids	15.38	15.49	20	20	20	20	19.83	12.99
P80	51.91	51.93	51.92	51.92	51.92	51.92	51.92	51.92
Cu Rec	42.19	42.28	18.37	20.48	20.48	20.48	81.45	4.646
Cu tph	3.504	3.511	1.526	1.701	1.701	1.701	6.764	0.386
Cu Grade %	6.536	6.537	22	25.8	25.8	25.8	24.54	0.479
MoS2 Rec	23.29	23.42	6.422	5.839	5.839	5.839	25.08	22.77
MoS2 Grade %	0.163	0.163	0.347	0.332	0.332	0.332	0.341	0.106

5

As discussed previously, the majority of the Pinto Valley Mineral Resource is in the Ruin Granite. This is typical of the ore that has been more recently processed in the Pinto Valley circuit. The range of work index measurements for the various test samples was very narrow with Ruin Granite ranging from 13.5 to 15.5 kWh/t. The flotation test work has also been consistent for the Ruin Granite. The Diabase ores have a higher work index and poorer metallurgical performance but the expected impact on mill performance is minimal with the Diabase in small proportion to and blended with the Ruin Granite.

The metallurgical recoveries at Pinto Valley have been reasonably consistent since the restart in 2014. Copper recovery has averaged 85% with salable concentrate grades ranging from 24.5% Cu to 29.6% Cu with by-product credits for gold, and silver. The mine plan assumption for future concentrate production is 25% Cu. The molybdenum circuit has operated intermittently since the restart and currently a new reagent scheme is being evaluated. Molybdenum recovery has averaged approximately 8% over the last 7 years.

Based on the projected copper feed grades over the life of mine, copper recovery should be consistent with operational levels ranging from 85% to 88% averaging 86% based on an average anticipated feed grade of 0.32% Cu. Similarly, for the molybdenum circuit, recovery is anticipated to range from 9% to 11% averaging 10% based on an average projected feed grade of 0.006% Mo.

These recovery figures do not include any adjustment for potential process improvements.

Infrastructure, Permitting and Compliance Activities

Infrastructure

Existing Pinto Valley Mine infrastructure includes:

- Mine Equipment Maintenance Facilities (North Barn, Main Shop, wash bays, tire change area)
- Offices complexes (admin, mine, mill)
- Heavy and light vehicle fuel storage and distribution
- Explosives Plant
- Pit dewatering pumps and pipelines
- Concentrate dewatering, storage and loadout
- Warehousing and Change Rooms
- Stormwater ponds and pumping systems
- Internal roads and access road FR 287
- Water wells and water pumping systems
- First aid facility
- Assay lab
- Power lines and transformers
- Tailings storage and distribution facilities
- Waste dumps

All infrastructure is currently adequate to support the life of mine through 2039, with the exception of tailings storage and distribution facilities which will continue to be expanded as needed within their established design.

The upstream construction method used to raise Pinto Valley Mine's TSFs, TSF3 and TSF4, requires consistent tailings management procedures to ensure the development of competent tailings beaches and to control embankment pore water pressures. If these procedures are not followed, it can jeopardize the feasibility of continued upstream embankment raises, and limit future tailings storage capacity.

Permitting

The Pinto Valley Mine requires permits granted from various state and federal agencies and the operations for the railroad require permits mainly from the State of Arizona. Pinto Valley Mine possesses the requisite permits for continued operation through 2039 at the current mill throughput rate.

Social and Community

Capstone is committed to its employees and to the communities in which it works to operate under high standards of corporate environmental and social responsibility. Pinto Valley operates in accordance with recognized industry standards while complying with local and applicable regulations and laws.

Pinto Valley has established relationships with its communities of interest and stakeholders and assigns dedicated personnel to this aspect of its business. Communication channels are in place, and forums for direct interaction with stakeholders are held as required. Arizona's political climate is stable and the state has a long history of copper resource development.

All levels of management and staff participate in community involvement initiatives, community affairs personnel manage and track communication with stakeholders, ensuring timely responses to community needs. Engagement with community stakeholders is proscribed according to Pinto Valley's *Community Engagement Procedure*. The procedure outlines stakeholder identification, documentation processes for stakeholder engagement, communication strategies for information requests and distributing information, donations, sponsorships and employee support, employee involvement, memberships, documentation policies for grievances/complaints, and key roles within the organization with respect to community engagement. Additional to the procedure are a stakeholder register and a stakeholder analysis log containing a record of communications with stakeholders.

Pinto Valley has policies and procedures in place to address security and emergency management. Capstone follows the Capstone Code of Conduct for compliance with local regulations and to ensure business ethics in its relationships with its employees, suppliers, vendors, contractor firms, regulators, and local communities. Specific policies include:

- A Whistleblower Policy (Fraud reporting and Investigation);
- The Code of Conduct that outlines the official complaint procedure; and
- An Anti-bribery Policy complements the Code of Conduct with additional guidance on compliance with applicable anti-bribery and corruption laws and regulations.

Capital and Operating Costs

Life of mine capital costs have been estimated for the continued operation of Pinto Valley through 2039, as shown in Table 6.

Table 6: Capex Cost Summary

Cost Type	Units	Life of Mine Total
Site Sustaining	$M	100.2
Mine Sustaining	$M	379.6
Expansionary	$M	76.0
Total	**$M**	**555.8**

The $555.8 million capital costs equate to $0.25/lb of payable copper over the life of the mine.

The plant and site sustaining capital costs[4] have been estimated to total $100.2 million. These costs cover capital to maintain the mill, tailings, site infrastructure, light vehicles and water systems as well as permitting and engineering costs related to executing the longer mine plan.

Sustaining capital[5] costs for the mine have been estimated to total $379.6 million, largely comprising additions and replacement of mining fleet, planned component replacement costs and associated support services.

Expansionary capital[6] costs for Pinto Valley have been estimated to total $76.0 million, including upgrades to the mill to ensure it can consistently achieve the planned throughput throughout the life of mine, and relocation of the PLS pond to allow for the construction of the West Dump in Gold Gulch.

The life of mine operating cost for the Pinto Valley Mine is projected to average $9.94/tonne milled. These costs do not include treatment charge / refining charge and concentrate transportation costs. Operating costs are detailed in Table 7.

Table 7: Unit Operating Cost Summary

Item	Units	Life of Mine Average Cost
Mining Cost	$/t moved	1.68
Mining Cost	$/t milled	3.26
Milling Cost	$/t milled	4.67
Operations Support	$/t milled	0.88
G&A Cost	$/t milled	1.13
Total	**$/t milled**	**9.94**

[4] This is a non-GAAP financial performance measure. See “Alternative Performance Measures”.

[5] This is a non-GAAP financial performance measure. See “Alternative Performance Measures”.

[6] This is a non-GAAP financial performance measure. See “Alternative Performance Measures”.

Mine operating costs were estimated based on the mine plan and equipment list. The following assumptions were made in calculating the mine operating costs:

- Costs are in 2021 $.
- Diesel fuel at $2.26 per gallon.
- Explosives at $0.22/t blasted.
- Labor and equipment costs are based on recent historical values and are adjusted for projected trends in major consumable pricing.

These costs do not include:

- Planned component replacement program costs, which are capitalized.
- Post mining reclamation costs.
- Process costs from the primary crusher.
- Assay laboratory and assay costs for blast holes.
- Exploration programs

The mill operating cost estimates include all costs related to the process facilities, including the primary/secondary/tertiary crushing, mill, and concentrate. The budgets are based on current operating conditions, with details for power consumption and costs, consumables (including wear materials and reagents) and direct and indirect labor costs.

The operations support costs include tailings distribution and pumping costs, outlying areas, assay lab, and light vehicle maintenance. Hydrometallurgy costs are also included in this category but may not continue for the full planned life of mine.

General and administrative costs are based upon recent historical expenditures.

Exploration, Development and Production

For information on Capstone's exploration and development activities, refer to the summary above, including under the headings "History", "Exploration", "Infrastructure, Permitting and Compliance Activities", "Capital and Operating Costs",

With respect to Capstone's current and contemplated production at Pinto Valley, the current production plan is 56,000 tpd. The mine production schedule was developed to release and deliver this quantity of ore to the mill while maximizing the mine's net present value. Please also refer to the summary above under the heading "Mining Operations".

The total material production rates in the mine were selected after the development of several alternative schedules that compared alternatives of mining equipment loading capacity.

The mine extraction and mill feed schedule is illustrated in Table 8. Mining to supply mill feed continues through 2039. Material below mill cut-off in any given period is sent as waste. Limited 'surge' stockpiling occurs to ensure the mill is continually fed. Long term stockpiling of the mill material has negative economic impacts due to weathering that reduces recovery. The mine extraction and mill feed schedule are based on the Proven and Probable Mineral Reserve only.

Please also refer to the summary above including under the headings "Mining Operations" and "Mineral Processing and Metallurgical Testing"

Table 8: Mine Extraction Plan (Mill Rate 56,000 TPD) + Mill Feed Schedule 2021 to 2039

Year	Cut-off Grade % Cu	Ore Mined to Mill			Waste M Tonnes	Total Mined M Tonnes	Contained Metal in Concentrate	
		M Tonnes	% Cu	% Mo			Mlb Copper	Mlb Moly
2021[1]	0.17	20.4	0.33	0.006	28.8	49.2	129.8	0.25
2022	0.17	20.4	0.33	0.007	30.0	50.4	128.2	0.31
2023	0.18	20.4	0.33	0.006	30.1	50.6	128.6	0.27
2024	0.17	20.5	0.33	0.007	33.3	53.8	130.2	0.32
2025	0.20	20.4	0.33	0.007	34.4	54.8	127.4	0.30
2026	0.17	20.4	0.34	0.007	34.4	54.8	133.8	0.32
2027	0.17	20.4	0.38	0.009	33.8	54.2	150.7	0.42
2028	0.17	20.5	0.37	0.010	34.3	54.8	143.4	0.45
2029	0.19	20.4	0.33	0.008	34.3	54.7	127.3	0.33
2030	0.21	20.4	0.27	0.006	34.4	54.8	104.7	0.26
2031	0.21	20.4	0.33	0.007	31.1	51.6	126.4	0.30
2032	0.20	20.5	0.33	0.006	20.5	41.0	127.8	0.24
2033	0.21	20.4	0.29	0.006	20.2	40.6	112.1	0.24
2034	0.21	20.4	0.29	0.007	5.4	25.9	113.6	0.29
2035	0.21	20.4	0.31	0.007	3.0	23.5	117.9	0.29
2036	0.19	20.5	0.29	0.005	1.1	21.6	110.6	0.20
2037	0.21	20.4	0.31	0.004	1.4	21.8	119.8	0.18
2038	0.21	20.4	0.32	0.004	0.9	21.3	125.2	0.15
2039	0.21	20.4	0.31	0.004	2.4	22.7	120.4	0.15
Total	**0.19**	**388.5**	**0.32**	**0.006**	**413.5**	**802.1**	**2,378.0**	**5.3**

[1.] Twelve months of planned 2021 mine extraction is shown.

Cozamin Mine (Mexico)

The Cozamin Mine is the subject of a report titled "Technical Report on the Cozamin Mine, Zacatecas, Mexico" dated March 11, 2021 with an effective date of October 31, 2020 (the "**Cozamin Report**"). This technical report was prepared by Gregg Bush, Leslie Correia, Jenna Hardy, Tucker Jensen, Darren Kennard, Garth Kirkham, Chris Martin, Vivienne McLennan, Josh Moncrieff, and Humberto Preciado, each a Qualified Person as defined by NI 43-101. Reference should be made to the full text of this report, which is available in its entirety on SEDAR at www.sedar.com under Capstone's profile.

All scientific and technical information in this summary relating to any updates to the Cozamin Mine since the date of the Cozamin Report, other than the Mineral Resource and Mineral Reserve estimates, has been reviewed and approved by Qualified Persons who supervised the preparation of updates to elements of the Cozamin Report. These Qualified Persons include those listed in "Interests of Experts" in this Annual Information Form.

Project Description and Location

The Cozamin Mine is an operating polymetallic mine with a 3,980 tonne per day milling capacity, located in the Morelos Municipality of the Zacatecas Mining District, near the south-eastern boundary of the Sierra Madre Occidental Physiographic Province in North-central Mexico. The mine and processing facilities are located near coordinates 22° 48' N latitude and 102° 35' W longitude on 1:250,000 Zacatecas topographic map sheet (F13-6). Currently, 91 Cozamin Mine-owned concessions cover 4,210 hectares. Capstone acquired these concessions in January 2004, which are 100% owned by Capstone, subject to a 3% NSR payable to Grupo Bacis S.A. de C.V., a privately held Mexican resource company. Mineral claims acquired in September 2009 from Minera Largo S. de R.L. de C.V., a wholly owned subsidiary of Golden Minerals Company ("**Golden Minerals**"), are subject to future cash payments of a NSR of 1.5% on the first one million tonnes of production and cash payments equivalent to a 3.0% NSR on production in excess of one million tonnes from the acquired claims. The NSR on production in excess of one million tonnes also escalates by 0.5% for each $0.50 increment in copper price above $3.00 per pound of copper. In 2014, we acquired 45 additional concessions from Golden Minerals totalling 775 ha that surround the Cozamin Mine's existing concessions. A total of 17 of the claims are subject to a finder's fee to be

paid as a 1.0% NSR or Gross Proceeds Royalty to International Mineral Development and Exploration Inc. pursuant to existing agreements on the concessions dating back to October 1994 and August 2000.

In 2017, Capstone entered into an agreement with Endeavour Silver Corp. ("**Endeavour**") allowing for the two companies to exchange access to certain of each other's mining concessions that abut at the southern boundary of Capstone's Cozamin Mine property. The agreement provides Capstone with exploration and exploitation rights on the Endeavour concessions below 2,000 metres above sea level (MASL), a depth where copper-rich mineralization has been historically found and mined by Capstone and provides Endeavour with exploration and exploitation rights on the Capstone concessions above 2,000 MASL, where more precious-metal dominant mineralization has historically been mined, in the Zacatecas district. The agreement provides for both parties to share information on the concession covered by the agreement and to jointly have access to explore for and exploit mineralization appropriate to each company's core business; being base metals for Capstone and precious metals for Endeavour. In certain instances, it also provides for a 1% or 2 % NSR royalty for the non-operating entity. Additionally, and under certain well-defined circumstances, it provides flexibility around the 2,000 MASL division.

The Cozamin Mine property requires payment of mining duties to the Secretaria de Economía on the mining concessions semi-annually in January and July, plus annual land payments for surface use. Mining duties totaled $92,869 in 2021, $91,942 in 2020 and $91,889 in 2019.

The Cozamin Mine lies within a regionally mineralized area that has seen extensive historic mining over more than 475 years. Host rocks surrounding the mineralized vein systems are anomalous in base and precious metals, providing a detectable halo of elevated metal values that extends a considerable distance beyond the known workings. Numerous old mine workings, excavations and dumps, and historic tailings are present, both on, and adjacent to, the Cozamin Mine site; some lie on mining lands held by Capstone and others are held by third parties.

Cozamin Mine has an inspection, maintenance and surveillance program in place to ensure that its TSF continues to perform safely and as intended. Humberto Preciado is the Engineer of Record ("**EOR**") for Cozamin's TSF. The EOR is responsible for the design of the TSF and provides guidance on construction and operational practices. Cozamin Mine personnel monitor performance of the TSF daily and prepare weekly and monthly internal reports for site management and engineering groups. The EOR reviews the site reports monthly. At least three times per year, a representative from the EOR's firm, performs an inspection of the TSF, including one or two inspections per year by the EOR. Annually, the EOR summarizes TSF performance and operational practices, and provides recommendations for current and future work. Approximately every 2 years, an independent third party reviews the work completed by the EOR and the performance of the TSF. The most recent independent third-party review was completed in September 2020 by Klohn Crippen Berger.

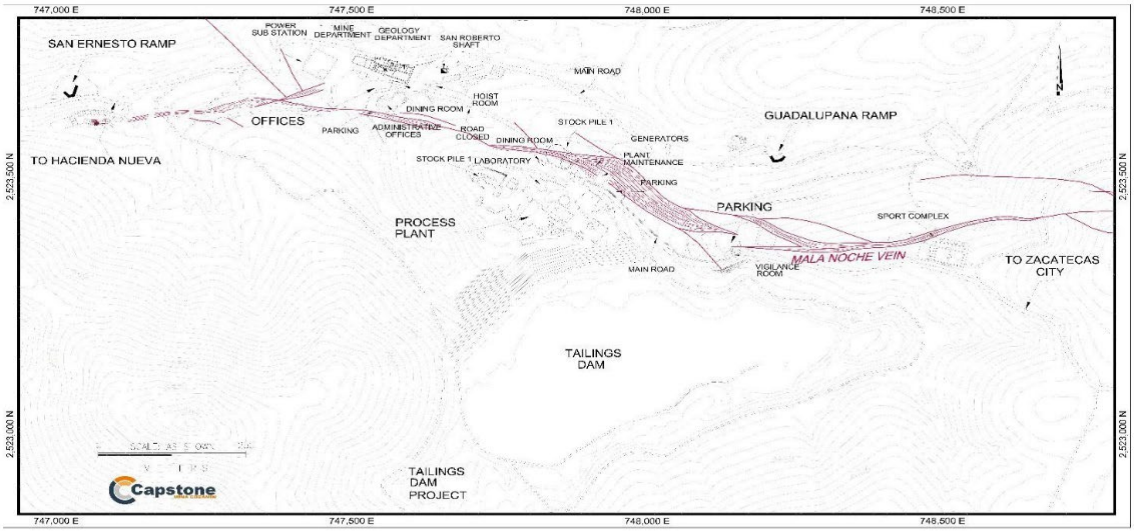
Prior to Capstone's involvement in the Cozamin Mine, several environmental studies had been carried out by previous owners. As the San Roberto mine (the "**San Roberto Mine**"), the Cozamin Mine was previously fully permitted to operate at 750 tpd. Capstone formally received its operating permit on October 20, 2006. This is known in Mexico as a Licencia Ambiental Única ("**LAU**"). A LAU for a throughput expansion to 2,600 tpd was received on March 25, 2008. On January 19, 2009, application was made to modify the LAU to expand throughput to 3,000 tpd, which was granted in May of that year. In January of 2011, further application was made to increase the permitted throughput from 3,000 tpd to 4,000 tpd, which was granted in November of 2011. The permit to operate at throughput up to 4,500 tpd capacity was granted in June 2015.

The Cozamin Mine's Mineral Resources and Mineral Reserves are situated within a mineralized vein/fault structure known as the Mala Noche Vein ("**MNV**") that strikes east-west and dips to the north. This structure hosts the copper-rich San Roberto zone and adjacent to the east, the zinc-rich San Rafael zone. In 2010, we discovered the MNFWZ, a vein splay off the MNV on the footwall side oriented northwest-southeast. Capstone is currently exploring for extensions to mineralization found at MNV, San Rafael, and MNFWZ. Figure 6 illustrates the location of project infrastructure and the surface projection of the MNV.

Environmental studies have shown that flotation tailings and some types of waste rock have the potential to generate acidic drainage. In addition, construction activities as a part of the expansions have already reduced identified sources of acidic drainage associated with the historic tailings impoundment as well as downstream contamination due to tailings spills by previous operators. An environmental management and monitoring program is currently underway and will be ongoing for the life of the mine. Data collected are being used to define an operational environmental management and monitoring program, which will include appropriate environmental

management and mitigation plans based on the principle of continuous improvement. These will be reviewed and revised as necessary, on at least an annual basis, with results reported as required to Mexican regulators.

Figure 6:
COZAMIN MINE INFRASTRUCTURE AND LOCATION OF MINERAL RESOURCES AND RESERVES



Other issues of environmental concern relate to potential impacts comparable to those in underground mines of similar size with flotation tailings impoundments. These include: dust, tailings handling/management, storm water diversion, combustibles and reagent management/handling, waste management and disposal and noise. Work to date indicates that environmental impacts are manageable. Cozamin Mine was awarded the Clean Industry Certification from Mexico's Federal Attorney for Environmental Protection (Procuraduría Federal de Protección al Ambiente or PROFEPA). Cozamin Mine received this recognition annually from 2015 though 2020 for undertaking voluntary environmental audits that certify full compliance with Mexican federal environmental laws.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Cozamin Mine is located 3.6 km to the north-northwest of the city of Zacatecas, the Zacatecas state capital. The municipality of Zacatecas has a population of approximately 138,000 people. Other communities in the immediate vicinity of the project include Hacienda Nueva (3 km west), Morelos (5 km northwest) and Veta Grande (5 km north). The Cozamin Mine operates year-round and is accessible via paved roads to the project area boundary where good, all-weather roads provide access to the mine and most of the surrounding area. The mine area falls within the Hacienda Nueva and La Pimienta Ejidos.

The Cozamin Mine has excellent surrounding infrastructure including schools, hospitals, railroads, highways, and electrical power. The mine has access to a power line and substation that allows Capstone to draw up to 7.5 MW from the national power grid. Cozamin Mine requested an increase to 9.5 MW and is awaiting final approval from El Centro Nacional de Control de Energía. Generators (both operating and back-up) on site have a capacity of 1.0 MW. There is capacity to store tailings from the processing of Mineral Reserves, assuming continued proper tailings management and construction of the permitted upstream raise. Alternative tailings management solutions utilizing filtered tailings are being developed at a feasibility level to provide additional storage capacity required to process all identified Mineral Reserves. Commissioning of a tailings filtration and paste plant is anticipated by 2023. Employees and contractors are sourced from Zacatecas and other nearby communities with minimal foreign staff at the mine. Sufficient surface rights have been obtained to conduct all mining operations.

The climate in the region is semi-arid with maximum temperatures of approximately 30°C during the summer and minimum temperatures in the winter producing freezing conditions and occasional snow. The rainy season extends from June until September, with average annual precipitation totalling approximately 500 mm. As the certainty of runoff into the tailings pond cannot be predicted, additional water resources have been secured, with further water rights undergoing evaluation. At Cozamin Mine, water obtained from the City of Zacatecas municipal supply is for potable water use only. Most of Cozamin Mine's process water is reclaimed from tailings, with additional make-up

water supplied as needed from groundwater (mine dewatering), precipitation stored on site and treated waste water from a local municipal water treatment plant. The site also has several water wells that are currently inactive but could be refurbished if required.

The Cozamin Mine is located in the Western Sierra Madre Physiographic Province near the boundary with the Mesa Central Province (Central Plateau Province). The Zacatecas area is characterized by rounded northwest trending mountains with the Sierra Veta Grande to the north and the Sierra de Zacatecas to the south. Elevations on the property vary from 2,400 m to 2,600 MASL. The Zacatecas area is located between forested and sub-tropical regions to the southwest and desert conditions to the northeast. Vegetation consists of natural grasses, mesquite or huizache and crasicaule bushes. Standing bodies of water are dammed as most streams are intermittent.

History

In pre-Hispanic times, the area was inhabited by Huichol people who mined native silver from the oxidized zone of argentiferous vein deposits in the Zacatecas Mining District. During the Spanish Colonial era production commenced in 1548 at 3 mines: the Albarrada mine on the Veta Grande system, and the San Bernabe mine and Los Tajos del Panuco mine on the Mala Noche Vein system. The initial operations worked only the oxide minerals for silver and some gold, and later the sulphide-mineral zones were worked for base and precious metals.

From 1972, Consejo de Recursos Minerales worked mines in El Bote, La Purisima and La Valencia zones. A number of old workings are located throughout the mine area, but accurate records of early production are not available. Consejo de Recursos Minerales estimated Zacatecas district historic production until 1992 at 750 million ounces of silver from 20 million tonnes grading over 900 g/t Ag and approximately 2.5 g/t Au. Lead, zinc and copper have also been recovered but the production and grades were not estimated.

Minera Cozamin was established in 1982 by Jack Zaniewicki who consolidated concession holdings over much of the Mala Noche Vein and operated the San Roberto Mine and plant at 250 tpd until October 1996. During this period, Industrias Peñoles S.A. de C.V. undertook exploration in the district but did not buy any significant concessions. In all, it is estimated that 1.2 million tonnes of ore were mined and processed at the Cozamin Mine prior to October 1996.

In October 1996, Zaniewicki sold Minera Cozamin to Minera Argenta, a subsidiary of Minera Bacis S.A. de C.V. ("**Bacis**"). Bacis expanded the mill to a 750 tpd flotation plant, and processed 250,000 tonnes of ore grading 1.2% Cu, 90 g/t Ag, 0.5 g/t Au, 1.8% Zn and 0.6% Pb from 1997 to the end of 1999, mainly from shallow, oxide zone workings. Bacis developed resources principally by drifting and raising on the Mala Noche Vein within the San Roberto zone. Diamond drilling was only used as an exploration tool to identify areas with mineralization peripheral to the developed mine workings. In 1999, Bacis closed the mine primarily due to low metal prices and under-capitalization of the asset. Capstone assumed ownership of the Cozamin Mine in 2004.

Geological Setting

The Zacatecas Mining District covers a belt of epithermal and mesothermal vein deposits that contain silver, gold and base metals (copper, lead and zinc). The district is in the Southern Sierra Madre Occidental Physiographic Province near the boundary with the Mesa Central Physiographic Province in north-central Mexico. The dominant structural features that localize mineralization are of Tertiary Era age and are interpreted to be related to the development of a volcanic centre and to northerly trending basin-and-range structures. It occurs in a structurally complex setting, associated with siliceous subvolcanic and volcanic rocks underlain by sedimentary and meta-sedimentary rocks. The geologic units in this area include Triassic-aged metamorphic rocks of the Zacatecas Formation and overlying basic volcanic rocks of the Upper Jurassic-aged or Lower Cretaceous-aged Chilitos Formation. The Tertiary rocks consists mainly of a red conglomerate unit deposited in the Paleocene Epoch and/or Eocene Epoch and overlying rhyolitic tuff and intercalated flows that were deposited from Eocene to Oligocene Epochs. Some Tertiary Era rhyolite bodies cut the Mesozoic Era and Tertiary Era units and have the appearance of flow domes.

The host rocks for the MNV are intercalated carbonaceous meta-sedimentary rocks and andesitic volcanic rocks ranging in age from Triassic to Cretaceous, and Tertiary-aged rhyolite intrusive rocks and flows. Mineralization in the MNV appears to have been episodic. A copper-silver dominant phase is interpreted as the first stage of

mineralization and is considered to be the most important phase of mineralization at Cozamin Mine. In general, this copper-silver phase was emplaced then enveloped, overprinted or brecciated by moderate to strong zinc-lead-silver mineralization. Local rheology contrasts between rock units may have some control on vein emplacement, as well as metal content.

Exploration

Cozamin Mine geologists have systematically mapped a total of 1,694 ha throughout the Cozamin Mine property at scales of 1:1000 or 1:2000 since 2004. Regular surface exploration along the strike of the MNV system has occurred through channel sampling and chip sampling. Channel samples were cut perpendicular to the strike of the vein and weighed approximately 2 kg. The results of the surface channel and chip sampling programs have been used to assist with exploration drillhole planning, but not used for Mineral Resource estimation. In 2015, 150 hectares were remapped at a scale of 1:2000 predominantly in the San Rafael area.

Capstone undertook several geophysical surveys using contractors between 2004 and 2010. A ground magnetic survey completed by Zonge Engineering and Research Organization ("**Zonge**") in 2004 collected total magnetic field data from 24 north-oriented lines spaced 25 m apart that permitted mapping of the linear east-west orientation of the Mala Noche system as well as other intrusive features. Also in 2004, Zonge undertook a resistivity study through measurement of magnetic response using Controlled Source Audio Magnetotellurics over 8 line-kilometres and Natural Source Audio Magnetotellurics over 16 line-kilometres indicated the presence of sulphide mineralization below known mineralized extents. These results were used to assist with exploration drillhole planning. During the summer of 2009, New Sense Geophysics Limited conducted an aeromagnetic survey over all of the Cozamin Mine concessions. The results revealed a broad magnetic high trending northwest. These data were later reprocessed in 2013 and used for tracking infrastructure such as power lines and pipelines and the general structural and vein trends of the Mala Noche system. In some cases, the data were used as a secondary tool to help guide exploration and drill planning in new target areas. Between October 2009 and January 2010 Zonge completed resistivity and ground-induced polarization studies centered over Mala Noche West, Hacienda Nueva South, Mala Noche North, and Mala Noche East. Identified anomalies were followed up by drilling, but the results were poor. The presence of sulphide-rich and graphitic sedimentary rocks coupled with close proximity to populated areas (buried pipes, fences, etc.), likely precluded effective chargeability, resistivity, or conductivity surveys, and as such we have not explored using geophysical methods since 2010. In 2015, Condor Consulting Inc ("**Condor**"). conducted a full review of all previous geophysical surveys and determined the most likely effective geophysical survey method for future exploration targeting is total field magnetics and derivative products.

Mineralization

All mineralization at the Cozamin Mine occurs in veins and stockworks of veinlets. On surface, the MNV was mapped for 5.5 km across the property. It strikes approximately east-west and dips on average at 60° to the north. Several shafts provided access to historical workings at Cozamin Mine. The largest mined area is the San Roberto zone with a strike length of 1.4 km and a vertical extent of 820 m. Adjacent to the San Roberto zone is the San Rafael zone, a zinc-rich part of the deposit with the same mineralization characteristics as the San Roberto zone. Mineralization peripheral to the historical workings was the principal target of Capstone's exploration at Cozamin Mine. The MNFWZ, a splay off the footwall (south) side of MNV discovered in 2010, is not exposed at surface. Based on underground drilling, MNFWZ strikes ~145° over more than 2.5 km and dips on average 54° to the northeast. Known base metal mineralization at MNFWZ has a maximum vertical extent of approximately 900 m. The MNFWZ comprises multiple veins in close spatial association with rhyolite dikes and locally cross-cut the intrusions themselves. The relative age of the copper mineralization ranges from contemporaneous with to perhaps slightly post the rhyolite magmatism.

The MNV system occupies a system of anastomosing faults. The mineralized bodies within the Mala Noche Fault System appear to be strongest where the individual faults coalesce into a single fault zone.

Currently mined mineralization at Cozamin Mine is best described as intermediate sulphidation. The copper-rich intermediate sulphidation mineralization is an early phase that is enveloped, overprinted or brecciated by zinc-rich intermediate sulphidation mineralization. The copper veins are inferred to be higher temperature, have significantly fewer vugs and can be massive pyrrhotite-pyrite-chalcopyrite with little gangue. Zinc-rich veins also tend to be sulphide rich, like the copper-rich ones, but with slightly more gangue. Well-banded quartz, or quartz-carbonate veins are inferred to be lower temperature and best classified as low sulphidation. They often have open space

filling textures with quartz druse vug linings, are typically less sulphide rich and are gold and silver rich with lesser base metals and are generally not being mined on the property, but were historically important.

This transition from intermediate sulphidation copper-dominant mineralization to intermediate sulphidation zinc-dominant mineralization is thought to be the result of an evolving, telescoped hydrothermal system. Blocks or fragments of massive chalcopyrite-pyrite-pyrrhotite mineralization enveloped by zinc-dominant mineralization are observed in drill core and in mine workings. This telescoping system is closely associated with the district's largest center of rhyolite flow domes which may be the shallow expression of a hidden, inferred buried felsic stock.

Pyrite is the dominant vein sulphide, is highly variable in concentration but typically comprises approximately 15% of the MNV in the San Roberto zone. Pyrrhotite commonly occurs as an envelope to, or intermixed with, strong chalcopyrite mineralization. Chalcopyrite is the only copper sulphide recognized visually at the Cozamin Mine. Like pyrrhotite, it is more common at intermediate and deeper levels of the mine. It occurs as disseminations, veinlets and replacement masses. Mineralization at the MNFWZ is chalcopyrite dominant in contrast to the polymetallic nature of the MNV. Sphalerite is the dominant economic sulphide in the upper levels in the San Roberto mine. Most of the sphalerite is marmatitic. It occurs as disseminations and coarse crystalline masses and is commonly marginal to the chalcopyrite-dominant portion of the vein. Argentiferous (silver-bearing) galena is less common than sphalerite but is generally associated with it as crystalline replacement masses. Arsenopyrite typically occurs as minor, microscopic inclusions in pyrite. Argentite is the most common silver mineral. It has been identified microscopically occurring as inclusions in chalcopyrite and pyrite. Gangue minerals in the intermediate sulphidation veins consist of quartz, silica, calcite, chlorite, epidote and minor disseminated sericite. The quartz occurs as coarse-grained druse crystalline masses, and a stockwork of quartz veinlets.

Drilling

As of December 31, 2021, 1,244 diamond drillholes including 1,059 holes of HQ and/or NQ diameter and 185 holes of BQ diameter have been completed from surface and from underground locations at the Cozamin Mine since April 2004. A total of 20 phases of drilling have targeted resource definition and expansion along the MNV (San Roberto and San Rafael zones), MNFWZ (since discovery in 2010), and other exploration targets on our property.

Capstone drilled 42,325 m in 41 angled HQ diamond drillholes and 2,031 m in 14 angled BQ drillholes at Cozamin in 2021. In 2020, Capstone drilled a total of 52,565 m in 80 angled HQ diamond drillholes and 3,010 m in 19 angled BQ diamond. Drilling for 2019 totaled 56,572 m in 87 angled HQ diamond drillholes and 6,755 m in 52 angled BQ diamond drillholes at the MNFWZ, plus 2,358 m in 3 angled HQ diamond drillholes at other brownfield targets on our property. Drillhole collars are located using a total station TRIMBLE instrument, model S6. Downhole survey readings were recorded using either an Eastman Single Shot, FLEXIT SensIT or Reflex EZShot instrument. Survey readings are generally taken every 50-150 m for surface holes and every 50-100 m for underground holes. Survey results were corrected for magnetic declination.

In the core logging facility, drillholes are assessed for drilling recovery, which has historically been very good. Drillholes are then logged for geology, alteration and mineralogy, followed by structural data measurements and rock quality (RQD) assessment. Next, the drillholes are marked for sampling by the geologist. This is followed by core photography before the core is sent for cutting.

Sampling and Analysis

Diamond drillholes intersecting the MNV are spaced approximately 60 m along strike and down dip in the San Roberto zone. In 2017, infill drilling closed the drillhole spacing to approximately 40 m in the San Rafael zone. Mineralization is less continuous in the MNFWZ than in the MNV, thus drillholes are more closely spaced averaging approximately 45 m along strike and down dip. The entire vein width is sampled. Typical sample intervals for drillcore are 0.5 m in the vein and 2 m in the wallrock (waste). Very high-grade intervals are marked out and sampled separately from lower grade zones. Sample boundaries are based on mineral proportions and/or texture (e.g. massive versus disseminated). Drillcore samples are split by core saw and placed in marked bags and shipped to accredited external laboratories for sample preparation and analysis for copper, lead, zinc, silver, and sometimes gold. Samples from BQ diameter are whole core. There were a total of 75,480 diamond drillhole samples contained in the database used for the October 2020 Mineral Resources update of the MNFWZ and MNV block model. Capstone employees are responsible for all on-site sampling of drill core.

Sample quality of drillhole samples is monitored through regular insertion of reference material standards, blanks, and duplicate samples. Certified reference material standards are purchased commercially and are also created from Cozamin Mine material. QAQC procedures include real-time monitoring of quality control data, thresholds for sample failures and sample batch reanalysis, and regular monthly reporting. QAQC results demonstrate that drillhole assay values are accurate and repeatable. In 2018, the cross contamination first observed in 2017 across all elements, particularly zinc, was intermittent. The impact of these blank failures on ore-waste classification is considered low. Investigation into the root cause and mitigation of any QAQC failures is on-going.

The Cozamin Mine collects bulk density measurements from mineralized and non-mineralized intercepts from each drillhole. All drillcore pieces greater than 10 cm in length within an assay sample length are selected from the core box and measured using a weight-in-air weight-in-water technique. A review of these data highlighted widely ranging values, which were reanalyzed as a part of a quality control check. The QAQC samples indicated the bulk density dataset was of sufficient quality for use in Mineral Resource estimation. As of December 31, 2021 there are 50,019 bulk density measurements in the database available to estimate density.

Database validation work comprises a check of 10% of all new records entered into the database as a part of the Mineral Resource update process. This includes verification of collar, downhole survey, lithology, assay, and bulk density data. This was completed in 2020 as part of the Mineral Resource update. Other data checks included validations of the spatial locations of mineralized drillhole intercepts and the locations of production chip-channel sample data with respect to underground mapped geology. Errors were noted and corrected. There were 27 drillholes excluded from the geological modelling and Mineral Resource estimation process because either the logged vein intercepts fell outside of modelled vein structures, the hole twinned another intersection, or they intercepted the vein at a very shallow angle.

Security of Samples

Only employees of Capstone entities are permitted in the core shack when unsampled drillcore is ready to be cut. Approximately 10 samples are placed in a large sack and secured by a tamper proof seal. A transmittal form is then completed, which identifies the batch number, the serial numbers of the seals and the corresponding sample number series, and delivered to the sample preparation laboratory by a Cozamin Mine representative.

Drill core containing intercepts of the MNV and MNFWZ structure is stored in a secured warehouse near the core shack. Waste hanging wall and footwall drill core is kept in secure storage facilities on the property and within the mine on Level 8. Access to the warehouse and storage facilities are controlled by the Mine Geology Department. No person other than the geologists responsible for logging is permitted to handle the core prior to sampling.

Mineral Processing and Metallurgical Testwork

Production by Capstone at Cozamin began in 2006 at a nominal production design rate of 1,000 tpd, increasing to 2,200 tpd in 2007. In 2021, Cozamin milled 3,724 tpd compared to 3,140 tpd in 2020 after improving mine haulage using a one-way ramp. Run-of-mine ore is stockpiled on surface and sent to the crushing plant. Crushed ore is stored in two ore bins that feed parallel conventional grinding circuits. The resulting product is sent to the copper-lead rougher flotation where a copper-lead concentrate is produced. Tailings report to zinc conditioning tanks prior to zinc flotation, where reagents are added to activate zinc mineralization. The tailings go through zinc rougher and cleaning circuits to product a zinc concentrate. Separate copper and lead concentrates are produced from the copper-lead concentrate via selective flotation. The concentrates are thickened and filtered to produce product suitable for transport. The concentrates are trucked to Manzanillo, Mexico. The current mine plan maintains the Cozamin Mine operations life into 2031.

Metallurgical studies on drill core from 2004 were completed at SGS Lakefield. SGS Lakefield recommended copper, lead and zinc flotation circuits after studying mineralogy, grindability and flotation characteristics. Copper flotation tests determined that a primary grind of 125 microns and a concentrate regrind of 45 microns yielded concentrates assaying 27% copper at 95% copper recovery, with 79% of the silver recovered in the copper concentrate and 85% of the lead. Zinc concentrate test work was completed up to the rougher flotation stage; recovery was estimated at 50%.

Two composites of underground chip channel samples were tested for response to flotation in 2005 at Process Research Associates Ltd. Process Research Associates Ltd. concluded that chalcopyrite, galena, sphalerite,

argentite, metallic silver and silver sulphosalts were easily separated from gangue pyrite and silica/silicates at a grind of 120 microns, as were most minerals. However, zinc minerals with very fine chalcopyrite inclusions, particularly sphalerite, behaved like chalcopyrite in flotation. The processing flow sheet was revised to bulk rougher flotation followed by selective cleaning in place of the more common sequential rougher flotation process for copper-lead-zinc ores. The study concluded the materials tested were well-amenable to beneficiation by flotation, with further work require to optimize the final flow sheet.

Currently, Cozamin conducts metallurgical testing programs for previously unmined zones and blending of material from different zones considered representative of future feedstock. Metallurgical testing is completed at commercial facilities, including Blue Coast from 2018 through 2020 and at Cozamin's metallurgical laboratory. Testing includes ore hardness, modal mineralogy and bench scale flotation. Testing is correlated with industrial scale performance to forecast mill throughput and metallurgical performance. Most recently, 2020 testwork at Blue Coast confirmed metal recoveries of 96% Cu, 84% Ag, 0% Pb and 0% Zn in copper-silver dominant zones, 0% Cu, 60% Ag, 92% Pb and 86% Zn in MNFWZ zinc-silver dominant zones, and 0% Cu, 53% Ag, 79% Pb and 75% Zn in MNV zinc-silver dominant zones.

Recovery algorithms based on the metallurgical testwork are used in mineral resource and mineral reserve estimations and life of mine planning. Mineral processing is adjusted using test results for improved performance of mill throughput, metal recovery to concentrate, and final concentrate grade. Process improvements to date include determination of concentrate regrind requirements, alternative flotation reagents and optimization of process pH.

Processing Factors or Deleterious Elements

No processing factors or deleterious elements that may have a significant effect on potential economic extraction have been identified.

Mineral Resource and Mineral Reserve Estimates

In October 2020, the MNFWZ block model was updated to incorporate drilling at MNFWZ and apply updated NSR formulae and the MNV block model was updated to reflect revised NSR formulae. Garth Kirkham is responsible for the Cozamin Mine Mineral Resource estimates.

The NSR formulae used to report Mineral Resources at MNV and MNFWZ is based on projected long-term metal prices of $3.25/lb copper, $20.00/oz silver, $1.20/lb zinc, and $1.00/lb lead with metal recoveries varying by the type of mineralization in each zone. Copper-silver dominant zones use the following recoveries: 96% Cu and 85% Ag. Copper-zinc zones use the following recoveries: 92% Cu, 79% Ag, 72% Zn and 42% Pb. MNFWZ zinc-silver dominant zones use the following recoveries: 60% Ag, 86% Zn and 92% Pb. MNV zinc-silver dominant zones use the following recoveries: 55% Ag, 77% Zn and 80% Pb. The NSR formulae include confidential current smelter contract terms, transportation costs and royalty agreements from 1 to 3%, as applicable. Mineral Resources are reported at a cut-off of NSR $50, based on historical mining and milling costs plus general and administrative costs.

All geological modelling was undertaken using the Leapfrog® Geo implicit modelling software. It comprised a lithological model to assist with exploration targeting and mining planning activities, as well as a mineralization model defining the mineralized MNV and MNFWZ structures. The veins were defined using logged and underground-mapped contacts in combination with high NSR values as a guide where mineralization boundaries were not exclusively defined in a vein structure.

All MNV samples were composited to a 2 m length and MNFWZ samples were composited to 1 m. This was followed by an exploratory data analysis that showed a moderate correlation between copper and silver in the San Roberto zone, San Rafael zone, and MNFWZ. In the San Rafael zone, zinc and lead also showed a moderate correlation. The coefficient of variation ("**COV**"), which measures the spread of a distribution relative to its mean, was reviewed for each element to help assess the need for top cutting and to confirm the selected OK estimation method was appropriate. A COV of less than 1.5 is desired for OK grade estimation, which was found for copper, silver, and zinc. Minor top cuts were needed for these elements. Lead had a COV higher than 2 resulting from a longer high-grade tail of samples. This aligns with underground observations where lead can be found in high-grade patches. As such, a combination of top cutting and search restrictions were used to limit the influence of the

high-grade lead samples. In MNFWZ, both lead and zinc had COV over 2, indicating higher variability. The impact of high-grade lead and zinc samples at MNFWZ was limited using top-cutting. The modelled mineralization triangulations were treated as hard boundaries at MNV and MNFWZ.

The three-dimensional spatial relationships of each element were assessed on the top-cut, composited data was undertaken using normal-score transformed semi-variograms. At MNV, search ellipses were set to vary dynamically during grade estimation to account for the local variations in strike and dip along the veins. The same variogram and search parameters were used for copper and silver in all domains to maintain the element correlations. At MNFWZ, the search ellipses were set as 100 m spheres. At both MNV and MNFWZ, estimates do not cross the modelled mineralization triangulations.

Grades were estimated into 12 m Easting × 2 m Northing × 10 m Elevation blocks in a sub-blocked model (in the MNFWZ model the blocks were rotated parallel to the strike of the mineralization). Bulk density samples were composited to 1.0 m lengths downhole and estimated using inverse distance weighting. Model validation included visual validation of grades against composited drillhole samples, creation of swath plots along easting, northing and elevation sections to assess grade smoothing, assessment of element correlations in the blocks, as well as a global change of support to assess grade smoothing at various cut-off grades. Validation checks showed the model to be valid with an appropriate amount of grade smoothing.

The June 2016 MNV and MNFWZ Mineral Resource models were externally reviewed by SRK Consulting. No material issues were identified with the geological modelling, estimation, validation, or classification process. The July 2017 MNV update followed the same methodology employed in the 2016 estimates.

At MNV, grades were re-estimated in April and October 2020 using revised NSR formulae that included updated metallurgical recoveries and long-term outlook metal prices. In July 2017, the San Roberto zone geological interpretation was modified slightly, a zinc zone was broken out and grades were re-estimated. Zinc-oxide mineralization was identified in this zone during metallurgical test work and is estimated to represent on average 18% of the total zinc mineralization in the San Roberto zinc zone. However, the highest concentrations of zinc-oxide mineralization are not spatially associated with the highest zinc grades. In the San Rafael zinc zone, zinc-oxide mineralization is not observed. The NSR formula is based on mineralization and metallurgical recoveries per zone. Copper-zinc zones use the following recoveries: 92% Cu, 79% Ag, 72% Zn and 42% Pb, and MNV zinc-silver dominant zones use the following recoveries: 55% Ag, 77% Zn and 80% Pb, long-term estimated metal prices of $3.25/lb copper, $20.00/oz silver, $1.20/lb zinc, and $1.00/lb lead. Confidential current smelter contract terms, transportation costs and royalty agreements from 1 to 3%, as applicable are incorporated into the NSR formula.

The updated Measured and Indicated Mineral Resources for the MNV and MNFWZ zones, after 2021 mining activities, total 27,541 kt with an average grade of 1.48% Cu above a $50 per tonne NSR cut-off (Table 9). The NSR formulae are stated in the table notes. Garth Kirkham, an independent Qualified Person as defined by NI 43-101, is responsible for the Mineral Resource estimates at Cozamin Mine. Mineral Resources are presented inclusive of Mineral Reserves. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Table 9: COZAMIN MINE ESTIMATED MINERAL RESOURCES AS AT DECEMBER 31, 2021

Classification	Tonnes (kt)	Copper (%)	Silver (g/t)	Zinc (%)	Pb (%)	Copper Metal (kt)	Silver Metal (koz)	Zinc Metal (kt)	Lead Metal (kt)
Total Mineral Resources (Copper + Zinc Zones)									
Measured	407	1.24	53	1.23	0.40	5	698	5	2
Indicated	27,134	1.49	43	1.13	0.34	404	37,445	307	92
Measured + Indicated	**27,541**	**1.48**	**43**	**1.13**	**0.34**	**409**	**38,143**	**312**	**93**
Inferred	13,845	0.54	39	2.23	0.74	74	17,363	309	103

NOTE: Mineral Resources are classified according to CIM (2014) definitions, estimated following CIM (2019) guidelines and have an effective date of December 31, 2021. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Independent Qualified Person for the estimates is Mr. Garth D. Kirkham, P.Geo., FGC., of Kirkham Geosystems Ltd. Mineral Resources are reported using four formulae for NSR based on mineralization. Copper-silver dominant zones use the NSR formula: (Cu*60.779 + Ag*0.485)*(1-NSRRoyalty%). Copper-zinc zones use the NSR formula: (Cu*58.430 + Ag*0.416 + Zn*15.368 + Pb*7.837)*(1-NSRRoyalty%). MNFWZ zinc-silver dominant zones use the NSR formula: (Ag*0.304 + Zn*18.323 + Pb*17.339)*(1-NSRRoyalty%). MNV zinc-silver dominant zones use the NSR formula: (Ag*0.256 + Zn*16.401 + Pb*14.977)*(1-NSRRoyalty%). Metal price assumptions (in $) used to calculate the NSR for all deposits are: Cu = $3.25/lb, Ag = $20.00/oz, Zn = $1.20/lb and Pb = $1.00/lb. Recoveries used in the four NSR formulae are based on mineralization. Copper-silver dominant zones use the following recoveries: 96% Cu and 85% Ag. Copper-zinc zones use the following recoveries: 92% Cu, 79% Ag, 72% Zn and 42% Pb. MNFWZ zinc-silver dominant zones use the following recoveries: 60% Ag, 86% Zn and 92% Pb. MNV zinc-silver dominant zones use the following recoveries: 55% Ag, 77% Zn and 80% Pb. The NSR formulae include confidential current smelter contract terms, transportation costs and royalty agreements from 1 to 3%, as applicable. An exchange rate of MX$20 per $1 is assumed. Totals may not sum exactly due to rounding. The NSR cut-off of $50/tonne is based on historical mining and milling costs plus general and administrative costs. The Mineral Resource Estimate encompasses both the MNFWZ and the MNV. Drilling campaigns from 2018 have focused on the MNFWZ and no drilling has been performed on the MNV since 2017. The Mineral Resource considers underground mining by long-hole stoping and mineral processing by flotation. No dilution is incorporated in the Mineral Resource. All metals are reported as contained. Mineral Resource estimates do not account for mining loss and dilution. These Mineral Resource estimates include Inferred Mineral Resources considered too speculative geologically to apply economic considerations for categorization as Mineral Reserves. However, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Resources.

The MNV and MNFWZ Mineral Reserve model was updated in October 2020, by Tucker Jensen using the October 2020 Mineral Resource models updated by Garth Kirkham. The Mineral Reserve estimate was generated using base assumptions of $2.75/lb copper, $17.00/oz Ag, $1.00/lb Zn, $0.90/lb Pb, by longitudinal long-hole open-stoping mining. Mineral Reserves are reported at or above a $48.04/t NSR cut-off in conventionally backfilled zones for 2020-2022, a $51.12/t NSR cut-off in conventionally backfilled zones for 2023+, a $56.51/t NSR cut-off in paste backfilled zones of Vein 10, and a $56.12/t NSR cut-off in paste backfilled zones of Vein 20 using three formulae based on zone mineralization. Development and stope triangulations were generated in Maptek Stope Optimizer software. These triangulations were applied to the MNV and MNFWZ Mineral Resource block models after the models were depleted of past mining production and areas of geotechnical sterilization. The Mineral Reserve estimate also factors in unrecoverable geotechnical support pillars, 5% production losses and dilution. Mining widths of 2.0 m to 22.0 m were applied (pre-dilution). Mineral Reserves were classified as Proven and Probable in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (CIM, 2014).

A prefeasibility study was completed in 2020 to assess the use of underground paste backfill to decrease the number of pillars needed for geotechnical stability, thereby increasing the mineral extraction ratio. Dilution and mining recovery factors need to be continuously validated through annual reconciliations and adjusted as required, especially in lithologies where historical mining experience is low.

There are no environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant factors other than as discussed in herein that are expected to affect the Mineral Resource estimates.

Proven and Probable Mineral Reserves, discounted for mine production to December 31, 2021, contain 12,316 kt at an average grade of 1.80% Cu at or above a cut-off between $48.04/t and $56.12/t NSR cut-off (fully diluted

and recovered) are detailed in Table 10. Clay Craig, a Qualified Person as defined by NI 43-101, is responsible for the Mineral Reserve estimate at Cozamin Mine.

Table 10: COZAMIN MINE ESTIMATED MINERAL RESERVES AS AT DECEMBER 31, 2021

Classification	Tonnes (kt)	Copper (%)	Silver (g/t)	Zinc (%)	Pb (%)	Copper Metal (kt)	Silver Metal (koz)	Zinc Metal (kt)	Lead Metal (kt)
Reserves Summary									
Proven	0	0	0	0	0	0	0	0	0
Probable	12,316	1.80	45	0.56	0.23	222	17,994	70	28
Proven + Probable	**12,316**	**1.80**	**45**	**0.56**	**0.23**	**222**	**17,994**	**70**	**28**

NOTE: Clay Craig is the Qualified Person for this Cozamin Mine Mineral Reserves update. Disclosure of the Cozamin Mine Mineral Reserves as of December 31, 2021 was completed using fully diluted mineable stope shapes generated by the Maptek Vulcan Mine Stope Optimizer software and estimated using the 2020 MNFWZ and 2017 MNV resource block model by Garth Kirkham. Mineral Reserves are reported at or above a $48.04/t NSR cut-off in conventionally backfilled zones for 2020-2022, a $51.12/t NSR cut-off in conventionally backfilled zones for 2023+, a $56.51/t NSR cut-off in paste backfilled zones of Vein 10, and a $56.12/t NSR cut-off in paste backfilled zones of Vein 20 using three formulae based on zone mineralization. Copper-silver dominant zones use the NSR formula: (Cu*50.476 + Ag*0.406)*(1-NSRRoyalty%). MNFWZ zinc-silver zones use the NSR formula: (Ag*0.259 + Zn*15.081 + Pb*15.418)*(1-NSRRoyalty%). MNV zinc-silver dominant zones use the NSR formula: (Ag*0.203 + Zn*13.163 + Pb*13.233)*(1-NSRRoyalty%). Metal price assumptions (in $) of Cu = $2.75/lb, Ag = $17.00/oz, Pb = $0.90/lb, Zn = $1.00/lb and metal recoveries of 96% Cu, 84% Ag, 0% Pb and 0% Zn in copper-silver dominant zones, 0% Cu, 60% Ag, 92% Pb and 86% Zn in MNFWZ zinc-silver dominant zones, and 0% Cu, 53% Ag, 79% Pb and 75% Zn in MNV zinc-silver dominant zones. Mineral Reserve estimates consider mining by long-hole stoping and mineral processing by flotation. Tonnage and grade estimates include dilution and mining losses. The NSR royalty rate applied varies between 1% and 3% depending on the mining concession, and royalties are treated as costs in mineral reserve estimation. An exchange rate of MX$20 per $1 is assumed. All metals are reported as contained. Figures may not sum exactly due to rounding.

Mining Operations

The Cozamin Mine is an underground mining operation that commenced in 2006. Ore is extracted primarily using long-hole open stoping. The mine extends for a strike length of over 2 km and Mineral Reserves extend to a depth of 1,000 m. Access to the underground workings is via two service and haulage ramps and a hoisting shaft. A one-way truck haulage loop was completed in December 2020 by connecting the two existing ramps with ~1,600 m of ramp development at -1:7 gradient. Permits required to conduct on-going mining work on the property have been obtained; permits required for the production increase are under consideration. There are no known factors or risks that affect access, title or the ability to conduct mining. Environmental liabilities and issues are limited to those that are expected to be associated with an underground base metal operation. These include an underground mine, associated infrastructure, access roads and surface infrastructure including the process plant, waste and tailings disposal facilities situated within the area of disturbance.

The Cozamin Mine's applicable taxes include the following:

- Corporate Taxes - the Mexican corporate income tax is at a 30% rate applied on net income after depreciation.
- A value added tax is payable to the Mexican government. Any overpaid (credit) amount may be offset with receivable value added tax.
- The 2013 Mexican Tax Reform introduced a 7.5% mining tax. The mining tax, effective January 1, 2014, is applied on the positive difference between income arising from sales related to mining and the deductions permitted by the Income Tax Law, not including deductions on investments (except those involved in mining prospecting and exploration), interest payable and the annual inflation adjustment. The Tax Reform also introduced a 0.5% mining tax on precious metals that is applied on gross taxable revenues.
- Property taxes are approximately $20,500 per year.
- The State of Zacatecas introduced taxes effective January 1, 2017 for purposes of reducing the environmental impact created by industrial activities carried out in the state. These new taxes consist of the (i) Environmental Remediation Tax on the Extraction of Materials, (ii) Tax on Gas Emissions to the

Atmosphere, (iii) Tax on Emissions of Pollutants to the Soil, Subsoil, and Water, and (iv) Tax on the Disposal of Wastes. Taxes are calculated based on a rate per tonne of gas emitted, waste deposited, and per meters of soil contaminated. The total environmental taxes paid by Cozamin Mine were approximately $0 in 2021 due to a favourable resolution of an injunction, $60 in 2020 and $37,000 in 2019.

Cozamin Mine signed a silver stream agreement with Wheaton, effective December 1, 2020. On February 19, 2021, Wheaton paid an upfront cash consideration of $150 million for 50% of Cozamin Mine's silver production until 10 million ounces are delivered, then decreasing to 33% of silver production for the remaining life of mine. Wheaton will make ongoing payments equal to 10% of the spot silver price at the time of delivery for each ounce delivered to them. Cozamin Mine must implement a paste backfill plant before the end of 2023 as a condition of the agreement or refund Wheaton up to a maximum of $13 million.

Exploration and Development

The 2022 exploration program includes a proposed 19,800 metres of step-out drilling at the MNV-MNFWZ West target and brownfield targets on the property.

Mantoverde (Chile)

The scientific and technical information in this section relating to the Mantoverde property is derived from, and in some instances is a direct extract from, and based on the assumptions qualifications and procedures set out in, the technical report entitled "Mantoverde Mine and Mantoverde Development Project NI 43-101 Technical Report Chañaral / Región de Atacama, Chile December, 2021" with an effective date of November 29, 2021 (the "**Mantoverde Technical Report**"). The authors of the Mantoverde Technical Report are Carlos Guzmán, Gustavo Tapia and Ronald Turner. Such assumptions, qualifications and procedures are not fully described in this Annual Information Form and the following summary does not purport to be a complete summary of the Mantoverde Technical Report. Reference should be made to the full text of the Mantoverde Technical Report, which is available for review under Capstone's profile on SEDAR at www.sedar.com.

All scientific and technical information in this summary relating to any updates to the Mantoverde Mine since the date of the Mantoverde Technical Report has been reviewed and approved by Qualified Persons who supervised the preparation of updates to these elements. These Qualified Persons include those listed in "Interests of Experts" in this Annual Information Form.

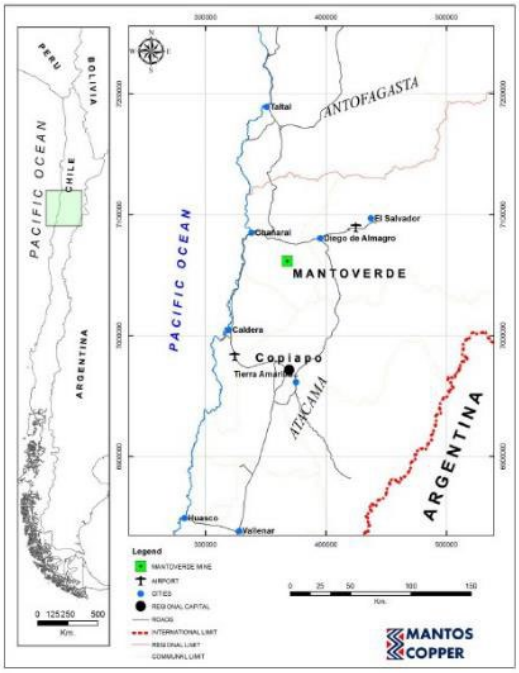
Description, Location and Access

Mantoverde is an open-pit mine located in the Atacama region of Chile. Mantos owns 69.99% of Mantoverde, and Mantos' partner Mitsubishi Materials owns 30.00%. The mine has been operational since 1995 and currently mines and processes oxide ores. In 2020, despite industry-wide operational challenges caused by COVID-19, Mantoverde produced approximately 37 thousand tonnes of copper at an AISC of $2.80 per payable pound. In 2021, Mantoverde produced 49 thousand tonnes of copper cathodes at an AISC of $2.79 per payable pound. From 2022 to 2030, Mantos expects Mantoverde to produce an average of 98 thousand tonnes of copper per year at an average AISC of $2.03 per payable pound, including execution of the MVDP. After completion of the MVDP, Mantoverde is expected to have a mine life to 2042, with further upside from the other growth projects described below.[7]

Mantoverde is located 150 kilometers north of the Desierto de Atacama regional airport and is easily accessible via road. The site is located 6 kilometers southeast of the city of Chañaral and 100 kilometers north of Copiapo, at an altitude of approximately 900 meters above sea level. The site has two access points from the town of Chañaral: 45 kilometers from Route 5 North along a secondary road which connects to the highway at Bahía Flamenco between Chañaral and Caldera and from Chañaral via the township of El Salado. On site, there are gravel roads that provide access within the mining concessions and a camp for employees, which is utilized during work shift cycles. The closest settlement to Mantoverde is El Salado, which is approximately 15 kilometers to the north of the mine, but most employees and contractors live in the region, primarily in Chañaral, Copiapo and Caldera.

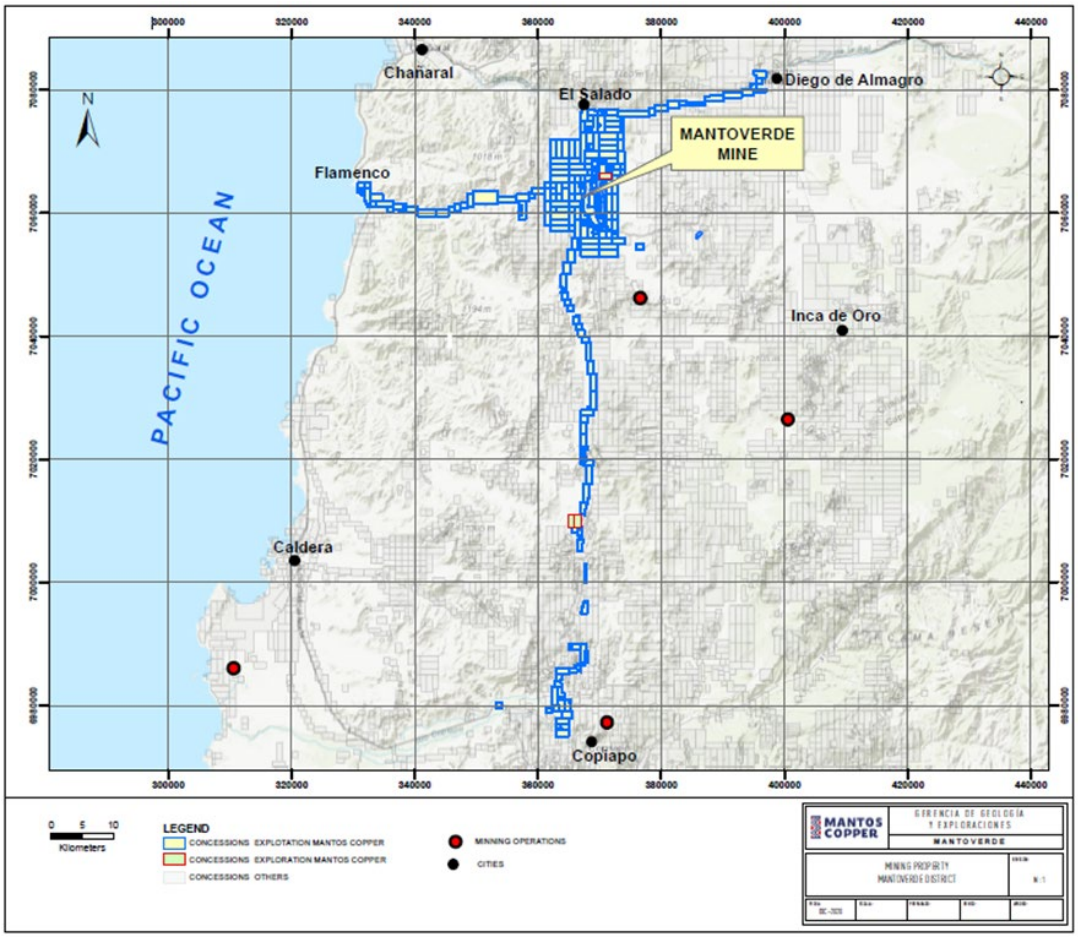
[7] This paragraph contains non-GAAP financial performance measures. See "Alternative Performance Measures".

Figure 7: Map of Location



The mine site covers an area of approximately 110 square kilometers and its Universal Transverse Mercator (UTM) coordinates are 7,056,000 North to 7,067,000 North and 362,000 East to 372,000 East. A central coordinate of the mine is: 7,061,200 North and 367,800 East.

Figure 8: Mantoverde Mineral Tenure



Title, Leases and Options

Mantoverde has 303 exploitation and three exploration mining concessions in different stages of processing, which give Mantos ownership and control of 39,254 hectares. The concessions fulfill the function of protecting the areas where Mantos' facilities are located, together with the areas of geological potential for their exploitation and exploration.

Exploration concessions are granted for renewable two-year periods and exploitation concessions are granted for indefinite periods. Exploitation concessions give the holder the right to explore and to exploit any mineral resource found within the concession boundary.

All of the estimated mineral resources and mineral reserves are contained within granted exploitation concessions and all legal title to and ownership of Mantoverde is in the name of Mantoverde.

Mantoverde currently holds approximately 4,291 hectares of surface rights, which support the mining operations, existing state-of-the-art desalination plant and associated pipelines and power transmission lines. An additional 1,221 hectares of surface rights are expected to be needed to support the sulfide operations in connection with the MVDP; they have been provisionally granted by the Chilean courts. The final documentation is expected to be provided during 2022.

As part of the project finance package raised to finance the MVDP, a comprehensive security package was provided to the lenders, covering all of Mantoverde's material assets, mining concessions and any material rights therefrom.

Royalties and Encumbrances

No royalties are payable on the MVDP operation.

No other royalties or encumbrances are currently known other than the requirement to pay the Chilean mining tax.

See the section titled "*Infrastructure, Permitting and Compliance Activities*" for further discussion of significant factors relating to access or title, or the right or ability to perform work on, the property, including permitting and environmental liabilities to which the project is subject.

Offtake Agreements

Anglo American

Mantoverde and Mantos Blancos have entered into offtake agreements relating to cathode production with Anglo American, both of which were amended and re-stated on 31 August 2019.

Under the agreements, Mantoverde and Mantos Blancos are required to sell, and Anglo American is required to buy, the production of copper cathodes, until the aggregate sum of cathodes delivered from Mantoverde and Mantos Blancos reaches 275,000 t, which is expected to occur by 31 December 2025. If this amount is not delivered by 31 December 2025, the agreement can be extended through to 31 December 2027 subject to a 20% increase in the amount of cathodes to be delivered. The price for cathodes is determined based on the monthly average London Metal Exchange ("**LME**") copper price.

Boliden

As part of the financing for the MVDP, Mantoverde entered into an offtake agreement with Boliden Commercial AB dated 4 February 2021 for 75,000 t of copper concentrates in each contract year. The agreement expires 10 years after the commencement of commercial production of the MVDP (as defined in the agreement), subject to potential extension if less than 750,000 t of copper concentrates have been delivered at the contract terms, and subject to termination if production does not commence by 31 December 2024. The price of the full copper content of the concentrate is based on average LME prices and subject to adjustments based on the percentage of copper content. The amount payable for the gold by-product is determined by LBMA prices, subject to terms stated in the agreement.

Mitsubishi

As part of the financing for the MVDP, Mantoverde entered into a copper concentrate offtake agreement with Mitsubishi Materials on 11 February 2021. Mantoverde agreed to sell 30% (which may be increased if Mitsubishi Material's equity interest in Mantoverde increases) of all annual copper production at Mantoverde per year (to be serviced by the equivalent in copper concentrate), plus an additional amount per annum of 20,000 t to 30,000 t of copper concentrate depending on the amount that is drawn by Mantoverde under the cost over-run facility provided by Mitsubishi Materials in connection with the MVDP. The agreement is for the duration of Mantoverde's commercial mine life. The amount payable for copper is based on average LME prices, subject to terms stated in the agreement. The amount payable for gold by-product is determined by LBMA prices, subject to terms stated in the agreement.

History

The exploitation of copper minerals in the Mantoverde district dates back to the beginning of the last century. Early exploration in the district was completed by the Anaconda Mining Company in 1950, Empresa Nacional de Minería ("**ENAMI**") in 1972 and Sociedad Minera Pudahuel from 1978 to 1981.

At the end of 1988 Empresa Minera Mantos Blancos S.A. ("**EMMB**") acquired an option to purchase the Mantoverde Mine. Exploration was undertaken by Minera Anglo American Chile ("**MAAC**") on behalf of EMMB from 1989 to 1990. EMMB completed a feasibility study in 1991–1992, which evaluated the Mantoverde Norte and Manto Ruso deposits and the Montecristo area. Subsequently, the Mantoverde Sur and Franko deposits were discovered.

Construction of the mine and state-of-the-art SX-EW plant began in 1993 and commercial production began in 1995.

In August 2001 the mine was renamed the Mantoverde Division of Anglo American Chile. The Kuroki, Punto 62, Celso and Quisco deposits were subsequently identified.

Audley Mining Advisors Ltd. and Orion Mine Finance LLP obtained the operation in August 2015 through the purchase of Mantos Copper from MAAC.

Open pit mining operations started in 1995. A complete production history is not available; however, the last 5 years of production when the mine was an operating division of MAAC are presented in Table 11 below.

Table 11: Historical Production 2010-2015

Period	Production (t Cu)
2010	61,058
2011	58,718
2012	62,239
2013	56,755
2014	51,795
To August 2015	32,276

The current Mantoverde operation consists of five open pits with an annual material movement of approximately 57 Mt (mined rock and rehandling). Heap leach grade material is leached on a dynamic leach pad. Copper is recovered via a solvent extraction-electro-winning ("**SX–EW**") process. Production from Mantoverde for the period August 2015 to 2021 is provided in Table 12.

Table 12: Historical Production August 2015- 2021

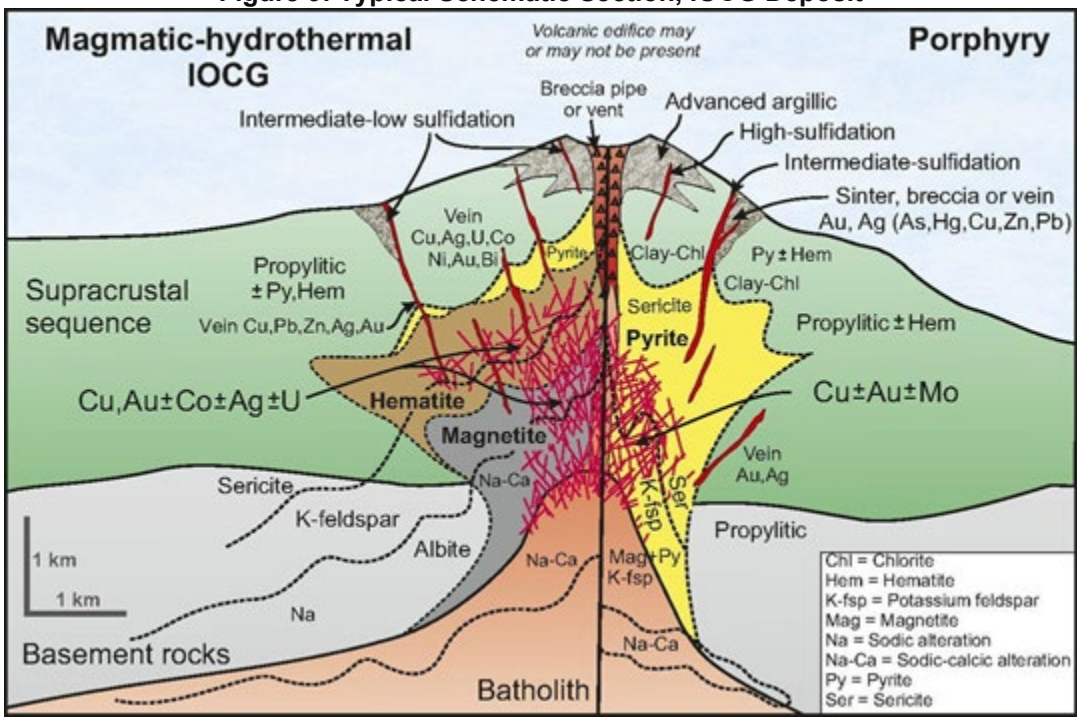
Period	Production (t Cu)
2015, August - December	22,331
2016	49,739
2017	42,113
2018	41,771
2019	42,939
2020	36,640
2021	49,013

Geological Setting, Mineralization and Deposit Types

The Mantoverde deposit is a typical iron oxide–copper–gold ("**IOCG**") deposit located within the Atacama Fault System. It is located in an ancient mining district with numerous Fe, Fe-Cu-Au, Au and Mn deposits in the southern sector of the Atacama Fault System within the Cretaceous Iron Belt ("**CIB**"). Locally, it is located along the Mantoverde Fault of general orientation N15°-20°W and dip varying from 40°E in the south to 65°E in the north.

The Mantoverde deposit is considered to be an example of an IOCG deposit. Global examples include Olympic Dam in Australia, Candelaria and Punta del Cobre in Chile, and Salobo and Sossego in Brazil. Figure 9 shows a typical schematic of an IOCG deposit.

Figure 9: Typical Schematic Section, IOCG Deposit



Note: Figure from Richards and Mumin, 2013

Features of the Mantoverde deposit that support classifying it as an IOCG deposit include:

- Strong structural controls: hosted in a subsidiary structure of the plate boundary-parallel Atacama Fault System; strong regional tectonic control by northwest to north–northwest-trending brittle structures
- Space–time association with batholiths: hosted by Middle to Upper Jurassic andesites and Lower Cretaceous dioritic to quartz dioritic plutons
- Space–time association with Kiruna-type apatite-bearing iron oxide bodies: district-scale association with bodies of metasomatic magnetite and magnetite–fluoroapatite–pyrite
- Copper ±gold as the main elements of economic interest: abundance of iron oxides associated with copper minerals and a lower proportion of gold; chalcopyrite-rich and hematite-cemented breccias and veins
- Hydrothermal mineralization styles: hypogene zone formed mainly by chalcopyrite, pyrite and minor amounts of chalcocite, covellite and bornite in specularite and magnetite breccia associated with the Mantoverde fault and/or second order structures, distributed in three main bodies: Mantoverde, Manto Ruso and Celso.

The Mantoverde deposits differ slightly from the classic IOCG model in that the deposits have high cobalt grades and no arsenic anomaly.

Copper mineralization is oxidized down to approximately 200 m depth and two types of oxidized copper ores are recognized. The breccias in the sloping fault block contain abundant haematite with brochantite, minor antlerite, chrysocolla, malachite and atacamite, which occur in veinlets, patches and disseminated in the specularite matrix.

Hypogene mineralization at depth occurs disseminated in the specularite matrix and consists of chalcopyrite and pyrite. Between the oxidized zone and the hypogene sulphide zone there is a thin sub-horizontal zone of weak supergene enrichment (3 m to 5 m thick) which includes native copper, cuprite, tenorite and chalcocite (±covellite) partially replacing the hypogene sulphides.

Exploration

Geological Mapping

Field mapping was completed by EMMB over a 5 year period from 1977 to 1982, generating reports and detailed maps describing lithology, alteration, structure, mineralogy and copper–molybdenum–gold–silver distributions.

A 1:10,000 scale geological mapping program over the Mantoverde property was completed during 2012 and 2013 by Anglo American. This mapping program focused on identification of lithologies, alteration, mineralization and structures. The mapping program was extended during 2013 to areas outside the Mantoverde concessions and resulted in the generation of several exploration targets. The geological interpretation was revisited during 2014 to incorporate findings from a high resolution, aerial magnetic/radiometric data set into the 1:10,000 scale district maps.

Detailed geological mapping at 1:2,000 and 1: 5,000 scales was undertaken at selected exploration targets from 2012 onwards. This program was also used to identify local-scale structures and alteration mineralization assemblages.

During 2015, Mantoverde developed a program to compile the geoscientific data, including geological, geochemical and geophysical interpretations, available for the mine and surroundings into a single database. As part of this program structural mapping and structural interpretation was conducted in 2015–2016 by a structural geologist consultant (Daniel Carrizo).

In 2017, geological mapping was carried out at a scale of 1:5000 for all Mantos Copper's mining properties around the Mantoverde deposit. The detailed mapping defined sectors of interest (targets) where NS structures intersect with NE structures and whose geology shows evidence of surface mineralization.

Geochemical Sampling

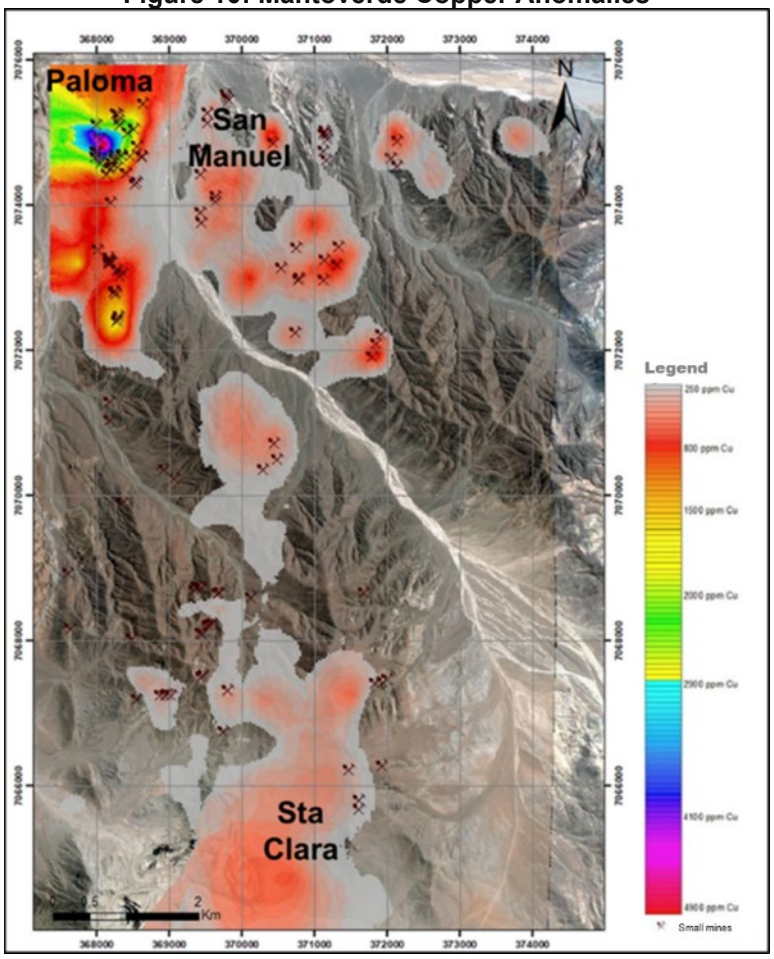
Geochemical sampling in the form of rock chip, grab and soil sampling has been undertaken since the 1970s to delineate surface copper, gold and silver anomalies. As road cuts became available, these were typically channel sampled to provide additional vectors to mineralization. The majority of this work has been superseded by drilling and mining activity.

Occasionally, as drill platforms were established, a detailed rock chip program on approximately 5 m centres, accompanied by 1:100 scale geological mapping, was undertaken where there was a surface outcrop at the drill site.

Between 2017 and 2018 geochemical sampling of drainage sediments to the north and northeast of the Mantoverde area (787 samples) was carried out. The sectors to be sampled were defined based on the district geological mapping. This sampling included chemical analysis of Ag, Al, As, Au, B, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sr, Ti, Tl, U, Zn and Zr.

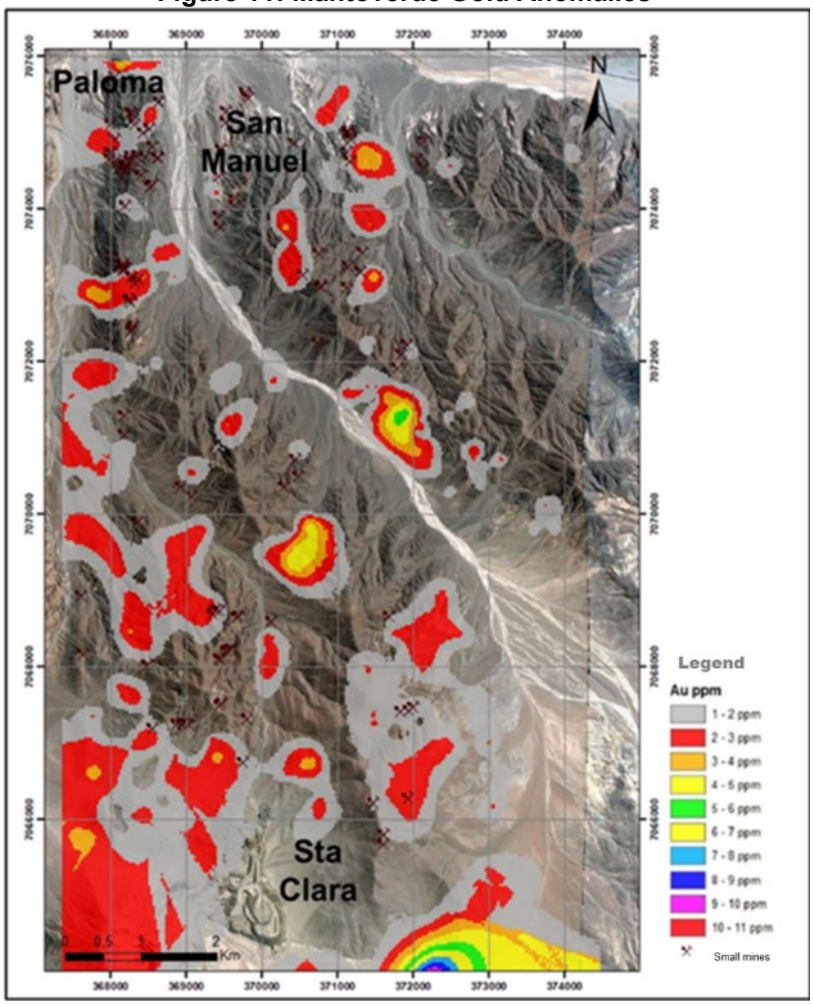
The chemical analysis resulted in the identification of copper and gold anomalies which are shown in the two figures below (Figure 10, Figure 11).

Figure 10: Mantoverde Copper Anomalies



Note: Figure courtesy Mantos Copper, 2020

Figure 11: Mantoverde Gold Anomalies



Note: Figure courtesy Mantos Copper, 2020

Geophysical Surveys

Mantoverde is an IOCG type deposit with magnetite mineralization, therefore, geophysical exploration is considered a useful exploration tool for this deposit. Several geophysical campaigns were carried out by specialist contractors over the Mantoverde area during the 1990s and 2000s, including Geoexploraciones S.A., Geodata Ltda., Flight Falcon, World Geoscience Corporation and Fugro Airborne Surveys. Methodologies included: electrical (induced polarization ("**IP**")/resistivity), electromagnetic audio-magnetotellurics ("**AMT**"), aerial gravity and ground and aerial magnetic surveys.

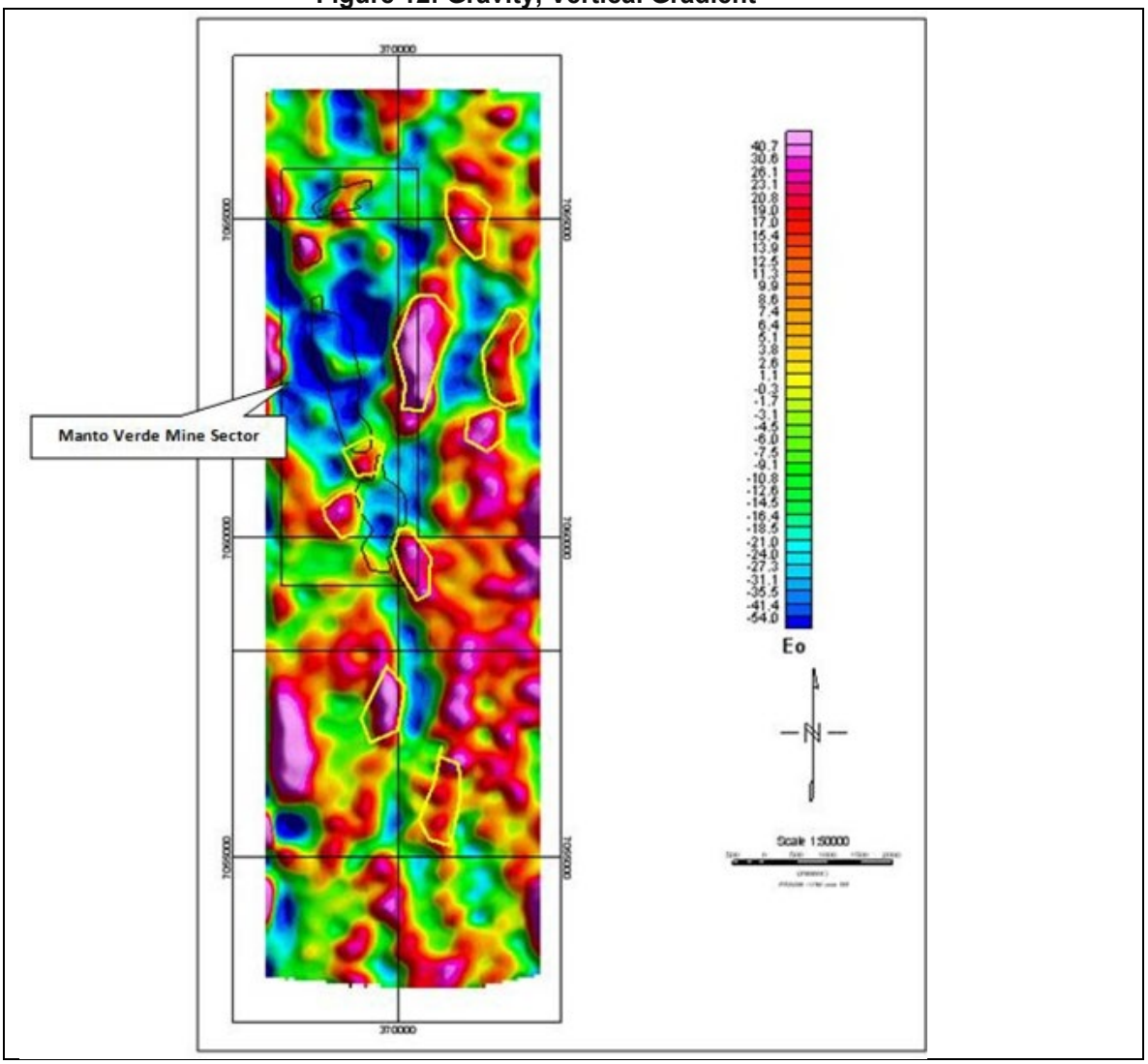
Resistivity and AMT surveys identified areas of disseminated sulphides in veins and zones of moderate to strong resistivity contrasts. Other methods supported structural and lithological interpretations that could be used for exploration vectoring.

Airborne Magnetic Geophysics Survey

Figure 12 shows the results of a regional airborne magnetic survey with anomalous zones outlined in yellow.

Drill testing of selected geophysical targets in 1999–2000 indicated that the magnetic anomalies were caused by magnetite–pyrite bodies.

Figure 12: Gravity, Vertical Gradient



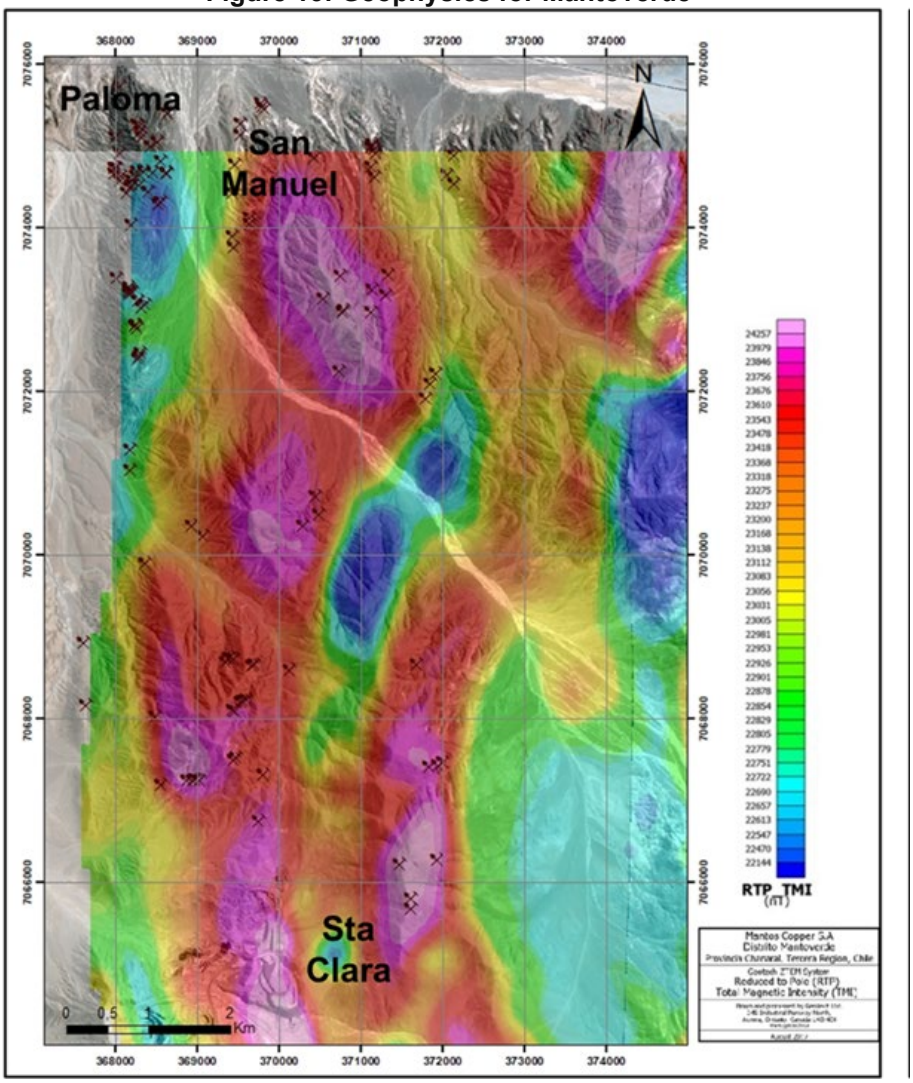
Note: Figure courtesy Mantos Copper, 2020. Yellow polygons show known mineralized zones

ZTEM Geophysical Survey

During July and August 2017, a geophysical survey was carried out along the Mantoverde deposit, focusing on the areas of major geological interest defined based on the geological mapping. The survey was carried out using the ZTEM methodology and helicopter flight lines separated by 500 m and 250 m.

The results of this geophysical survey provided useful data at different depths depending on the penetration of the applied Hz, which ranged from 600 Hz (360 m) to 19 Hz (2,000 m). The geophysical results reflect the NE structures that are present in the area of interest and that the geological mapping and mining experience identified as controlling the occurrence of copper mineralization. This is shown in Figure 13.

Figure 13: Geophysics for Mantoverde



Note: Figure courtesy Mantos Copper, 2020

Petrology, Mineralogy and Research Studies

A number of petrographic and metallurgical studies have been completed in support of determination of deposit mineralogy and mineralization paragenesis. A number of research papers have been published or presented describing the deposit genesis and deposit setting. Three bachelor's degree theses have been completed on the deposit, and one PhD thesis:

- Diaz, M., 2000: Geologic Resource Estimation for Guamanga Prospect (Montecristo – Franko sectors). Chañaral Province. III Region, Chile. Thesis for Geology Degree. Geology Department. Engineering and Geological Science School. Católica del Norte University. Antofagasta
- Astudillo, C., 2001: Distribution and Characterization of Mantoverde Carbonates, Chañaral Province. III Region, Chile. Thesis for Geology Degree. Geology Department. Engineering and Geological Science School. Católica del Norte University. Antofagasta
- Lopez, E., 2002: Petrographic Characterization and Study of the Hydrothermal Alteration and Mineralization of the Mantoverde District, Chañaral Province. III Region, Chile. Thesis for Geology Degree. Geology Department. Engineering and Geological Science School. Católica del Norte University. Antofagasta
- Benavides, J., 2006: Iron oxide-copper-gold deposits of the Mantoverde area, northern Chile: Ore genesis and exploration guidelines: Unpublished Ph.D. thesis, Kingston, Ontario, Queen's University, 355 p.

Exploration Potential

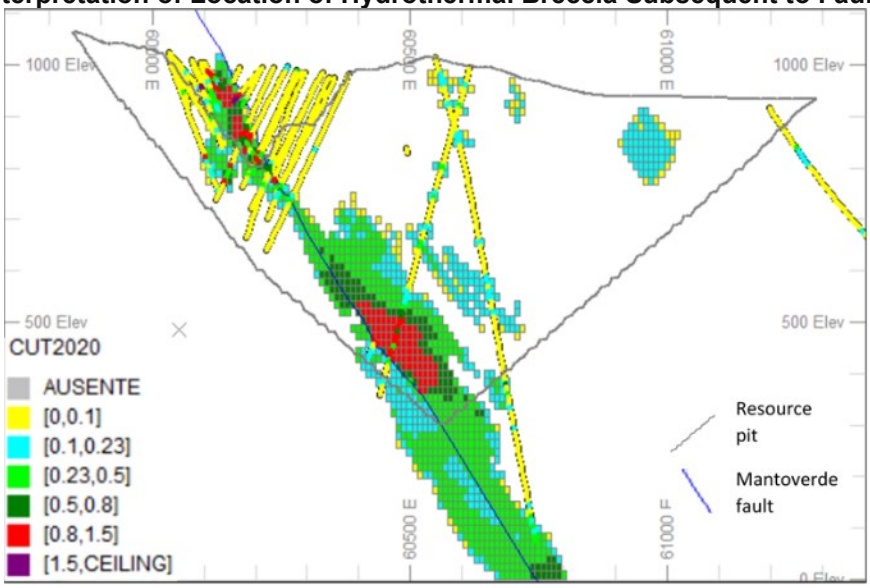
Based on the existing experience of the Mantoverde mine operation and the exploration program completed over recent years, it is considered that there is significant exploration potential in the area under the control of Mantoverde.

Structural Control

A drilling campaign was conducted during 2016-2017 in an area where intersections of north-south, northwest and northeast trending structures were identified. As a result of this campaign several intercepts with copper-iron mineralization were identified, which in some cases extended under the waste dumps of the Manto Ruso open pit.

The results of the drilling also resulted in a re-interpretation of the fault movement and the displacement of the fault block where the Mantoverde Fault and the northeast faults intersect. This new interpretation indicates that the Mantoverde Fault block has tilted to the east, causing the specularite hydrothermal breccia to descend to deeper depths in this area (see Figure 14 below).

Figure 14: Interpretation of Location of Hydrothermal Breccia Subsequent to Fault Movement.



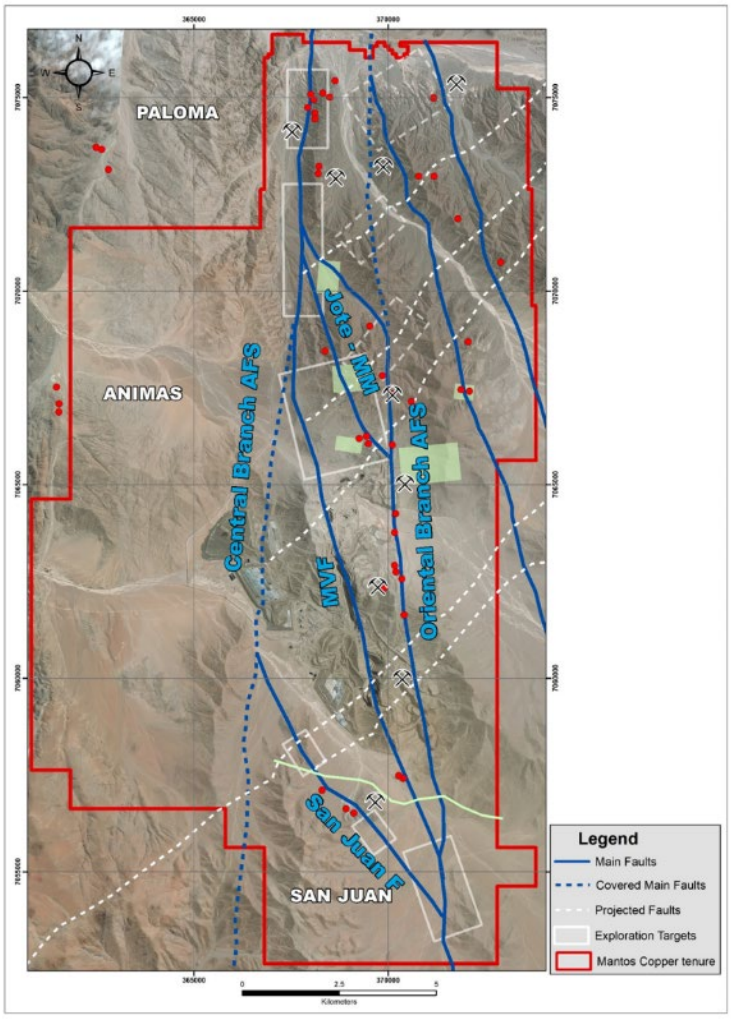
Note: Section W-E 102.000N, using 60 m clipping. Figure courtesy Mantos Copper, 2020.

Northward Extension

Drilling completed in 2001 (DDH01CN01, DDH01CN04, DDH01DS11) indicates that mineralization continues to the north of Mantoverde Norte and may be continuous as far as the Manto Ruso area (see Figure 15 below). This interpretation is supported by the presence of oxide mineralization that has been mined along the projected extension.

Additional exploration potential remains within the concession holdings in the 12 km corridor that extends northward along the Atacama Fault Zone between Mantoverde Mine and the settlement of El Salado.

Figure 15: Exploration Targets within Mantoverde District



Note: Figure courtesy Mantos Copper, 2020.

Drilling

From 1989 to 2021 a total of 884,404 m has been drilled in 4,410 reverse circulation ("**RC**") and DDH; the majority (3,535) are RC (636,431 m).

Drilling is summarized in the drilling campaigns summary table below by operator.

Table 13: Drilling Campaigns Summary

Company	Year	RC Holes	Metres (m)	DDH Holes	Metres (m)	Total Metres (m)
Mantos Blancos Anglo American	1989	47	10,547	20	4,599	15,147
	1990	25	4,176	10	1,901	6,077
	1991	14	896	71	8,156	9,052
	1992	1	29	83	8,312	8,341
	1993	14	2,471	0	0	2,471
	1994	0	0	21	2,353	2,353
	1996	46	7,475	30	4,248	11,722
	1997	64	8,824	17	2,072	10,896
	1998	99	19,190	16	3,388	22,578
Enami	1999	7	2,127	7	1,122	3,249
	1999	122	23,827	11	5,336	29,163

Company	Year	RC Holes	Metres (m)	DDH Holes	Metres (m)	Total Metres (m)
Anglo American	2000	164	29,634	26	7,957	37,591
	2001	261	50,104	31	15,711	65,815
	2002	253	43,262	7	1,015	44,277
	2003	325	52,729	0	0	52,729
	2004	291	49,040	0	0	49,040
	2005	143	26,556	0	0	26,556
	2006	102	18,678	3	253	18,931
	2007	94	20,030	32	13,350	33,380
	2008	87	23,229	76	27,428	50,656
	2009	102	17,472	6	1,991	19,464
	2010	138	30,936	33	13,956	44,892
	2011	143	25,574	29	5,893	31,467
	2012	95	18,999	35	12,680	31,679
	2013	157	25,200	58	18,363	43,563
	2014	209	36,935	105	34,075	71,010
	2015	162	27,991	16	8,413	36,403
Mantos Copper	2016	127	27,146	113	37,772	64,918
	2017	84	12,046	0	0	12,046
	2018	51	5,862	15	6,990	12,852
	2019	19	1,486	1	120	1,606
	2020	4	1,174	0	0	1,174
	2021	85	12,786	3	520	13,306
Total		3,535	646,431	875	247,974	884,404

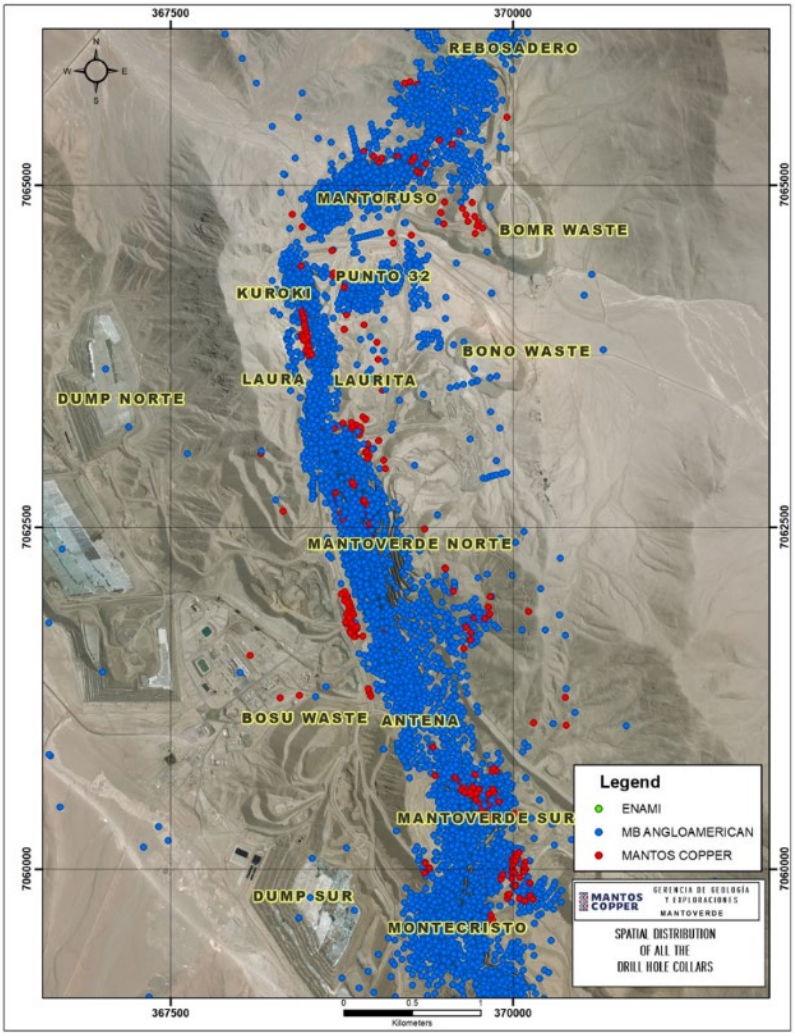
The Mantos Copper drilling program includes all data collected since Mantos Copper acquired the project in September 2015 through. Mantos Copper completed a total of 370RC drill holes (60,500 m) and 132 DDH (45,402 m), totalling 105,902 m (see the above table, years 2016-2021).

For DDH drill holes the usual diameter is HQ, although occasionally PQ (85 mm) was used to obtain metallurgical samples and NQ (47.6 mm) was used to solve operational problems or to deepen holes beyond the original planned depth. For RC holes the normal diameter is 114.3 mm.

Drilling companies acting as contractors during the hypogene drilling programs include Geoperaciones S.A., Terraservice S.A. and Mineral Drilling S.p.A. Equipment used includes a Schramm T685WS drill rig for RC drilling, and Sandvik DE710 and Atlas Copco CT20 drill rigs for DDH.

Drill collar locations are shown in the figure below.

Figure 16: Drill Hole Collar Locations



Note: Figure courtesy Mantos Copper, 2020.

The table below presents the drill holes that constitute the data support for the MVDP.

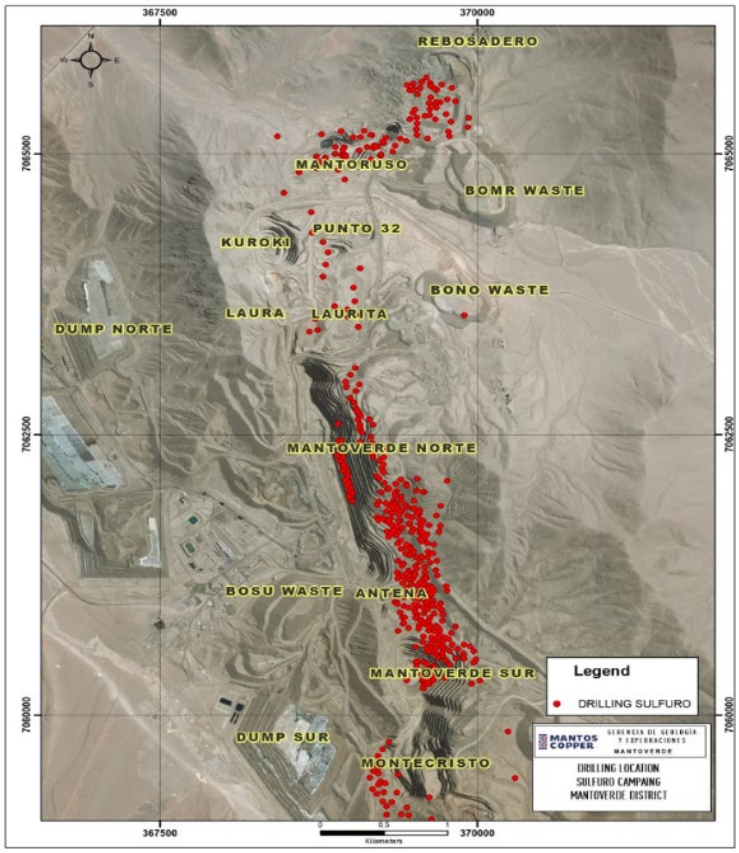
Table 14: Drilling Campaigns Summary MV Development Project

Company	Year	RC Holes	Metres (m)	DDH Holes	Metres (m)	Total Metres (m)
Anglo American	2000	2	180	6	2,724	2,904
	2001	9	3,518	18	10,106	13,624
	2007	27	8,574	32	13,401	21,975
	2008	36	11,632	69	26,427	38,059
	2010	43	13,158	33	13,741	26,899
	2011	5	1,720	18	4,545	6,265
	2012	0	0	1	601	601
	2014	1	580	95	29,860	30,440
	2015	0	0	16	8,587	8,587
Mantos Copper	2016	0	0	113	37,772	37,772
	2017	0	0	0	0	0
	2018	0	0	15	6,990	6,990
	2019	0	0	0	0	0

Company	Year	RC Holes	Metres (m)	DDH Holes	Metres (m)	Total Metres (m)
	2020	0	0	0	0	0
Total		123	39,362	416	15,4754	19,4116

The drill collar locations for the MVDP are shown in the figure below.

Figure 17: Drill Collar Location MV Development Project



Note: Figure courtesy Mantos Copper, 2020.

Sampling, Analysis and Data Verification

Quality assurance at Mantoverde involves the use of standard practice procedures for sample collection and includes oversight by experienced geological staff during data collection. Certain quality control measures for sample analysis include in-stream sample submittal of standard reference material, blank material and field duplicate sampling. For data verification, staff members observed drill hole locations and orientations, inspected drill cores and compared to logs and analytical results, observed core intake, visited outcrops and discussed with on-site geologists, including reviewing working maps and cross-sections. Inherent risks in quality control include potential sample contamination, among others.

Sampling Methods

The sampling methodologies, sampling preparation and sampling assay used by Anglo American and Mantos Copper are the same.

Diamond Drilling

Diamond drilling is the main source of samples used in the construction of the Mantoverde resource model. All DDH sampling activities at Mantoverde follow internal protocols: PNP.OMVGEGLE.0003 and REG.OMVGEGLE.0012.

Core are placed into wooden boxes with wooden run blocks inserted at appropriate distances; the boxes are closed using lids. The drill hole identifier and interval meterage in the box are written on the box lid. Core boxes are delivered by the drilling contractor to the geology sampling station. Core are photographed and core recovery and RQD are recorded. Any induced fractures in the core are noted.

The sampling interval is fixed and typically 2 m; the cutting plane is drawn by the geologist with a line parallel to the core axis. The core cutting process uses a hydraulic guillotine for oxide and sulphide material. This is acceptable for the mineralization found in the deposit. For poorly consolidated material, small sampling shovels are used.

One half of the core is placed back in the core box, and the other half is bagged into a plastic sample bag. After each 2 m sampling interval is completed, a sample tag is attached to the bag and the bag is sealed. The entire sampling and sample identification process is carried out using bar codes.

Approximately every 20 m, a 20 cm length sample is taken for density and geomechanical testing in the laboratory.

Reverse Circulation Drilling

The sampling interval is fixed and typically 2 m. All RC sampling activities at Mantoverde follow internal protocols; REG.OMVGEGLE.0011 and REG.OMVGEGLE.0013.

Dry samples are collected at the drill rig, weighed and split in halves and quarters using a riffle splitter. A rotary wet splitter is used when extremely wet conditions exist and two smaller fractions are collected in porous sample bags at the drill rig, labelled and dried.

A sample of approximately 15 kg to 20 kg representing 1/4 of the original sample is bagged and labelled for shipment to the chemical laboratory. A second sample is stored as a duplicate sample.

From the smaller samples, a sample of approximately ½ kg is used for geological logging purposes and a representative sample of the rock cuttings from each sampling interval is placed in labelled chip trays. The samples are delivered by the drilling contractor to the geological sampling station. Drillers deliver the sample reject material to a central sample store.

Blast Hole Drilling

Blast hole samples are taken in a tray that collects the material using a guillotine-type blade from the four gutter walls formed along a straight line that cuts the cone, totaling approximately 16 kg. Sampled material is placed into a polyethylene bag which contains a sample tag listing the date, bench number, blast number and drill hole number. A sample submission form is completed to accompany the samples to the mine laboratory.

Density Determinations

A comprehensive program to enhance the existing density database was developed during 2019 and included a total of 4,345 specific gravity (density) records. Density measurements were undertaken by Rock Test, an independent consultant, using the water displacement method. Samples were dried and wax coated prior to immersion.

Analytical and Test Laboratories

Sample preparation and analysis was conducted by the GeoAssay Group, which is accredited under ISO 9001: 2000. GeoAssay is independent of Mantos Copper.

Sample Preparation and Analysis

Sealed plastic bags labelled with bar codes containing chip or half-core samples are sent to the laboratory for sample preparation. Each sample shipment to the laboratory is accompanied by a detailed report describing the samples included. As part of the protocol when the samples are received the laboratory checks and verifies the reception.

Samples are weighed and dried at 105ºC. Core samples are crushed to 10 mesh (minus 2 mm) with a jaw crusher. Chip samples are screened to 10 mesh and oversize fractions are primary and secondary crushed.

The crushed material is reduced using a rotary divider through 24 increments to obtain a 750 g to 1,000 g fraction. A crushed (coarse) reject is taken and the rejects are returned to Mantoverde each month.

The size fraction is pulverized to 95% minus 150 mesh in a LM-2 pulverizer to obtain a 200 g sub-sample that is sent to the laboratory for assaying.

The standard assay packages have included:

- 2000–2001: TCu (total copper), SCu (soluble copper) $CaCO_3$ and Au
- 2001-2007: TCu, SCu, $CaCO_3$, Au, Fe, Co, and S
- 2008 to date: SCu (soluble copper by citric acid), TCu, SCu, $CaCO_3$, Au, Fe, Co and S.

The general procedures for assaying are as follows:

1. Soluble Copper

   (1) 1 g of sample is dissolved in 25 ml of H_2SO_4

   (2) the solution is heated to the boiling point

   (3) 1 ml of Na_2SO_4 is added after the solution has cooled

   (4) Soluble copper assay measured with atomic absorption.

2. Total Copper

   (1) First 1 g of sample is dissolved in 10 ml of perchloric acid, then 5 ml of nitric acid and finally 10 ml of hydrochloric acid

   (2) this solution is stirred for 20 minutes at 140 revolutions per minute

   (3) Total copper assay is performed with atomic absorption.

Total copper assay is conducted by atomic absorption spectroscopy (AAS) after a three-acid digestion. The method has a detection limit of 0.003%TCu.

Soluble copper assay is conducted by AAS with a citric acid digestion, with a detection limit of 0.003% SCu.

Gold assay is conducted using fire assay with an atomic absorption (AA) finish. The method has a detection limit of 0.01 g/t Au.

The sulphur and $CaCO_3$ assay is conducted by LECO. Sulphur has a detection limit of 0.01%, and $CaCO_3$ has a detection limit of 0.05%.

Mantos Quality Assurance and Quality Control

Quality Assurance (QA) is the system and set of procedures used to ensure the quality of sampling and assay results. Quality Control (QC) is the data used to check that the results of sample preparation and chemical analysis are adequate.

Mantos Copper continued the Quality Assurance and Quality Control (QA/QC) program originally implemented by Anglo American, which is described in the procedure “Instructivo estándares_2019.pdf”, which considers the insertion of:

- Coarse Duplicate: material weighing between 15 kg and 18 kg, twin of the original "A" sample and collected in the field (the B sample).

- Pulp Duplicates: Corresponds to the twin of the "A" pulp. Mantoverde accepts differences of less than 10% in 90% of the results.

- Standard Reference Materials ("**SRM**"): Corresponds to the control sample introduced in a blind manner for the laboratory in the sample batches. The SRMs were constructed and certified in 2012 by GeoAssay Group. SRMs were prepared using mineralized material from Mantoverde. The total copper (TCu) SRMs used in 2003 were prepared by the Acme Laboratory, Chile and certified by Ore Research & Exploration Pty. Ltd. ("**ORE**") in Australia. In 2006 four new standards were prepared, analyzed at the Mantoverde mine laboratory and then certified by ORE. The 2006 standards were subjected to round robin analysis at the Acme, Mantos Blancos, Mantoverde and Geolaquim laboratories for soluble copper (SCu) and at the Mantos Blancos and Mantoverde laboratories for LECO carbonate determinations. Six additional SRMs were prepared in 2011, four of which were certified by ORE for TCu, SCu and carbonate in oxide mineralization, and two of which were certified by ORE for TCu and Au in sulphide material. In 2012, 10 SRMs were prepared. Five of these SRMs were certified by ORE and five were certified by GeoAssay Group. These 10 SRMs were used in the 2016-2017 drilling campaigns.

- Blank: Material in which the presence of the elements to be monitored is confirmed to be under the detection limit. It is obtained from waste material from the Mantoverde pits. There are two types:

    - Coarse Blanks: Material with the same granulometry as the routine samples, which follows the entire mechanical preparation process. They are inserted when generating the batch. These establish the presence of contamination during the mechanical preparation.
    - Analytical Blanks (BA): Material pulverized and inserted after mechanical preparation. These establish the presence of contamination during the chemical assay in the laboratory.

Databases

Assay data is digitally imported into the database directly from the analytical laboratory information management system files.

Drilling and assay data are currently stored in the Mantoverde BDGEO database. BDGEO is an information management system designed and built to facilitate the capture, registration, processing, maintenance, storage, recovery and safeguarding of geological data.

The database is subject to regular back-up procedures.

Sample Security

Core boxes are transported daily to the core shed by personnel from the drilling company. Analytical samples are transported by company or laboratory personnel using company-owned vehicles. Core boxes and samples are stored in safe, controlled areas.

Sample bags with RC material that are bar coded are transported daily by the drilling company personnel from the rig to the sample warehouse. RC reject and back-up samples are also taken off the drill platform daily to sample storage areas destined for this purpose.

Chain of custody procedures are followed whenever samples are moved between locations, to and from the laboratory, by filling out sample submittal forms.

Sample Storage

Currently, three types of samples are stored: half core, and coarse and pulp sample rejects. Half-core samples are stored indoors in wooden boxes stored on steel racks. Mantos Copper personnel advised that there is adequate storage space available for future drilling campaigns.

Pulp samples are stored in paper packets and identified by a bar code inside cardboard boxes. There is a map in the storehouse showing the locations of the stored samples. Boxes placed near the floor have been impacted by floods, resulting in sample integrity having been compromised. Action has been taken to prevent water from entering the storage shed in the future.

External Mineral Resource Audit

As part of its internal procedures Mantoverde undertakes external, annual Mineral Resources and Mineral Reserves audits. The audits from 2016 are listed below:

- Golder Associates, Level 2 Resource Audit, Mantoverde Sulphides, III Region, Chile, Technical Report, July 2016
- Golder Associates, Level 1 Resource Audit, Mantoverde Sulphides, III Region, Chile, Technical Report, October 2017
- Golder Associates, Level 1 Resource Audit, Mantoverde Resources, III Region, Chile, Technical Report, May 2019
- Golder Associates, Level 2 Cobalt Estimation Audit, Mantoverde Resources, III Region, Chile, Technical Report, March 2019
- Golder Associates, Level 2 Resource Audit, Mantoverde Sulphides, III Region, Chile, Technical Report, April 2020.

The findings of the 2020 Resources Audit state that:

"Qualified Persons carried out a detailed validation of the Mineral Resources reported for the project and consider that they were estimated using appropriate data, geological interpretation and estimation methodology, which represent the current understanding of the deposit.

The methodologies used in the construction of the Resource model are reasonable, repeatable and were applied correctly. The resources comply with the 2019 CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines and adequately support the resource inventory. Mantoverde has developed internal protocols and controls to manage its processes to ensure the adequacy of the data in the construction of the resource model. Furthermore, the grade estimate has implemented routines that allow for adequate traceability and repeatability, allowing the work to be carried out to the industry standards.

Mantoverde's resource audit has not detected any fatal errors that invalidate its results."

All Mineral Resource audits were performed by Golder Associates; the Qualified Person for the Mantoverde Technical Report, Ronald Turner, was also responsible for the audits. During the annual resource audits, reviews of the data used in the construction of the resource model, of the correct implementation of the estimation methodologies and of the results obtained are conducted to confirm they are appropriate. These activities include review of: QA/QC program in order to verify any precision, accuracy and contamination issues, comparison of original assay certificates against database records, appropriate definition and implementation of high-grade control, variography, Mineral Resource estimation, Mineral Resource classification, changes in Mineral Resources with respect to the previous model, reproduction of Mineral Resource statement.

Internal Data Verification

Two reports on internal data verification were prepared:

- Tomasz Wawruch, Mantoverde Development Project MV Development Project Competent Persons' Statement Sulphide Mineral Resources, July 2016
- Leticia Villagrán, Geólogo consultor, VLMet Consultorías, Reporte Técnico N°1, Servicio de Apoyo de Estudios de Geología, Proyecto Desarrollo Mantoverde, February 2015.

No significant issues with the data reviewed were identified.

Mineral Processing and Metallurgical Testing

Mantoverde currently operates heap and dump leaching of oxide ore to produce 45 kt/y to 50 kt/y copper cathode. A feasibility study was completed in December 2017 to determine the feasibility of treating sulphide (hypogene) material.

Three metallurgical testwork programs have been conducted since 2005 on the sulphide (hypogene) material. Comminution testwork completed has included Bond ball mill work index (BWi); Bond rod mill work index (RWi); abrasion (Ai); low energy impact (LIT); JK drop weight (JKDWT); semi-autogenous grinding (SAG) mill comminution (SMC), SAG Power Index (SPI) tests and evaluation of high pressure grinding rolls (HPGR). Other testwork has included flotation kinetic rates; standardized flotation rougher tests; open cycle (OCT) and locked cycle (LCT) tests for flotation performance; assessment of tailings behaviour, including settling and rheology tests, thickening, classification, pumping loop and deposition performance; and tailings environmental characterization. Subsequent to the completion of the feasibility study in 2017, additional tests, including mineralogy and chemical assays, rougher flotation tests (kinetic rates and standard tests), BWi, SAG power index protocols (TSAG), and tailings settling tests were performed.

The metallurgical recoveries developed from testwork results were used to design the sulphide plant. The sulphide recoveries for the current mine plan and financial evaluation were obtained directly from the geometallurgical model estimates developed by Mantos Copper with the support of an external consultant (Geoinnova Consultores). Geoinnova subsequently updated the Mixed material recoveries for Mantoverde, Manto Ruso and Celso in April 2018, using new metallurgical testwork data collected after the cut-off date for data supporting the feasibility study. The oxide recoveries are based on historical and projected values.

The life-of-mine ("**LOM**") recovery forecasts from 2023 onwards are provided in the table below.

Table 15: Projected Metallurgical Recoveries

Sulphide Plant	Unit	2023	2024	2025	2026	Average 2027-2031	Average 2032-2042	Total/Average MVDP20
Feed to Mill	kt	3,245	12,214	12,436	12,455	12,277	12,176	235,674
Total Cu Mill Grade	%TCu	0.82	0.78	0.75	0.74	0.72	0.50	0.60
Insoluble Cu Mill Grade	%ICu	0.71	0.65	0.68	0.68	0.67	0.46	0.55
Au Mill Grade	Au g/t	0.12	0.11	0.11	0.11	0.12	0.10	0.11
Cu Metallurgical Recovery	%	88.57	89.06	87.93	87.20	88.29	88.27	88.20
Au Metallurgical Recovery	%	72.89	72.92	70.59	69.32	73.10	69.03	70.40
Concentrate Grade	%	30.41	29.07	29.20	29.60	28.07	25.47	26.80
Concentrate Copper Production	kt	23.6	85.2	82.1	80.6	77.6	53.6	1,248.7
Gold Production	koz	9.3	32.7	31.9	30.5	34.9	28.3	590.4

Mantos Copper expended significant effort to study in detail the behaviour of the hypogene material for the proposed process. More than 350 samples were tested to define the variability of the feed for the comminution and flotation processes. The testwork identified eight geometallurgical domains which describe the characteristic of the sulphide material. The design takes into consideration this variability, which is within the normal range experienced in the industry.

The Qualified Person is of the opinion that the test program reasonably covers the different types of material existing in the deposit. The response to the design conditions is reasonable and no major surprises should be expected. The only exception is the Mixed feed on which more testwork is necessary to improve the results; this should be done as part of the operational optimization program.

No significant deleterious elements have been reported during the oxide operations and thus are not expected from the treatment of the hypogene material.

Mineral Resources and Mineral Reserve Estimates

Mineral Resource Estimate

Mantoverde estimated the Mineral Resource internally using drill data available at December 31, 2021. The Mineral Resource Estimate was based on a three-dimensional geological model in which lithology, mineralization and position with respect to the Mantoverde Fault were interpreted. The database included 4,895 drill holes totalling 901,024 m drilled and surface geological mapping, these were used to generate the geological model.

For the construction of the model, high yield restriction ("**HYR**") outliers were controlled for high grades and those within the mineralized zones were composited into 2 m lengths. Grades were estimated in a three-dimensional block model using the Ordinary Kriging interpolation method in three nested passes. Variograms were constructed for each of the estimation units and these were used to support the search for ellipsoid anisotropy and linear trends observed in the data

Mineral Resources have been classified using the indicator method (metal and tonnage), which is used to model the expected errors with some level of confidence in production volumes to determine the expected estimation errors with some level of confidence on production volumes.

The Mineral Resource Estimate in the table below is reported inclusive of those Mineral Resources that have been converted to Mineral Reserves, and uses the definitions set out in the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves.

The Qualified Person for the estimate is Mr. Ronald Turner. Mineral Resources have an effective date of December 31, 2021.

The following tables summarize the estimates by process type. The Mineral Resource reported in Table 16 reflects the surveyed topographic surface as at December 31, 2021.

Table 16: Mantoverde Mineral Resources as at December 31, 2021

	Category	Tonnage (Mt) [4]	Grade %TCu [2]	Grade g/t Au [2]	Contained Cu [5] (kt)	Contained Au [5] (koz)
Mantoverde Sulphides (Flotation) [1] [3]	Measured	184.4	0.58	0.10	1,070	593
	Indicated	338.8	0.41	0.10	1,389	1,089
	Total Measured & Indicated	**523.3**	**0.47**	**0.10**	**2,459**	**1,682**
	Total Inferred	593.8	0.37	0.08	2,197	1,527
Mantoverde Mixed (Flotation) [1] [3]	Measured	43.0	0.50	0.09	215	124
	Indicated	33.6	0.37	0.09	124	97
	Total Measured & Indicated	76.5	0.44	0.09	339	221
	Total Inferred	16.8	0.30	0.06	50	32
Mantoverde Sulphides + Mixed (Flotation) [1] [3]	Measured	227.4	0.56	0.10	1,285	717
	Indicated	372.4	0.41	0.10	1,513	1,187
	Total Measured & Indicated	**599.8**	**0.47**	**0.10**	**2,798**	**1,904**
	Total Inferred	610.6	0.37	0.08	2,247	1,560

	Category	Tonnage (Mt) [4]	Grade %SCu [2]	Contained Cu [5] (kt)
Mantoverde Oxides+Mixed (Heap Leach) [1] [3]	Measured	149.9	0.30	450
	Indicated	98.3	0.26	256
	Total Measured & Indicated	**248.2**	**0.28**	**705**
	Total Inferred	18.7	0.22	41
Mantoverde Oxides+Mixed (Dump Leach) [1] [3]	Measured	119.1	0.13	155
	Indicated	129.0	0.13	168
	Total Measured & Indicated	**248.1**	**0.13**	**323**
	Total Inferred	53.6	0.13	70

	Category	Tonnage (Mt) [4]	Grade % SCu [2]	Contained Cu [5] (kt)
Mantoverde Oxides+Mixed (Dump+Heap) [1] [3]	Measured	269.0	0.22	605
	Indicated	227.4	0.19	423
	Total Measured & Indicated	**496.4**	**0.21**	**1,028**
	Total Inferred	72.3	0.15	111

Notes to accompany Mineral Resources tables:

1. Mineral Resources are reported on a 100% basis and inclusive of Mineral Reserves. The attributable percentage to Mantos Copper Holding SpA is 69.993%.
2. The Qualified Person for the Mineral Resource estimate is Ronald Turner, MAusIMM CP(Geo) of Golder Associates.
3. Cut-off grade:
   a. Dump Leach: Oxide: 0.10%≤SCu<0.17%, Mixed: 0.10%≤SCu<0.17% and SCu/TCu >50%.
   b. Heap Leach: Oxide: SCu≥0.17%, Mixed: SCu≥0.17% and SCu/TCu >50%.
   c. Flotation: Sulphide: TCu ≥0.20%, Mixed: TCu ≥0.22% and SCu/TCu ≤50%.
4. The Mineral Resource pit is based on $3.90/lb Cu.
5. Tonnes are reported on a dry basis.
6. Contained Metal (CM) is calculated using the following formulae:
   a. CM = Tonnage (kt) * TCu (%) * 10 for Sulphides.
   b. CM = Tonnage (kt) * g/t Au*1,000/31.1035 for Sulphides and Mixed.
7. Flotation recovery is based on a geometallurgical model, 88.5%TCu and 70.7% Au average. Heap Leach recovery is 79.2% average. Dump recovery is based on operating data 39.4%SCu.
8. Tonnage and contained metal have been rounded to reflect the accuracy of the estimate and numbers may not add exactly.

Factors That May Affect the Mineral Resource Estimate

Factors that may affect the Mineral Resource Estimates include:

- Metal price assumptions
- Changes to the assumptions used for the cut-off grade
- Changes in local interpretations of mineralization, geometry and continuity of mineralized zones
- Density and domain assignments
- Geometallurgical and oxidation state assumptions
- Changes to geotechnical, mining and metallurgical recovery assumptions
- Changes to input and design parameter assumptions that pertain to the conceptual Whittle pit design constraining the estimate
- Assumptions as to the continued ability to access the site, retain mineral and surface rights titles, maintain environmental and other regulatory permits, and maintain the social licence to operate.

There are no other known environmental, legal, title, taxation, socioeconomic, marketing, political or other relevant factors that would materially affect the estimation of Mineral Resources that are not discussed in the Mantoverde Technical Report.

Mineral Reserve Estimate

The Mineral Reserves in the Mantoverde Technical Report consider oxide and sulphide minerals currently being mined at the Mantoverde Mine and MVDP, a brownfield development.

Mantoverde is an open pit mining complex, the oxide mineral is treated through heap and dump (ROM) leaching processes and recovered in a conventional SX-EW plant to produce copper cathodes.

MVDP consists of processing the sulphide material in a concentrator with a capacity of 12.3 Mt per year. This is planned to start ramp-up in the second half of 2023. The feasibility study for the MVDP was completed in December 2017, detailed engineering was prepared during 2019 and funding for the MVDP was secured in February 2021. The MVDP adds Mineral Reserves to the current oxide Mineral Reserves.

The designed pit is based on an LG optimization process using Whittle software and a detailed phased pit design using the oxide and sulphide pit shells. As a result of the optimization process, nine mine phases for oxide material, nine mine phases for sulphide material and one phase for mixed oxide and sulphide material were designed to prioritize the higher grade zones within the mineral extraction plan, at the same time maintaining suitable working widths to enable high productivity mining sequences using large-scale mining equipment.

Mining assumes conventional open pit operations using truck-and-shovel technology.

The mine plan was optimized by analyzing numerous net present value ("**NVP**") scenarios. However, a limiting factor for the evaluation is the TSF capacity. If an expansion of the TSF is required, according to Chilean regulations, a new permit will be required.

The Mineral Resources were converted to Mineral Reserves based upon the following assumptions:

- Only Measured and Indicated Resources were converted. Inferred Mineral Resources were set to waste.
- The Mineral Resource block model was considered as fully diluted. Pit optimization and mine planning processes were performed without introducing any additional factors to account for dilution.
- The mineralized material was economically and technically feasible to extract.
- Mineralization was within Mantos Copper's mining concessions.

A full review of input data, methodology and results supporting the work done by Mantos Copper was done by NCL Ingeniería y Construcción SpA ("**NCL**") and Carlos Guzmán, the Qualified Person for the Mineral Reserves Estimate. Criteria, methodologies and algorithms used in preparing the Mantoverde Mineral Reserves follow industry accepted practices and conform with CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (November 2019) and are reported in accordance with CIM 2014 Definition Standards.

Mantoverde Mineral Reserves are subject to the types of risks common to most open pit copper mining operations that exist in Chile. The risks are reasonably well understood at the feasibility level of study for the concentrator project and should be manageable based on the operational experience and record of performance of the mine operation. NCL is not aware of any mining, metallurgical, infrastructure, permitting or other relevant factors that could materially affect the Mineral Reserve Estimate.

The estimated Mineral Reserves are reported using metal prices of $3.00/lb Cu and $1,100/toz Au. Mineral Reserves are reported effective December 31, 2021, summarized in the table below. The Qualified Person for the Mantoverde Mineral Reserves estimate is Mr. Carlos Guzmán (RM CMC, FAusIMM).

Factors that may affect the estimates include: changes to the metal price assumptions, changes to the estimated Mineral Resources used to generate the mine plan, changes in the metallurgical recovery factors, changes in the geotechnical assumptions used to determine the overall wall angles, changes to the operating cut-off grade assumptions for mill feed or stockpile feed, changes to the input assumptions used to derive the open pit outline and the mine plan that is based on that open pit design, ability to maintain social and environmental licence to operate, changes to the assumed permitting and regulatory environment under which the mine plan was developed.

There are no other known environmental, legal, title, taxation, socioeconomic, marketing, political or other relevant factors that would materially affect the estimation of Mineral Reserves that are not discussed in the Mantoverde Technical Report.

Table 17: Mantoverde Mineral Reserves Statement as at December 31, 2021

	Category	Tonnage (Mt)	Grade (%TCu)	Grade (g/t Au)	Contained Cu (kt)	Contained Au (koz)
MVDP Sulphide (Flotation)	Proven	138.0	0.64	0.11	883	488
	Probable	59.7	0.52	0.11	310	211
	Total Reserves	**197.6**	**0.60**	**0.11**	**1,193**	**699**
MVDP Sulphide Mix (Flotation)	Proven	32.1	0.53	0.09	170	93
	Probable	6.3	0.42	0.09	27	18
	Total Reserves	**38.5**	**0.51**	**0.09**	**197**	**111**
MVDP Sulphide + Sulphide Mix (Flotation)	Proven	170.1	0.62	0.11	1,053	581
	Probable	66.0	0.51	0.11	337	229
	Total Reserves	**236.1**	**0.59**	**0.11**	**1,390**	**810**

	Category	Tonnage (Mt)	Grade (%SCu)	Grade (g/t Au)	Contained Cu (kt)	Contained Au (koz)
MVDP Oxide (Heap Leach)	Proven	91.7	0.33	-	302	-
	Probable	26.5	0.29	-	77	-
	Total Reserves	**118.2**	**0.32**	**-**	**379**	**-**
MVDP Oxide (Dump Leach)	Proven	81.2	0.14	-	114	-
	Probable	35.8	0.14	-	50	-
	Total Reserves	**117.0**	**0.14**	**-**	**164**	**-**
MVDP Oxide (Heap + Dump Leach)	Proven	172.9	0.24	-	416	-
	Probable	62.3	0.20	-	127	-
	Total Reserves	**235.2**	**0.23**	**-**	**543**	**-**

Notes to accompany Mineral Reserves table:

1. Mineral Reserves are reported effective December 31, 2021.
2. The Qualified Person for the estimate is Mr. Carlos Guzmán (RM CMC, FAusIMM).
3. Mineral Reserves are reported on a 100% basis using average off-site costs (selling cost) of $0.28/lb for sulphides and $0.30/lb for oxides.
4. Mineral Reserves are contained within an optimized pit shell. Mining will use conventional open pit methods and equipment and use a stockpiling strategy (direct mining costs are estimated by geological unit, averaging $1.85/t of material mined).
5. Processing costs were estimated by geometallurgical units (from UG1 to UG10) averaging $7.28/t of milled material, including concentrator, tailings storage facility, port and desalination costs.
6. Processing cost for material sent to the heap leach was $6.24/t. For material sent to the run-of-mine dump leach, the processing cost was $2.12/t.
7. Total copper recoveries average 88.8% for sulphides and gold recoveries average 71.3%.
8. Soluble copper recoveries average 75.0% for material sent to the heap leach and 42.4% for material sent to the dump leach process.
9. Inter-ramp angles vary from 26° to 60º. The life-of-mine strip ratio is 2.12 to 1.
10. Tonnage and contained copper are reported in metric units and grades are reported as percentages. Contained gold is reported in troy-ounces and grades in grams per tonne.
11. Grade %TCu refers to total copper grade in percent sent to the mill. Grade %SCu refers to soluble copper grade in percent sent to the leaching processes.
12. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal.

Factors that May Affect the Mineral Reserves

- Changes to the metal price assumptions
- Changes to the estimated Mineral Resources used to generate the mine plan
- Changes in the metallurgical recoveries
- Changes in the geotechnical assumptions used to determine the overall wall angles
- Changes to the operating cut-off assumptions for mill feed or stockpile feed

- Changes to the input assumptions used to derive the open pit outline and the mine plan that is based on that open pit design
- Ability to maintain social and environmental licence to operate
- Changes to the assumed permitting and regulatory environment under which the mine plan was developed

There are no other known environmental, legal, title, taxation, socioeconomic, marketing, political or other relevant factors that would materially affect the estimation of Mineral Reserves that are not discussed in the Mantoverde Technical Report.

Mining Operations

Mining Methods

The mine plan was developed by Mantos Copper staff at the end of 2021. The plan is focused on two main areas, Celso–Manto Ruso and Mantoverde. The development case mill throughput assumption is based on hardness variability, resulting in an average throughput of 12.4 Mt per year of sulphide from 2023 to 2042, with a ramp-up period that assumes production of 3.2 Mt in 2022.

The mine plan considers that oxide minerals will continue to be processed using additional oxide material available from the sulphide pits until 2036. Treatment in the heap leach process considered an annual rate of 10.7 Mt in 2021, reaching 10.9 Mt in 2025; the dump leach process will have an annual treatment rate of 15.0 Mt per year.

The required pre-stripping for the sulphide pits amounts to 52 Mt, scheduled over 23 months, started in 2021. The mining schedule requires an average mine extraction of 93 Mt per year, with maximum mine movement of 130-131 Mt per year between 2026 and 2028. The mine movement decreases from 2032 until the mining operations are completed in 2037. The process plant will continue to operate through to 2042 treating low-grade stockpile material. The production plan is summarized in the two tables below (Table 18, Table 19).

Table 18: Sulphide Copper Production 2023-2042

SULPHIDE + SULPHIDE MIXED PLANT	Unit	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	TOTAL
Feed to mill	kt	3,245	12,214	12,436	12,455	11,606	12,097	12,577	12,474	12,510	12,230	11,692	11,845	12,544	12,644	12,628	12,100	12,091	12,124	12,091	12,512	236,115
TCu Mill Grade	% TCu	0.83	0.78	0.75	0.75	0.73	0.76	0.66	0.75	0.66	0.60	0.63	0.57	0.68	0.79	0.64	0.29	0.29	0.29	0.29	0.27	0.59
ICu Mill Grade	% ICu	0.74	0.71	0.68	0.69	0.68	0.71	0.62	0.71	0.62	0.57	0.59	0.53	0.63	0.75	0.61	0.26	0.26	0.26	0.26	0.23	0.55
SCu Mill Grade	% SCu	0.09	0.07	0.07	0.06	0.05	0.05	0.04	0.04	0.05	0.03	0.03	0.03	0.05	0.05	0.03	0.03	0.03	0.03	0.03	0.04	0.04
Au Mill Grade	Au g/t	0.12	0.11	0.11	0.11	0.09	0.11	0.13	0.13	0.14	0.12	0.10	0.10	0.13	0.16	0.14	0.07	0.07	0.07	0.07	0.07	0.11
$CaCO_3$ Mill Grade	% $CaCO_3$	3.05	3.73	5.59	10.55	5.07	6.71	17.38	11.18	13.34	17.46	7.89	10.65	18.65	17.31	19.48	10.55	10.55	10.55	10.55	8.52	11.31
Cu Metallurgical Recovery	%	89.1	89.7	88.5	87.9	89.5	88.4	87.4	90.6	87.7	89.4	89.8	89.4	89.5	88.4	90.5	88.3	88.3	88.3	88.3	81.5	88.5
Au Metallurgical Recovery	%	74.2	73.3	70.7	70.0	72.9	74.5	72.2	74.0	73.1	73.1	73.9	71.2	72.0	74.1	73.2	64.5	64.5	64.5	64.5	63.0	70.6
Concentrate Grade	%	30.69	29.32	29.36	29.57	30.29	28.75	27.84	28.41	24.58	27.19	27.08	26.40	28.03	29.19	28.05	22.28	22.28	22.28	22.28	23.74	26.74
Copper in Concentrate	kt	24	86	83	82	76	81	72	84	73	65	66	60	76	89	73	31	31	31	31	28	1241
Gold Production	kOz	10	33	32	31	25	32	39	40	40	35	28	27	37	49	42	19	19	19	19	18	592

Table 19: Oxide Copper Production 2021-2036

HEAP LEACH	Unit	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	LOM
Feed to Heap	kt	10,700	10,750	10,801	10,850	10,910	10,900	5,841	10,469	10,750	10,627	9,063	3,353	4,260	7,029	1,729	862	128,895
TCu Heap Grade	% TCu	0.61	0.60	0.48	0.43	0.39	0.34	0.36	0.47	0.50	0.35	0.34	0.39	0.34	0.39	0.43	0.43	0.44
ICu Heap Grade	% ICu	0.10	0.15	0.12	0.11	0.08	0.08	0.09	0.12	0.15	0.08	0.07	0.08	0.07	0.09	0.14	0.13	0.10
SCu Heap Grade	% SCu	0.50	0.45	0.36	0.32	0.31	0.26	0.27	0.35	0.35	0.27	0.26	0.31	0.28	0.30	0.30	0.29	0.33
$CaCO_3$ Heap Grade	% $CaCO_3$	3.06	3.77	3.20	2.90	2.67	2.91	4.08	4.03	3.78	2.62	3.02	2.22	2.33	4.52	14.69	23.99	3.55
Cu Metallurgical Recovery	%	82	78	76	77	74	72	75	78	77	75	71	76	75	74	61	64	76
Heap Cathode Production	kt	42.2	38.0	29.5	26.9	25.8	20.3	11.7	28.6	29.1	21.4	16.8	7.8	8.9	15.3	3.1	1.6	327.0

DUMP LEACH	Unit	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	LOM
Feed to Dump	kt	14,471	15,002	15,000	15,147	15,009	15,046	15,002	15,028	15,086	15,024	15,127	1,300	2,439	2,856	903	1	172,443
TCu Dump Grade	% TCu	0.25	0.30	0.22	0.21	0.20	0.19	0.16	0.18	0.17	0.17	0.17	0.20	0.19	0.20	0.22	0.29	0.20
ICu Dump Grade	% ICu	0.06	0.13	0.06	0.06	0.05	0.05	0.04	0.05	0.04	0.04	0.04	0.06	0.05	0.06	0.08	0.17	0.06
SCu Dump Grade	% SCu	0.19	0.17	0.16	0.15	0.15	0.14	0.12	0.13	0.12	0.13	0.12	0.13	0.13	0.14	0.14	0.12	0.14
$CaCO_3$ Heap Grade	% $CaCO_3$	1.93	2.99	1.87	2.34	2.32	2.90	1.90	2.23	1.64	2.53	2.13	1.92	2.55	3.36	15.39	6.61	2.54
Cu Metallurgical Recovery	%	43	40	43	43	43	43	43	43	43	43	43	43	43	43	43	43	42
Dump Cathode Production	kt	10.8	10.4	10.3	9.5	9.5	8.8	7.8	8.0	8.0	8.3	8.1	2.3	1.3	1.6	0.6	0.0	105.4

The current mining operation strategy is to use a mixed owner and contractor loading and hauling fleet. The MVDP assumes integration with and transition from the current operation to higher productivity heavy mining equipment to increase the mine capacity. The heavy mining equipment is assumed to be fully owned by Mantoverde once the operation reaches steady-state production, planned to be by 2026.

The mine is scheduled to work on a seven days a week, two 12 hour shift basis, for 365 days per year. The operation will include normal drilling, blasting, loading and hauling activities on a 15 m bench height (a double bench of 30 m) in the sulphide areas, and 10 m bench height (a final double bench of 20 m) in oxide zones. Mining will include supporting functions such as dewatering, grade control and equipment maintenance.

Processing and Recovery Operations

Mantoverde has a plant production capacity of 60,000 tonnes per year of copper cathodes, current production ranges between 45,000 t/y and 50,000 t/y. The current process plant consists of a three stage crushing plant, a heap leach facility, a dump leach facility and a solvent extraction and SX-EW plant. The MVDP will add a new concentrator and TSF and expand the desalination plant.

The existing oxide process is a conventional heap leach operation producing LME Grade A quality cathode. The proposed sulphide process will be conventional concentrator plant. The concentrator is designed to process 11.6 Mt per year of sulphide feed, equivalent to 31,781 t/d and will produce copper concentrate.

Unit process areas for the new sulphide plant will include:

Primary crushing area:
- Gyratory crusher
- Coarse ore stockpile

Milling area:
- SAG mill
- Ball mill

Flotation area:
- Rougher flotation
- Cleaner flotation
- First cleaner flotation (agitated cells)
- Scavenger flotation (agitated cells)
- Second cleaner flotation (column)
- Third cleaner flotation (column)

Concentrate:
- Thickening
- Filtration
- Storage

Tailings:
- Hydrocyclone cluster
- Thickening and transport

Tailings storage facility.

Fresh water will be supplied from the expanded Mantos Copper-owned desalination plant located in the Bahía Flamenco area, 40 km from the mine site.

Reagents will include lime, two sulphide collectors, one frother and flocculant.

An expanded dump leach process is planned for low-grade oxide material as part of the updated mine plan. The existing facilities and processes will be used. This is a well known process and uses conventional methods and equipment.

Infrastructure, Permitting and Compliance Activities

Infrastructure

The MVDP is a brownfield expansion located in an area where the expansion of existing facilities is not considered to present any major design challenges. The facilities supporting the expansion for the MVDP will be located at three main sites:

- The mine and concentrator plant at an elevation of approximately 900 masl
- TSF at an elevation of approximately 750 masl, located about 3.5 km west of the concentrator
- Sea water desalination plant at the coast.

Copper cathodes will continue to be shipped to Antofagasta. Copper concentrate will be shipped through Chañaral to the north and Caldera to the south. Concentrate will be transported using 30 t trucks, on a 360 days per year basis, with an average of about 25 trips per day.

- Current facilities and infrastructure include:
- Open pits
- Mine and process support buildings
- Truck shop
- Low-grade and high-grade heaps (static and dynamic heaps, respectively)
- Waste rock storage facilities
- Primary and secondary crushing plant
- SX-EW plant
- Sea water desalination plant (intake, filtration and reverse osmosis building located on the coast), pumping stations (EB1 and EB2) and water storage ponds (located at the mine site)
- Desalinated water pipeline
- Power lines
- Camp
- Sewage treatment facility.

Additional facilities and infrastructure required to support the sulphide project include:

- Additional truck maintenance shop
- Primary crusher
- Coarse ore stockpile
- SAG/ball mill building
- Flotation and regrind circuit building
- Thickening and filtration buildings
- Potable water storage and potable water plants
- Storage area for lime, reagents and flocculants
- Compressed air supply
- Construction and accommodation camp
- Additional offices and change house
- Additional pipelines (water, air, copper concentrate, slurries, tailings)
- Expansion of the heap and dump piles.

Facilities required at the port are assumed to be provided by port facility service provider.

The water desalination plant will be expanded from the current capacity of 120 L/s to 380 L/s.

Power is supplied to site from the Diego de Almagro substation via a 110 kV transmission line. A new substation will be required on site adjacent to the existing 110 kV Mantoverde substation, which will provide power to the comminution, flotation and regrind circuits, truck shop, fresh water supply and mine operations.

Environmental Studies and Permitting

An environmental impact assessment study (EIA) for the MVDP has been approved by the Chilean environmental authority by Exempt Resolution N° 16/2018 issued by the Atacama Region Evaluation Commission (environmental qualification resolution, Resolución de Calificación Ambiental, RCA). The RCA covers the combined sulphide and oxide mining and processing plan up to 2034 and the sulphide mining and processing up to 2042.

The general objective of the MVDP is to provide operational continuity for Mantoverde, diversifying the operations through the exploitation and processing of sulphide minerals (hypogene minerals associated with the oxide mineral currently in exploitation). The total sulphide reserves are estimated to be 235.6 Mt from which copper concentrate will be produced. The processing of oxidized minerals will continue (total remaining reserves estimated to be 255.6 Mt) from which cathode copper will be produced using the existing facilities.

After the MVDP EIA, Mantoverde submitted an EIS (DIA) for the Optimization Supply Autonomy of the Oxides Line (approved by RCA N° 119/2018) and the DIA for the Mantoverde Oxides Optimization Project (approved by RCA 132/2021).

A new tailings dam is considered in the MVDP. Tailings will be thickened to 55% solids prior to deposition and transported about 3.5 km from the plant to the TSF on the south side of Quebrada Guamanga. The dam will be a conventional type with thickened tailings and a maximum storage capacity of 230 Mt. The initial wall will be built of borrow material and wall growth will use cycloned sands until reaching a final elevation at 794 masl, a maximum height of 80 m, and a total length of 4,059 m. The tailings will be transported at a nominal rate of approximately 31,000 tpd.

Water Management

Fresh water will be provided from the desalination plant located on the coast and transported to the site by a pipeline. The water supply to the MVDP will continue to be provided by the current desalination plant owned by Mantoverde. The desalination plant will be expanded as part of the MVDP to produce 380 L/s.

Reclaimed water from the TSF will provide some of the process water supply. Reclaimed water from the TSF will be pumped to the recovered water distribution tank and from the tank will flow by gravity to the tailings cyclone station or to the concentrator.

The potable water plant will consist of a packaged reverse osmosis system that will provide drinking quality water for the concentrator and camps.

Baseline Studies

Baseline studies for the MV Development Project EIA were carried out during 2015 and 2016. Complementary baselines studies have been submitted in support of the 2018 and 2020 DIAs.

Potential impacts on flora and fauna habitats and a modification of ground water levels were identified. The MVDP RCA establishes mitigation, restitution and compensation measures, consisting of eight mitigation measures and eight compensation measures. Among other control plans, a ground water monitoring and control plan will be developed for the TSF. A number of additional voluntary measures offered by Mantoverde were integrated into the MVDP RCA.

Permitting

Chilean mining projects require sectoral and environmental permits prior to mine construction and operation. Development of the MVDP will require additional sectoral and environmental permits to those already granted for the operating mine.

The latest approved EIA for the MVDP covers the combined sulphide and oxide mining and processing plan to 2034 and the sulphide material mining and processing plan to 2042.

Mantoverde has developed a Master Plan for Sectoral Permits to ensure that the supporting documentation is provided when required to the regulatory authorities so that the permits are applied for, granted and maintained in force. The sectoral permits already granted cover potable water, sewage and sanitation, landfill and closure planning. Specific sectoral permits have also been granted for open pit mining activities. At this stage, it is estimated that at least 250 separate permits will be required for the MVDP.

Closure Plan

The Mantoverde mine closure plan (the "**MV Closure Plan**") was approved by SERNAGEOMIN on 19 December 2018 by Exempt Resolution N° 3544/2019. The estimated closure and post-closure cost is $47.7 million for the existing installations (at the UF exchange rate on June 21, 2021).

The MV Closure Plan follows the requirements of RCAs issued for the Mantoverde operation and describes the measures that must be undertaken for closure and reclamation. However, this MV Closure Plan does not include provisions from the RCAs for the MVDP (RCA 16/2018); for the Optimization Supply Autonomy of Oxides Line (RCA 119/2018) and Mantoverde Oxides Optimization Project (RCA 132/2021). The updated MV Closure Plan including these projects was submitted on 17 September 2020 and is still being reviewed by SERNAGEOMIN.

Considerations of Social and Community Impacts

The closest town is El Salado, in the community of Chañaral 15 km from the mine site. Other towns of interest are located on the coast and include Barquitos, Flamenco, Portofino, Las Piscinas and Torre del Inca. These towns are located on common use roads and near the desalination plant and pumping system. No indigenous peoples recognized in Law No. 19,253 or Indigenous Law were identified in these communities. Significant impacts on the populations in these communities were ruled out in the MVDP EIA evaluation.

Capital and Operating Costs

Capital and operating costs were estimated for the MVDP, including an extension of the oxide operations to 2036 and mining and treatment of sulphides through a flotation plant from 2023 to 2042. All capital and operating costs were determined by Mantos Copper and developed for the operation as a whole, without assigning separate costs to oxide and sulphide materials.

Expansion capital is estimated to be $784 million between years 2021 and 2024 ($140 million for Mine Equipment, $470 million for Land and Buildings, $71 million for Pre-stripping, $37 million for Other Fixed Assets and $56 million for the TSF). Over the LOM the sustaining capital cost[8] is estimated to be $476 million ($92.5 million for Mine Equipment and $383.7 million for Other Fixed Assets (mining projects, desalination plant, oxide plant, leached material dump (ripios) expansion, smaller projects, oxide stay in business (SIB), sulphide SIB and long term SIB).

Total operating costs are estimated to be $6,166,000,000 for the life of mine, corresponding to $1.73/lb, as summarized in the table below.

Table 20: Operating Cost Summary

Item	Estimated LOM Total $M	Unit Value
Mining	2,508	1.43 $/t-moved
Processing (Oxides)	1,529	167.3 c$/lb (cathodes)
Processing (Sulphides)	1,717	7.3 $/t-milled
G&A	318	8.9 c$/lb (total)
Other Operating Expenses	94	2.6 c$/lb (total)
TOTAL	6,166	172.8 c$/lb (total)

[8] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

Economic Analysis

Methodology Used

The economic analysis was performed by Mantos Copper, using models developed in Excel.

The MVDP was valued using a discounted cash flow (DCF) approach. Estimates were prepared by Mantos Copper for the individual elements of cash revenue and cash expenditures for ongoing operations using information from the following sources:

- Amec Foster Wheeler 2017 Feasibility Study, containing mainly the sulphide plant and tailings facility capital and operating costs
- M&S pre-feasibility study for the expansion/extension of the heap and dump leach facilities
- Mantos Copper Feasibility Mine Plan capital and operating costs
- Mantos Copper's data for heap and dump leach operations and other site costs derived from the current operations (oxides SIB capital cost, closure costs, SX-EW plant operating costs, general and administration costs, taxes, exploration costs and mine equipment lease costs).

Capital cost estimates have been prepared using 2021 as the initial year of the MVDP valuation, starting with concentrator construction activities and pre-stripping for the sulphides. The construction period extends into mid-2023. In addition to the initial capital for construction of facilities for MVDP, ongoing sustaining capital[9] is included from 2021 for the Oxide Plant, as well as from 2023 for the MVDP's sulphide facilities.

Cash flows are assumed to occur at the middle of each annual period and are discounted for half a year to bring all flows to the start-of-year. The resulting net annual cash flows are discounted back to the date of valuation as of the start of year 2021. As an example, 2021 costs are discounted for half a year and 2022 costs are discounted for 1.5 years, and so on.

The currency used to document the capital and operating cost estimates is Q4 2020 US dollar, because the feasibility-level estimates for the mine and plant were prepared in the first half of that year. The cash flows are discounted to the beginning of 2021. The internal rate of return ("**IRR**") is calculated as the discount rate that yields a zero NPV. The payback period is calculated as the time needed to recover the initial capital costs from the start of production, on both discounted and undiscounted cash flows.

Taxes

The total income subject to the corporate income tax for the duration of the MVDP is $4,803 million, assuming application of the semi-integrated system. The government taxes payable for the duration of the MVDP are estimated to be:

- $1,220 million for corporate income tax
- $298 million for mining tax or royalty.

Total income and mining taxes for the life of the MVDP are estimated to be $1,517 million.

Tax figures correspond to real values, determined after applying inflation and exchange rate escalators to all cost items.

Royalties

The current financial model includes a royalty payment to Anglo American for a total of $49 million.

[9] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

The MVDP financial model includes no additional royalties or encumbrances other than the requirement to pay the Chilean mining tax.

Table 21: After-Tax Annual Cash Flows

Year	After Tax Annual Cash Flow ($M)	
	Undiscounted	Discounted (8%)
2021	-301	-290
2022	-316	-281
2023	-48	-39
2024	357	273
2025	404	286
2026	265	173
2027	208	126
2028	235	132
2029	258	134
2030	238	115
2031	245	109
2032	177	73
2033	160	61
2034	201	71
2035	246	81
2036	325	98
2037	287	81
2038	107	28
2039	74	18
2040	72	16
2041	75	16
2042	16	3
LOM	**3,286**	**1,283**

Sensitivity Analysis

A sensitivity analysis was performed considering variations in metal prices, operating costs and capital costs.

Recommendations

Mineral Resources

- Improve the geological understanding of gold mineralization and include this knowledge in the resource model to improve the confidence in the estimate.
- Continue the exploration program on surrounding Mantos Copper properties with recognized mineralization potential.
- Continue infill drilling to improve resource categorization and increase confidence of the currently defined Mineral Resources, and provide a better base for long-term mine planning. The table below shows the drilling costs for the recent years and proposed future expenditures.

Table 22: Drilling Costs

$M	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Infill	0.8	0.7	4.0		1.9	3.6	4.5	4.0	4.1	4.7
Exploration	1.7	2.2			1.1	1.2	1.5	5.6	5.8	6.1

Mineral Processing

A review of the Geoinnova data indicates that the rougher recoveries for six of the samples used in the block model were derived from 20 minute rougher recovery results, not the 14 minute rougher recovery results that were the basis of the MVDP design. However, the review found that the values were not significantly different and should not impact the MVDP design criteria. It is recommended that the corrected data be used for the next block model update.

The recovery models for the oxide mineralization are based on metallurgical testwork conducted during pre-feasibility level investigations that were updated with the currently budgeted 5 year recovery expectations. The geometallurgical characteristics of the materials that are planned to be mined and treated through the oxide circuit after the currently budgeted 5 year recovery expectations should be reviewed on an annual basis, as per current practices, and if needed, testwork should be conducted to ensure that the future recoveries are in line with current Mantoverde experience.

Additional metallurgical testwork should be undertaken on the Oxide/Mixed material in the vicinity of the Mantoverde Fault that currently appears to have lower metallurgical recoveries. This will provide additional support for the metallurgical recovery assumptions for such material.

Concentrate filtration tests were undertaken on some of the metallurgical composites using three technologies: vacuum, press and ceramic filters. The results support the current interpretations. However, additional filtration tests should be undertaken with filter vendors, assuming the use of press filters.

It is recommended that the mill manufacturers be consulted to confirm that the 250% circulating load assumption is applicable to the final equipment selection.

This work is budgeted at $300,000.

Mineral Reserves

The additional conversion of Mineral Resources into Mineral Reserves is constrained by the capacity of the TSF; an increase in size of the TSF will require a modification to the environmental permits. If the TSF capacity can be increased, an increase in Mineral Reserves can be realized by developing Phase II and maintaining the same life of mine, or by maintaining the throughput rate at 11 Mt per year and extending the life of mine.

It is recommended that autonomous haulage system (AHS) be analyzed as the selected of fleet, this has been used successfully in other mines in Chile. The benefits of AHS are: smaller fleet, less fuel emissions, higher overall productivity (higher utilization and higher speeds) and lower labour requirement.

Exploration, Development and Production

Mantoverde is an operating mine and has implemented an exploration program that considers the execution of infill drilling campaigns and exploration programs in areas of geological interest located in the surroundings of its operation within its mining properties.

Project Execution Plan, Mantoverde Development Project Case

The proposed execution plan for the engineering, procurement and construction (EPC) for the new processing facilities required for the MVDP has been awarded to Ausenco Limited, a multi-national engineering, procurement and construction management company. Ausenco has broad experience in the design and construction of copper concentrator projects in the international market. It is expected that Ausenco will use industry-standard practices. The execution plan assumes that the Company would have an Owner's team working with the contractors during the execution phase.

The main EPC contracts include the following:

- CC01: Earth movement

- EPC01: Process plant and services
- EPC02: Truck shop, infrastructure, shovel yard
- EPC03: Power distribution
- EPC04: Camp, offices and construction warehouses
- EPC05: Tailings dam
- EPC06: Desalination plant.

Company personnel will be responsible for work outside the EPC contractors' scope, including environmental permitting, community relations, mine development, fuel and power supply.

The EPC contractors will be responsible for the construction permitting.

MVDP Schedule

The MVDP schedule is based on the following key milestone dates:

- RCA approved: March 2018
- Start of Project construction: September 2020 Oxide Line, June 2021 Sulphide Line
- EPC01 Process plant and services mechanical completion: June 2023
- EPC06 Desalination plant mechanical completion: June 2023
- EPC05 Tailings dam mechanical completion: May 2023.

Mantoverde Phase II

Mantoverde is analyzing an expansion of the concentrator (Phase II), adding a second ball mill and a pebble crusher to increase the concentrator capacity and increasing annual copper production from 2026.

The source of feed for this increased throughput is the already identified mineral inventory as a result of the pit optimization (detailed in the table below). The current Mineral Reserves Estimate was constrained by the TSF capacity and therefore the pit shell obtained at a revenue factor of 0.7 was used as a guide for the final pit design. The difference between the pit shell obtained at revenue factor 1.0 and the potential production plan is 204.8 Mt of potential sulphide inventory available for Phase II.

Table 23: Optimization Final Pit Selection

Pit	RF	Pit	Heap		Dump		Flotation				Waste	Total Extracted	CashFlow without Discount	CashFlow Discounted
			Tonnage	SCu	Tonnage	SCu	Tonelaje	Tcu	Au	Scu				
			(Mt)	(%)	(Mt)	(%)	(Mt)	(%)	(g/t)	(%)	(Mt)	(Mt)	MU$	MU$
1	0.50	1.45	22.2	0.52	12.9	0.15	23.2	0.74	0.11	0.15	42.4	100.6	477	-113
2	0.52	1.51	26.9	0.50	19.1	0.15	40.6	0.70	0.11	0.14	104.2	190.9	656	120
3	0.54	1.57	32.8	0.48	32.3	0.15	61.4	0.67	0.10	0.13	164.8	291.2	865	324
4	0.56	1.62	43.2	0.45	56.1	0.15	170.6	0.58	0.11	0.09	480.9	750.9	1,634	621
5	0.58	1.68	46.2	0.44	58.3	0.15	181.0	0.58	0.11	0.09	509.0	794.5	1,831	644
6	0.60	1.74	55.5	0.42	65.5	0.15	200.2	0.57	0.11	0.09	567.7	888.9	2,138	687
7	0.62	1.80	62.3	0.41	71.5	0.15	227.1	0.56	0.11	0.09	640.3	1,001.3	2,469	722
8	0.64	1.86	67.9	0.40	77.9	0.15	242.0	0.55	0.10	0.09	682.2	1,070.1	2,761	741
9	0.66	1.91	72.0	0.40	81.2	0.15	258.0	0.55	0.10	0.09	732.2	1,143.4	3,053	755
10	0.68	1.97	76.4	0.40	84.4	0.15	265.8	0.54	0.10	0.09	756.0	1,182.6	3,305	762
11	**0.70**	**2.03**	**82.0**	**0.40**	**88.5**	**0.15**	**274.3**	**0.54**	**0.10**	**0.09**	**787.8**	**1,232.6**	**3,600**	**769**
12	0.72	2.09	86.2	0.39	93.5	0.15	284.3	0.54	0.10	0.09	817.8	1,281.8	3,870	776
13	0.74	2.15	90.7	0.39	98.6	0.16	292.9	0.53	0.10	0.09	844.8	1,327.0	4,170	780
14	0.76	2.20	95.4	0.39	104.3	0.16	303.7	0.53	0.10	0.08	881.3	1,384.7	4,485	785
15	0.78	2.26	104.0	0.38	116.5	0.16	315.8	0.52	0.10	0.08	924.0	1,460.3	4,801	790
16	0.80	2.32	108.5	0.38	123.1	0.16	325.5	0.52	0.10	0.08	958.5	1,515.5	5,129	793
17	0.82	2.38	111.6	0.37	127.3	0.16	331.4	0.51	0.10	0.08	981.0	1,551.4	5,418	794
18	0.84	2.44	117.5	0.37	135.7	0.16	341.4	0.51	0.10	0.08	1,030.5	1,625.1	5,771	797
19	0.86	2.49	131.8	0.37	157.5	0.16	356.7	0.50	0.10	0.08	1,108.5	1,754.4	6,189	800
20	**0.88**	**2.55**	**139.6**	**0.37**	**181.9**	**0.16**	**383.3**	**0.49**	**0.10**	**0.08**	**1,195.6**	**1,900.4**	**6,621**	**801**
21	0.90	2.61	141.6	0.37	187.0	0.16	395.1	0.49	0.10	0.08	1,240.8	1,964.5	6,993	801
22	0.92	2.67	144.1	0.36	195.4	0.16	404.6	0.48	0.10	0.08	1,273.4	2,017.6	7,337	801
23	0.94	2.73	149.6	0.36	204.3	0.16	418.3	0.48	0.10	0.08	1,338.7	2,111.0	7,748	801
24	0.96	2.78	151.2	0.36	208.5	0.16	426.1	0.48	0.09	0.08	1,367.9	2,153.7	8,095	801
25	0.98	2.84	153.7	0.36	213.4	0.16	433.2	0.47	0.09	0.08	1,405.7	2,206.1	8,450	801
26	1.00	2.90	160.5	0.36	222.4	0.16	441.4	0.47	0.09	0.08	1,461.6	2,285.9	8,870	801

Mantos Blancos (Chile)

The scientific and technical information in this section relating to the Mantos Blancos property is derived from, and in some instances is a direct extract from, and based on the assumptions qualifications and procedures set out in, the technical report entitled "Mantos Blancos Mine NI 43-101 Technical Report Antofagasta / Región de Antofagasta, Chile December, 2021" with an effective date of November 29, 2021 (the "**Mantos Blancos Technical Report**"). The authors of the Mantos Blancos Technical Report are Carlos Guzmán, Gustavo Tapia and Ronald Turner. Such assumptions, qualifications and procedures are not fully described in this Annual Information Form and the following summary does not purport to be a complete summary of the Mantos Blancos Technical Report. Reference should be made to the full text of the Mantos Blancos Technical Report, which is available for review under Capstone's profile on SEDAR at www.sedar.com.

All scientific and technical information in this summary relating to any updates to the Mantos Blancos Mine since the date of the Mantos Blancos Technical Report has been reviewed and approved by Qualified Persons who supervised the preparation of updates to these elements. These Qualified Persons include those listed in "Interests of Experts" in this Annual Information Form.

Description, Location and Access

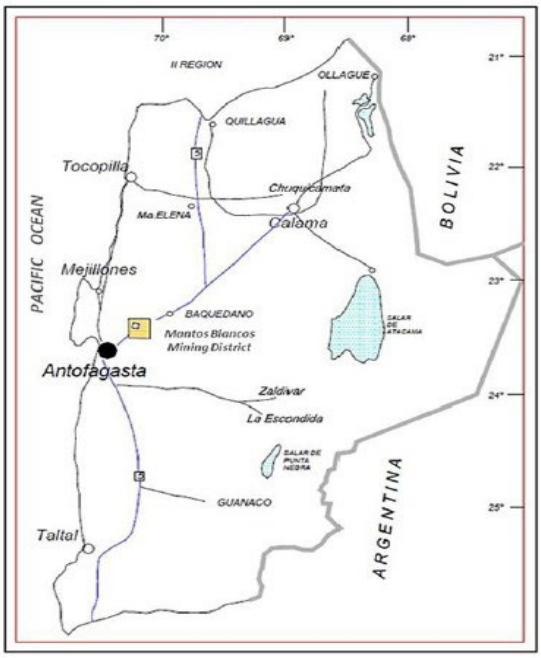
Mantos Blancos is an open-pit mine located in the Antofagasta region of Chile. The mine has been operational since 1960 and currently mines and processes both sulfide and oxide ores; going forward, the mine is expected to primarily treat sulfide ore in an expanded concentrator. In 2020, despite industry-wide operational challenges caused by COVID-19, Mantos Blancos produced approximately 42 thousand tonnes of copper in concentrates and cathodes at an AISC of $2.72 per payable pound. In 2021, Mantos Blancos produced 30.8 thousand tonnes of copper in concentrates and 16.5 thousand tonnes of copper in cathodes at an AISC of $3.06 per payable pound. From 2022 to 2030, Mantos expects Mantos Blancos to produce an average of 51 thousand tonnes of copper per year at an average AISC of $2.06 per payable pound, including execution of the MB Debottlenecking Project. After

the completion of the MB Debottlenecking Project, Mantos Blancos is expected to have a mine life to 2036, with further upside from the other growth projects described below.[10]

The mine is located on the eastern flank of the Coastal Range in the north of Chile, 45 kilometers to the northeast of the city of Antofagasta and 67 kilometers from the Antofagasta airport. The mine can be easily accessed by the Pan American Highway via paved roads that run past the mine's access gate. The mine is located within a one-hour drive of port facilities at Antofagasta and Mejillones, and the Glencore-owned Altonorte copper smelter. There is no on-site accommodation as all staff live off-site, mainly in Antofagasta. The nearest community to the mine is Baquedano, which has fewer than 1,000 residents and is located approximately 32 kilometers from Mantos Blancos.

The Mantos Blancos property includes 116 mining properties covering an area of 18,818 ha and 82 exploration rights claims totaling 38,800 ha.

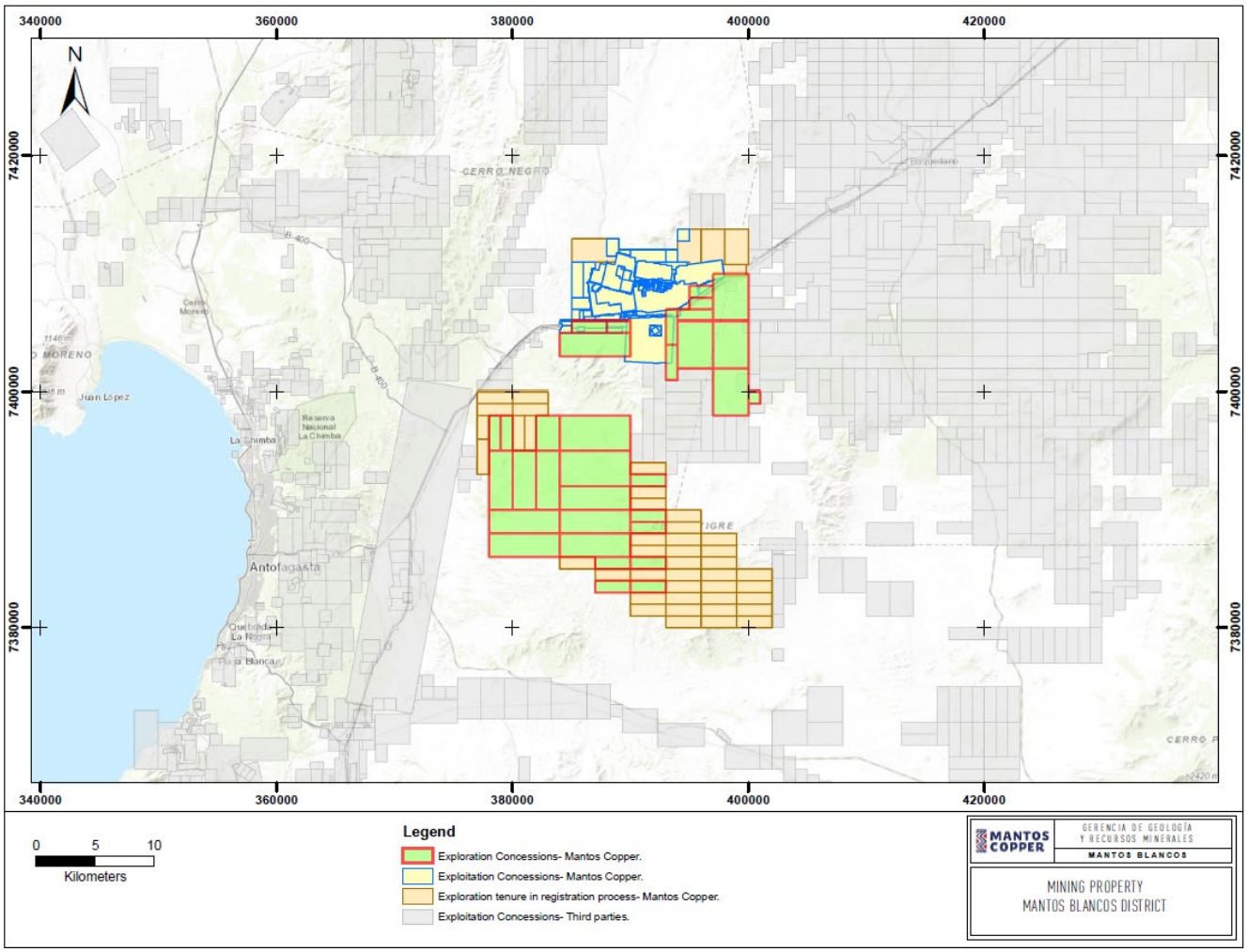
Figure 18: Map of Location



The mine site covers an area of approximately 273 square kilometers and its UTM coordinates are 7,401,000 North to 7,414,000 North and 376,000 East to 397,000 East. A central coordinate of the mine is: 7410,000 North and 390,000 East.

[10] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

Figure 19: Mantos Blancos Mineral Tenure



Title, Leases and Options

Mantos Blancos has 198 exploitation and exploration mining concessions in different stages of processing, which gives Mantos ownership and control of 57,618 hectares. The concessions fulfill the function of protecting the areas where Mantos' facilities are located, together with the areas of geological potential for their exploitation, exploration and aqueducts.

Exploration concessions are granted for renewable two-year periods and exploitation concessions are granted for indefinite periods. Exploitation concessions give the holder the right to explore and to exploit any mineral resource found within the concession boundary.

All of the estimated mineral resources and mineral reserves are contained within granted exploitation concessions and all legal title to and ownership of Mantos Blancos is in the name of Mantos Blancos.

Table 24: Mantos Blancos Mining Concession Summary

Concession	Status	N° Licences	Area (Hectares)
Exploitation	Constituted	90	8,198
	In Progress	26	10,620
Exploration	Constituted	54	27,800
	In Progress	28	11,000
Total		**198**	**57,618**

As part of the financing for the MB Debottlenecking Project, a comprehensive security package was provided to the lenders covering all of Manto Blancos' material assets, mining concessions and any material rights therefrom. Certain assets and mining concessions of Mantos Blancos are also pledged under a net smelter return royalty and silver production agreement.

Streaming and Royalty Agreements

Under a contract signed with Orion Titheco Ltd. on 22 August 2015, the contained silver in the Mantos Blancos concentrates was sold for a total advance payment of $82,250,000. This contract was subsequently sold by Orion Titheco Ltd to Osisko Gold Royalties in 2017 and amended on 31 August 2019 for an additional $25,000,000 advance payment. In return for the upfront payments Osisko received the right to purchase an amount of refined silver equivalent to the number of ounces of silver delivered under concentrate offtake contracts less specified deductions until 19,300,000 ounces of silver have been sold under the agreement and thereafter an amount equal to 40% of the number of ounces of silver delivered under concentrate offtake contracts less specified deductions. Osisko is obliged to pay in cash 8% of the market price of the silver upon each delivery and to give credit against the advance of 92% of the market price upon each delivery, according to the contract terms. The initial term of the Silver Production Agreement is 40 years and shall automatically renew thereafter for successive 10 year periods. The amount of silver estimated to have been derived from the copper concentrate is the amount calculated as due under the terms of the contract.

In connection with the financing of the MB Debottlenecking Project, Mantos Blancos entered into the Southern Cross Royalty Agreement with Southern Cross on 31 August 2019. Under the Southern Cross Royalty Agreement, Southern Cross paid $50.25 million for a 1.525% royalty on the NSR of copper production at Mantos Blancos, paid quarterly. The royalty is for a period initially through to 1 January 2035 and may be extended by Southern Cross at its sole discretion through the duration of the mining rights, and is subject to Mantos Blancos' option to buy back and reduce the royalty amount by 50% at any time after 1 January 2023 subject to the payment of a buy back fee and the satisfaction of certain conditions. The Southern Cross Royalty Agreement grants Southern Cross security interests over related mining concessions and includes certain covenants with respect to the conduct of mining operations, the preservation of mining rights and maintenance of offtake arrangements, among other terms.

Offtake Agreements

Mantos Blancos and Mantoverde have entered into offtake agreements relating to cathode production with Anglo American, both of which were amended and re-stated on 31 August 2019.

Under the agreements, Mantos Blancos and Mantoverde are required to sell, and Anglo American is required to buy, all of the production of copper cathodes, until the aggregate sum of cathodes delivered from Mantoverde and Mantos Blancos reaches 275,000 tonnes, which is expected to occur by 31 December 2025. If this amount is not delivered by 31 December 2025, the agreement can be extended through to 31 December 2027 subject to a 20% increase in the amount of cathodes required to be delivered. The price for cathodes is determined based on the monthly average LME copper price.

As part of the financing for the MB Debottlenecking Project, Mantos Blancos entered into an offtake agreement with Glencore International AG and Complejo Metalurgico Altonorte S.A. (the "**Glencore Buyers**") on 31 August 2019 for 75% of Mantos Blancos' annual production of copper concentrates subject to a minimum total quantity of 900,000 tonnes of copper concentrates over the term of the agreement. The agreement is for a seven-year term but may be extended until the minimum total quantity is delivered

Under the agreement, the Glencore Buyers are required to pay for a portion of the full copper content based on the average monthly LME copper price, subject to certain adjustments based on the percentage of copper content. The Glencore Buyers are also required to pay in relation to silver content in excess of 30 g/t at a price based on the official London Bullion Market Association (LBMA) silver price.

History

The economic importance of this mining district has been known since 1883, when David Cervantes and Carlos Mercado discovered veins of oxidized copper ore in the hills located north of the road connecting Antofagasta and Lomas Bayas (Route 5 Panamericana Highway).

In 1953, after various exploration programs, the Hochschild Group acquired part of this deposit. Subsequently, in 1955 and after the first exploration work started using churn drilling, the Hochschild Group, together with other investors and CORFO (Chilean governmental industry development entity) formed Empresa Minera de Mantos Blancos S.A.

Mantos Blancos has been in production since 1960 commencing with an open pit mine, oxide plant and smelting operation. It has long been one of the major copper mines in the region, with annual refined copper output reaching 20 kt in 1962 (ingots and a minor amount of cement copper). In 1961 the exploitation of oxide ore began using open pit mining. The oxide ore was treated in a leach plant, with a capacity of 100,000 t per month. The gradual decline of the grades led the company to expand the plant to maintain production, and by 1967 the capacity increased to 200,000 t per month. With some modifications, the plant reached a capacity of 250,000 t per month in 1978.

Between 1963 and 1964 the Mala Suerte mine, property of Andromeda Mining Company (owned by Mr. Bartolomé Marré) and located in the same area as the current Mantos Blancos properties, supplied the Mantos Blancos plant with 2,000 t per month of feed with grades around 3.5% soluble copper (SCu). Between 1965 and 1968 production in Mantos Blancos averaged 3,000 t per month, with an average grade of 2.5% SCu.

In 1974 the underground exploitation of Mantos Blancos began, following the discovery of large reserves of high-grade sulphide ore. Between 1968 and 1980 average fine copper production was 32 kt per year.

The construction of the flotation plant to treat sulphide ores commenced at the beginning of 1980. In that year Anglo American acquired 40% of the mine and 4 years later became the controlling shareholder of the company. The flotation plant began operation in March 1981, with a capacity of 4,000 tpd and a head grade of 1.90% Cu (insoluble) and 19 ppm of Ag, reaching a fine copper production of 45 kt per year in 1981. From 1981 onwards fine copper production included concentrates, ingots and cement copper.

By the middle of 1993 pre-stripping began for the Santa Barbara open pit, which joined the four existing pits (Elvira, Marina, Tercera and Quinta and the underground workings) with the purpose of maximizing the recovery from the mineralized zones of the deposit. In December 1996 the underground exploitation at Mantos Blancos ended.

In 2000 Anglo American had 99.97% ownership of EMMB, which also included the Mantoverde Division in Chañaral. In that year, fine copper production reached a peak of 102 kt per year.

In 2012 the Santa Barbara expansion project began, which fed the leach and SX-EW plant with 4.5 Mt of copper oxide ore (head grade of 0.70% SCu) and the flotation plant with 4.5 Mt of copper sulphide ore (head grade of 1.10% insoluble Cu (ICu)).

In 2015 the Mantos Blancos Mine was acquired by Mantos Copper which at the time was owned by Audley Mining Advisors Ltd. and Orion Mine Finance LLP. Production from August 2015 through 2021, including copper in concentrate and cathode, is summarized in Table 25.

Table 25: Historical Production August 2015- 2021

Period	Production (t Cu)
2015, August - December	22,797
2016	49,381

Period	Production (t Cu)
2017	45,698
2018	41,850
2019	43,044
2020	41,938
2021	45,594

Geological Setting, Mineralization and Deposit Types

Mantos Blancos is a copper-silver deposit located in the Coastal Range of northern Chile, approximately 45 km NE of the coastal city of Antofagasta. The Coastal Range is an important geomorphological feature in Chile because it hosts Cu-Ag-Au stratabound deposits along an early Cretaceous metallogenic belt.

The deposit is mainly characterized by pyroclastic and intrusive host rock units. The pyroclastic rock units are mainly andesite, dacite and rhyolite. The pyroclastic and intrusive units are from the Permo Triassic and Early Jurassic ages. Andesite belonging to the La Negra Formation (Middle-Late Jurassic); and tonalite, granodiorite, aplite and dacite porphyry belonging to El Ancla and Alibaud plutons of Middle to Late Jurassic ages also outcrop along the deposit.

The geometry of the mineralized bodies is irregular lenses and oxidized copper sulphides arranged in tabular form with a 100 m to 200 m thick interval that is strongly controlled by structures. The oxidized copper would have been developed by the in-situ oxidation of primary sulphides, and corresponds to atacamite, chrysocolla and minor malachite, antlerite, tenorite, cuprite and almagres, occurring as dissemination and fracture filling.

The hypogene mineralization includes irregular chalcocite (and/or digenite) rich centre lenses, which decrease towards the edge to predominant bornite, chalcopyrite, pyrite, specularite, magnetite, galena and low sphalerite, occurring in disseminated form, with varying thicknesses. Silver occurs in the crystal structure of the copper sulphides and occasionally as native silver.

Exploration

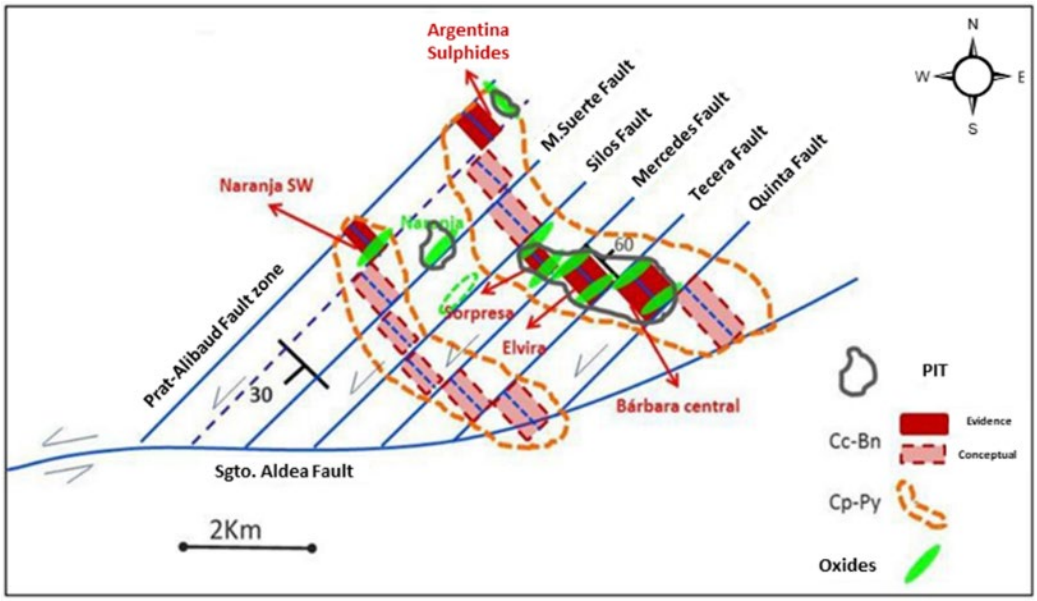
The exploration strategy at Mantos Blancos has focused on increasing the accuracy of the Mineral Resource Estimate, as well as a strategic re-evaluation of Mineral Resources and Mineral Reserves to increase Mineral Reserves and extend the life of mine. Exploration is carried out in-house by Mantos Copper's exploration management team.

Detailed geological mapping of lithologies, mineralization and alteration along with comprehensive fault studies are the main drivers of exploration activity, in addition to extensive drilling campaigns. Mantos Blancos exploration program has the following specific objectives:

- Definition of the local target: based on the Mantos Blancos Structural Model, the area extends from the Reserve Pit to the Resource Cone, Category 3 and 4 (Exploration Mining and Brownfield, respectively)
- Identification of the structural trend (NS, NW-SE and NE-SW) of the district (within the MB-Atacama Fault district), one of the main controls on the mineralized areas
- Application of the indirect exploration technique (geophysics), mainly to evaluate the extension within the Mantos Blancos Norte and Rosario areas
- Evaluation of potential exploration targets, through local and district greenfield drilling campaigns.

Deposit Exploration

Figure 20: Conceptual Model for Exploration (Plan View)



Note: Figure courtesy Mantos Copper, 2020

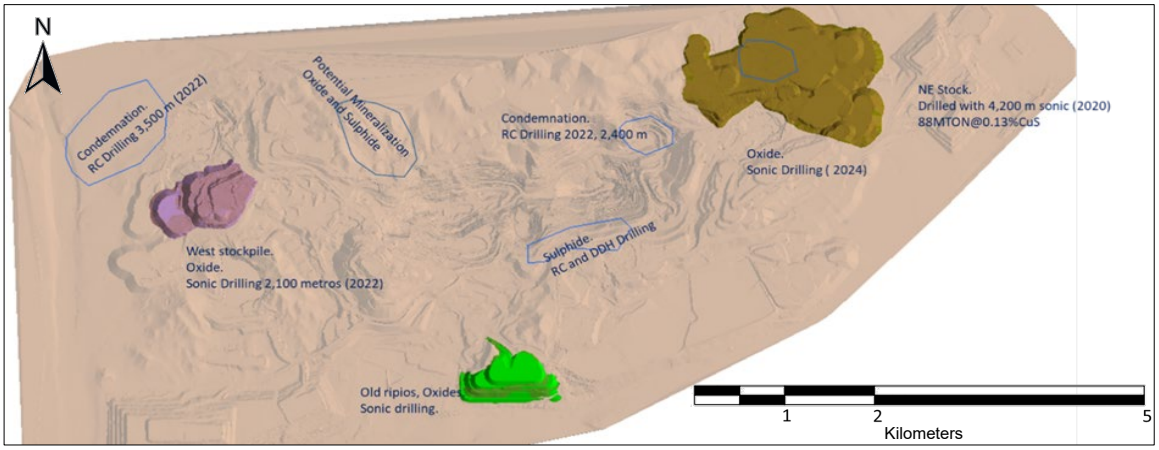
The conceptual model can explain the distribution of chalcopyrite/bornite and copper oxide mineralization (coloured in red and green, respectively, in the conceptual model above) which are controlled by major faults (blue, all oriented N-E, in the conceptual model above). Potential areas for chalcopyrite/pyrite and chalcocite/bornite mineralization are shown in orange and pink, respectively. It can also be seen that the mineralization is displaced by the occurrence of faults and that the mineralized zones are located between the Prat Alibaud and Sargento Aldea faults.

The conceptual model is structure-oriented and is based on mining, geophysical surveys, geological mapping, structural surveys and drilling activities. In terms of geological mapping, the focus is on the identification of:

- Lithology: Dacites/riodacites/daciticos cuarcíferas and intrusive dacites
- Alteration Minerals: Specularite/hematite, albite and chlorite.

On a local scale, exploration has focused on the areas surrounding the Mercedes dump, the current pit and adjacent areas for deep oxides and sulphides. The current sectors where exploration is focussed are shown in Figure 21.

Figure 21: Exploration Zones at Mantos Blancos



Note: Figure courtesy Mantos Copper, 2020

District Exploration

District exploration is carried out within a radius of approximately 50 km from the current mining operation, following the structural control of the Atacama Fault, which can be recognized to the north of the mine.

District exploration includes regional mapping with outcrop geochemical surveys to identify anomalies with potential mineralization of interest. Mantos Blancos current efforts are focused on exploration to increase the Mineral Resources near the mine.

Rosario is expected to have the greatest potential for future exploration because there is evidence of favourable structural conditions and outcrops.

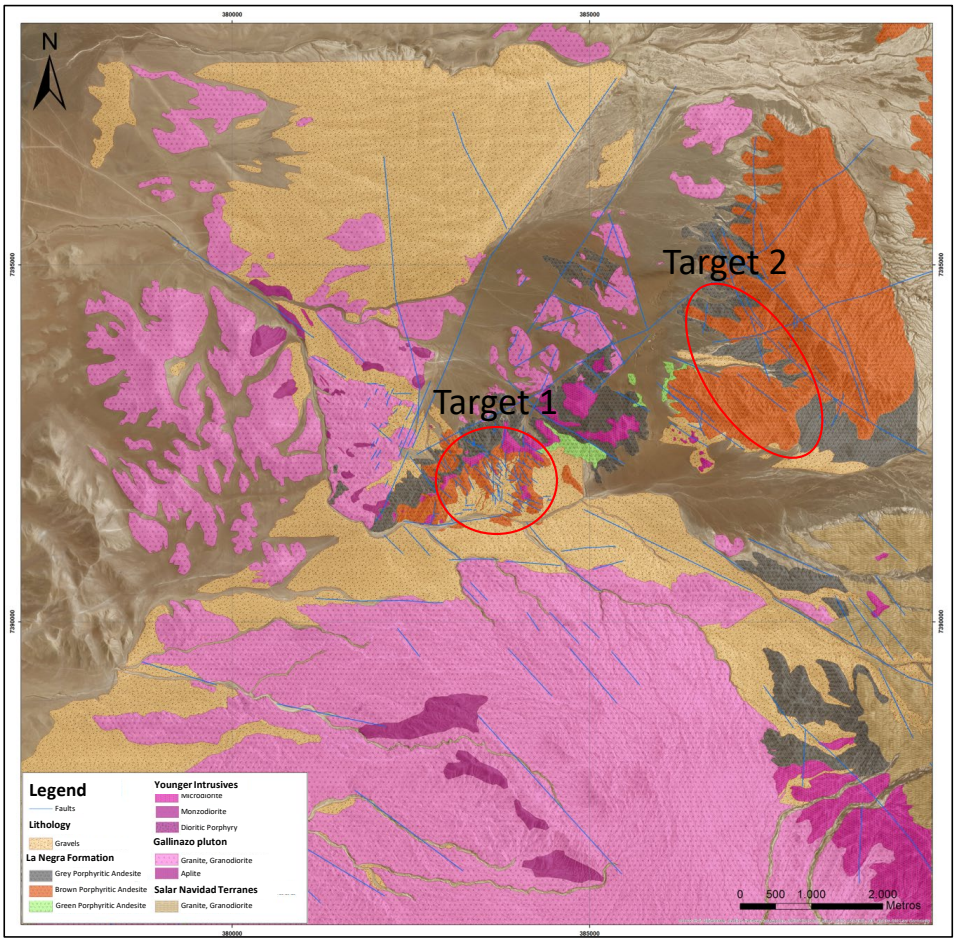
Rosario

Between 2017 and 2019, Mantos Copper conducted a district exploration program on properties near the Mantos Blancos Mine. This campaign included work on the Rosario prospect. The Rosario prospect is located 15 km south of the Mantos Blancos deposit and approximately 30 km ENE of the city of Antofagasta. A geochemical sampling survey was carried out to delimit the prospective areas. Due to the extension of the mining property, drainage sediment sampling was performed, removing the first 10 cm to reduce contamination by wind dispersion.

Samples were collected approximately every 200 m. There were 1,219 samples collected during the campaign. The samples were sent to the GeoAssay laboratory for ICP-MS analysis of 33 elements (Ag, Al, As, Au, B, Ba, Ba, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K2O, La, Mg, Mn, Mo, Na2O, Ni, P, Pb, S, Sb, Sr, TiO2, Tl, U, Zn, Zr). The results of this campaign allowed Mantos to identify the zones of highest potential.

During May 2018, six **IP** profiles were carried out, totaling 18.6 linear km in a NE-SW arrangement with stations measuring every 200 m using a pole-dipole configuration. This survey, in conjunction with magnetometry, allowed chargeable zones to be detected in magnetic lows at depth, consistent with possible mineralization as shown in Figure 22.

Figure 22: Target Exploration Zones around Mantos Blancos



Note: Figure courtesy Mantos Copper, 2020

Using the surface geological, geochemical and geophysical information of the district, two targets of prospective interest were defined.

The first target (Target 1) is in the central area of the mining property and is an andesitic rock of the La Negra Formation in contact with intrusives of the Gallinazo Pluton to the NW and intrusive rocks of the Las Dunas Pluton to the S.

The second target (Target 2) is located to the E side of the properties. Lithologically it is related to lavas of the La Negra Formation intruded towards the W by microdiorites. There is an important geochemical anomaly in the area that correlates with discordant mineralized bodies with a NNW trend varying between 10 cm to 2 m thick.

Drilling

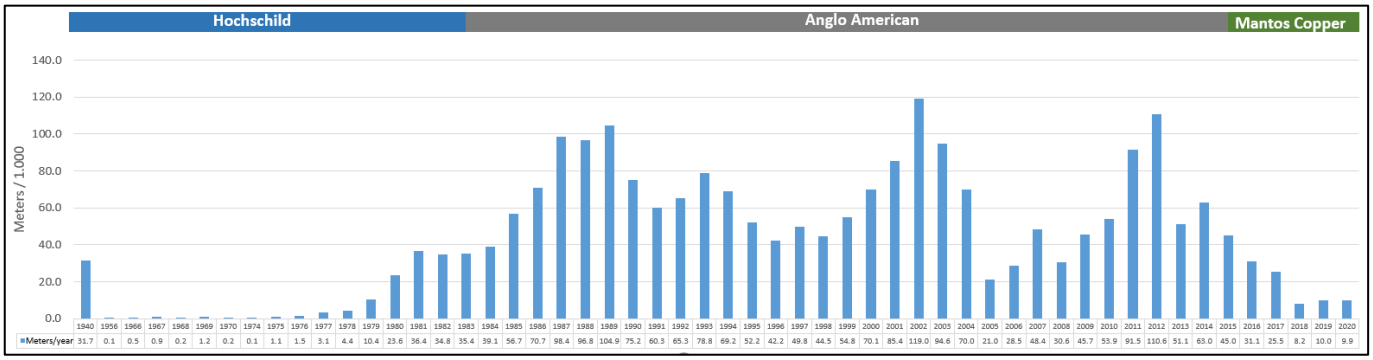
Drilling at the Mantos Blancos Mine has been conducted by external contractors following procedures defined by the owners and in line with the industry standards. This drilling mainly consisted of surface drilling oriented to intercept the mineralization at depth. DDH and RC were used. The majority of the drilling has been DDH and, more recently RC, see Table 26 and Figure 23.

The drilling database includes a total of 2,357,438 m drilled by three past and present owners between 1940 and 2021.

Table 26: Drilling Detail by Owner

Owner		DDH	DDH/RC	RC	Total
Hochschild up to 1983	Metres	150,186	99		150,285
	N° Drill holes	847	2		849
Anglo American 1983 - 2016	Metres	1,922,229	47,700	152,572	2,122,501
	N° Drill holes	13,618	495	662	14,775
Mantos Copper 2016 - Present	Metres	6,726	13,160	64,767	84,653
	N° Drill holes	36	46	327	409
Total	Metres	2,079,141	60,959	217,338	2,357,438
	N° Drill holes	14,501	543	989	16,033

Figure 23: Distribution of Drilling in Metre by Owner by Year



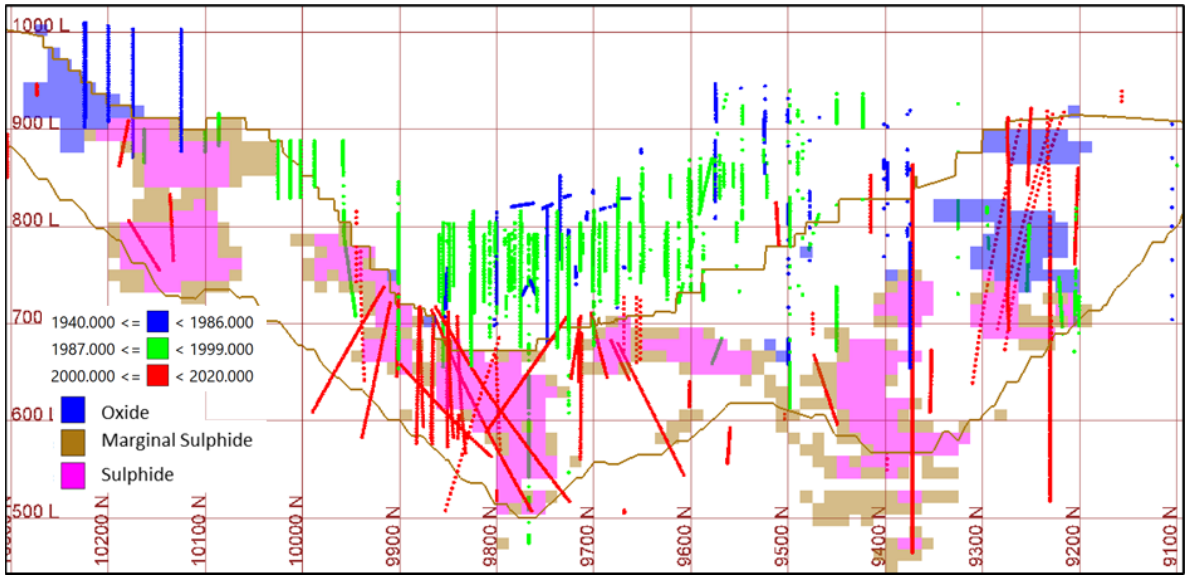
Note: Figure courtesy Mantos Copper, 2020

Historical Drilling Data

The Mantos Blancos drill hole database has information related to drill holes since the 1970s, therefore, some specific information related to historic drill holes is not available, such as the procedures used at the time the drilling was conducted. To evaluate the influence of historical information on the current Mantos Blancos Mineral Resources, several analyses have been carried out.

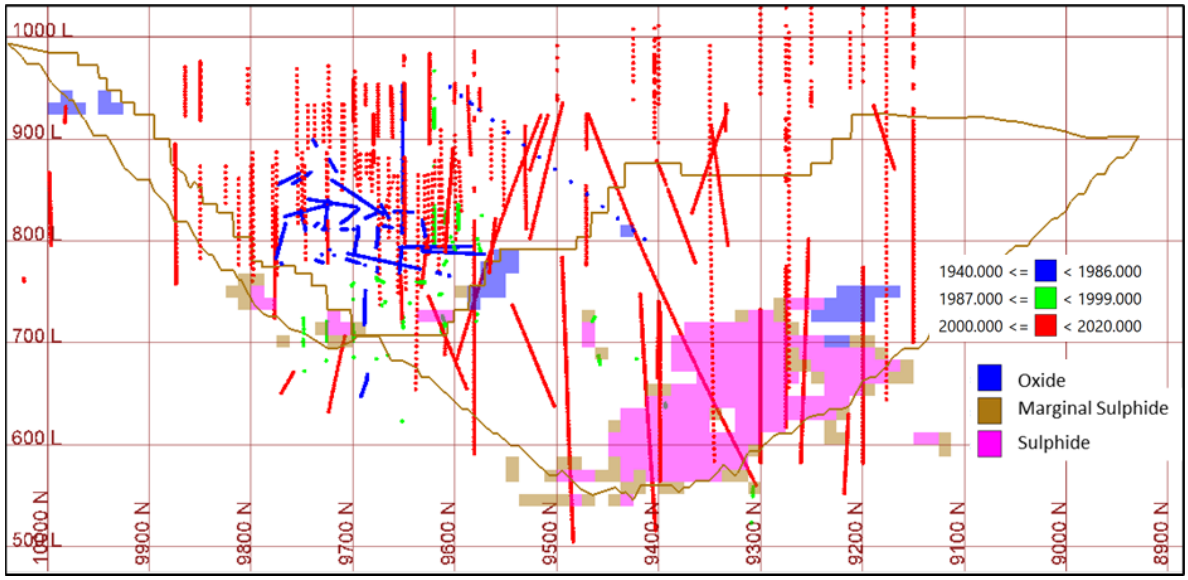
The figures below (Figure 24, Figure 25, Figure 26) show vertical sections and a plan view with drill holes per year and the block model with the type of mineralization.

Figure 24: Section 10,015E showing Drill Holes by Year inside the Resource Pit



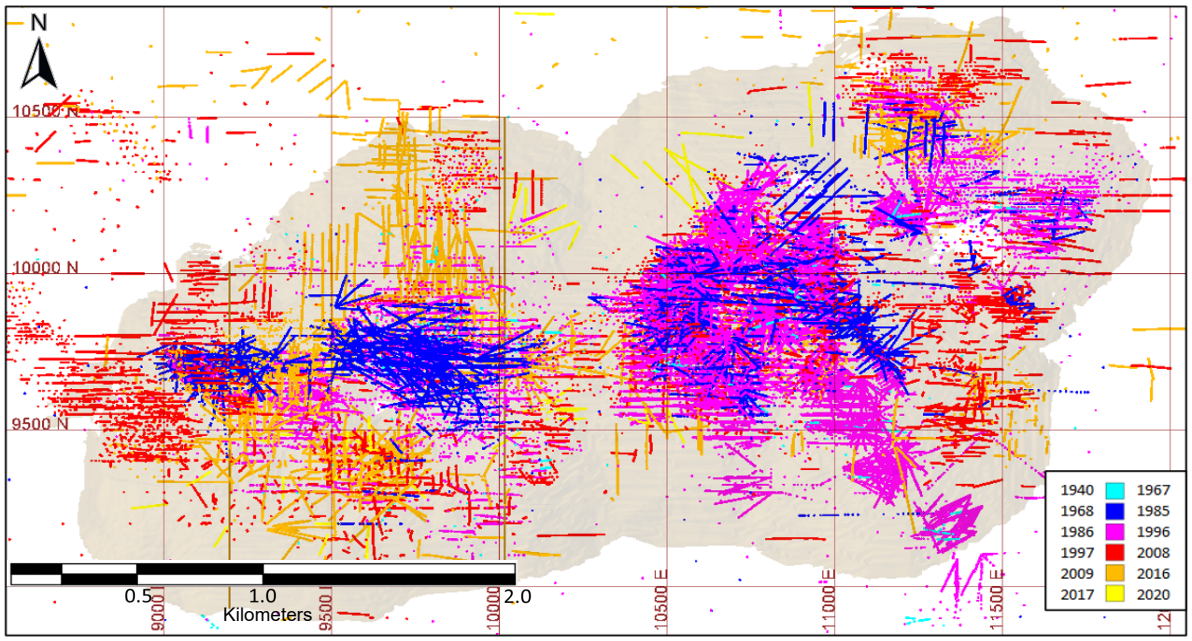
Note: Figure provided by Golder, 2020

Figure 25: Section 9,195E showing Drill Holes by Year inside the Resource Pit



Note: Figure provided by Golder, 2020

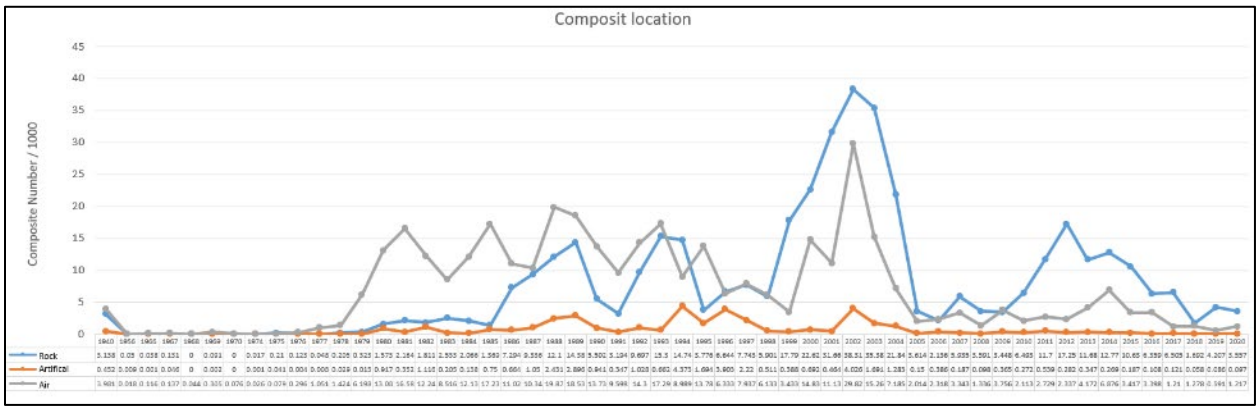
Figure 26: Drill Hole Distribution by Year at Mantos Blancos



Note: Figure provided by Golder, 2020

The figure below (Figure 27) shows the drilling (samples) by year of drilling (sample location at December 2020), differentiating between below topo (blue), artificial fill (orange) and above topo (grey). It can be seen that most of the drilling prior to the 2000 is in areas already mined, and approximately 60% of the drilling located below topo was drilled after the year 2000, when Anglo American was the owner.

Figure 27: Distribution of Metre by Year Relative to Topography at December 2020



Note: Figure courtesy Mantos Copper, 2020

Hochschild (to 1983)

A total of 849 drill holes (150,285 m), including 2 RC (99 m) and 847 DDH (150,186 m) were drilled by Hochschild with the main objective of oxide characterization. Almost all of this information is located in areas already mined.

Anglo American (1983 to 2016)

A total of 14,775 drill holes (2,122,501 m), including 662 RC (152,572 m), 13,618 DDH (1,922,229 m) and 495 RC/DDH (47,700 m) were drilled with the main objective of infill and to increase the Mineral Resource inventory.

This historical diamond drilling carried out by Anglo American followed internal procedures, which are considered to be of a good standard and follow standard practices in the industry. Most of the drilling completed during this time was DDH with HQ and NQ diameter. All the collars were surveyed with a total station and deviation measured with a gyroscope. The recovery was good, approximately 84% for RC and 87% for DDH, and no evidence of material losses related to any specific unit has been reported.

Mantos Copper (2016 to 2021)

The Mantos Copper drilling program includes all data collected since Mantos Copper acquired the project in September 2015. Mantos Copper has completed a total of 327 RC (64,767 m), 36 DDH (6,726 m) and 46 RC/DDH (13,160 m), totalling 92,596 m. At Mantos Blancos, infill drilling uses a grid of 50 m x 50 m and 15 m x 20 m (on average). Mine exploration drilling relates to drilling in the immediate vicinity but outside the limits of the pit, mainly to the east and west with a dip of 65° to 90° on a grid of 60 m x 60 m (on average). A number of holes were drilled for geomechanical and metallurgical purposes.

Drill Hole Collar Surveys

All Mantos Blancos drill hole collars have been surveyed. Collar surveying at Mantos Blancos is done with high precision GPS and total station for surface data. Daily operational surveying is done with GPS or total station and prism, which allows a high degree of confidence in terms of the X, Y and Z coordinates. Mantos Blancos uses a local coordinate system based on UTM coordinates.

Downhole Surveys

For the more recent drill holes downhole surveys were measured by Comprobe Services using an SRG gyroscope. Measurements were taken every 10 m along the drill hole depth. The surveys were carried out during the lowering and raising of the gyroscope. In addition, as a quality control procedure, 10% of the drill holes were re-measured; most of the holes showed little deviation. Records are submitted digitally and in hard copy, and are reviewed and validated by Mantos Blancos personnel before being uploaded to the database. Original certificates are archived in folders.

Sampling, Analysis and Data Verification

Quality assurance at Mantos Blancos involves the use of standard practice procedures for sample collection and includes oversight by experienced geological staff during data collection. Certain quality control measures for sample analysis include in-stream sample submittal of standard reference material, blank material and field duplicate sampling. For data verification, staff members observed drill hole locations and orientations, inspected drill cores and compared to logs and analytical results, observed core intake, visited outcrops and discussed with on-site geologists, including reviewing working maps and cross-sections. Inherent risks in quality control include potential sample contamination, among others.

Reverse Circulation Samples

The RC samples are taken at regular 2 m intervals, homogenized by passing them twice through a riffle splitter, and divided twice with the same riffle splitter. The splitter has a collection tray on the top and a control gate on the side which is used to open the vessel to ensure homogeneity of the process. The sample is finally placed in plastic bags that are weighed on site, the values are manually recorded and later entered into digital files. About 30 kg of material is collected in the process. From the original material, a sample is collected and stored in plastic containers for geological logging purposes. The transportation of the samples from the platform to the sampler is carried out by the contractor and is documented on a form that specifies the number of samples and meters. After logging is complete, the material is stored until the analytical data is accepted and entered into the database. On the same drilling platform spaces are generated for the subsequent insertion of the coarse blank samples.

This sampling method is common in the industry for RC drilling and in the opinion of the Qualified Person the procedure results in no bias in either the sampling method or the material selected for geological logging. The RC samples show no significant bias when compared to the DDH samples.

Diamond Drill Hole Samples

The core collection is done from the core rod on the drilling platform, taking special care to alter the sample as little as possible and not to make mistakes in the ordering of cores. The actual length of the section collected is recorded and the recovery calculated. The cores are sorted in boxes, depth markers are placed to identify the interval drilled and the intermediate lengths are regularized. The transportation of the samples from the platform to the core shack is carried out by the contractor and is documented in a form that specifies the number of boxes and meters. Once the core boxes are received by the sampler, digital photographs are taken and the samples are geologically logged. Subsequently samples are selected for density measurement following the cut line marked by the geologist logging the core. The core sampling of DDH drill holes is carried out at regular sampling length of 2 m without considering a break for geological control. Cores are cut in half using a hydraulic guillotine following the sampling line drawn by the geologist during logging. The entire sampled drill hole is sent for chemical analysis. Samples submitted to the laboratory are prepared by primary and secondary crushing and treated essentially the same as the RC samples.

Other Drilling

Churn Drill drilling was carried out in the 1960s-1970s. However, this information was not used for the Resource Model construction.

Legacy Drilling

It is the Qualified Person's opinion that the methodology used for sampling at Mantos Blancos is common in the industry; handling, storage and recording of core samples in cardboard boxes and plastic bags is intuitive, clear and follows generally accepted mining industry standards.

Sample Preparation and Analysis

The mechanical sample preparation for RC and DDH samples was conducted by GeoAssay, an independent laboratory in Antofagasta, which holds ISO 9001, ISO 14001 and OHSAS 18001 certificates. The mechanical preparation protocol applied for RC and DDH samples is described below.

Sample Preparation

Bags containing chip or half-core samples labelled with bar codes are sent to the laboratory for sample preparation. On arrival, the laboratory checks and verifies the sample information.

1. Cleaning: before each batch of samples is processed, the crusher is cleaned with quartz and this material is then discarded.

2. Blank sample: the first sample of each batch is quartz, and this sample follows the entire cycle through chemical analysis to check for the presence of contamination or errors. Other blanks are inserted by Mantos Blancos.

3. Primary and secondary crushing: the entire sample is crushed to 95% passing 2.36 mm particle size. One sample from every 30 is selected for a granulometric test and particle size check.

4. Splitting: depending on the weight of the sample, the splitting procedure follows one of two routes;

    a. Samples up to 15 kg: a rotary splitter is used until 1.5 kg to 2 kg is obtained. The sample is passed through a Jones splitter until 300 g remains

    b. Samples <15 kg are split using a Jones splitter until 300 g is obtained

    c. In both cases one duplicate is obtained for every 20 samples.

The sample rejects are returned to Mantos Blancos for back-up.

5. Pulverizing: the entire sample is pulverized using an LM1 pulverizer until 95% of the sample passes <0.104 mm. One of every 30 samples is selected for a granulometric test and particle size check.

6. Storage: samples from pulverizing are put into a paper envelope, labelled with a bar code and sent to the chemical laboratory for assaying. The remaining samples are stored as back-up.

The aim of the sample preparation protocol above is to control the error associated with segregation and minimize the level of contamination. The Qualified Person deems this procedure to be appropriate in terms of sampling, contamination control and sample preparation and is a generally accepted practice in the mining industry for mechanical preparation for RC and DDH samples.

Assaying

Resource estimation is based on total copper and soluble copper grades. Samples have been assayed since 2013 by GeoAssay in Antofagasta, a well-known, independent, international laboratory that has international accreditations. GeoAssay is also responsible for the mechanical preparation.

The general procedures for assaying were as follows:

1. Total Copper: was analyzed by atomic absorption, following international standard AAS022D. The general procedure was as follows:

   (1) 1 g of sample was selected and mixed in a solution with 10 ml of HNO_3 and 5 ml of $HClO_4$

   (2) the solution is heated until a dry state is obtained

   (3) 10 ml of HCl and 20 ml of distilled water are added

   (4) the solution is heated to boiling point

   (5) 1 ml of Na_2SO_4 was added after the final solution cooled

   (6) total copper assay was performed using atomic absorption.

2. Soluble Copper: this was measured by atomic absorption, following international standard AAS078C. The general procedure was as follows:

   (1) 1 g of sample is mixed in a solution with 50 ml of H_2SO_4

   (2) this solution is stirred for 20 minutes at 140 revolutions per minute

   (3) Soluble copper assay is performed using atomic absorption.

3. For silver assays: 2 g of sample is weighed and digested cold for 1 hour in 10 ml of HNO_3, 5 ml of $HClO_4$ and 15 ml of HF, and salts are dissolved with 12.5 ml of HCl; the solution is gauged to 50 ml. Measurement of silver is conducted using Atomic Absorption (AA), this has a detection limit of 1 ppm.

4. $CaCO_3$ assay: 0.1 g of sample is weighed (in refractory crucible), 1 g of accelerator is added. Measurement is done using LECO and the detection limit is 0.01%.

In 2012 a change was made in the method of chemical analysis for soluble copper. This change was from a chemical dissolution with heating to a cold dissolution. Several analyses have been carried out to determine the impact of this change in terms of the soluble copper grade model. A validation of the chemical analysis results against QMSCA sample results was performed with no major inconsistencies detected.

Quality Assurance and Quality Control

Quality Assurance (QA) is the system and set of procedures used to ensure the representativeness of sampling and chemical analysis results. Quality Control (QC) corresponds to the data used to check that the results of sample preparation and chemical analysis are accurate and unbiased and suitable for use in the construction of a Resource Model.

All QA/QC is managed on-line automatically using BDGEO® software. QA procedures include the insertion of control samples of certified reference materials (CRM), pulp and coarse duplicates, and blank samples, inserted into every batch of samples sent to the laboratories. Batch creation is done on site in BDGEO® by Mantos Blancos staff, each batch includes 1 standard, 1 blank, 1 coarse and 1 pulp duplicate (a batch contains approximately 20 samples).

The QA/QC program has been implemented as a normal routine within Mantos Blancos. The results to date have been divided into three time periods; 2009 to 2012, 2013 to 2016 and 2016 to 2020. 2016 corresponds to the acquisition of Mantos Blancos by Mantos Copper. Before 2000 it is not clear how the QA/QC program was implemented at Mantos Blancos; however, since 2000 duplicates and standards have been used. The following sections describe the QA/QC program implemented by Mantos Blancos personnel.

Coarse Blank Samples

Coarse blank samples are inserted to determine any contamination during mechanical preparation and chemical analysis by inserting material obtained from blast holes logged as rhyodacite with a total copper cut-off of less than 0.02% Cu. If the results of the blank samples exceeded 0.05% Cu, the batch is identified as potentially contaminated. If the value above 0.05% Cu is confirmed by re-analysis, the entire set of samples between the blank samples is re-analyzed. In general, no evidence of contamination has been identified.

Duplicate Samples

After mechanical preparation, envelopes containing the pulverized samples (pulp) are returned to the mine to introduce control samples into each batch. The duplicate samples include two types of samples:

1. Coarse duplicates: samples obtained during the mechanical preparation after the secondary crushing. The tolerance limit for acceptance is 20% difference.

2. Pulp duplicates: samples obtained during the mechanical preparation after pulverizing. The tolerance limit for acceptance is 10% difference.

Database

The geological information was recorded on the Mantos Blancos site using a digital system. The data was verified and reviewed internally by Mantos Blancos senior personnel before being uploaded to the database and made available for resource modelling and estimation purposes. The chemical analysis and geological logging are uploaded directly into the database and no manual recording exists. The review includes identifying inconsistences between tables and consistency on geological logging.

Mantos Blancos uses BDGEO® to administer and handle the input information process. This database is backed up on a regular basis.

Sample Storage

Currently, three types of samples are stored: half core, coarse sample rejects and pulp samples. Half core samples are stored indoors on metallic racks. All samples and sample rejects are stored and secured on the mine site under adequate conditions to ensure the quality of these samples.

Adequacy of Sample Preparation, Security and Analytical Procedures

It is the Qualified Person's opinion that appropriate chain of custody and industry standards for sample selection, sample preparation, analysis and QA/QC procedures were followed during the sample preparation and analytical process for the sampling programs.

It is the Qualified Person's opinion that the samples collected are representative of the Mantos Blancos mineralization with no significant sample bias.

External Mineral Resource Audit

As part of its internal procedures Mantos Blancos undertakes annual external Mineral Resources and Reserves audits. Recent audits are listed below:

- Golder Associates, Level 2 Resource Audit, Mantos Blancos, II Region, Chile, Technical Report, July 2016
- Golder Associates, Level 1 Resource Audit, Mantos Blancos, II Region, Chile, Technical Report, October 2017
- Golder Associates, Level 1 Resource Audit, Mantos Blancos, II Region, Chile, Technical Report, August 2018
- Golder Associates, Level 1 Resource Audit, Mantos Blancos, II Region, Chile, Technical Report, May 2019
- Golder Associates, Level 1 Resource Audit, Mantos Blancos, II Region, Chile, Technical Report, April 2020.

The findings of the 2020 Resources Audit state that:

"Mantos Copper provided the necessary information to evaluate the procedure adopted in the construction of the geological model allowing to verify the suitability of the data, and the current conditions of sample capture, administration and storage. Mantos Copper technical team has confirmed that the information given to Golder is true, accurate and complete.

The results from this Audit suggest that appropriate data, geological interpretation, and the methods used to estimate Mineral Resources were adopted appropriately, which reflect the current understanding of the deposit. Furthermore, the methods used to construct the resource model are reasonable and have been correctly applied.

The Qualified Person has not identified any fatal flaws or significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the Mineral Resources estimates for Mantos Blancos Mine.

The Mineral Resources estimates have been checked and are believed to be appropriate for the purpose of public reporting in that they provide an acceptable prediction of the material available to determine Mineral Reserves. The tonnes and grades are reported at an appropriate economic cut-off grade based on documented costs and prices."

All Mineral Resource audits were performed by Golder, the Qualified Person for the Mantos Blancos Technical Report, Ronald Turner, was responsible. During the annual resource audits, reviews of the data used in the construction of the resource model, the correct implementation of the estimation methodologies and the results obtained are conducted to confirm they are appropriate. These activities include review of: the QA/QC program to verify precision, accuracy and contamination issues; comparison of original assay certificates against database records; appropriate definition and implementation of high-grade control; variography; Mineral Resource estimation; Mineral Resource classification, changes in Mineral Resources with respect to the previous model, reproducibility of the Mineral Resource statement.

Annual Mineral Resource and Mineral Reserve Reports

Mantos Copper prepares a resource report for the Mantos Blancos operation every year. Each report provides a review of the data used to support that year's estimates, includes an annual summary of the results and interpretations of the QA/QC performed on exploration and blast hole data, and provides a discussion of the

reconciliation trends and observations. As part of the annual resource audits the Qualified Person reviewed the information contained in the reports and considered it adequate for the purposes of constructing a resource model, and no issues were noted with the exploration data collected each year that would materially affect the Mineral Resource Estimates in these annual resource reports.

Annual Internal Audits

Mantos Copper's Resource Group conducts an annual process review for each of the company's operations, including the Mantos Blancos Mine. The reviews check that the corporate governance processes in terms of data collection, data verification and validation and estimation procedures are being followed and met. The audits also review the governance process results.

No issues that would materially affect the Mineral Resource estimates were noted during these process audits.

Limitation on Data Verification

The primary limits on data verification are due to the historical data for the mine. The Qualified Person has been involved in the Mineral Resource audits since 2014, when a detailed analysis of the historical data was completed, and no material issues were found.

Qualified Person Statement on Data Verification

The Qualified Person has made personal visits to the Mantos Blancos Mine, most recently on November 9, 2021. As part of the site visits, a detailed explanation and review of the geological setting of the Mantos Blancos Mine was conducted with the Mantos Blancos team. The Qualified Person also reviewed the current and future drilling program, drill core management, sample chain of custody, resource estimation procedures and aspects of database integrity in terms of geological mapping and sampling.

The Qualified Person reviewed sample handling and preparation, sample data integrity, the drill hole database and the descriptive logs prepared by the drill site geologist, comparing these against geological units and intervals in the drill hole database to confirm that the drill hole database entries were representative of the data and observations collected in the field.

It is the Qualified Person's opinion that the exploration data and observations from the drill holes were collected using industry standard practices and that the accompanying assay results are reasonable. The drilling and sampling data have been appropriately verified for the purpose of completing a geological model, estimating Mineral Resources and preparing a NI 43-101 Mineral Resource Technical Report.

Mineral Processing and Metallurgical Testing

In addition to decades of operating experience, Mantos Blancos has completed extensive drilling and sampling campaigns over recent years to characterize the future mineral to be mined and processed. Over 490 samples have been prepared to test the main metallurgical variables including head grade, mineralogy (copper mineral components), Bond work index and response to flotation. These data were used to develop the current geometallurgical model, which undergoes periodic external audits and validation. The most recent update was made June 2020 and the next update is expected in 2023, after the MBDP has reached steady state throughput capacity.

In H2 2022, a series of rigorous metallurgical audits, mass balance exercises, and process simulation studies were undertaken to quantify the performance and efficiency factors of the existing processing infrastructure. The scope of work included:

- Quantitative scanning electron microscopy (QEMSCAN), to determine mineral speciation, association, and liberation

- Hardness determination (Bond ball mill work index)

- Comminution circuit mass balance and size reduction modeling
- Flotation mass balance, including size by size mineralogy and assays to quantify metal loss versus particle size
- Laboratory flotation kinetics, to determine maximum flotation recovery and concentrate grades
- Process simulation and optimization studies

The results of the foregoing were used to optimize the Mantos Blancos process operation, inform the future upgrade and enhancement projects, and to validate the geometallurgical models. The results also indicate that the new mineral processing equipment commissioned in 2022 as part the MBDB—Ball Mill No. 8, the new rougher flotation bank, and the new column cell—are surpassing the key design expectations.Mineral Resources and Mineral Reserve Estimates

Mineral Resources Estimate

Mantos Blancos estimated the Mineral Resource using drill data available at December 31, 2020. The Mineral Resource Estimate was based on a three-dimensional geological model in which lithology and structures were interpreted. 15,608 drill holes totalling 2,175,889 m drilled, in combination with surface geological mapping, were used to generate the geological model.

The F2 East Dump Leach resources are supported by a drilling campaign of sonic and core drilling which were used to estimate the model that is the basis for the resource statement.

For the construction of the model, HYR outliers were controlled for high grades and all those within the mineralized zones were composited into 6 m lengths. Total copper (TCu), insoluble copper (ICu) and silver grades were estimated in a three-dimensional block model using the Ordinary Kriging interpolation method in three nested passes. Additionally, variograms were constructed and used to support the search for ellipsoid anisotropy and linear trends observed in the data.

Mineral Resources have been classified using the indicator method (metal and tonnage). This method allows, for quarterly and annual production volumes, modelling of the acceptable error within a confidence interval.

The Mineral Resource Estimate is reported inclusive of Mineral Resources that have been converted to Mineral Reserves, and uses the definitions set out in the CIM Definition Standards (see the tables below).

The Qualified Person is not aware of any environmental, permitting, legal, title, taxation, socioeconomic, marketing, political or other relevant factors that could materially affect the Mineral Resource Estimate that are not discussed in the Mantos Blancos Technical Report.

The tables below summarize the Mineral Resources by process. The Mineral Resource reported in Table 27 reflects the surveyed topographic surface as at December 31, 2021.

Table 27: Mantos Blancos Sulphide Mineral Resources as at December 31, 2021

Process	Category	Tonnage (Mt) [4]	Grade (% TCu) [2]	Grade (g/t Ag) [2]	Contained Cu (kt) [6]	Contained Ag (koz) [5]
Mantos Blancos Sulphide (Flotation) [1] [3]	Measured	100.2	0.75	6.04	749	19,462
	Indicated	105.5	0.58	4.41	612	14,971
	Total Measured & Indicated	**205.7**	**0.66**	**5.21**	**1,361**	**34,433**
	Inferred	20.0	0.48	3.35	96	2,151

Table 28: Mantos Blancos Oxide Mineral Resources – Dump Leach as at December 31, 2021

Process	Category	Tonnage (Mt) [4]	Grade (% SCu) [2]	Contained Cu (kt) [5]
Mantos Blancos Oxide (Dump Leach) [1] [3]	Measured	22.1	0.34	75
	Indicated	28.0	0.26	73
	Indicated (Mercedes Stockpile)	1.0	0.18	2
	Indicated (NE Dump Stockpile)	3.9	0.19	7
	Total Measured & Indicated	**55.0**	**0.29**	**157**
	Inferred (Pit)	8.5	0.25	21
	Inferred Mercedes Stockpile	0.3	0.21	1
	Inferred F2 Este Dump	3.1	0.19	6
	Inferred NE Dump	4.4	0.17	7

Notes to accompany Mineral Resources table:

1. Mineral Resources are reported on a 100% basis and inclusive of Mineral Reserves. The attributable percentage to Mantos Copper Holding SpA is 99.993%
2. The Qualified Person for the Mineral Resource estimate is Ronald Turner, MAusIMM CP(Geo) of Golder Associates.
3. Cut-off grade:
   Dump Leach: 0.10% SCu
   Flotation: 0.17% ICu
4. Mineral Resource pit is based on a Cu price of $3.77/lb and an Ag price of $17.00/oz
5. Tonnes are reported on a dry basis
6. Contained Metal (CM) is calculated by the following formulas:
   a. CM=Tonnage (kt) * TCu (%) * 10 for sulphides
   b. CM=Tonnage (kt) * SCu (%) * 10 for oxides
   c. CM=Tonnage (kt) * Ag (g/t)* 1000/31.1035 for sulphides.
7. Flotation recovery is based on a geometallurgical model, 83% TCu and 76.5% Ag as average. Dump recovery is based on operation data 40% SCu
8. Through the Osisko Silver Production Agreement, Osisko has the right to buy 100% of the silver production in concentrate (less specified deductions) until reaching 19,300,000 ounces and subsequently 40% paying 92% of the market price
9. Tonnage and contained metal have been rounded to reflect the accuracy of the estimate and numbers may not add exactly
10. ICu = insoluble copper
    SCu = soluble copper
    TCu = total copper

Factors That May Affect the Mineral Resource Estimate

Factors that may affect the Mineral Resource Estimates include:

- Metal price and exchange rate assumptions
- Changes to the assumptions used for the cut-off
- Changes in local interpretations of mineralization geometry and continuity of mineralized zones
- Density and domain assignments
- Geometallurgical assumptions
- Changes to geotechnical, mining and metallurgical recovery assumptions
- Changes to input and design parameter assumptions that pertain to the conceptual Whittle pit design constraining the estimate
- Assumptions as to the continued ability to access the site, retain mineral and surface rights titles, maintain environmental and other regulatory permits, and maintain the social licence to operate.

There are no other known environmental, legal, title, taxation, socioeconomic, marketing, political or other relevant factors that would materially affect the estimation of Mineral Resources that are not discussed in the Mantos Blancos Technical Report.

Mineral Reserve Estimate

The conversion of Mineral Resources into Mineral Reserves includes the following input data and activities:

- Mineral Resources statement as of December 31, 2021

- Optimized Mine Design: Mineral Resources as of December 31, 2021, geometallurgical characterization and corresponding recoveries, updated operating and off-site costs, metal prices and geotechnical recommendations are incorporated to generate optimized LG pit shells implemented in Whittle
- Optimal Pit Selection: The optimal shell used as the guide for mine design is selected based on undiscounted and discounted cash flows
- Cut-off grades calculation: Operating costs, geometallurgical characterization and corresponding recoveries are used to calculate cut-off grades for sulphides to the mill and for dump leaching
- Mine Phasing Sequence: The information provided by the LG algorithm is used to sequence mine extraction phases
- Operational Mine Design: Detail mine design including accesses, ramps, benches configuration and phase connectivity, allowing extraction from the mine
- Mine Production Schedule: The mine production schedule is a combination of detailed mine planning for the first 5 years (monthly and quarterly) and long-term mine planning on a yearly basis for the remaining life of mine. The starting point for the schedule was July 2021 surveyed topography and projected year end 2021, as per the short-term mine plan

Updated Mineral Reserves: It is NCL's opinion that the mine production schedule defines the Mineral Reserve for the mining operation.

A full review of input data, methodology and results supporting the work done by Mantos Copper was completed by NCL and Carlos Guzmán, the Qualified Person for the Mineral Reserves Estimate in the Mantos Blancos Technical Report. Criteria, methodologies and algorithms used in preparing the Mantos Blancos Mineral Reserves follow industry accepted practices, conform with CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (November 2019) and are reported in accordance with CIM 2014 Definition Standards.

The Mantos Blancos Mineral Reserves are subject to the types of risks common to other open pit copper mining operations in Chile. The risks are reasonably well understood at the feasibility level of study for the concentrator expansion and should be manageable based on the operational experience and record of performance from over 60 years of mine operations. NCL is not aware of any mining, metallurgical, infrastructure, permitting or other relevant factors that could materially affect the Mineral Reserve Estimate.

Mineral Reserves are reported with an effective date of December 31, 2021 and are summarized in the table below. Proven and Probable Mineral Reserves in the table were converted from Measured and Indicated Mineral Resources, respectively.

Table 29: Mantos Blancos Mineral Reserves as at December 31, 2021

Process	Category	Tonnage (Mt)	Grade (%TCu)	Grade (%SCu)	Grade (g/t Ag)	Contained Cu (kt)	Contained Ag (koz)
Mantos Blancos - Sulphides (Flotation)(%TCu)	Proven	67.1	0.80	-	6.58	536	14,192
	Probable	44.1	0.60	-	4.70	263	6,669
	Total Mineral Reserves	**111.2**	**0.72**	**-**	**5.83**	**799**	**20,860**
Mantos Blancos - Oxide (Dump Leach)(%SCu)	Proven	2.6	-	0.35	-	9	-
	Probable	1.4	-	0.28	-	4	-
	Total Mineral Reserves	**4.0**	**-**	**0.32**	**-**	**13**	**-**

Notes to accompany Mineral Reserves table:

1. Mineral Reserves are reported effective December 31, 2021.
2. The Qualified Person for the estimate is Mr. Carlos Guzmán (RM CMC, FAusIMM).
3. Mineral Reserves are reported on a 100% basis using average off-site costs (selling cost) of $0.27/lb for sulphides and $0.42/lb for oxides.
4. Mineral Reserves are contained within an optimized pit shell. Mining will use conventional open pit methods and equipment and a stockpiling strategy (direct mining costs are estimated at an average of $1.60/t of material mined).
5. Processing costs average $9.98/t of milled material, including concentrator, tailings storage facility and port costs.
6. Processing cost for material sent to dump leach is $1.47/t.
7. Total copper recoveries average 83.1% for sulphides and silver recoveries average 77.2%.
8. Soluble copper recoveries average 47.9% for material sent to the dump leach.
9. Inter-ramp angles vary from 36 to 59º. The life-of-mine strip ratio is 4 to 1.

10. Tonnage and contained copper are reported in metric units and grades are reported as percentages. Contained silver is reported in kilograms and grades are reported in grams per tonne.
11. Grade %TCu refers to total copper grade in percentage sent to the mill. Grade %SCu refers to soluble copper grade in percentage sent to the dump leach.
12. Through the Osisko Silver Production Agreement, Osisko has the right to buy 100% of the silver production in concentrate (less specified deductions) until reaching 19,300,000 ounces and subsequently 40% paying 92% of the market price.
13. Rounding as required by reporting guidelines may result in apparent summation differences in tonnes, grade and contained metal.

Mining Operations

The two metallurgical processes in operation at Mantos Blancos are:

- Flotation plant (concentrator), for sulphide with insoluble copper grade (ICu) greater than 0.17%
- Dump leach process for oxides with soluble copper grade (SCu) greater than 0.10%.

The open pit operation includes one large open pit (Santa Barbara) which provides most of the sulphides for the concentrator and the oxides for the dump leach.

Other sources of material are:

- Flotation: Sulphide stockpile (Cancha 90)
- Dump leach process: Oxide stockpile (Mercedes Stockpile).

The LG algorithm implemented in Whittle was used to obtain the final pit limits using a copper price of $3.00/lb and updated costs. Only Measured and Indicated Mineral Resources were considered in determining the final pit outline.

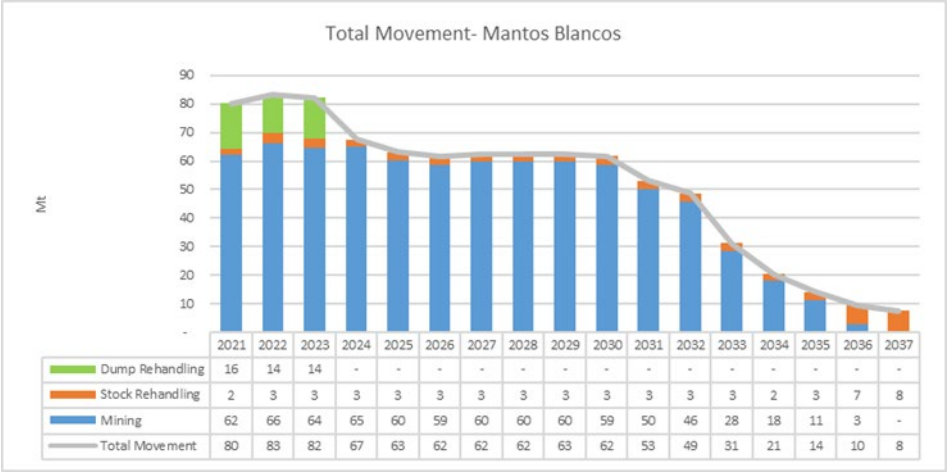
Variable slope angles were used for detailed mine design, with inter-ramp slope values varying between 50° and 59°. A slope angle of 36° (natural slope angle for broken material) is used in areas with historic underground stopes and also for waste dumps.

The mine design includes mine design parameters (such as roads, ramps, benches) and mine development based on eight phases (pushbacks). In general, three or four phases are in operation, with a maximum of nine benches per phase per year (reflecting production in previous years). The total material moved per year for the remaining life of mine will be approximately 52 Mt.

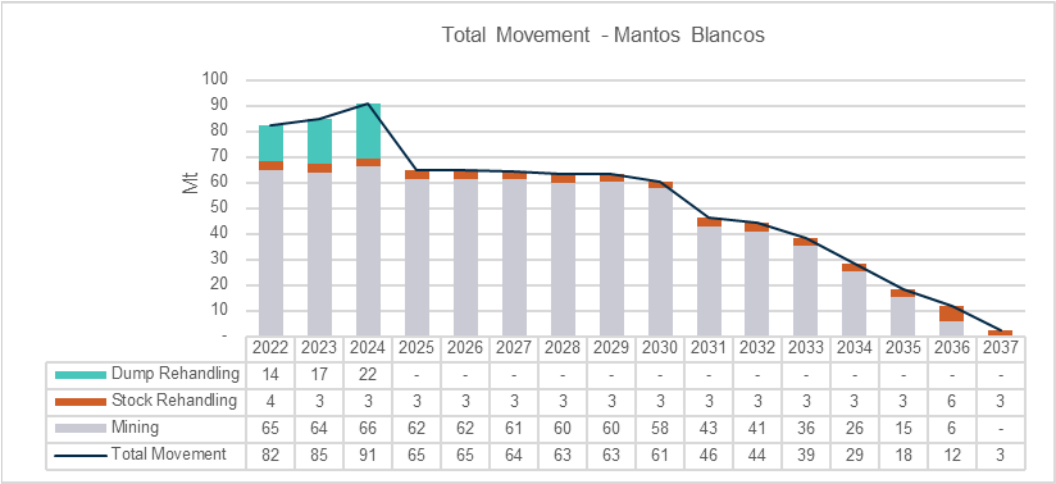
The mine production schedule is based upon a 2021 to 2037 production plan, with associated dumps and stockpiles. From this mine schedule the fleet requirements (trucks, loaders and other equipment) have been estimated for the life of mine.

The figure below (Figure 28) shows the mine production schedule and the table below (Table 30) shows the feed to the plants and the estimated copper production profile for the life of mine (2021 to 2037). The QP is not aware of any mining, metallurgical, infrastructure, permitting or other relevant factors that could materially affect the budgeted production estimates.

Figure 28: Mantos Blancos Total Material Movement 2021 to 2037



	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Dump Rehandling	16	14	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock Rehandling	2	3	3	3	3	3	3	3	3	3	3	3	3	2	3	7	8
Mining	62	66	64	65	60	59	60	60	60	59	50	46	28	18	11	3	-
Total Movement	80	83	82	67	63	62	62	62	63	62	53	49	31	21	14	10	8



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Dump Rehandling	14	17	22	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock Rehandling	4	3	3	3	3	3	3	3	3	3	3	3	3	3	6	3
Mining	65	64	66	62	62	61	60	60	58	43	41	36	26	15	6	-
Total Movement	82	85	91	65	65	64	63	63	61	46	44	39	29	18	12	3

Note: Figure courtesy Mantos Copper, 2021

Table 30: Budgeted Production LOM

Copper Production	Unit	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	LOM
Concentrator																		
Feed to mill	kt	7,050	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,300	1,978	111,227
TCu Mill grade	%	0.88	0.91	0.92	0.92	0.91	0.79	0.78	0.78	0.75	0.67	0.58	0.57	0.5	0.50	0.42	0.31	0.72
SCu Mill grade	%	0.13	0.12	0.1	0.08	0.13	0.10	0.08	0.08	0.1	0.1	0.1	0.09	0.08	0.06	0.05	0.06	0.09
Ag Mill grade	g/t	7.19	8.02	7.24	7.41	10.60	5.85	4.19	4.87	5.9	6.07	4.45	4.87	3.88	3.80	3.51	3.4	5.8
Cu Metallurgical Recovery	%	80.38	78.46	79.53	81.22	83.20	88.13	86.92	83.9	81.63	81.3	86.11	87.91	87.73	84.51	83.77	83.81	83.26
Cu Concentrate Grade	%	34.06	32.72	35.91	38.80	39.88	37.65	36.84	36.92	35.25	33.0	31.76	28.88	30.5	35.30	34.99	35.06	34.94
Fine Copper Production	**kt**	49.9	52.0	53.5	54.7	55.0	50.8	49.5	47.6	44.5	39.8	36.8	36.7	32.9	30.7	25.6	5.1	665.2
Ag Metallurgical Recovery	%	80.0	80.36	79.99	80.26	81.52	79.4	78.76	79.03	79.42	79.50	78.9	79.03	78.64	78.60	78.49	78.45	79.71
Silver Production	kg	40,599	47,044	42,265	43,388	63,107	33,893	24,081	28,112	33,946	35,198	25,600	28,093	22,295	21,778	20,088	5,299	514,785
Oxide																		
Entrefases Dump																		
Feed to Leach	kt	2,723	656	615														3,994
SCu Leach grade	%	0.32	0.31	0.35														0.32
Cu Metallurgical Recovery	%	42	42	42														42
Cu Cathode Production	**kt**	3.7	0.8	0.9														5.4
Total Copper Production	**kt**	53.6	52.9	54.4	54.7	55.0	50.8	49.5	47.6	44.5	39.8	36.8	36.7	32.9	30.7	25.6	5.1	670.6

Processing and Recovery Operations

The Mantos Blancos concentrator facility treats 7.3Mt per year of sulphide ore through two crushing plants, two grinding lines, and a flotation circuit. Ore from the primary crusher reports to Crushing Line 1, which consists of open-circuit secondary and closed-circuit tertiary cone crushers operating with vibrating screens. The crushing line treats 1.8Mt per year of sulphides, producing a mill feed of ~4,000 micrometers (P80). The crushed ore is fed to the enclosed fine ore stockpile, where it is drawn by feeders onto the No.3 Ball Mill feed belt. The No. 3 ball mill is operated in closed-circuit with hydrocyclones to produce a flotation feed with a grind size of ~250 micrometers (P80).

The Crushing Line 2 also receives ore from the primary crusher via overland conveyor. Similarly, it operates with open-circuit secondary and closed-circuit tertiary cone crushers with vibrating screens. The Line 2 crushing system treats 5.5Mt per year of sulphides, to produce a ball mill circuit feed size of ~11,000 micrometers (P80). Ball Mill No. 8 operates in closed-circuit configuration with hydrocyclones to produce a rougher flotation feed of approximately 250 micrometers (P80).

The products of No. 3 Ball Mill and No. 8 Ball Mill are combined and fed to a single bank of four 300m3 mechanically agitated flotation cells. The rougher concentrate, grading approximately 10% Cu, report to the No. 6 and No. 7 Regrind Mills to further liberate the copper sulphide minerals from the uneconomic minerals. The reground intermediate concentrate is then directed to two parallel column flotation cells, where final copper concentrate is produced. The column flotation tails report to two banks of mechanically agitated flotation cells operating in serial scavenging configuration, with the concentrate reporting back to the regrind mills. The cleaner scavenger tails are combined with the rougher tails and directed to the tailings dewatering circuit.

The flotation tails dewatering circuit consists of a first stage of hydrocyclones to produce a coarse and fine component. The coarse component reports to the dewatering screens prior to stacking, and the fines component to the three thickeners (usually only two are operated). Thickened tailings is pumped to the tailings impoundment facility via positive displacement pumps.

The copper concentrate from the column cells reports to three concentrate thickeners for dewatering prior to filtration in two plate-and-frame filters (48m2 and 31.5m2). The final copper concentrate averages approximately 30% copper by weight with between 5 and 15 oz/t of silver and no penalty elements. It is therefore very acceptable to smelters.

Infrastructure, Permitting and Compliance Activities

Infrastructure

The project is currently in operation and there is existing infrastructure. Road access to the mine from Antofagasta, Antofagasta airport, Calama and the Ruta 5 highway (Panamericana) is by paved roads that are in excellent condition.

Electrical energy is obtained from the National Electric System (Sistema Eléctrico Nacional) through a contract with Guacolda Energía S.A. Fresh water is provided by two companies (FCAB and ADASA) through pipelines that deliver the water to the Mantos Blancos Mine. The mine and plant have adequate, modern offices, workshops and canteen facilities. There is no requirement for on-site accommodation, all staff live off site, mainly in Antofagasta. The mine has modern, state-of-the-art communications systems. Contracts are in place for energy, water and all other mine and process consumables.

Tailings deposition is considered to be infrastructure. The fine tailings, thickened to 60% solids (by weight) are currently pumped to the N° 8 Pit tailings dam. This system will be expanded for the increased throughput (by raising the wall height). The coarse tailings, dewatered by filtration/screening to 20% moisture content, are and will continue to be trucked to the existing and expanded dry stacking facility. Both tailings deposition systems are within property owned by Mantos Copper. The fine tailings dam design has been developed most recently by Hatch for the period 2019 to 2029. More studies are required for the period 2029 to 2036, to evaluate dam capacity and any potential additional costs. Mantos Blancos has conducted conceptual level studies indicating that the tailings facility can support the LOM.

Environmental Studies and Permitting

The Base Case is the Mantos Blancos Debottlenecking Concentrator Project. This Project was submitted to the Environmental Impact Assessment System (SEIA) through an EIS (DIA) and was approved by Exempt Resolution No. 419 dated 2 November 2017 by the Antofagasta Region Evaluation Commission (RCA No. 419/2017) (RCA comes from Resolución de Calificación Ambiental, resolution of environmental qualification). The approved Project will increase the sulphide processing capacity of the Mantos Blancos operation from 4.2 Mt per year to 7.3 Mt per year and includes:

- Concentrator
- Tailings management and transportation system
- Tailings deposit
- Waste dumps.

RCA 49/2021 recently approved the environmental impact statement (DIA) for the Modification of Coarse Tailings Transportation and Optimization of the Construction Method of the Wall of the Fine Tailings Deposit Project. The objectives of this Project are to permanently maintain the alternative of removal and transport of coarse tailings in trucks and to modify the wall construction method for the fine tailings deposit (from a conventional waste rock construction to a reinforced earth construction).

Environmental Considerations

Baseline studies were carried out before the submission of the 2017 Mantos Blancos Debottlenecking Concentrator Project and the 2020 Modification of Coarse Tailings Transportation and Optimization of the Construction Method of the Wall of the Fine Tailings Deposit Project. Mantos Blancos has incorporated mitigation measures including dust suppression and collection and dust control on roads.

Low-grade oxide material and secondary leach pad facilities will continue to be used for dump leaching.

There are five dumps at Mantos Blancos for the collection of waste rock material: Mercedes Dump, East Dump, North Argentina, Argentina South (West) and Naranja (Phase 8), these will support the waste disposal from all the phases of the Santa Barbara pit. For the MB Debottlenecking Project the capacity of the East Dump will be increased, creating a new Argentina Dump (which will overlap with areas currently occupied by the Argentina South (West) and Naranja Dumps) in addition to an adjustment in the design of the Mercedes Dump.

Coarse tailings will be deposited in the coarse tailings deposit, which will reach a total capacity of approximately 68.6 Mt (41.5 Mm3) at the end of the operation, considering five filling stages, reaching an elevation 942 masl; the maximum deposition rate is 5.5 Mt per year of thickened tailings.

Water Management

Industrial water is provided by authorized external companies (ADASA, FCAB and others) and there is a distribution network on the site. Water is transported in tanker trucks to work areas that are not connected to the distribution system. Some of the process water will be water reclaimed from the fine tailings deposit, this water will be pumped to the reclaimed water distribution tank for re-use. The increase in production and the water removal processes from the tailings will result in an increase in recovered water. The water recovered by sedimentation from the fine tailings thickeners will be recirculated as process water. Additional industrial water may come from the sewage treatment plant after treatment.

Permitting

The Base Case Mantos Blancos Debottlenecking Concentrator Project was approved by RCA 419/2017 to increase production from 4.2 Mt per year to 7.3 Mt per year of sulphide material.

Mantos Blancos has developed a Master Plan for Sectoral Permits to ensure that the supporting documentation is provided when required to the regulatory authorities so that the permits are obtained and maintained in force. It is estimated that at least 41 separate permits will be required for the MB Debottlenecking Project. Mantos Blancos

has reasonable prospects of obtaining the environmental and sectoral permits in time. Sectoral permits have been granted covering potable water, sewage and sanitation, landfill, and closure planning.

Closure Plan

The Mantos Blancos mine closure plan (the "**MB Closure Plan**") was approved by SERNAGEOMIN on 24 June 2019 by Exempt Resolution N° 1670/2019. This MB Closure Plan follows the provisions of the RCAs issued for the Mantos Blancos operation and describes the measures that must be undertaken for closure and reclamation. However, it does not include the RCAs for the Concentrator Debottlenecking (RCA 419/2017) and the Modification of Coarse Tailings Transportation and Optimization of the Construction Method of the Wall of the Fine Tailings Deposit (RCA 49/2021). The MB Closure Plan (2019) will need to be updated to incorporate the changes approved by RCA 419/2017 and RCA 49/2021. The existing MB Closure Plan (2019) for Mantos Blancos has an estimated closure and post-closure cost of 1,735,927 UF or $79.3 million for the existing installations (at exchange rates at 18 June 2021).

Considerations of Social and Community Impacts

The Mantos Blancos area of influence includes the city of Antofagasta and the village of Baquedano, a small community of 900 people located 26 km north of the mine. Mantos Blancos does not intervene, use or restrict access to natural resources that could be used as economic sustenance for any human group or for any other traditional use, such as medicinal, spiritual or cultural use. There are no indigenous communities or indigenous human groups in the vicinity, nor does it affect the exercise or manifestation of traditions, culture or community interests.

Capital and Operating Costs

The capital cost estimate for Mantos Blancos was prepared by Mantos Copper and reviewed by NCL.

The capital cost for the expansion is estimated to be $71.2 million between 2021 and 2022, divided between $11.9 million for pre-stripping and $59.3 million for other fixed assets.

Over the LOM the sustaining capital[11] cost is estimated to be $220.6 million, divided between $36.5 million for mine equipment and $184.1 million for other fixed assets (mainly tailing dam, infrastructure, deferred investment and long-term SIB costs).

The total operating cost is estimated to be $ 3,074,000,000 for the life of mine, corresponding to $2.01/lb Cu, as summarized in the table below.

Table 31: Operating Cost Summary

Item	$M	Value	Unit
Mining	1,436	1.67	$/t-moved
Processing (Oxides)	74	257.6	C$/lb (cathodes)
Processing (Sulphides)	1,306	10.8	$/t-milled
G&A	243	15.9	C$/lb (total)
Other Operating Expenses	14	0.9	C$/lb (total)
TOTAL	**3,074**	**200.5**	**C$/lb (total)**

Methodology Used

The financial analysis was performed by Mantos Copper using Excel models.

[11] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

The Project has been valued using a discounted cash flow (DCF) approach. Estimates have been prepared for individual elements of cash revenue and cash expenditures for ongoing operations.

Capital cost estimates include remaining development and construction of the MB Debottlenecking Project which started in 2019. In addition to the initial capital cost, SIB capital was included (sustaining capital[12]) from the year 2021. Cash flows are assumed to occur at the mid-point of each period.

The resulting net annual cash flows are discounted back to the date of valuation (December 31, 2020). The currency used to document the cash flow is Q4 2020 $, considering that the estimation was prepared in the fourth quarter of 2020.

NCL reviewed the Base Case developed by Mantos Copper. NCL's review to the financial model focused on consistency and specific items such as: valuation date, long-term prices for copper and silver, and long-term exchange rate (CH/$). Additionally, amendments to the existing Osisko Silver Production Agreement and the copper royalty agreement with Anglo Pacific Group plc were included in the model, as described in Section 4.

Taxes

The total income subject to the corporate income tax for the duration of Mantos Blancos is $1,515 million and assumes the semi-integrated system. The government taxes payable for the duration of Mantos Blancos are estimated to be:

- $308 million for corporate income taxes
- $104 million for mining tax or royalty.

Total income and mining taxes for Mantos Blancos are estimated to be $412 million for the life of the Project operation.

All these tax figures are real values, determined after applying inflation and exchange rate escalation to all cost items.

Sensitivity Analysis

A sensitivity analysis was performed considering variations in metal prices, operating costs and capital costs.

Recommendations

Mineral Resources

- Improve the geological understanding of silver mineralization and include this in the resource model to improve the confidence in the estimate.

- Evaluate the current method of density assignment to be replaced by an estimation method based on samples that allows for better local representation.

- Complete additional field sampling and studies to verify the current density value of 1.69 g/cm3 used for the stockpiles.

- Continue the exploration program on Mantos Copper properties located in the vicinity with recognized mineralization potential.

[12] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

- Continue infill drilling to improve resource categorization and increase confidence of the currently defined Mineral Resources, and provide a better base for long-term mine planning. Table 32 shows the drilling costs for recent years and recommended future expenditures.

Table 32: Drilling Costs

$M	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Infill	0.9	1.0	1.0	1.1	0.8	2.7	1.8	1.6	1.6	1.8
Exploration	1.4	1.6				1.3	0.5	0.5	0.5	0.5
Sonic			1.0	1.1	1.1	1.1	1.1			
Hydrogeological					1.3					

Mineral Processing

- Mantos Blancos should continue to develop and improving the geometallurgical models with more samples representing material to be mined in the period after 2025 to increase the confidence, and reduce the risk, in establishing future plant performance. Special attention should be paid to the soluble copper ratio which has a detrimental effect on the copper recovery.

- The hydrocyclone classification of flotation tailings to produce a 70:30 split into coarse and fine size fractions is a critical factor for fresh water consumption and the tailings dam design. Maintenance and quality of the hydrocyclones is critical.

- The Line 2 crushing plant was initially designed to produce a P80 crushed size of 9,000 µm, hence the new ball mill feed F80 was also set at 9,000 µm. In this scenario, the Line 2 crushing plant will be operating near capacity and the new ball mill has 5% to 8% excess capacity. After external review, the Line 2 crushing plant P80 was increased to 11,000 µm. This change should result in improved operability of the crushing and grinding circuits. However, the Qualified Person is of the opinion that 11,000 µm is a relatively coarse feed for the mill and attention should be paid to keep the crush size under control to avoid operational problems with the ball mill.

- The fine tailings dam design has been developed by several engineering companies, most recently Hatch for the period 2019-2029. In the detailed engineering, this work should be reviewed by an independent specialist tailings dam design company or consultant. More studies are required for the period 2029-2036 to evaluate dam capacity and any potential additional costs.

Mineral Reserves

- The optimum pit shell has been developed using Whittle software. A phased approach to mining out to 2029 has been developed and it is recommended that Mantos Blancos follow this together with the number of benches described in Sections 15 and 16. A digitized 3D model of underground workings is recommended to be included in the estimation of Mineral Resources and Mineral Reserves. The mine plan is in accordance with these procedures and practices and is well developed and meets with industry practices.

Exploration, Development and Production

Mantos Blancos has implemented an exploration program that includes the execution of infill drilling campaigns and exploration programs in areas of geological interest located in the surroundings of the current operation and within its mining properties.

Introduction

Mantos Blancos Mine, located in the Antofagasta Region of Chile, was commissioned in 1959. Mantos Blancos has undergone an operational transformation into a sustainable long-term operation since Mantos Copper's acquisition in 2015:

- Mine Life Extension: Mine life extended from 6 years at acquisition to 17 years today.
- Advancement of MB Debottlenecking Project: Received DIA permit for the MB Debottlenecking Project in November 2017 with Project commencing construction in 2019.
- Renewed Focus: Improved productivity and optimized use of existing assets by leveraging experienced Chilean operating team with a strong track record of results in Chilean mining.

Construction for the MB Debottlenecking Project sulphide process plant commenced under an EPC Lump Sum Turnkey contract in 2019. The Project is designed to increase throughput capacity from 12.5 kt per day to 20 kt per day with the focus of shifting towards the larger, lower cost sulphide deposit. Average annual copper production of 52 kt per year and with C1 cash costs[13] of $1.85/lb are estimated for the first 10 years after ramp-up.

Mantos Blancos Phase II

Analysis of expansion of the concentrator throughput from 7.3 Mt per year to 10.0 Mt per year using the existing ball mills and process equipment, starting in 2023, is underway. This project also considers additional cathode production through 2032. This is called the Mantos Blancos Phase II Project. The estimated total additional capital cost for this expansion will be determined after the engineering work is developed.

The source of material for this increased throughput corresponds to identified mineral inventory as per the results of the pit optimization. The current Mineral Reserves Estimate was constrained by the pit shell obtained at a revenue factor of 0.92 used as a guide for the final pit design. The difference between the pit shell obtained at revenue factor 1.0 and the current production will be available for Phase II. An additional pushback has been designed (preliminary design) and the new plant feed schedule may consider lowering the cut-off grade to the marginal value, instead of the strategy adopted for the Mineral Reserves Estimate.

Mantos Blancos Dump Leach

Dump leaching at Mantos Blancos started in 2012 leaching the Mercedes Mineralized Stockpile (Old Waste Dump).

The oxide mineralized stockpile was initially determined by analyzing the origin from the mine and the cut-off grade used during the dumping process. Later, a sampling process using trenches and sonic drilling was used to confirm the grade values of the material, allowing the conversion of this material to Mineral Reserves. Historical production from the dump leach is approximately an average of 12 kt of copper per year.

As part of operational practices, Mantos Blancos will continue with waste dump sampling from the East Dump, North-East Dump, South-East, Argentina Dump and the ripios, to continue with the dump leach process. This has not yet been converted to Mineral Reserves.

Santo Domingo Project (Chile)

The Santo Domingo Project is a wholly-owned and fully-permitted development project located in Region III, Chile. The Santo Domingo Project has all required construction and start-up permits, including final approval of the Santo Domingo Mine Closure Plan in 2019.

In 2019, Capstone updated the economic model for the Santo Domingo Project with more certain cost estimates and reported on a Preliminary Economic Analysis of the option to produce battery-grade cobalt sulphate. In March 2020, Capstone published an updated technical report for the Santo Domingo Project titled “Santo Domingo Project, Region III, Chile, NI 43-101 Technical Report” (“**2020 Santo Domingo Technical Report**”) effective February 19, 2020. The 2020 Santo Domingo Technical Report was authored by Joyce Maycock, Antonio Luraschi, Marcial Mendoza, Mario Bianchin, David Rennie, Carlos Guzmán, Roger Amelunxen, Michael Gingles, Tom Kerr, Roy Betinol, Lyn Jones, and Gregg. The following descriptions of the Santo Domingo Project are based on assumptions, qualifications and procedures which are set out in the 2020 Santo Domingo Technical Report

[13] This is a non-GAAP financial performance measure. See “Alternative Performance Measures”.

filed on March 24, 2020. Reference should be made to the full text of this report which is available in its entirety on SEDAR at www.sedar.com under Capstone's profile.

Description and Location

The Santo Domingo Project is based on a copper-gold-magnetite iron Mineral Resource and Mineral Reserve in Region III of northern Chile. The centre of Santo Domingo is approximately 26°28'00"S and 70°00'30"W.

Capstone has two groups of mineral concessions with a total of 116 claims (96 exploitation concessions totaling 27,597 ha and 20 exploration concessions totaling 1,300 ha) that cover a total of 28,897 ha and include the areas of the planned mine site, plant area, and auxiliary facilities including proposed port facilities. All mineral concessions are in good standing until the end of March 2023. Santo Domingo mineral concessions require annual payment of mining license fees to the Tesorería General de la Republica in March. Capstone has developed a legal strategy to obtain the necessary surface rights to cover the planned mine, plant, camps, tailings storage facility, mine waste disposal, pipelines, port and transmission lines. Current surface rights include 17 registered provisional surface rights (3,634 ha) and 16 definitive surface rights (3,856.78 ha); applications for an additional six definitive surface rights (239.84 ha) are in progress.

Most areas of the proposed open pits are located on concessions subject to one or the other of two 2% NSR agreements with South32 Royalty Investments Pty Ltd. (pursuant to a novation from BHP Chile Inc. in May 2015 and formerly named as BHP Billiton Royalty Investments Pty Ltd.) and ENAMI, a Chilean government corporation. On June 17, 2011, Capstone entered into a strategic relationship with KORES. The terms of this relationship provided for, amongst other things, a private placement in the equity of Capstone, representation on the Board of Directors, the acquisition of a 30% interest in the Santo Domingo Project by KORES, participation in the financing of the Santo Domingo Project as well as an agreement to enter into a LOM off-take agreement for 50% of the production of copper and iron from the Santo Domingo Project on prevailing market terms.

The currently proposed project uses desalinated water and will not require an application for water rights. An approved maritime concession will allow the extraction of sea water for processing in the desalination plant. Water for construction will be obtained from an authorized third-party provider.

Santo Domingo is not currently subject to environmental liabilities.

As of December 31, 2021, the main permits supporting the Santo Domingo Project were approved. Santo Domingo is focusing current permitting efforts on continued early works, construction and the port area.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Santo Domingo Project is located approximately 150 km north of Copiapó and five km southeast of the town of Diego de Almagro in Region III of northern Chile. Access to the planned mine and plant site is via the paved Pan-American Highway (Route 5 North) and a network of generally well-maintained paved roads. The planned mine site is about two hours travel time by road north from Copiapó or five hours south from Antofagasta. Regional infrastructure is well established, including roads, electrical transmission systems and capacity (labour, support services) to serve the mining industry. However, there is currently little infrastructure on the Santo Domingo property, except gravel roads for access to the concessions and drill sites and areas set up to stage early works construction. Highway C-17 connecting Diego de Almagro and Copiapó is paved and passes immediately east of the proposed mine–plant site area. The nearby town of Diego de Almagro (population around 15,000) is connected to the regional power grid and can provide some support services for the planned operations.

Mining activities are expected to be possible on a year-round basis. The climate is generally warm, dry and clear in all seasons. The proposed mine site area is classified as interior desert; the proposed port location is in a coastal desert regime. Rainfall is low and concentrated in the winter months. Vegetation is very sparse.

Elevations in the mine–plant site area range from approximately 1,000–1,300 MASL.

The area is likely to have high seismicity and the site is considered Zone 3 of Chilean standard NCh 2.369, with a peak ground acceleration value of 0.4g.

Easements to cover 100% of the planned mining operation facilities and infrastructure area are in progress, including proposed tailings storage areas, waste disposal areas and processing facilities.

History

Mining for copper, gold, and iron has been ongoing in this area since early in the 19th century. Small mines in the region supplied copper ore to smelters in both Chañaral and Pan de Azúcar. Independent copper mines operated on what is now Anglo American's Manto Verde deposit (25 km southwest of Santo Domingo) since the late 1800s, with significant production commencing in 1906. Between 1906 and 1935, a reported total of 400,000 tonnes over 3% Cu was mined from the Manto Verde fault zone.

Previous ownership of concessions at Santo Domingo is unknown, however small-scale mining and prospecting occurred. Mining activities at the nearby Manto Verde deposit date back to the late 1800s; likely workings at Santo Domingo property are a similar age.

Many small inactive mines and pits occur throughout the property area. The mines typically exploited copper mineralization hosted in one to five metres, steeply-dipping veins and adjacent strata. The largest mines are located along approximately 700 m of the Santo Domingo structure. These mines include La Estrella, La Estrellita and Mina Iris. Judging by the size of the dumps and number of adits, it is possible this specific area produced upwards of 500,000 tonnes. A second area of minor production, a small open pit with peripheral underground workings on the nearby Caprichosa concession, may have produced approximately 20,000 tonnes of copper oxide-bearing rock from a stratum dominated by specular hematite. However, surface workings at most other mines near Santo Domingo are generally less than a few tens of metres in length and the extent of underground development is unknown. Dump material adjacent to most of these mines suggests production less than a few thousand tonnes at any one site.

The Santo Domingo area was part of a regional land package assembled in 2002 by BHP called the Candelaria Project. BHP flew a Falcon™ gravity and magnetic survey over a portion of the northern Chilean Iron Belt. In 2002 and 2003, Far West Mining Ltd. ("**Far West**") and BHP entered into Project Area Agreements that allowed Far West to earn an interest in Candelaria Project concessions. Effective August 5, 2003, Far West assigned interests in the Project Area Agreements to Mineral Lejano Oeste SA, a subsidiary based in Chile. On May 4, 2005, BHP terminated their interest in the Santo Domingo area concessions and transferred title in exchange for a retained 2% NSR royalty (now held by South32 Royalty Investments Pty Ltd.).

Historical exploration included geological mapping (50 km^2) at 1:25,000 scale, surface and drainage sampling, interpretation of existing airborne geophysical data, and IP survey, and core and RC drilling that outlined the Santo Domingo Sur ("**SDS**"), Estrellita, and Iris deposits. Drilling was originally designed to target gravity and magnetic anomalies for IOCG mineralization of Candelaria or Manto-Verde style. In April 2005, drillhole 022 intersected iron oxide mantos with sulfide copper mineralization of grade and width with economic potential. Further drilling in the area outlined the SDS deposit. Subsequent drilling to the northwest of SDS following a north-northwest trending gravity anomaly discovered the Iris deposit with similar mineralization. Additional drilling in the northwestern part of the Santo Domingo area, around the small-scale Estrellita mine workings, outlined the Estrellita deposit, which is more similar to Manto Verde-style mineralization as it represents copper oxide mineralization along a fault zone. After ground geophysical surveys including magnetics and electromagnetics (TEM), the 2008 drilling outlined a new zone of mineralization known as Iris Norte. Additional holes tested other gravity and magnetic features in the Santo Domingo area and intersected widespread but discontinuous copper mineralization around the four deposits. An initial copper-gold resource estimate was performed in 2006 for the SDS deposit and updated in 2007, which then included copper-gold resource estimates for Estrellita and Iris. As of May 31, 2010, drilling in the Santo Domingo area totalled 106,886 m in 398 holes.

In 2008, a preliminary economic assessment ("PEA") described two open pit mining options, one scenario mining the SDS deposit for the recovery of copper, gold and iron from magnetite; the second mining the SDS and Iris deposits for the recovery of copper, gold and iron from magnetite and hematite. The resource estimate supporting the PEA was updated to include iron as an element of interest. Results indicated both options were revenue negative under the assumptions in the study; however, changes to the base-case metal price assumptions did result in positive economics, and additional work was recommended.

Geological Setting

Santo Domingo's geological setting is the Cretaceous Iron Belt of the Atacama fault zone, a ductile/brittle sinistral strike-slip and dip-slip crustal scale structure that parallels the coast of Chile for over 1,200 km. The CIB is a segment of the Atacama fault zone approximately 630 km by 40 km in dimension that hosts IOCG and iron-apatite type deposits. The Santo Domingo deposits lie on the east side of the Atacama fault complex, which, in this area, consists of numerous clusters of generally north–south structural breaks in a belt approximately 30 km wide.

The base of the stratigraphic sequence in the deposit area is interpreted to be Punta del Cobre Formation sedimentary rocks. These rocks grade upwards and laterally into an interdigitated contemporaneous sequence of limestone and marine sediments of the Chañarcillo Group and andesitic flows and volcaniclastic rocks of the Bandurrias Group. All sedimentary units are intruded by Cretaceous sill-type of dikes and small plutons. The upper Punta del Cobre Formation near its contact with the overlying Bandurrias–Chañarcillo Group sequences is the stratigraphic host location of the Candelaria deposit (operated by third parties) approximately 120 km to the south. The geology underlying the Santo Domingo Project is affected by a number of faults that exposed different levels of the Cretaceous volcano-sedimentary stratigraphic sequence.

Exploration

Much of the exploration work in the Santo Domingo area was conducted by the previous owner of the property. Capstone acquired Santo Domingo from Far West in 2011 and completed a pre-feasibility study in the same year. The 2014 feasibility study was commissioned in 2012 and completed in 2014. In July 2015, the EIA, including the mine, infrastructure, process facilities, development of a greenfields port and iron concentrate and water supply pipelines (as outlined in the 2014 feasibility study), was approved by the Chilean authorities.

Exploration work completed by Capstone between August 2011 and May 2014 consisted of a detailed aerial survey of the plant site area using a scale of 1:1,000 and a 1 m contour spacing, which was prepared by Fugro Interra S.A. in 2012. The topography covers an area of approximately 16,000 ha for the plant site, port facilities and pipeline routes.

In October 2013, a versatile time-domain electromagnetic, known as VTEM, and aeromagnetic geophysical survey was completed by Aeroquest Airborne of Aurora, Ontario, Canada, covering 356 line-kilometres. In November 2013, Aeroquest Airborne conducted an airborne z-axis tipper electromagnetic, known as ZTEM, and aeromagnetic geophysical survey covering 369 line-kilometres. In 2014, Condor established geophysical characterization signatures of the three mineralized occurrences (Santo Domingo, Iris, Estrellita) after an assessment of all available geophysical datasets in the area since 2002. Condor generated several geophysical target zones of varying priority for follow-up exploration.

Santo Domingo has been explored in the past for large tonnage potential as a primary consideration, with no exploration targeting small lenses of mineralization in the 1-5 Mt range. Copper oxide mineralization is known to exist on the property but has also not been targeted specifically. Additional potential exists for iron dominated mineralization with lesser potential for copper, which to date is considered uneconomic at Santo Domingo, but has potential once an operation is built in the Santo Domingo Project area. The main iron potential is located downdip from the current mineral resource and potentially to the south of Santo Domingo, where magnetite replacement bodies occur in skarn zones of unknown size.

During 2014 to early 2015, Capstone drilled 14 twinned diamond holes for a total of 3,206 m, to confirm previous drilling and to collect metallurgical samples.

In late 2015 Capstone announced that it would discontinue work on Santo Domingo in response to low copper and iron prices. Capstone continued to maintain the holdings and community relations activities. Updates to the 2014 feasibility study were completed in 2018, resulting in the 2019 technical report.

Mineralization

Mineralization within the deposit area consists of:

- Stratiform replacement mantos and breccias within tuffaceous volcano-sedimentary rocks (e.g. Santo Domingo Sur deposit)
- Structurally-controlled mineralization along the east–west Santo Domingo fault zone (e.g. Estrellita deposit)
- Small, closely spaced (100 m to 200 m) northwest-trending and moderately to steeply northeast-dipping veins which range in width from a few centimetres to several metres
- Minor copper oxide and sulfide minerals disseminated in amygdales in volcanic flows and encountered as small chalcocite nodules in limestone.

Drilling at 100 m centres or less at the Santo Domingo Sur deposit outlined a 150 m to 500 m thick copper-bearing, specularite–magnetite manto sequence covering an area of approximately 1,300 m by 800 m. The mantos are zoned from an outer rim of specular hematite toward a magnetite-rich core. The mantos consist of semi-massive to massive specularite and magnetite layers with clots and stringers of chalcopyrite, ranging in thickness from approximately 4–20 m. Chalcopyrite is the main copper mineral. The upper parts of the manto sequence are frequently oxidized and contain various amounts of copper oxides and chalcocite-covellite. Drilling below a depth of 350 m is sparse and mineralization below that depth is not well defined at this time.

The Iris deposit is a narrow zone (100 m to 250 m wide) of copper-bearing iron mantos and breccias extending over 1,900 m that are hosted by andesitic tuffs and andesitic breccias. The dominant iron oxide at Iris is hematite and the main copper mineral is chalcopyrite. Copper oxides such as brochantite and chrysocolla were mined at old surface mine workings at the southern end of the Iris deposit.

Mineralization at Iris Norte is very similar to the Iris and Santo Domingo deposit; however, part of the mineralization appears to be hosted by andesitic flows. The deposit is approximately 500 m wide and has been tested over a strike length of 1,600 m. The Iris Norte deposit has been intruded by significant amounts of diorite dykes and sills that separate the deposit into two lenses. The main sulphides are pyrite and chalcopyrite.

Drilling at the Estrellita deposit has outlined a tabular body of copper mineralization hosted by breccias and mantos along a fault zone around the Estrellita artisanal mine workings. The east–west extent of the Estrellita deposit along the Santo Domingo fault adds up to more than 1,000 m and the deposit remains open in both directions. The Estrellita deposit has an unquantified oxide component, consisting of chrysocolla, brochantite and various amorphous copper oxides such as pitch limonite, tenorite and copper wad.

Mineralization at the Santo Domingo, Iris and Iris Norte deposits contains cobalt. Cobalt is noted primarily in cobaltiferous pyrite associated with the main mineralized phases in the deposit.

Drilling

Between July 2003 and December 2021, a total of 661 core and RC holes (161,460 m) were drilled over the Santo Domingo area as a whole. Drilling that supports the Mineral Resource estimate or was used in support of the construction of the geological models comprises 464 holes (120,168 m).

In late 2011 and early 2012, Capstone completed an infill drilling campaign to convert Indicated Mineral Resource within the proposed first three years of production to the Measured Resource category and collect material for metallurgical test work at a feasibility-study level. The campaign consisted of 66 diamond drillholes for a total of 13,282 m of additional drilling. The revised Mineral Resource estimates incorporating the results of the latest infill drilling campaign was included in the 2014 NI 43-101 technical report and subsequent disclosures. Drilling was contracted to Harris y Cia., Major Drilling, Geo Operaciones and Captagua, all based in Chile. Most of the RC drilling was conducted by a truck-mounted Schramm Rotadrill. The diamond drilling was conducted by various types of equipment. HQ-diameter core was typically drilled to a depth of approximately 300 m, below which NQ-diameter core (47.6 mm diameter) was drilled. Samples, taken in two-metre intervals for RC, were collected by drilling personnel, and tagged and organized by Capstone personnel. A geologist was generally on site during most of the day shift for RC drilling. Most holes are vertical as the orientation of mineralization at SDS and Estrellita is horizontal or gently dipping. Inclined holes, particularly diamond holes, were drilled to establish the limits of

mineralization at the edges of the deposits as well as to establish the structural framework at Estrellita, Iris, and Iris Norte. Drillhole collars were located using a differential GPS. Coordinates are accurate to within one metre or less. Relative elevations between holes in close proximity (such as at SDS) were determined using a tight chain and clinometer. Downhole surveying was conducted using a combination of gyroscope and accelerometer, with measurements taken every 10 m.

In January 2019, Capstone drilled 13 twinned diamond drill holes for a total of 3,747 m, to collect additional material for metallurgical testwork. In 2021, Capstone completed 19 brownfield drillholes totalling 16,581 m and 33 drillholes to acquire geometallurgical characterization information totalling 8,035 m.

A PEA describing an alternative development option with a cobalt recovery circuit to produce battery-grade cobalt sulfate was undertaken in 2019–2020, presented in the 2020 Santo Domingo Technical Report.

Sampling and Analysis

Reverse circulation drill cuttings were collected at 2 m intervals. Core was nominally sampled at 2 m intervals. Samples for assay were marked at 1 m and 2 m intervals by technicians and subsequently adjusted by the geologist to correspond to major lithological contacts prior to 2011. For programs conducted prior to 2011, sample lengths were not less than 0.5 m and most did not exceed 2 m. The shortest and longest sample lengths in 2011–2012 were 0.7 m and 2.7 m, respectively, and most samples were 2 m long. The primary analytical laboratory was ALS Minerals ("**ALS**"), and the facilities in La Serena, Chile and Antofagasta, Chile were used. Both of these facilities have ISO 9001:2008 accreditation and La Serena has ISO 17025 accreditation. Sample preparation consisted of drying, crushing to minus #10 Tyler >70%, homogenizing and then pulverizing to minus #200 Tyler >85%. Samples were analysed for 27 elements via ALS procedure ME-ICP61, using inductively coupled plasma ("ICP"). Gold assays were determined using fire assay with an AAS finish. Copper values over 10,000 ppm were re-assayed. Due to the ME-ICP61 method understating the iron content, 7,401 samples from the 2010 drill program were resubmitted for assay using a method with a more aggressive digestion, including all samples over 15% Fe inside the existing block model for which sample material was still available. Soluble copper analysis was conducted on 1,035 samples from 2011–2012 drilling. A total of 19,302 magnetic susceptibility measurements have been recorded. There are 2,229 density measurements, performed by Far West Mining personnel on core samples using the water displacement method. RRPA developed regression formulae based on the specific gravity values reported by Far West Mining to convert volumes to weights, using Fe concentration as the independent variable. Quality control protocols remained largely consistent throughout all programs conducted by Far West Mining and Capstone. Minor changes have been implemented by Capstone to accommodate issues and recommendations from past programs and to include magnetic susceptibility measurements. Certified reference materials are inserted every 25th sample, Roscoe Postle Associates Inc. ("**RPA**") constituting 4% of the total number of samples submitted. Blanks, consisting of common Portland cement, quartz pebbles or fine quartz, were inserted every 50th sample. Field duplicates are taken every 25th sample. RPA considers that the drilling has been conducted in a manner consistent with standard industry practices. Spacing and orientation of the holes are appropriate for the deposit geometry and mineralization style. Sampling methods are acceptable, meet industry-standard practice, are appropriate for the mineralization style, and are acceptable for Mineral Resource estimation. The quality of the analytical data is reliable, and analysis and security are performed in accordance with exploration best practices and industry standards.

Security of Samples

The logging facility is fenced, locked when not occupied, and is secure. Samples are handled only by employees or designates such as ALS personnel. Regular data verification programs were undertaken by third-party consultants from 2005 to 2014 on data collected to support Mineral Resource and Mineral Reserve estimates at Santo Domingo. RPA considers that as a result of this work, the data verification findings acceptably support the geological interpretations and the database quality, and therefore support the use of the data in Mineral Resource estimation.

Metallurgical Testwork

Metallurgical testwork has been undertaken since 2006. Two separate physical characterization testwork programs, including semi-autogenous grind (SAG) mill competency (SMC) testwork campaigns, were conducted

in order to confirm the throughput rate of the comminution circuit. The complete data set tested was spatially and lithologically representative of the first 3 years of mining.

As a result of variability testing of hematite and magnetite composite ore types and the dominant proportion of magnetic iron (magnetite), it was decided to modify the comminution flowsheet from a semi-autogenous, ball mill, crushing circuit that was used in the 2011 pre-feasibility study to a direct semi-autogenous, ball mill for the 2014 feasibility study. An estimated throughput rate of 65,000 tpd (first 5 years) (design capacity) and 60,000 tpd (nominal capacity) for the remaining LOM was determined.

For copper and gold, initial testing was completed at SGS Santiago to understand the variability of the flotation response associated with the process plant feed, using sea water with sodium cyanide as a pyrite depressant in 2012 and sea water with sodium metabisulphite in 2014. Testing was completed on composite samples in order to confirm the optimal process flowsheet and conditions. The composite samples testwork was followed by open cycle tests and locked cycle tests.

A copper and gold pilot plant was operated in 2015 to produce concentrate for testwork and to verify design criteria. Composites were prepared from drill core from a 2014–2015 drill program to represent each of the first 5 years of operation and a combined composite. The pilot plant used sea water and the flowsheet for copper and iron was the flowsheet current at the time.

Samples of copper concentrate, iron concentrate and tailings resulting from the pilot plant operation were sent to equipment manufacturers for testing. The aim of the testing was to determine the filtration, settling and rheology parameters for the slurries.

In 2018, testwork was carried out using desalinated water to support its use in place of sea water. This included rougher and cleaner kinetic tests for modelling the flotation circuit and development of a recovery algorithm for copper and gold with desalinated water.

Additional flotation testwork was carried out in 2019 by Aminpro to produce a gold recovery algorithm based on the gold head grade and to provide more confidence in the copper recovery algorithm. The copper head grade was used to predict the copper recoveries and the gold head grade was used to predict the gold recoveries.

For iron, recovery of magnetite from the primary copper flotation tailings stream was initially tested at ALS Chemex, Studien-Gesellschaft für Eisenerz-Aufbereitung and Compañía Minera del Pacifico (“**CMP**”) in 2009. Davis Tube (“DT”) and LIMS tests were then used as the basis for the design of the recovery of magnetic iron in both the primary magnetic separation step and the subsequent magnetic separator cleaning stages. Confirmatory Davis Tube test programs were completed at ALS and CMP using variability samples in 2011 and 2012. Additional DT and LIMS testing was completed by ALS in 2014.

An iron pilot plant was operated in 2015 using a composite designed to represent the first 5 years of operation. The plant was operated using sea water and the flowsheet current at the time. Concentrate from the pilot plant operation was tested by FLSmidth and Outotec to determine filtration and thickening characteristics.

Adjustments were made to the LIMS circuit in the pilot plant operation in order to maintain a high iron grade and low silica content. The testwork indicated that further improvement may be possible without reducing the P80 grind size. A clear relationship was demonstrated between managing iron grade and the level of silica contamination.

The majority of iron concentrate samples produced from the DT tests returned elemental grade values within target specification and indicate that a marketable iron concentrate can be produced. Treatment of the andesite ore types in high proportions in the mill feed could potentially lead to the production of concentrates containing low iron and high silica contents, due to the inability to separate magnetite from silica. There is a risk that a portion of the andesite material designated as plant feed will be designated as waste. In order to quantify this potential impact on concentrate marketability, additional targeted variability testwork is recommended to better understand magnetite concentrate variations in specific andesite lithology zones.

Additional testwork was completed at SGS Santiago in 2019 to confirm design criteria using LIMS using rougher flotation tailings from the program completed at Aminpro in 2019, using the Years 1-5 composite sample and

desalinated water. In all cases the final iron concentrate grade was >65% Fe and impurities (such as silica and others) were close to Capstone's target. The circuit was confirmed as per the current design.

A review of the analyses of the copper concentrate generated from the Years 1-5 composite in the 2019 testwork indicated that arsenic values were low, the silica level is acceptable and heavy minerals such as bismuth, antimony and cadmium are low. As of December 31, 2021, levels of deleterious elements in the copper concentrate are such that no penalties are likely to be levied.

Iron concentration pilot testwork concluded in 2021, confirming past studies and providing detail on iron ore variability. The iron concentrate plant designed in the previous engineering stage will be adjusted to achieve a more robust design using equipment modularization and unit operations.

Mineral Resource and Mineral Reserve Estimates

David Rennie is the Qualified Person responsible for the preparation of the Santo Domingo Mineral Resource estimates presented in the 2020 Santo Domingo Technical Report. The Mineral Resource estimates for Santo Domingo Sur, Iris, Iris Norte and Estrellita are presented in Table 33 and have an effective date of February 13, 2020.

Risk factors that could potentially affect these Mineral Resource estimates include changes to assumed long-term metal prices and exchange rates, densities, geotechnical and hydrogeological considerations, factors used in the preliminary pit optimization on the block models using an LG shell constraining Mineral Resources at Santo Domingo Sur, Iris, Iris Norte and Estrellita, metal recovery, concentrate and smelting/refining terms or changes to the interpretations of mineralization geometry and continuity of mineralization zones; delays or other issues in reaching agreements with local communities, and changes in permitting, surface rights and environmental assumptions.

Table 33: Santo Domingo Estimated Mineral Resources as at December 31, 2021

Deposit	Tonnes (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Fe (%)	S (%)	Co (ppm)
Total Measured Resources	**66**	**0.81**	**0.61**	**0.081**	**30.9**	**2.3**	**254**
Santo Domingo Sur	64	0.82	0.62	0.082	31.1	2.4	254
Iris	2	0.42	0.39	0.047	23.6	1.4	250
Total Indicated Resources	**471**	**0.48**	**0.26**	**0.034**	**25.0**	**1.9**	**225**
Santo Domingo Sur	224	0.54	0.31	0.043	26.6	2.4	275
Iris	103	0.45	0.19	0.027	25.9	1.3	166
Iris Norte	89	0.44	0.12	0.014	26.7	2.6	231
Estrellita	55	0.40	0.38	0.039	13.7	0	125
Total M & I	**537**	**0.52**	**0.30**	**0.039**	**25.7**	**2.0**	**229**
Total Inferred Resources	**48**	**0.41**	**0.19**	**0.025**	**23.6**	**2.2**	**197**
Santo Domingo Sur	24	0.40	0.22	0.033	22.8	2.5	195
Iris	4	0.42	0.19	0.024	26.6	0.7	125
Iris Norte	14	0.45	0.09	0.009	28.1	2.8	256
Estrellita	5	0.32	0.31	0.030	12.3	0	108

NOTE: Mineral Resources are classified according to CIM (2014) standards. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Qualified Person for the estimates is Mr. David Rennie. Mineral Resources for the Santo Domingo Sur, Iris, Iris Norte and Estrellita deposits have an effective date of 13 February 2020. Mineral Resources for the Santo Domingo Sur, Iris, Iris Norte and Estrellita deposits are reported using a cut-off grade of 0.125% copper equivalent (CuEq). CuEq grades are calculated using average long-term prices of $3.50/lb) Cu, $1,300/oz Au and $99/(dmt) Fe conc. The CuEq equation is: % Cu Equivalent = (Cu Metal Value + Au Metal Value + Fe Metal Value) / (Cu Metal Value per percent Cu). The general equation for metal value is: Metal Value = Grade * Cm * R * (Price – TCRC – Freight) * (100 – Royalty) / 100, were Cm is a constant to convert the grade of metal to metal price units, R is metallurgical recovery, and TCRC is smelter treatment charges and penalties. Only copper, gold and iron were recognized in the CuEq calculation; cobalt and sulphur were excluded. Mineral Resources are constrained by preliminary pit shells derived using a Lerchs–Grossmann algorithm and the following assumptions: pit slopes averaging 45º; mining cost of $1.90/t, processing cost of $7.27/t (including G&A cost); processing recovery of 89% copper and 79% gold, iron recoveries are calculated based on magnetic susceptibility; and metal prices of $3.50/lb Cu, $1,300/oz Au and $99/dmt Fe concentrate. Rounding as required by reporting standards may result in apparent summation differences. Tonnage measurements are in metric units. Copper, iron and sulphur are reported as percentages, gold as grams per tonne and cobalt as parts per million.

Mr. Carlos Guzmán is the Qualified Person responsible for the preparation of the Santo Domingo Mineral Reserve estimate presented in the 2020 Santo Domingo Technical Report. The effective date of the Mineral Reserve estimate is November 14, 2018.

Pit optimization, mine design and mine planning were carried out by NCL using the 2012 block model prepared by RPA and did not include consideration of material classified as Inferred. Inferred Mineral Resources were treated as waste. A block size of 12.5 m Easting x 12.5 m Northing x 12 m Elevation was selected for the block model. The selected block size was based on the geometry of the domain interpretation and the data configuration. The mining cost estimate for the pit optimization process is based on studies developed by NCL during 2018. The estimated average project mining cost was separated into various components such as fuel, explosives, tires, parts, salaries and wages, benchmarked against similar current operations in Chile. Each component was updated for third quarter 2018 prices and the exchange rate from Chilean Pesos to US dollars. This resulted in an estimated mining cost of approximately $1.75/t. Estimated metal prices, processing costs, refining costs, and processing recoveries were provided to NCL by Capstone. A number of calculations were performed in the model in order to determine the NSR of each individual block. The internal (or mill) cut-off of $7.53/t milled incorporates all operating costs except mining. This internal cut-off is applied to material contained within an economic pit shell, where the decision to mine a given block was determined by the pit optimization and was applied to all of the Mineral Reserve estimates. Marginal ore was calculated for the same $7.53/t cut-off, but for a NSR determined at higher metal prices. Final slope angles used for the pit optimization process were a result of multiple iterations and analysis carried out by the NCL mining team and geotechnical specialists Derk Ingeniería y Geología Ltda. The original block model was based on an ore percentage with dimensions of 12.5 m x 12.5 m x 12 m, resulting in a 1,875 m^3 block volume; this means that every block has a defined “ore” proportion with an ore density, and a corresponding “waste” proportion with a waste density. To accommodate selective mining methods, any resource block with an ore percentage that was less than 10% was treated as waste. Blocks with an ore percentage that was higher than 90% were diluted with waste such that all high-ore blocks were considered to contain only 90% ore. Selective mining therefore will be performed on those blocks that have an ore percentage of between 10% and 90%. The Santo Domingo Mineral Reserve estimate is summarized in Table 34.

In the opinion of NCL, the factors most likely to significantly affect the Mineral Reserve estimate are metallurgical recoveries and operating costs (fuel, energy and labor). NCL notes that the base price and changes in metals prices do not affect the Mineral Reserve estimate to any significant degree, despite being the most important factor for revenue calculation. A revenue factor of 0.84 was used for the LG shell that was employed as the guide for the practical design for both the Santo Domingo and Iris Norte pits. This revenue factor is relatively conservative, allowing for broad swings in metals prices without significantly impacting the Mineral Reserve estimate.

Table 34: Santo Domingo Estimated Mineral Reserves as at December 31, 2021

Stage	Tonnes (Mt)	Grade			Contained Metal		
		Cu (%)	Au (g/t)	Fe (%)	Cu (kt)	Au (koz)	Magnetite Conc. (Mt)
Proven Reserves							
Santo Domingo Sur	65.4	0.61	0.08	30.9	398	169.9	8.2
Probable Reserves							
Santo Domingo Sur	252.1	0.27	0.04	27.8	674	300.8	48.2
Iris Norte	74.8	0.13	0.01	26.9	94	36	18.7
Total Probable	326.9	0.24	0.03	27.6	768	336.8	66.9
Total Mineral Reserves							
Proven + Probable	392.3	0.30	0.04	28.2	1167	506.7	75.1

NOTE: Mineral Reserves have an effective date of 14 November 2018 and were prepared by Mr. Carlos Guzmán, CMC. Mineral Reserves are reported as constrained within Measured and Indicated pit designs and supported by a mine plan featuring variable throughput rates and cut-off optimization. The pit designs and mine plan were optimized using the following economic and technical parameters: metal prices of $3.00/lb Cu, $1,280/oz Au and $100/dmt of Fe concentrate; average recovery to concentrate is 93.4% for Cu and 60.1% for Au, with magnetite concentrate recovery varying on a block-by-block basis; copper concentrate treatment charges of $80/dmt, U$0.08/lb of copper refining charges, $5.0/oz of gold refining charges, $33/wmt and $20/dmt for shipping copper and iron concentrates respectively; waste mining cost of $1.75/t, mining cost of $1.75/t ore and process and G&A costs of $7.53/t processed; average pit slope angles that range from 37.6º to 43.6º; a 2% royalty rate assumption and an assumption of 100% mining recovery. Rounding as required by reporting standards may result in apparent summation differences between tonnes, grade and contained metal content. Tonnage measurements are in metric units. Copper and iron grades are reported as percentages, gold as grams per tonne. Contained gold ounces are reported as troy ounces, contained copper as metric thousand tonnes and contained iron as metric million tonnes.

Mining Operations

Santo Domingo is proposed as an open pit mine with two pits, the Santo Domingo pit and the Iris Norte pit. The projected mine life is 18 years, expected to begin two years after a final construction decision.

Environmental baseline studies were carried out in the area of influence covering the following communities: Diego de Almagro, Inca de Oro, El Salado, Chañaral, Flamenco, Torres del Inca, Obispito and Caldera. Studies have included physical environment (climate, meteorology); air quality; noise; natural hazards; soils; hydrology/hydrogeology; fauna; flora; port area (setting, tides, chemical and marine environments); human environment (setting, heritage, archaeology); paleontology; and visual landscape.

The mine plan throughput rate is 60,000 tpd to 65,000 tpd of feed (21.9 Mt/y to 23.7 Mt/y) with a peak total mining rate of 107.5 Mt/y in Years 1 to 4. Because of the softer characteristics of the initial feed (higher copper content and lower magnetite), an initial period of 5 years was scheduled for a plant feed of 65 ktpd. From Year 6 the plant throughput is scheduled for 60 ktpd. Year 1 feed to the plant is made up of material mined during pre-production and Year 1. Oxide material will be identified and will be stockpiled separately. A 15 month pre-production period will be needed. Mill throughput was also restricted to a magnetite concentrate production capacity of a maximum 4.5 Mt/y up to Year 10; and 5.4 Mt/y from Year 11.

The head grade varies between 0.68% Cu and 0.42% Cu during the first 5 full years of production. After the fifth full year the head grade varies between 0.37% Cu and 0.14% Cu. At the end of the mine life the head grade is only 0.06% Cu. For the first 5 full years the head grade is about 30% Fe, with an average of around 28% Fe with little variation over the LOM.

LOM average production is 206,000 dmt of copper concentrate per year over a period of ~18 years, at a 29% Cu grade. The LOM average production is 4.2 million dmt of iron concentrate per year over a period of ~18 years, at a 65% iron grade.

The primary crushing plant will receive run-of-mine feed directly from the open pits using two 290 tonne trucks discharging into the 450 tonne capacity crusher dump pocket, then the crushed product will be conveyed to the coarse ore stockpile before processing in conventional SAG and ball mills. The resulting product will be sent to the copper rougher flotation to produce a copper concentrate. The copper rougher tailings will be pumped to the magnetic separation circuit to produce a magnetite concentrate. The concentrates are thickened and filtered to produce product suitable for transport, by truck to the port for copper concentrate and by pipeline for the magnetite concentrate.

Tailings will be thickened in two stages, first at the process plant then at the TSF area. Recovered water from the thickeners will be pumped back to the process water pond. Thickened tailings will be pumped to the TSF.

The plant will use desalinated water from a pumping station at the port.

There will be a filter plant at the port for magnetite concentrate. Magnetite concentrate will be transported by pipeline from the mine site and will be received at the port in an agitated storage tank and then pumped directly to the filter plant to obtain a magnetite concentrate with a moisture content of 8% measured by weight. Initially there will be two ceramic disc filters (increasing to four by Year 5) and the magnetite concentrate filter cake product will discharge onto a conveyor feeding the concentrate transfer tower and then the magnetite concentrate stockpile.

Process water (desalinated water) required at the port will be provided by the desalinated water supplier. Potable water at the port will be produced from the desalinated water by chlorination.

KORES has rights to purchase up to 50% of the annual production of copper and iron ore concentrates produced by the operation. Capstone will market and sell the remaining concentrate. The KORES terms and conditions will reflect the Capstone terms negotiated independently in the market.

The Santo Domingo copper concentrate would generally be considered clean; low in impurities (deleterious or penalty elements). For trading companies specializing in blending various complex copper concentrates, a clean concentrate such as that from Santo Domingo would likely be in high demand. The timing to secure sales contracts would be dependent on the progress of arrangements for project financing. It is likely that banks or financial

institutions will prefer signed letters of intent or memorandums of understanding from smelters, followed by full long-term contracts, as a condition for the completion of financing.

Santo Domingo will produce a high magnetite ultra-fine iron ore concentrate and will need to shortlist a number of potential pellet and/or sintering plants that can process the iron ore concentrate as a starting point of a campaign to contract suitable long-term offtakers.

Each steel mill complex has its own level of tolerance in terms of impurities. Impurities of concern in the magnetite concentrate are silica and copper. Copper is below the threshold but may in some circumstances represent a non-preferred feed; silica is likely to be a cost factor or penalty element rather than a rejectable quality issue.

Capital and Operating Cost Estimates

Capital and operating cost estimates were prepared as part of the 2020 Santo Domingo Technical Report, based on battery limits established by Capstone. All capital and operating costs are in Q3 2018 $. A foreign exchange rate of 600 CH$ to $1 was used for the detailed estimate.

The initial capital cost was estimated to be $1,512 million. The estimated sustaining capital cost total approximately $379 million. The combined initial and sustaining capital costs for the LOM were estimated to be about $1,891 million (Table 35). The estimate is a Type 3 estimate according to Amec Foster Wheeler Ingeneria y Construcción Ltda (doing business as Wood) ("Wood") and Association for the Advancement of Cost Engineering International standards, with an accuracy of -10 to +15% at the 85% confidence level.[14]

Table 35: Santo Domingo Initial Capital Cost Estimate

	Area	Cost ($ M)
Initial Capital	Mine	177.5
	Process Plant	313.3
	Tailings and Water Reclaim	48.2
	Plant Infrastructure (On Site)	81.9
	Port	147.4
	Port Infrastructure (On Site)	21.9
	External Infrastructure (Off Site)	143.2
	Indirect Costs	381.0
	Contingency	197.8
	Total Initial Capital	**1,512.3**
	Total Sustaining Capital[15]	**378.6**
	Total Cost	**1,890.9**

Operating cost estimates are summarized in Table 36. The total estimated operating cost over the projected life-of-mine is $5,570.0 M (excluding copper concentrate land transport). The operating cost estimate is considered to be at a feasibility study level, with an accuracy of -10% to +15%. For the CuEq estimate, prices of $3.00/lb Cu, $1,290/oz Au and $80.00/t magnetite concentrate (shipped) were used.

Table 36: Santo Domingo Operating Cost Estimate

Cost Centre	LOM Total ($ M)	LOM Average ($/t)	LOM Average ($/lb CuEq)
Process	2,547.6	6.49	0.610
General & Administrative	402.8	1.03	0.097
Mining	2,619.6	6.68	0.631
Total	5,570.0	14.20	1.34

[14] This paragraph contains non-GAAP financial performance measures. See "Alternative Performance Measures".

[15] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

Economic Analysis

The results of the economic analysis to support Mineral Reserves represent forward-looking information that is subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here.

Forward-looking statements include, but are not limited to, statements with respect to future metal prices and concentrate sales contracts, assumed currency exchange rates, the estimation of Mineral Reserves and Mineral Resources, the realization of Mineral Reserve estimates including the achievement of the dilution and recovery assumptions, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of ore zones, permitting time lines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses and title disputes.

Additional risk can come from actual results of reclamation activities; conclusions of economic evaluations; changes in parameters as mine and process plans continue to be refined; possible variations in ore reserves, grade, or recovery rates; geotechnical considerations during mining; failure of plant, equipment, or processes to operate as anticipated; shipping delays and regulations; accidents, labour disputes and other risks of the mining industry; and delays in obtaining government approvals. Please refer to *Risk Factors* for further detail.

If additional mining, technical and engineering studies are conducted, project assumptions, timelines, information and statements made in the 2020 Santo Domingo Technical Report may change.

Table 37: Summary of Santo Domingo Pre-Tax Cash Flow

Cost Item	LOM ($ M)	$/t milled	$/lb Cu payable
Revenue (after losses and before deductions)			
Cu	7,200.4	18.35	3.11
Au	392.6	1.00	0.17
Fe	6,005.1	15.31	2.59
Sub-Total	13,598.1	34.66	5.87
Smelting costs			
Treatment	(300.3)	(0.77)	(0.13)
Cu deduction	(252.0)	(0.64)	(0.11)
Au deduction	(155.7)	(0.40)	(0.07)
Refining - Cu	(185.3)	(0.47)	(0.08)
Refining - Au	(0.918)	(0.00)	(0.00)
Concentrate Transport	(225.3)	(0.57)	(0.10)
Sub-Total	(1,119.5)	(2.85)	(0.48)
Operating cost			
Mining	(2,619.6)	(6.68)	(1.13)
Process	(2,547.6)	(6.49)	(1.10)
General & Administrative	(402.8)	(1.03)	(0.17)
Sub-Total	*(5,570.0)*	*(14.20)*	*(2.40)*
Other			
Royalties	(249.6)	(0.64)	(0.11)
Closure	(102.1)	(0.26)	(0.04)
Total	*(351.6)*	*(0.90)*	*(0.15)*
Earnings before interest, taxes, depreciation, and amortization (EBITDA)[16]	6,557.0	16.71	2.83
Construction capital	(1,512.3)	(3.85)	(0.65)
Sustaining capital	(378.6)	(0.97)	(0.16)

[16] This is a non-GAAP financial performance measure. See “Alternative Performance Measures”.

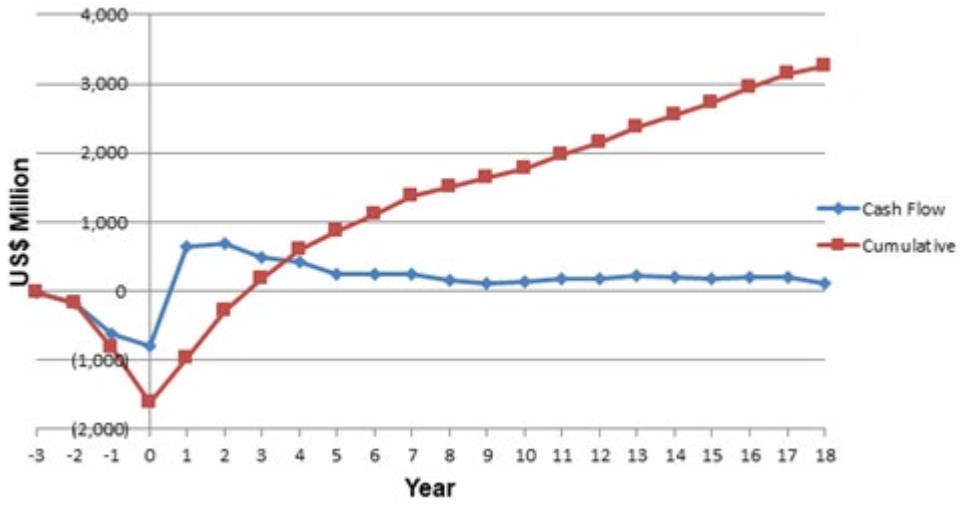
Cost Item	LOM ($ M)	$/t milled	$/lb Cu payable
Undiscounted margin (cumulative net cash[17] flow)	4,666.1	11.89	2.01

The Santo Domingo Project was evaluated using non-inflated cash flows on an after-tax basis. Metal prices used were $3.00/lb Cu, $1,290/oz Au and $80/t Fe FOB Chile (assuming 65% Fe content).

On a pre-tax basis with no discount, the cumulative cash flow is $4,666 million. On an after-tax basis the cumulative undiscounted cash flow is $3,250 million, the IRR is 21.8% and the payback period is 2.8 years.

At an 8% discounted cash flow rate, the after-tax NVP is $1,032 million. A pre-tax summary table is included as Table 37. The LOM cash flow is shown in Figure 29. Cash costs are summarized in Table 38.

Figure 29: Santo Domingo After Tax Cash Flow Summary



Under the assumptions of the 2020 Santo Domingo Technical Report, the feasibility study update shows positive economics. Checks undertaken in March 2020 confirmed the cost estimates remained current.

Table 38: Santo Domingo Cash Cost Summary LOM

Cash Costs	LOM Total ($ M)	Cost per tonne milled ($/t)	Cost per pound Cu payable ($/lb)
Costs			
Mining	2,619.6	6.68	1.13
Process	2,547.6	6.49	1.10
General & Administrative	402.8	1.03	0.17
Treatment charges	300.3	0.77	0.13
Refining charges	186.2	0.47	0.08
Concentrate transport	225.3	0.57	0.10
Sub-Total	*6,281.9*	*16.01*	*2.72*
Credits			
Au	(392.6)	(1.00)	(0.17)
Fe	(6,005.1)	(15.31)	(2.59)
Sub-Total	*(6,397.7)*	*(16.31)*	*(2.76)*
Adjusted Cash Cost Total	***39.8***	***0.10***	***0.02***

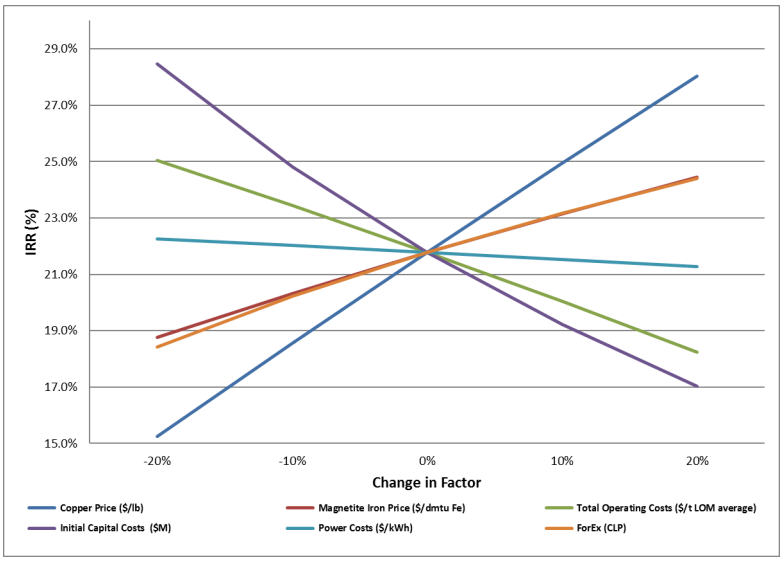
[17] This is a non-GAAP financial performance measure. See “Alternative Performance Measures”.

Initial construction costs are estimated to be $1.51 billion which includes a $197 million contingency on total costs. Sustaining capital[18] over the LOM is estimated to be $378 million. Total LOM operating costs are estimated to be $5.57 billion.

The C1 cash cost as defined by Wood McKenzie is stated below:

"C1 Cash Costs[19] are the costs of mining, milling and concentrating, on-site administration and general expenses, metal concentrate treatment and refining charges and freight and marketing costs less the net value of the by-product credits."

Figure 30: Sensitivity of IRR (Figure prepared by Wood, 2018)



The gold and iron credits offset the operating costs over the LOM, resulting in an almost zero C1 cash cost[20] ($0.02/lb).

A sensitivity analysis was performed on the financial model taking into account variations in metal price (copper, iron and gold); operating costs (including electricity); foreign exchange rates and capital costs.

Figure 30 shows the sensitivity of the IRR and Figure 31 shows the sensitivity of the NPV8% to these variations.

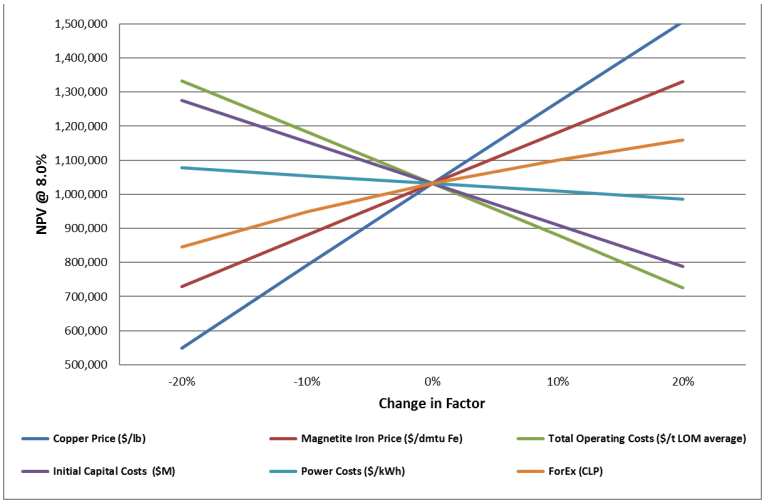
Sensitivities to copper and iron grades are not shown, since changes in copper and iron grades are mirrored by the sensitivities to changes in the copper and iron prices, respectively. The analysis shows that feasibility study update NPV8% is most sensitive to changes in the copper price (copper grade) and in the total capital and operating costs. The sensitivity analysis showed that the Santo Domingo Project is less sensitive to changes in the iron price and the dollar/peso exchange rate.

[18] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

[19] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

[20] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

Figure 31: Sensitivity of NPV8% ($ x 1,000)
(Figure prepared by Wood, 2018)



The most significant risks were evaluated in a risk review in 2018. These included delay in financing, delays in schedules, contractor engagement and price uncertainty, increased equipment and labor costs.

Santo Domingo's applicable taxes include the following:

- Corporate taxes – the Chilean corporate tax is 27%. Currently, Santo Domingo is not subject to Chilean taxes as it has not generated any taxable income yet, and it has tax losses that may be carried forward indefinitely.
- A value added tax is payable to the Chilean government. Any overpaid (credit) amount may be offset with receivable value added tax. Currently, Santo Domingo does not generate any payable value added tax since it does not generate any income yet. Santo Domingo has a short-term receivable value added tax in the amount of $2.0 million as of December 31, 2020. During 2021 Santo Domingo received $7.2 m in value added tax reimbursements. Once commercial production is achieved, Santo Domingo is expected to continue generating a receivable VAT as their sales would be export sales, which would be exempt from VAT.
- Mining tax – Santo Domingo is not currently subject to mining tax. The current mining tax rate ranges from 5% to 14% which considers metric tonnes sold and income from mining operations. With respect to potential increases in the Chilean mining royalty tax, Santo Domingo expects to be protected by its foreign investment contract with the state of Chile, which includes a tax invariability system lasting 15 years post commercial production.

Exploration and Development

No exploration drilling is planned for 2022.

2020 PEA Opportunity – Cobalt Processing

The 2020 Santo Domingo Technical Report opportunity considers a conceptual plan to mine and process copper, iron and gold at the onset of the mine, and subsequently as a follow-on phase, initiate engineering and permitting for cobalt recovery circuit. A delay of two years for additional permitting and detailed engineering is assumed. During development of cobalt plant, cobalt laden pyrite would be stockpiled as a high-density slurry. Copper, iron and gold would be mined and processed over ~18 years; cobalt would be mined for ~18 years and processed over the last 16 years. The PEA opportunity considers initial capital costs estimated at $2.18 billion, $665 million related to the additional cobalt plant; with a contingency of $330 million, $133 million for the cobalt opportunity. Sustaining

capital[21] over the LOM is estimated to be $443 million with total LOM operating costs are estimated to be $6.18 billion in the PEA opportunity. LOM average production in the PEA opportunity is 209,000 dmt of copper concentrate per year over a period of ~18 years, at a 29% copper grade and 4.1 million dmt of iron concentrate per year over a period of ~18 years, at a 65% iron grade.

The Cobalt Pre-Feasibility study ("**PFS**") study initiated in 2021 included trade off studies to confirm cobalt processing technology. Santo Domingo selected two technologies to advance through PFS, roasting and pressure leaching oxidation. Completion of the PFS is expected for the end of 2022.

[21] This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

9 - RISK FACTORS

Capstone is subject to a number of significant risks due to the nature of our business which includes acquisition, divestitures, financing, exploration, development, construction and operation of mining properties. You should carefully consider the risks and uncertainties described below and other information contained in this Annual Information Form before deciding whether to invest in our Common Shares. The risks and uncertainties described below could have a material adverse effect on our business, financial condition or results of operations, and the trading price of our Common Shares may decline and investors may lose all or part of their investment. We cannot give assurance that we can control or will successfully address these risks or other unknown risks that may affect our business. Additional risks or uncertainties not presently known to us or that we consider immaterial may also impair our business operations.

Mining is inherently dangerous and subject to conditions or events beyond Capstone Copper's control.

Capstone's operations are subject to all the hazards and risks normally encountered in the exploration, development, construction, care and maintenance activities and production of copper and other metals, including, without limitation, workplace accidents, fires, wildfires, power outages, labour disruptions, port blockages, flooding, mudslides, explosions, cave-ins, landslides, ground or stope failures, tailings dam failures and other geotechnical instabilities, weather events, seismic events or major earthquakes, tsunamis, access to water, equipment failure or structural failure, metallurgical and other processing problems and other conditions involved in the mining and processing of minerals, any of which could result in damage to, or destruction of, our mines, mineral properties, plants and equipment, multiple personal injuries or loss of life, environmental damage to surrounding land, vegetation other biological and water resources, delays in mining, increased production costs, asset write-downs, monetary losses, legal liability and governmental action. Our mines have large tailings dams which could fail as a result of extreme weather events, seismic activity, or for other reasons. The occurrence of any of these events could result in a prolonged interruption in Capstone Copper's operations, increased costs for asset protection or care and maintenance activities that would have a material adverse effect on Capstone Copper's business, financial condition, results of operations and prospects. The occurrence of one of more of these events could have a long-term impact on Capstone Copper employee's morale, Capstone Copper's reputation, and result in greater regulatory scrutiny and loss of or delays in obtaining licenses to operate.

Our operations are reliant on infrastructure including but not limited to water sources, public roadways, power and transmission facilities, warehouses, and ports. Wildfires and inclement weather conditions, whether occurring at Capstone Copper's sites, adjacent lands, or supplier and downstream sites, may impact our ability to operate, transport or access and supply sites, and increase overall costs or impact Capstone Copper's financial performance. In severe circumstances, civil authorities may impose evacuation orders. Our sites in Chile, Arizona and Mexico are subject to drought conditions and create a higher exposure to wildfire or man-made fire risk.

Pandemics or other public health crises, including the novel coronavirus (COVID-19), could adversely affect our operations, development projects and financial position.

The outbreak of COVID-19, and the future emergence and spread of a similar or other infectious diseases and viruses, could have a material adverse effect on global economic conditions and adversely impact our business and operations, as well as the operations of our suppliers and service providers, and impact the demand for copper or base metal prices.

The global effects of the outbreak of the COVID-19 virus are still evolving and could have a material effect on Capstone Copper's overall financial health currently, and in the future, including but not limited to impacts to revenue, earnings and cash flows, increased volatility in financial markets and foreign currency exchange rates. The effects could have a negative impact on copper prices and cause governmental actions to contain the outbreak which may impact our ability to transport or market our concentrate or cause disruptions in our supply chains or interruption of production.

Disruptions in the supply chain for critical components for operations or critical equipment and materials for our construction projects may cause operational and project delays which are outside of Capstone Copper's control.

As a result of the COVID-19 pandemic, construction of the MB-CDP was delayed as a result of the impact on the supply chain of critical parts for construction. Even so, the MB-CDP reached completion in late 2021 and ramp-up

is continuing. In addition, while construction on the MVDP began in February 2021 and the related project financing reflects the expectation that the project will be completed in 2024, there is no certainty that there will not be delays to the completion of the MVDP as a result of the COVID-19 pandemic or any other health epidemics.

A material spread of COVID-19 or other pathogens of infectious diseases in jurisdictions where we operate could impact our ability to staff operations or cause governmental action to order a suspension of production including but not limited to a subsequent Federal or State Decree for the suspension of mining operations in Mexico or Zacatecas, or a suspension of mining or other activities in the United States or Chile. A reduction in production or other COVID-19 related impacts, including but not limited to, low copper prices could cause us to defer strategic projects or operational plans in order to preserve cash flows. An outbreak of the COVID-19 or other infectious diseases at our operations could cause reputational harm and negatively impact our social licence to operate. This could negatively impact our share price. An outbreak in jurisdictions that we operate in could cause governmental agencies to close for prolonged periods of time causing delays in regulatory permitting processes. The overall global effects, indirect or direct, could cause any of our surety providers to cancel our bonds or call for alternative security including Minto Metals Corp. for which Capstone Copper is an Indemnitor.

During the pandemic, there has been a significant increase in cybersecurity and other information technology risks due to increased fraudulent activity and the increased number of employees working remotely.

A global pandemic could cause temporary closure of businesses in regions that are significantly impacted by health crises, or cause governments to take preventative measures such as the closure of points of entry, including ports and borders. Any government restrictive measures along with market uncertainty could cause an economic slowdown resulting in a decrease in the demand for copper and have a negative impact on base metal prices.

Changes in the market price of copper and other metals could negatively affect the profitability of the Company's operations and financial condition and negatively impact Mineral Reserve estimations or render our business, or part thereof, no longer economically viable.

Capstone Copper's business is largely concentrated in the copper mining industry, and as such our profitability will be sensitive to changes in, and our performance will depend, to a greater extent, on the overall condition of the copper mining industry. The commercial viability of Capstone Copper's properties and Capstone Copper's ability to sustain operations is dependent on, amongst other things, the market price of copper, zinc, iron, gold, and silver. Depending on the expected price for any minerals produced, Capstone Copper may determine that it is impractical to continue commercial production at the Mantos Blancos Mine, Mantoverde Mine, Pinto Valley Mine or the Cozamin Mine, or to develop the Santo Domingo Project. A reduction in the market price of copper, zinc, gold, silver, or iron may prevent Capstone Copper's properties from being economically mined or result in the write-down of assets whose value is impaired as a result of low metals prices.

The market price of copper, zinc, iron, gold, and silver is volatile and is impacted by numerous factors beyond Capstone Copper's control, including, amongst others:

- the supply/demand balance for any given metal;
- international economic and political conditions;
- tariffs or taxes imposed by governments;
- expectations of inflation or deflation;
- international currency exchange rates;
- interest rates;
- global or regional consumptive patterns;
- speculative activities;
- global or regional crises or breakout and spread of contagious illnesses or diseases;
- increased production due to new mine developments;
- decreased production due to mine closures;
- improved mining and production methods;
- availability and costs of metal substitutes;
- new technologies that use other materials in place of our products;
- metal stock levels maintained by producers and others; and
- inventory carry costs.

The effect of these factors on the price of base and precious metals cannot be accurately predicted and there can be no assurance that the market price of these metals will remain at current levels or that such prices will improve. A decrease in the market price of copper, zinc, iron, gold, or silver would affect the profitability of the Mantos Blancos mine, Mantoverde mine, Pinto Valley mine and the Cozamin mine and viability of the Santo Domingo Project, and could affect Capstone Copper's ability to finance the exploration and development of our other properties and projects, which would have a material adverse effect on Capstone Copper's business, financial condition, results of operations and prospects. Within this industry context, the Company's strategy is to maintain a cost structure that will allow it to achieve adequate levels of cash flow during the low point in the copper price cycle. Circumstances may arise, however, where increased certainty of cash flows is considered more important to long term value creation than providing investors short term exposure to the volatility of metal prices. In these circumstances, the Company may elect to fix prices within a contractual quotational period and/or to lock in future prices, interest or foreign exchange rates through the variety of financial derivative instruments available. Capstone Copper has hedging agreements in place, particularly with respect to production at Mantoverde in connection with the MVDP. There are risks associated with programs to fix prices or rates including, amongst other things, the risk that the counter party will not be able to meet their obligations, the risk of opportunity losses in the event of declining interest rates, an increase in the world price of the commodity, the possibility that rising operating costs or a significant production interruption event, will make delivery into hedged positions or off-take agreements uneconomic.

We face challenges associated with integrating the operations, technologies and personnel of Capstone Mining and Mantos Copper.

The success of Capstone Copper will depend in large part on the success of management of Capstone Copper in integrating the operations, technologies and personnel of Capstone Mining with those of Mantos Copper. The failure to successfully achieve such integration could impair the results of operations, profitability and financial results of Capstone Copper. The overall integration of the operations, technologies and personnel may also result in unanticipated operational problems, expenses, liabilities and diversion of management's time and attention. No assurances can be made that the Company was aware of all the liabilities of the combined assets.

We face added risks and uncertainties of operating in foreign jurisdictions, including changes in regulation and policy, and community interest or opposition.

Capstone Copper's business operates in a number of foreign countries where there are added risks and uncertainties due to the different economic, cultural and political environments. Our mineral exploration and mining activities may be adversely affected by political instability and changes to government regulation relating to the mining industry. Changes in governmental leadership in the US, Chile, and Mexico, could impact Capstone Copper's operations and local societal conditions. There may be additional risks and uncertainties following Chilean Presidential, Chamber and Senate elections. The President and the renovated Congress elected on November 21, 2021, took office on March 11, 2022. The Senate holds a 50/50 balance between right and left wing Senators. Although the government's legislative agenda is not yet fully known, it is known to include a tax reform as a priority. Additionally, as a response to the civil unrest in Chile, a referendum for a new Constitution is in progress and may result in a change to the Chilean political regime and mining related regulations including, but not limited to, changes to royalty structures and environmental and community protection requirements. On September 4, 2022, the newly proposed constitution was rejected by Chileans. Discussions within Congress are still underway to determine next steps. As a result, the next 12 months will be important in determining whether the constitutional process will lead to further uncertainty and instability and Capstone Copper cannot give assurance that future political developments in Chile will not adversely affect its business, results of operations or financial condition.

Other risks of foreign operations include political or social and civil unrest, labour disputes and unrest, invalidation of governmental orders and permits, corruption, organized crime, theft, sabotage, war, civil disturbances and terrorist actions, arbitrary changes in law or policies of particular countries including nationalization of mines, government action or inaction on climate change, trade disputes, foreign taxation, royalties, price controls, delays in obtaining or renewing or the inability to obtain or renew necessary environmental permits, opposition to mining from local communities and environmental or other non-governmental organizations, social perception impacting our social licence to operate, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports and increased financing costs. Local economic conditions, including but not limited to higher incidences of criminal activity and violence in areas, such as Mexico and Chile can also adversely affect the

security of our people, operations and the availability of supplies. Mexico and Chile are subject to increasing occurrences of theft of copper concentrates and cathodes. Capstone Copper may experience theft of its products which may impact our financial results. Capstone Copper may encounter social and community issues including but not limited to public expression against our activities, protests, road blockages, work stoppages, or other forms of expression, which may have a negative impact on our reputation and operations or projects. Opposition to our mining activities by local landowners, the ejidos, communities, or activist groups may cause significant delays or increased costs to operations, and the advancement of exploration or development projects, and could require Capstone Copper to enter into agreements with such groups or local governments.

In addition, risks of operations in Mexico include extreme fluctuations in currency exchange rates, high rates of inflation, significant changes in laws and regulations including but not limited to tax and royalty regulations, labor regimes, failures of security, policing and justice systems, corruption, and incidents such as hostage taking and expropriation. There are uncertainties regarding Mexico's approved 2022 Economic Package and Tax Reform, that may have an impact on Cozamin's operations and profitability. These risks in Mexico and Chile may limit or disrupt Capstone Copper's projects, reduce financial viability of local operations, restrict the movement of funds, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation.

There can be no assurance that changes in the government, including but not limited to the change in the federal administration of the United States, or laws or changes in the regulatory environment for mining companies or for non-domiciled companies will not be made that would adversely affect Capstone Copper's business, financial condition, results of operation and prospects, including but not limited to, carbon emissions taxes. There are uncertainties about the application of the new carbon emissions tax in Chile to Capstone Copper's operations. There are uncertainties related to President Biden's Made in America Tax Plan which proposes corporate tax reforms that may increase Pinto Valley's future tax obligations.

Differences in interpretation or application of tax laws and regulations or accounting policies and rules and Capstone Copper's application of those tax laws and regulations or accounting policies and rules where the tax impact to the Company is materially different than contemplated may occur and adversely affect Capstone Copper's business, financial condition, results of operation and prospects. Capstone Copper is subject to a multitude of taxation regimes and any changes in law, policy or interpretation of law, policy may be difficult to react to in an efficient manner.

The maintenance and fostering of strong community relationships is integral to the success of Capstone Copper's operations. Failure to manage relationships with local communities, government and non-governmental organizations may adversely affect Capstone Copper's reputation, as well as its ability to bring projects into production, which could in turn adversely affect its business, results of operations or financial condition, potentially in a material manner.

Failure to recognize, respond and align to changing stakeholder expectations and requirements regarding issues such as environment, social and governance matters, particularly linked to climate change, tailings dams and carbon emissions, could affect Capstone Copper's growth opportunities and its future revenues and cash flows. Stakeholder requirements and expectations continue to evolve, and different stakeholder groups can have opposing requirements and expectations of Capstone Copper.

The potential adoption of a mining royalty tax in Chile could adversely affect Capstone Copper's operations.

In late October 2022, an amended legislative proposal was re-introduced that, if implemented as proposed, would affect mining entities with sales of 50,000 metric tonnes of fine copper, or the equivalent substance converted into metric tonnes of fine copper and had two components. The first component is an ad valorem tax of 1% for companies that produce more than 50,000 and would not be assessed if operating margins are negative. The second component is a rate between 8% and 26% on the operational margin after depreciation.

The proposal will need approval from both the Lower House and Senate and as such, the final form and timing of adoption of the mining royalty bill is still unknown. If adopted and enacted, the proposed royalty bill may have an impact on Mantos Blancos, Mantoverde and Santo Domingo's operations and profitability and would have significant negative implications for future investment in the Chilean copper industry more broadly, reducing the

attractiveness of new copper projects. Companies with tax stability agreements in place should be protected from the potential new royalty bill. Capstone Copper retains a tax stability agreement at Santo Domingo with respect to mining royalties which becomes effective post commercial production for a period of 15 years. Certain investment and other criteria need to be met to maintain the tax stability agreement. This may limit or disrupt Capstone Copper's projects, reduce financial viability of local operations, restrict the movement of funds or result in the deprivation of contract rights.

Our operations are subject to geotechnical challenges, which could adversely impact our production and profitability.

No assurances can be given that unanticipated adverse geotechnical and hydrological conditions such as landslides, cave-ins, rock falls, slump, ground or stope failures, leaching and tailings storage facility failures or releases and pit wall failures will not occur in the future or that such events will be detected in advance. Due to the age of our mines and more complex deposits; Capstone Copper's Mantos Blancos mine and Mantoverde mine operate pits and tailings facilities located in regions with potential earthquake activity; the Pinto Valley mine pit is becoming deeper resulting in higher pitwalls; and underground environments at Cozamin mine are becoming more complex, potentially increasing the exposure to geotechnical instabilities and hydrological impacts. Geotechnical instabilities can be difficult to predict and are often affected by risks and hazards outside of Capstone Copper's control, such as seismic activity and severe weather events, which may lead to periodic floods, mudslides, wall instability or an underground collapse.

Capstone Copper's mine sites have multiple active and inactive tailings storage facilities, including upstream raised dams and legacy facilities inherited through acquisition activities. Our tailings storage facilities have been designed by professional engineering firms specializing in this activity. Capstone Copper continues to review and enhance existing practices in line with international best practices; however, no assurance can be given that adverse geotechnical and hydrological events or other adverse events will not occur in the future. There is no guarantee that our existing tailings storage facilities will be sufficient to support operational expansions in which Capstone Copper may have to forgo future operational expansions or invest in new tailings storage facilities in order to safely operate. Tailings storage facilities have the risk of failure due to extreme weather events, seismic activity or for other reasons. The failure of tailings dam facilities or other impoundments could cause severe or catastrophic environmental and property damage or loss of life. Geotechnical or tailings storage facility failures could result in the suspension of our operations, limited or restricted access to sites, government investigations, remediation costs, increased monitoring costs and other impacts, which could result in a material adverse effect on our operational results and financial position.

We may face risks in connection with our Cozamin Silver Stream Agreement with Wheaton.

Our Cozamin Silver Stream Agreement is subject to pricing risk. Unexpected spikes in silver prices may result in an increase in silver credit payables compared to receivables and the use of hedging mechanisms may not be economical to reduce to such risks. We are required to meet certain completion requirements before December 31, 2023, under the silver stream agreement, namely, we must construct a paste backfill plant where to produce at least 105,000 cubic metres of suitable paste backfill that is used in the underground operations at Cozamin over a period of 90 consecutive days during which a completion test has been performed. Failure to achieve the foregoing completion requirements will result in a refund to Wheaton up to a maximum amount of $13 million.

We may face risks in connection with our Santo Domingo Gold Stream Agreement with Wheaton.

Our ability to access upfront cash deposits under the Santo Domingo Gold Stream Agreement is subject to us meeting certain closing conditions under the Santo Domingo Gold Stream Agreement, including but not limited to: (a) obtaining all necessary approvals to achieve completion and to operate the mine in accordance with the development plan; (b) entering into material contracts necessary for the construction and development of the mine; and (c) having obtained project financing on terms and conditions that are not reasonably expected to result in an adverse impact and under which all conditions precedent necessary to draw down on such project financing have been satisfied or waived. There is no guarantee we will be able to meet all of the conditions and draw on the funds from Wheaton pursuant to the Santo Domingo Gold Stream Agreement. Further, an initial failure to achieve the completion requirements in the Santo Domingo Gold Stream Agreement on or before the third anniversary of the agreement date will result in a delay payment. A continued failure to achieve the completion requirements under the Santo Domingo Gold Stream Agreement will result in a refund to Wheaton.

The financings entered into for the development of the MB-CDP and the MVDP are subject to restrictive and financial covenants and certain mandatory prepayment events that may have a material adverse effect on the Company's liquidity and financial condition.

On February 11, 2021, Mantoverde entered into agreements with a lending syndicate of international banks and export credit agencies for a total debt financing package of $572 million in connection with the financing of the MVDP.

These project finance facilities are subject to affirmative, financial and restrictive covenants that include, for example, obligations to maintain the security interests in favor of the lenders over substantially all of the respective project's property and shares, insurance coverage, maintenance of off-take agreements, compliance with environmental and social matters, restrictions on new financial indebtedness, distributions and dispositions, and compliance with certain financial ratios. These facilities are also subject to mandatory prepayment events under certain circumstances, including upon the cancellation or breach of certain off-take arrangements or an unapproved change of control and periodic partial excess cash sweeps. Failure to comply with these covenants may affect future utilizations under the project finance facilities or lead to an event of default, which could cause the relevant lenders to declare the respective borrower in default on its existing obligations. If such an event of default were declared and remained uncured, all borrowed amounts under the relevant facilities could become due and payable immediately. If Capstone Copper was unable to repay the borrowed amounts or otherwise perform its obligations under the project finance facilities, the lenders could be entitled, in certain circumstances, to enforce their liens and security interests and take possession of the secured assets, including the assets that comprise the Mantoverde mine.

As part of the financing for the MB-CDP, Mantos Copper S.A. also entered into a royalty agreement with Southern Cross for $50.25 million and increased the size of its silver production agreement with Osisko for a further advance of $25 million. Both of these agreements also include affirmative and negative covenants and grant the counterparties security interests over specified assets. If certain events of default occur, Southern Cross and/or Osisko could terminate their respective agreements in exchange for potentially substantial termination payments.

Surety bonding risks.

Capstone Copper secures its obligations for reclamation and closure costs with surety bonds provided by leading global insurance companies in favour of regulatory authorities in Arizona and Chile. The regulators could increase Capstone Copper's bonding obligations or request additional financial guarantees for reclamation and closure activities. Further, these surety bonds include the right of the surety bond provider to terminate the relationship with Capstone Copper or a Capstone Copper subsidiary on providing notice of up to 90 days. The surety bond provider would, however, remain liable to the regulatory authorities for all bonded obligations existing prior to the termination of the bond in the event Capstone Copper failed to deliver alternative security satisfactory to the regulator. There is no assurance that the Company will be successful in obtaining alternative surety bond providers or alternative financial guarantee mechanisms at satisfactory terms or at all and could have an impact on the Company's financial results and growth prospects. Failure to furnish a satisfactory financial guarantee to the regulators could result in a suspension of operations.

Capstone Mining remains an Indemnitor for Minto Metals Corp.'s surety bond obligations in the Yukon and could be liable for the bonded obligations in the event Minto Metals Corp. does not satisfy those obligations or if the surety requires additional or alternative security or the regulators require additional bonding amounts and Minto Metals Corp. is unable to satisfy the new requirements. If Minto Metals Corp. becomes insolent or is unable to furnish a satisfactory financial guarantee to the regulators this could result in a default to the Minto Metals Corp. surety bond and Capstone Mining may become liable for the outstanding reclamation liabilities including but not limited to the costs up to the amount of the bond, which could have a material adverse effect on Capstone Copper's business, financial condition and prospects.

Our operations are dependent on the availability of water.

Water is critical to the mining process, water is a finite resource significant to society, our local communities and the ecosystem, and its use is highly regulated in jurisdictions where we operate. Water availability is integral to the operations at the Pinto Valley mine. A lack of necessary water for a prolonged period of time could affect operations at the Pinto Valley mine and materially adversely affect our results of operations. Capstone Copper

has entered into a Water Supply Agreement with BHP Copper Co., but such agreement is subject to water availability and BHP Copper's own requirements. There is no guarantee that this agreement, which is in effect until October 2025, with two five-year renewal periods if the parties agree, will be renewed on reasonable terms or be adequate for future operational expansions or extensions to the life of mine. The Colorado River in Arizona is experiencing dwindling supply due to climate change and current demand, therefore, Arizona could be facing unprecedented water shortages that could result in regulatory requirements to reduce water usage that could have a material adverse effect on Capstone Copper's financial condition. The Mantos Blancos water supply is based on long term contracts with water companies one of which extracts water from concessions belonging to the Chilean government. There is no guarantee that these agreements will be renewed on reasonable terms or be adequate for future operational expansions or extensions to the life of mine Capstone Copper may have to secure future water sources that could increase operational costs or additional capital expenditures. There is no guarantee that future water sources are available or at reasonable costs and could have an adverse impact on our financial condition. Our efforts to maximize water efficiency and minimize water usage may not be sufficient to combat existing drought conditions or changes in water availability due to climate change.

Mantoverde's water supply is solely provided by the seawater desalination plant located 42 kilometers from the mine. The supply of water from the desalination plant could be interrupted by a number events including but not limited to fire, earthquake, tsunami, or other severe weather events, and equipment or pipe failures of which could result in damage to, or destruction of the plant and equipment, delays in production and increases in production costs.

Financial covenant compliance risks.

The terms of the RCF requires that Capstone Copper satisfy various affirmative and negative covenants and meet certain quarterly financial ratio tests. These covenants limit, amongst other things, Capstone Copper's ability to incur further indebtedness subject to certain exceptions. They also limit the ability of Capstone Copper to create liens on certain assets or to engage in certain types of transactions. A failure to comply with these covenants, including a failure to meet the financial tests or ratios, could result in an event of default and allow lenders to accelerate the repayment of any debt outstanding.

Financing requirement risks.

Capstone Copper may require substantial additional capital to accomplish its exploration and development or construction plans and fund strategic growth and there can be no assurance that financing will be available on terms acceptable to Capstone Copper, or at all. Capstone Copper may require substantial additional financing to advance the Mantos Blancos mine, Mantoverde mine, Pinto Valley mine, and the Cozamin mine to achieve designed production rates, to finance potential strategic acquisitions required for growth and to accomplish any exploration and development plans or construction activities for the Santo Domingo Project. Current and future financing requirements could adversely affect Capstone Copper's ability to access the capital markets in the future. Failure to obtain sufficient financing, or financing on terms acceptable to Capstone Copper, may result in a delay or indefinite postponement of exploration, development, construction, or production at one or more of our properties. Additional financing may not be available when needed and the terms of any agreement could impose restrictions on the operation of our business. Failure to raise financing when needed could have a material adverse effect on our business, financial condition, results of operations and prospects.

The sale of our metals is subject to counterparty and market risks.

Capstone Copper enters into concentrate off-take agreements whereby a percentage of planned production of copper concentrate produced from our mines is committed to various external parties throughout the calendar year. If any counterparty to any off-take or forward sales agreement does not honour such arrangement or experiences an unforeseeable event preventing fulfillment of the contract or should any such counterparty become insolvent, Capstone Copper may experience longer sales cycles, difficulty in collecting sales proceeds, incur losses on production already shipped or be forced to sell a greater volume of our production in the spot market, which is subject to market price fluctuations. In addition, there can be no assurance that Capstone Copper will be able to renew any off-take agreement at economic terms, or at all, or that Capstone Copper's production will meet the qualitative and quantitative requirements under such agreements.

In addition, under Capstone Copper's off-take agreements, Capstone Copper or its customers may suspend or cancel delivery during a period of force majeure. Events of force majeure under the agreements may include acts of nature, strikes, fires, floods, wars, transportation delays, governmental actions or other events that are beyond the control of the affected party and interferes with performance by such party of its obligations under the off-take agreement. In addition, a longstanding event of force majeure may give rise to a right to terminate the relevant off-take agreement. Any suspension or cancellation of deliveries under off-take agreements that are not replaced by delivery under new contracts or sales on the spot market, or the termination of off-take agreements for force majeure, could have a material adverse effect on Capstone Copper's business, financial condition, results of operations or prospects.

Capstone Copper is subject to fluctuations in the cost of ocean vessel freight, which could result in higher costs. The cost of ocean vessel freight is impacted by numerous factors including but not limited to the supply and demand of bulk and container vessels, the supply and demand of commodities or goods that require shipment via vessel, the cost and availability of fuel, global crisis or political events, and environmental regulations. Capstone Copper may elect from time to time to enter into contracts of affreightment to maintain certainty of freight prices for a specific period of time.

We may face market access restrictions or tariffs.

Capstone Copper could experience market access interruptions or trade barriers due to policies or tariffs of individual countries, or the actions of certain interest groups to restrict the import of certain commodities. Regional and global crises including but not limited geopolitical instability and conflict or the breakout of contagious illnesses and global pandemics could significantly impact our ability to or costs to market and transport our concentrate. Restrictions or interruptions in Capstone Copper's ability to transport concentrate across country borders and globally could materially affect our business operations. Our exported copper concentrate, or the supplies we import may also be impacted, which may impair the competitiveness of our business.

Fluctuations in foreign currency exchange rates could have an adverse effect on Capstone Copper's business, financial condition, results of operations and prospects.

Fluctuations in the Mexican and Chilean peso relative to the US dollar could significantly affect our business, financial condition, results of operations and prospects. Exchange rate movements can have a significant impact on Capstone Copper as all of Capstone Copper's revenue is received in US dollars, but a portion of the Company's operating and capital costs are incurred in Mexican and Chilean pesos. Given the relevance of the copper mining industry in the Chilean economy and trade balance, a negative correlation has historically been observed between the US dollar and the Chilean peso exchange rate and the copper price. An increase in the copper price will tend to reflect a strengthening of the Chilean peso relative to the US dollar which increases operating and other costs exposed to the Chilean peso. Also, Capstone Copper is also exposed to currency fluctuations in the Canadian dollar relating to general and administrative expenditures and the Chilean peso relating to expenditures for the Santo Domingo Project. As a result, a strengthening of these currencies relative to the US dollar will reduce Capstone Copper's profitability and affect its ability to finance its operations.

General economic conditions or changes in consumption patterns may adversely affect Capstone Copper's growth and profitability.

Many industries, including the base and precious metals mining industry, are cyclical by nature and fluctuate with economic cycles and are impacted by global market conditions. Capstone Copper's revenues depend on the volume of copper it sells and the price for such copper, which in turn depends on the level of industrial and consumer demand for such metal. Demand for copper is largely driven by the electric vehicle sector, construction industry, electronic product manufacturing, power generation, transmission and distribution, renewable energy and the production of industrial machinery. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in an increase in credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and metals markets, and a lack of market liquidity. A slowdown in the financial markets or other economic conditions, including, but not limited to, reduced consumer spending, increased unemployment rates, deteriorating business conditions, inflation, deflation, volatile fuel and energy costs, increased consumer debt levels, lack of available credit, changes in interest rates and changes in tax rates or government royalty rates, may adversely affect Capstone Copper's growth and profitability potential. Specifically:

- a global credit/liquidity issue could impact the cost and availability of financing and our or our customers' overall liquidity;
- volatility of prices for copper, zinc, iron, gold, and/or silver may impact our future revenues, profits and cashflows;
- recessionary pressures could adversely impact demand for our production;
- volatile energy and sulphuric acid prices, commodity and consumables prices and currency exchange rates could negatively impact potential production costs; and
- devaluation and volatility of global stock markets could impact the valuation of Capstone Copper's securities, which may impact Capstone Copper's ability to raise funds through future issuances of equity.

These factors could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, as the Company's operations expand and reliance on global supply chains increase, the impact of significant geopolitical risk and conflict globally may have a sizeable and unpredictable impact on the Company's business, financial condition and operations. The ongoing conflict in Ukraine and the global response to this conflict as it relates to sanctions, trade embargos and military support has resulted in significant uncertainty as well as economic and supply chain disruptions. Should this conflict go on for an extended period of time, expand beyond Ukraine, or should other geopolitical disputes and conflicts emerge in other regions, this could result in material adverse effects to the Company.

A major increase in Capstone Copper's input costs, such as those related to sulphuric acid, electricity, fuel and supplies, may have an adverse effect on Capstone Copper's results of operations and financial condition.

Capstone Copper's operations are affected by the cost of commodities and goods such as electrical power, sulphuric acid, fuel and supplies. Mining operations and facilities are intensive users of electricity and carbon-based fuels. Energy prices can be affected by numerous factors beyond our control, including global and regional supply and demand, political and economic conditions, and applicable regulatory regimes. The prices of various sources of energy may increase significantly from current levels. An increase in energy prices for which Capstone Copper is not hedged could materially adversely affect our results of operations and financial condition.

Purchases of sulphuric acid constitute a significant part of Mantos Blancos mine and Mantoverde mine operating costs and amounted to $94 million in 2021. While there is a long-standing copper smelter industry in Chile which supplies acid locally, the country is a net importer of sulphuric acid, and Capstone Copper relies upon key suppliers from Chile, Peru, China, Korea, and Japan under annual contracts at a fixed price determined in the preceding year on an import parity basis. The price, availability, and reliability of resources are subject to changes in global market price or condition, new laws or regulations, taxes or tariffs, shortages or slowdowns in production of resources, and border closures. Change in price or shortages of key resources consumed in Capstone Copper's operations could limit Capstone Copper's mining capacity or require Capstone Copper to cease its mining production, and therefore have a materially adverse impact on Capstone Copper's financial conditions and results of operations.

The costs, timing and complexities of developing Capstone Copper's projects may be greater than anticipated. Delay or failure to implement Capstone Copper's expansion and development projects could have an adverse effect on Capstone Copper's prospects.

Cost estimates may increase significantly as more detailed engineering work is completed on a project or changes to general economic conditions such as an inflationary environment and changes to the supply or demand for goods or services. It is common in mining operations to experience unexpected costs, problems and delays during construction, development and start-up. Accordingly, we cannot provide assurance that our activities will result in profitable mining operations at our mineral properties. If there are significant delays in when these projects are completed and are producing on a commercial and consistent scale, or their capital costs were to be significantly higher than estimates, these events could have a significant adverse effect on Capstone Copper's results of operations, cash flow from operations and financial condition.

Future copper prices and operating costs through a mine's life cycle could also adversely affect the development of Capstone Copper's growth projects. In addition, the lack of availability of plant, equipment and other materials or acceptable contractual terms for transportation or construction, or a slower than anticipated performance by

any contractor or a period of adverse weather, could delay or prevent the successful completion of any of Capstone Copper's development projects.

Implementation of Capstone Copper's development projects and prospects may also be compromised, or cease to be economical, in the event of a prolonged decline in the market price of copper, and, to a lesser extent, gold or silver. There can be no assurance as to when Capstone Copper's expansion and development projects will be completed under the current anticipated timeline, if at all, whether even if achieved the resulting operations will achieve the anticipated production volumes or whether the costs of developing these projects will be in line with those anticipated. Any failure by Capstone Copper to implement its expansion and development projects as planned may have a material adverse effect on Capstone Copper's growth opportunities.

Capstone Copper is required to obtain, maintain, and renew environmental, construction and mining permits, which is often a costly, time-consuming and uncertain process.

Mining companies, including Capstone Copper, need many environmental, construction, transportation and mining permits, each of which can be time-consuming and costly to obtain, maintain and renew. In connection with our current and future operations, we must obtain and maintain a number of permits that impose strict conditions, requirements and obligations on Capstone Copper, including those relating to various environmental and health and safety matters. To obtain, maintain and renew certain permits, we are required to conduct environmental assessments pertaining to the potential impact of our current and future operations on the environment and to take steps to avoid or mitigate those impacts. For example, additional permits will be required to fully exploit the resources at Capstone Copper's mines. There is a risk that Capstone Copper will not be able to obtain such permits or that obtaining such permits will require more time and capital than anticipated. The regulatory approval process for the updated mine closure plan for the MVDP is currently underway and there is no certainty that it will be approved without any adjustment.

Permit terms and conditions can also impose restrictions on how we operate and limits our flexibility in developing our mineral properties. Many of Capstone Copper's permits are subject to renewal from time to time, and renewed permits may contain more restrictive conditions than Capstone Copper's existing permits. In addition, we may be required to obtain new permits to expand our operations, and the grant of such permits may be subject to an expansive governmental review of our operations. Alternatively, we may not be successful in obtaining such permits, which could prevent Capstone Copper from commencing, extending or expanding operations or otherwise adversely affect Capstone Copper's business, financial condition, results of operation and prospects. Further, renewal of our existing permits or obtaining new permits may be more difficult if we are not able to comply with our existing permits. Applications for permits, permit area expansions and permit renewals may be subject to challenge by interested parties, which can delay or prevent receipt of needed permits. The permitting process can also vary by jurisdiction in terms of its complexity and likely outcomes.

Accordingly, permits required for Capstone Copper's operations may not be issued, maintained or renewed in a timely fashion or at all, may be issued or renewed upon conditions that restrict Capstone Copper's ability to operate economically, or may be subsequently revoked. Design and construction standards for tailings storage facilities may become more restricted in the future, impacting our mines' ability to expand, operate, or renew permits and as a result, considerable capital expenditures may be required to comply with new standards, regulations and permitting requirements. Any such failure to obtain, maintain or renew permits, or other permitting delays or conditions, including in connection with any environmental impact analyses, could have a material adverse effect on Capstone Copper's business, results of operations, financial condition and prospects.

Capstone Copper's Mineral Resources and Mineral Reserves are estimates and are subject to uncertainty.

Our Mineral Resources and Mineral Reserves are estimates and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be inaccurate. Actual recoveries of copper, zinc, iron, gold, silver and cobalt from mineralized material may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade or stripping ratio, may affect the economic viability of Capstone Copper's properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Notwithstanding pilot plant tests for metallurgy and other factors, there remains the possibility that the ore may not react in commercial production in the same manner as it did in testing. Mineral Resources that are not Mineral

Reserves do not have demonstrated economic viability. Mining and metallurgy are inexact sciences and, accordingly, there always remains an element of risk that a mine may not prove to be commercially viable.

Until a deposit is actually mined and processed, the quantity of Mineral Resources and Mineral Reserves and grades must be considered as estimates only. In addition, the quantity of Mineral Resources and Mineral Reserves may vary depending on, amongst other things, metal prices, cut-off grades and operating costs. Any material change in quantity of Mineral Reserves, Mineral Resources, grade, percent extraction of those Mineral Reserves recoverable by underground mining techniques or the stripping ratio for those Mineral Reserves recoverable by open pit mining techniques may affect the economic viability of Capstone Copper's mining projects.

Mineral rights or surface rights to our properties or third-party royalty entitlement to our properties could be challenged, and, if successful, such challenges could have a material adverse effect on our production and our business, financial condition, results of operations and prospects.

Title to Capstone Copper's properties may be challenged or impugned. Our property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. Surveys have not been carried out on the majority of our properties and, therefore, in accordance with the laws of the jurisdiction in which such properties are situated, their existence and area could be in doubt.

A claim by a third party asserting prior unregistered agreements on or transfer of any of Capstone Copper's properties, especially where Mineral Reserves have been located, could result in Capstone Copper losing a commercially viable property. Even if a claim is unsuccessful, it may potentially affect Capstone Copper's current operations, projects or development properties due to the high costs of defending against the claim and its impact on Capstone Copper's resources. Title insurance is generally not available for mineral properties and Capstone Copper's ability to ensure that Capstone Copper has obtained a secure claim to individual mineral properties or mining concessions or related royalty rights may be severely constrained. We rely on title information and/or representations and warranties provided by our grantors. If we lose a commercially viable property, such a loss could lower our future revenues or cause Capstone Copper to cease operations if the property represented all or a significant portion of our Mineral Reserves at the time of the loss.

A claim by a third party asserting royalty rights, including, but not limited to claims by royalty holders asserting increased royalty rights on any of Capstone Copper's properties, could result in Capstone Copper incurring high costs of defending against the claim, and if such claims were successful, such a loss could lower our future revenues or cause Capstone Copper to cease operations if the property represented all or a significant portion of our Mineral Reserves at the time of the loss.

Our operations are subject to significant governmental regulation, which could significantly limit our exploration and production activities.

Capstone Copper's mineral exploration, development, construction, and operating activities are subject to governmental approvals and various laws and regulations governing development, operations, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and land claims affecting local communities, and in certain circumstances First Nations and Indigenous populations consultation as part of permitting processes. The liabilities and requirements associated with the laws and regulations related to these and other matters may be costly and time-consuming and may restrict, delay or prevent commencement or continuation of exploration or production operations. We cannot provide definitive assurance that we have been or will be at all times in compliance with all applicable laws and regulations and governmental orders. Failure to comply with applicable laws, regulations and governmental orders may result in the assessment of administrative, civil and criminal penalties or charges, the imposition of cleanup and site restoration costs and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits or authorizations and other enforcement measures that could have the effect of limiting or preventing production from our operations. Capstone Copper may incur material costs and liabilities resulting from claims for damages to property or injury to persons arising from Capstone Copper's operations. If Capstone Copper is pursued for sanctions, costs and liabilities in respect of these matters, Capstone Copper's mining operations and, as a result, Capstone Copper's financial performance, financial position and results of operations, could be materially and adversely affected.

In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail our exploration, development, construction, or

production. This risk may increase following changes to government leadership or governing parties, or through increasing societal pressures. Amendments to current laws, tax regimes, regulations and permits governing operations and activities of mining and exploration companies, or the more stringent implementation thereof, could have a material adverse impact on Capstone Copper and increase our exploration expenses, capital expenditures, ability to attract funds, or production costs or reduce production at our producing properties or require abandonment or delays in exploring or developing our properties.

Climate change and its impact on climatic conditions may adversely affect our operations or current and future development projects.

The potential physical impacts of climate change on our operations are highly uncertain and are particular to the geographic circumstances in areas in which we operate. These may include changes in precipitation and storm patterns and intensities, prolonged droughts, water shortages, wildfires, changing sea levels and changing temperatures. Extreme weather events have the potential to impact our mining operations, exploration and development projects and supply chains. Additionally, global climatic conditions can impact the capacity for insurance available in the market which could have a negative effect on Capstone Copper's financial condition or risk exposure.

Arizona can be subject to extreme periods of drought. The Colorado River is experiencing low levels in its reservoirs due to climate change and overconsumption, which could result in regulatory reductions in the availability of water which could have a material adverse effect on Pinto Valley's operations and Capstone Copper's financial position. A prolonged decrease in precipitation rates or increase in temperatures causing evaporation, could decrease the availability of necessary water supplies and could affect operations at the Pinto Valley mine and materially adversely affect our results of operations. Prolonged extreme temperatures could lead to work-related heat stress resulting in health and safety risks to employees while working outdoors. Arizona can also be subject to significant rainfall events which could result in excess water or flooding of the pit, tailings storage facilities or other significant areas at the Pinto Valley mine adversely affecting our results of operations or causing adverse impacts.

Operations at the Cozamin mine are also subject to extreme adverse weather conditions including, but not limited to, flooding and drought. The rainy season extends from June until September with an average annual precipitation of approximately 500mm. Drought has also been prevalent in Central Mexico for years and the effects of lack of water might disrupt normal process operations.

In the past, Chile has experienced droughts severe enough to adversely affect the energy sector of the economy in the central and southern regions of Chile. If Chile were to experience a severe drought or Capstone Copper were otherwise unable to obtain adequate water supplies, its ability to conduct its operations in Chile could be impaired. Additionally, Chile is vulnerable to the El Niño, which can trigger extreme weather resulting in floods and mudslides. Any such landslides or flooding may affect the ability of the development and operations of Mantos Blancos mine and Mantoverde mine, and the advancement in development of the Santo Domingo project and may materially adversely affect Capstone Copper's business, results of operations and financial condition.

Public policy changes in climate change regulatory regime could adversely affect our business.

Climate change is an international and societal concern. The governments of Chile, the United States and Mexico are signatories of the Paris Agreement, a legally binding international treaty on climate change, and have agreed to reduce Greenhouse Gas (GHG) emissions as indicated in Nationally Determined Contributions (NDC). Recently, the Chilean government updated its commitment to reduce GHG emissions per GDP unit by 45% below 2016 levels by 2030. Capstone Copper's operations produce GHG emissions through the direct combustion of fossil fuels and indirectly through electricity consumption. Changes in government policies and regulations aimed at mitigating or adapting to climate change could increase environmental compliance and other operating costs, which could impact the profitability of our operations or projects or lead to delays.

Changes in government policies and regulations aimed at mitigating climate change might include limiting the amount of GHG emissions we can produce, requiring us to look for alternative energy sources and the imposition of carbon emission taxes. Some risks related to this are, increased competition for renewable energy, which could impact costs of acquiring it or reduce the availability. Our ability to shift our energy mix toward renewables depends in part on our countries of operation investing in renewable power generation. Regulation specific to GHG

emissions and energy efficiency is evolving and varies by jurisdiction. Carbon-pricing mechanisms may be introduced in the jurisdictions we operate or conduct business. Other changes in government regulation aimed at adapting to climate change such as water scarcity in our regions of operation may result in limited access to water sources due to increased regulation, impacting our ability to acquire the water needed for our operations. New legislation and increased regulation could impose costs on our operations, customers, and suppliers, including increased energy, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Capstone Copper monitors the evolving regulation landscape and engages its local legal counsel to provide updates on regulatory developments. The implementation of regulations and carbon-pricing mechanisms aimed at reducing the effects of climate change could impact our ability to pursue future opportunities, or maintain our existing operations, which could have an adverse effect on our business. The Company may decide to pursue carbon reduction strategies which could result in higher operational costs or increased capital outlays. The Company's disclosure of carbon emissions produced or forecasted may be determined to be inaccurate depending on the methodology used and may be adjusted from time to time in relation to mine planning.

Our operations are subject to stringent environmental laws and regulations that could significantly limit our ability to conduct our business.

Our operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, air quality, tailings facility management, safety and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as spills or excessive seepage or dust from tailings storage facilities or other operations, which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain of our operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in the direction of stricter standards and enforcement, higher fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Compliance with changing environmental laws and regulations may require significant capital outlays, including but not limited to revisions to tailings facility designs, obtaining additional permits, installation of additional equipment, or remedial actions and may cause material changes or delays in, or the cancellation of, our exploration programs or current operations.

It may be difficult for Capstone Copper to recruit and retain qualified people.

The mining industry is experiencing recruitment and retention challenges for skilled and experienced employees. Due to the cyclical nature of mining and the emergence of competing industries the talent pool for skilled and experienced workers is shrinking. The number of new workers entering the mining sector may not be sufficient to replace the number of retirees in the future. It may be difficult for Capstone Copper to recruit and retain qualified people in Arizona, Mexico and Chile, or compete for talent with other companies who are situated in these areas, which may result in increased costs and delays.

It may be difficult for Capstone Copper to obtain all of the necessary services or expertise in Arizona, Mexico and Chile or to conduct operations on Capstone Copper's projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Arizona, Mexico and Chile, we may need to seek and obtain those services from people located outside of these areas, which will require work permits and compliance with applicable laws and could result in delays and higher costs.

Land reclamation and mine closure requirements may be burdensome and costly.

Land reclamation and mine closure requirements are generally imposed on mining companies, which require Capstone Copper, amongst other things, to minimize the effects of land disturbance. Additionally, Capstone Copper has lease agreements, and may enter into agreements in the future, which may require environmental restoration activities at transportation, storage and shipping facilities such as the Skagway Ore Terminal and the San Manuel Transload Facility or other properties. Capstone Mining remains a party to the User Agreement at the Skagway Ore Terminal, and the obligations thereunder, jointly with Minto Metals Corp. and Pembridge Resources PLC as part of the Share Purchase Agreement for Minto Explorations Ltd. Further, the San Manuel Arizona Railroad Company may have increased reclamation requirements as a rail transportation company. Such requirements may include controlling the discharge of potentially dangerous effluents from a site and restoring a

site's landscape to its pre-exploration form. The actual costs of reclamation and mine closure are uncertain and planned expenditures may differ from the actual expenditures required. Through acquisition activities Capstone Copper may discover or inherit historic tailings or waste deposits which may require further remediation activities, including but not limited to the historic mining and processing operations at Chiripa-La Gloria arroyo at the Cozamin mine. Therefore, the amount that we are required to spend could be materially higher than current estimates. Any additional amounts required to be spent on reclamation and mine closure may have a material adverse effect on our financial performance, financial position and results of operations and may cause the Company to alter Capstone Copper's operations. Although we include liabilities for estimated reclamation and mine closure costs in our financial statements and Life of Mine models, it may be necessary to spend more than what is projected to fund required reclamation and mine closure activities.

There are uncertainties and risks related to the MB-CDP and the MVDP.

Successful implementation of the Mantos Blancos Concentrator Debottlenecking Project and the Mantoverde Development Project, is subject to various risks, many of which are not within Capstone Copper's control, that may materially and adversely affect our growth prospects and profitability. These factors include, among others:

- the availability, terms, conditions and timing of the delivery of plant, equipment and other materials necessary for the construction and/or operation of the relevant facility;
- Capstone Copper may encounter delays or higher than expected costs in obtaining the necessary equipment, machinery, materials, supplies, labor or services and in implementing new technologies to develop and operate a project;
- the availability of acceptable arrangements for transportation and construction;
- the timely and satisfactory performance of engineering and construction contractors, mining contractors, suppliers and consultants, including under Capstone Copper's existing engineering;
- procurement and construction contracts for the MVDP;
- failure to obtain, or experience delays or higher than expected costs in obtaining, the required agreements, authorizations, licences, approvals and permits to develop a project, including the prior consultation procedure and agreements with local communities;
- changes in market conditions or regulations may make a project less profitable than expected at the time the work was initiated;
- accidents, natural disasters, labor disputes and equipment failures;
- adverse mining conditions may delay and hamper Capstone Copper's ability to produce the expected quantities and qualities of minerals upon which the project was budgeted;
- conflicts with local communities and/or strikes or other labor disputes may delay the implementation or the development of projects; and
- other factors such as adverse weather conditions affecting access to the development site or the development process and Capstone Copper's access to adequate infrastructure generally, including a reliable power and water supply.

There are uncertainties and risks related to the potential development of the Santo Domingo Project.

The development of the Santo Domingo Project will require securing financing and equity partnerships. Capstone Copper's ability to raise its equity contribution to the Santo Domingo Project may be influenced by future prices of commodities and the market for project debt.

Various factors may influence the ability to further enhance the value of the Santo Domingo Project including but not limited to the expected timing for commencement of construction, the realization of Mineral Reserve estimates, grade or recovery rates, an increase in capital requirements or construction expenditures, the validity of required permits, the ability to obtain required permits, the timing and terms of a power purchase agreement, title disputes, claims and limitations on insurance coverage or extreme weather events. Delays to the development of the Santo Domingo Project may be influenced by factors such as dependence on key personnel, availability of contractors, accidents, labour pool constraints, labour disputes, availability of infrastructure, objections by the communities or environmental lobby of the Santo Domingo Project and associated infrastructure and other risks of the mining industry. These events could have a material adverse effect on Capstone Copper's financial condition, business, operating results and prospects.

Any changes in the Santo Domingo Project parameters or development and construction delays may impact the timing and amount of estimated future production, costs of production, success of mining operations, environmental compliance, and reclamation requirements.

Capstone Copper's activities are dependent on its infrastructure being adequate and available.

Capstone Copper's mining, development and exploration activities depend on availability of adequate infrastructure. Capstone Copper requires reliable and accessible roads, railways, ports, power sources and water supplies to access and conduct its operations, and the availability and cost of this infrastructure affect capital and operating costs and its ability to achieve and maintain expected levels of production and sales. Unusual weather or other natural phenomena, sabotage, political interference or other interference in the maintenance or provision of such infrastructure could affect the development of a project, reduce mining volumes, increase mining or exploration costs or delay the transportation of raw materials to the mines and outputs to Capstone Copper's customers. Any such issues arising with respect to the infrastructure supporting or on Capstone Copper's sites, or involved in Capstone Copper's transport activities, could adversely affect Capstone Copper's business, results of operations or financial condition.

Furthermore, any failure or unavailability of Capstone Copper's development or operational infrastructure, including through equipment failure or disruption to Capstone Copper's transportation arrangements, could adversely affect the production output from Capstone Copper's mines or impact Capstone Copper's exploration activities or the development of a mine or project.

Capstone Copper's ability to acquire properties for growth may be limited.

The life of any mine is limited by its Mineral Reserves. As we seek to replace and expand our Mineral Reserves through exploration, acquisition of interests in new properties or of interests in companies which own the properties, we encounter strong competition from other companies in connection with the acquisition of properties. This competition may limit our ability to adequately replace Mineral Reserves mined.

We are dependent on key management personnel.

We are very dependent upon the personal efforts and commitment of our existing management and our current operations and future prospects depend on the experience and knowledge of these individuals. Capstone Copper does not maintain any "key person" insurance. To the extent that one or more of Capstone Copper's members of management are unavailable for any reason, or should Capstone Copper lose the services of any of them, a disruption to Capstone Copper's operations could result, and there can be no assurance that Capstone Copper will be able to attract and retain a suitable replacement.

Our directors and officers may have interests that conflict with Capstone Copper's interests.

Certain of Capstone Copper's directors and officers also serve as directors or officers of, or have significant shareholdings in, other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. To the extent that such other companies may participate in ventures which Capstone Copper may participate in, or in ventures which Capstone Copper may seek to participate in, our directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where our directors and officers have an interest in other companies, such other companies may also compete with Capstone Copper for the acquisition of mineral property investments. As a result of these conflicts of interest, we may not have an opportunity to participate in certain transactions, which may have a material adverse effect on our business, financial condition, results of operation and prospects.

Corruption and bribery risk.

Capstone Copper is required to comply with anti-corruption and anti-bribery laws of various countries including but not limited to, Canada, US, Mexico, Barbados, Brazil, United Kingdom and Chile. In recent years there has been an increase in enforcement and severity of penalties under such laws. A company may be found liable for violations by officers, directors, employees, contractors and third parties. Capstone Copper has implemented policies and taken measures including training to mitigate the risk of non-compliance, however, such measures are not always effective in ensuring that Capstone Copper, its officers, directors, employees, contractors and third

parties comply strictly with such laws. If Capstone Copper is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions resulting in a material adverse effect on Capstone Copper's reputation and financial results.

Capstone Copper's insurance does not cover all potential losses, liabilities and damage related to Capstone Copper's business and certain risks are uninsured or uninsurable.

In the course of exploration, development and production of mineral properties and in the conduct of our operations, certain risks, including but not limited to rock bursts, landslides, cave-ins, environmental incidents, fires, flooding, earthquakes and cybersecurity events may occur. It is not always possible to fully insure against all risks due to commercial availability or for other reasons. Capstone Copper currently does not have insurance against all risks and may decide to or become required to accept higher deductibles or self-insure and not insure against certain risks as a result of high premiums or for other reasons. Our property, business interruption and liability insurance may not provide sufficient coverage for losses related to certain risks. Further, insurance against certain risks, including but not limited to those related to certain environmental matters, is generally not available to Capstone Copper or to other companies within the mining industry. Losses from these events may cause Capstone Copper to incur significant costs that could have a material adverse effect on Capstone Copper's business, financial condition, results of operation and prospects.

Labor disruptions involving Capstone Copper employees or the employees of its independent contractors could affect its production levels and costs. Our operations will be adversely affected if we fail to maintain satisfactory labour relations.

Approximately 94% of employees at Mantos Blancos and 96% of employees at Mantoverde are covered by agreements with one of the labor unions with a presence at the mining operations. In addition, contractors or subcontractors form a significant part of Mantos Blancos and Mantoverde workforce, making up approximately 40% of the total workforce. Pursuant to Chilean regulations, labor negotiations with a contractor's workforce are the responsibility of the relevant contractors. Mantos Blancos and Mantoverde may experience work slowdowns or disruptions in the future, whether of its own workforce or a contractor's workforce, and there can be no assurance that a work slowdown or work stoppage will not occur prior to or upon the expiration of the current long-term labor agreements. In 2016, the Government of Chile promulgated an extensive labor reform law (the "Labor Reform Law"), which became effective in 2017. The Labor Reform Law prevents Chilean companies from hiring temporary replacements for striking employees and also prevents the replacement of striking employees with other existing employees of the company. This may have an adverse effect on Capstone Copper's overall employment and operating costs and may increase the likelihood of business disruptions in Chile.

Approximately 423 of the hourly employees at the Pinto Valley mine are represented by six unions, governed by one collective bargaining agreement negotiated by the United Steelworkers Union which is in effect until August 31, 2026. Additional groups of non-union employees may seek union representation in the future. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in jurisdictions where Capstone Copper conducts business. Changes in such legislation or otherwise in our relationship with our employees may result in higher ongoing labour costs, employee turnover, strikes, lockouts or other work stoppages, any of which could have a material adverse effect on our business, results of operations and financial condition.

Capstone Copper may experience cybersecurity threats.

We rely on secure and adequate operations of information technology systems in the conduct of our operations. Access to and security of the information technology systems are critical to our operations. We have enhanced and implemented ongoing policies, controls and practices to manage and safeguard Capstone Copper and our stakeholders from internal and external cybersecurity threats and to comply with changing legal requirements and industry practice. Given that cyber risks cannot be fully mitigated and the evolving nature of these threats, we cannot assure that our information technology systems are fully protected from cybercrime or that the systems will not be inadvertently compromised or are without failures or defects. Disruptions to our information technology systems, including, without limitation, security breaches, power loss, theft, computer viruses, cyber-attacks, malicious software, ransomware, natural disasters, and non-compliance by third party service providers and inadequate levels of cybersecurity expertise and safeguards of third party information technology service providers, may adversely affect the operations of Capstone Copper including but not limited to loss of production

or operational delays as well as present significant costs and risks including, without limitation, loss or disclosure of confidential, proprietary, personal or sensitive information and third party data, material adverse effect on our financial performance, compliance with our contractual obligations, compliance with applicable laws, damaged reputation, remediation costs, potential litigation, regulatory enforcement proceedings and heightened regulatory scrutiny.

We may not be able to compete successfully with other mining companies.

The mining industry is competitive in all of its phases. Capstone Copper faces strong competition from other mining companies in connection with the acquisition of properties producing or capable of producing metals. Many of these companies have greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more diversification, more effective risk management policies and procedures and/or a greater ability than Capstone Copper to withstand losses. Our competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion or efficiency of their operations than we can. There is no guarantee that our investment in new technologies will result in improved operational or financial performance or our overall competitiveness in the long term, including but not limited to the Eriez HydroFloat Coarse Particle Flotation Technology and the Jetti catalyst technology. The performance of the Jetti catalyst technology may not result in the level of copper cathode recovery anticipated at our Sx-Ew plant. Once commissioned, the performance of our paste and backfill plant may not be as anticipated. There is no guarantee that the Mantoverde-Santo Domingo ("MV-SD") District Integration Plan will result in improved operational or financial performance. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships amongst themselves or with third parties.

Accordingly, it is possible that new competitors or alliances amongst current and new competitors may emerge and gain significant market share to our detriment. Capstone Copper may also encounter increasing competition from other mining companies and producers particularly around sales, supply and labor prices, contractual terms and conditions, attracting and retaining qualified personnel and securing the services and supplies Capstone Copper's needs for its operations. Increased competition could adversely affect Capstone Copper's ability to attract necessary capital funding, to acquire it on acceptable terms, or to acquire suitable producing properties or prospects for mineral exploration in the future. As a result of this competition, we may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on our business, financial condition, results of operations and prospects. Further, Capstone Copper may become a target for a corporate takeover or may decide to engage in a strategic merger. Such activities may create uncertainty among shareholders and markets and therefore influence share prices.

We acquired the Pinto Valley mine on an "as is where is" basis, we provided indemnities to BHP Copper and have limited recourse against BHP Copper with respect to many potential liabilities related to the Pinto Valley mine.

The Pinto Valley mine was acquired on an "as is where is" basis with limited representations and warranties. In addition, the Company has provided indemnities to BHP Copper with respect to certain liabilities and have limited recourse against BHP Copper with respect to potential liabilities related to the Pinto Valley mine. As a result, the acquisition of mineral properties, such as the Pinto Valley mine, may subject Capstone Copper to unforeseen liabilities, including environmental liabilities.

Capstone Copper's arrangements with non-controlling shareholders and associates may not be successful.

In the course of Capstone Copper's business, it may control additional subsidiaries where there is a non-controlling interest or have significant influence over associates or enter into further joint ventures in the future. For example, as part of the financing of the MVDP, Mitsubishi Materials Corporation ("**MMC**") acquired a 30.0% interest in Mantoverde for $275 million, subject to an additional contingent payment of $20 million from MMC to Mantoverde in the event Mantoverde receives approval to increase its tailings storage capacity by an additional 500,000 tonnes. In addition, MMC agreed to provide a $60 million cost overrun facility in exchange for additional offtake of copper concentrate and a subsidiary of Capstone Copper entered into the MV Shareholders Agreement (as defined below) relating to the ongoing management of Mantoverde. As such, Capstone Copper is subject to risks associated with its non- controlling shareholders or any future joint venture partners, including that they may (i) have economic or business interests or goals that are inconsistent with or opposed to Capstone Copper's, (ii)

exercise veto rights so as to block actions Capstone Copper believes to be in its or its subsidiaries; or joint ventures' best interests, (iii) take action contrary to Capstone Copper's policies or objectives with respect to its investments, for instance by veto of proposals in respect of a subsidiary or joint venture, or (iv) as a result of financial or other difficulties, be unable or unwilling to fulfill their obligations under the joint venture or other agreements. Any of the foregoing may adversely affect Capstone Copper's business, results of operations or financial condition through the disruption of mining operations or the delay or non-completion of the relevant development projects. In addition, the exit of these non-controlling shareholders or the termination of these joint ventures, if not replaced on similar terms, could adversely affect Capstone Copper's business, results of operations or financial condition.

There are security risks associated with our operations in Mexico that may have a material adverse effect on its operations.

Throughout Mexico, including the regions we operate, there has been an increase in violence between the drug cartels, human trafficking originations or other criminal organizations including violence towards the authorities. Capstone Copper's Cozamin mine located in Zacatecas, Mexico, operates in a region that is experiencing an increasing rate of criminal activity and violence. Cozamin's copper concentrate is delivered by truck under an agreement to a major trading company in Manzanillo, Mexico. Additionally, the majority of Pinto Valley mine's copper concentrate is hauled using a modular truck system across the US and Mexico border into the state of Sonora and shipped out of the port of Guaymas. Criminal activities in these regions or in neighbouring regions, or the perception that activities are likely, may disrupt Capstone Copper's operations or supply chains and lead to an adverse financial impact or an increase in costs to further manage the security risk.

Although measures have been implemented to protect our employees, contractors, property and facilities, no assurances can be given that security incidents will not have a material adverse effect on our operations and financial position. The law enforcement authorities' efforts to reduce criminal activity may experience challenges from a lack of resources, corruption and the power of organized crime. The effect of such security incidents cannot be accurately predicted and may result in serious adverse consequences including harm to employees, contractors or visitors, theft or damage to property and assets, and the disruption or suspension to our operations leading to an adverse financial impact. Increasing criminal activity and violence may increase community tensions, impacting Capstone Copper's ability to hire and keep qualified personnel or contractors and could impact the Company's ability to conduct business.

Legal proceedings.

From time to time, Capstone Copper is involved in routine legal matters, including but not limited to, regulatory investigations, claims, lawsuits, contract disputes and other proceedings in the ordinary course of our business.

There can be no assurances that these matters will not have a material effect on our business.

The price of Common Shares is volatile.

Publicly quoted securities are subject to a relatively high degree of price volatility. It should be expected that continued fluctuations in price will occur, and no assurances can be made as to whether the share prices will increase or decrease in the future. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of many companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The factors influencing such volatility include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in precious metal prices or other mineral prices, the results of further exploration activities, currency exchange fluctuations and Capstone Copper's financial condition or results of operations as reflected in its earnings reports. Other factors unrelated to the performance of Capstone Copper that may have an effect on the price of the Common Shares include the following:, the extent of analyst coverage available to investors concerning the business of Capstone Copper may be limited if investment banks with research capabilities do not follow Capstone Copper's securities; lessening in trading volume and general market interest in Capstone Copper's securities may affect an investor's ability to trade significant numbers of securities of Capstone Copper; and a substantial decline in the price of the securities of Capstone Copper that persists for

a significant period of time could cause Capstone Copper's securities to be delisted from an exchange, further reducing market liquidity.

Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. Capstone Copper may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

There is no assurance of a sufficient liquid trading market for Common Shares in the future.

Shareholders of Capstone Copper may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of Common Shares on the trading market, and that Capstone Copper will continue to meet the listing requirements of the exchange on which Common Shares are listed.

Capstone Copper has outstanding Common Share equivalents which, if exercised, could cause dilution to existing shareholders.

The exercise of any of stock options, share units, other share-based compensation and share purchase warrants and the subsequent resale of such Common Shares in the public market could adversely affect the prevailing market price and Capstone Copper's ability to raise equity capital in the future at a time and price which it deems appropriate. Capstone Copper may also enter into commitments in the future which would require the issuance of additional Common Shares and Capstone Copper may grant additional share purchase warrants and stock options. Any share issuances from Capstone Copper's treasury will result in immediate dilution to existing shareholders' percentage interest in Capstone Copper.

Capstone Copper has not paid dividends and may not pay dividends in the foreseeable future.

Payment of dividends on Common Shares is within the discretion of the Capstone Copper Board of Directors and will depend upon Capstone Copper's future earnings if any, its capital requirements and financial condition, and other relevant factors. Capstone Copper anticipates that all available funds will be invested to finance the growth of its business for the foreseeable future.

Sales by existing shareholders can reduce share prices.

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. If this occurs and continues, it could impair the Company's ability to raise additional capital through the sale of securities.

Concentration of Share Ownership of Capstone Copper.

As at the date hereof, Orion collectively owns approximately 32.35% of the outstanding Common Shares and Hadrian Capital Partners Inc. owns approximately 14.65% of the outstanding Common Shares. As long as these shareholders maintain their significant positions in Capstone Copper, they will have the ability to exercise influence with respect to the affairs of Capstone Copper and significantly affect the outcome of matters upon which shareholders are entitled to vote. Furthermore, there is a risk that Capstone Copper's securities are less liquid and trade at a relative discount compared to circumstances where these shareholders did not have the ability to influence or determine matters affecting Capstone Copper. Moreover, there is a risk that their significant interests in Capstone Copper discourages transactions involving a change of control of Capstone Copper, including transaction in which an investor, as a holder of Capstone Copper's securities, would otherwise receive a premium for its Capstone Copper's securities over the then-current market price. A disposition of shares by these shareholders could adversely affect the market price of the Common Shares.

Pursuant to the Registration and Nomination Rights Agreement (as defined below), provided Orion maintains certain levels of ownership of the Common Shares, Orion: (i) has rights to nominate up to two individuals to sit on our Board of Directors, (ii) may demand we file one or more prospectuses or otherwise facilitate sales of Orion's shares. See "Material Contracts – Nominations and Board Registration and Nomination Rights Agreement under "Material Contracts" for further information.

10 - DIVIDENDS AND DISTRIBUTIONS

We have not declared or paid any dividends or distributions on our Common Shares in the last three financial years and have no present intention of doing so, as we anticipate that all available funds will be invested to finance the growth of our business.

11 - DESCRIPTION OF CAPITAL STRUCTURE

11.1 General Description of Capital Structure

Capstone has an authorized capital of an unlimited number of Common Shares without par value, **691,574,566** of which were issued and outstanding as of December 19, 2022.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of Capstone and each common share confers the right to one vote in person or by proxy at all meetings of the shareholders. The holders of the Common Shares, subject to the prior rights, if any, of the holders of any other class of shares of Capstone, are entitled to receive such dividends in any financial year as the Board of Directors may determine. In the event of liquidation, dissolution or winding-up of Capstone, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares, the remaining property and assets of Capstone.

12 - MARKET FOR SECURITIES

12.1 Trading Price and Volume – Common Shares

The Common Shares are listed for trading on the TSX under the symbol “CS”. However, prior to the completion of the Mantos Transaction, the common shares of Capstone Mining were listed on the TSX under the symbol “CS” and the shares of Mantos Copper were not traded or quoted on any stock exchange or marketplace. The following table sets out the monthly price ranges and volumes of the common shares of Capstone Mining, prior to the completion of the Mantos Transaction, and Capstone, following the completion of the Mantos Transaction, in each case on the TSX under the symbol “CS”. The Mantos Transaction closed on March 23, 2022.

Month	Volume	High (C$) on the TSX	Low (C$) on the TSX
November 2022	32,241,092	4.88	3.20
October 2022	22,585,044	3.66	2.88
September 2022	25,135,188	3.46	2.79
August 2022	32,382,688	3.47	2.52
July 2022	32,907,972	3.27	2.25
June 2022	37,470,499	5.39	3.12
May 2022	29,749,771	6.02	4.26
April 2022	33,609,487	7.39	5.3
March 2022	37,589,625	7.79	6.53
February 2022	26,170,529	6.57	5.46
January 2022	33,872,260	6.83	5.28
December 2021	37,708,928	6.50	4.85
November 2021	39,073,723	6.46	4.82
October 2021	24,165,241	6.02	4.65
September 2021	21,760,047	5.83	4.55
August 2021	16,509,839	5.69	4.67
July 2021	21,153,162	5.95	4.66
June 2021	43,188,852	5.60	4.33
May 2021	60,439,543	6.64	5.19
April 2021	31,315,520	5.84	4.13
March 2021	30,134,452	4.21	3.28
February 2021	24,025,837	4.18	2.64
January 2021	16,786,727	2.95	2.37

Source: TSX

12.2 Prior Sales

Prior to the completion of the Mantos Transaction on March 23, 2022, Capstone Mining was a reporting issuer in Canada and Mantos Copper was a private company. Upon completion of the Mantos Transaction, Capstone became a reporting issuer in Canada.

Capstone

In connection with the closing of the Mantos Transaction, on March 23, 2022: (i) Capstone Copper issued 414,286,562 Common Shares to acquire all of the issued and outstanding common shares of Capstone Mining on the basis of one Common Share in exchange for each common share of Capstone Mining; (ii) each outstanding option of Capstone Mining ceased to represent an option to purchase common shares of Capstone Mining and was exchanged for an option to purchase Common Shares, otherwise on the same terms and conditions; (iii) each

outstanding treasury unit of Capstone Mining was exchanged for a treasury share unit issued by Capstone, otherwise on the same terms and conditions; (iv) each outstanding share unit of Capstone Mining was continued on the same terms and conditions except that the terms will be amended so as to substitute for the common shares of Capstone Mining subject to such share unit, Common Shares; and each outstanding director share unit of Capstone Mining was continued on the same terms and conditions except the terms were amended so as to substitute for the common shares of Capstone Mining subject to such deferred share unit, Common Shares.

Since the closing of the Mantos Transaction on March 23, 2022, Capstone has not sold or issued any securities convertible into Common Shares other than as follows:

Award Issuance Summary of Capstone Mining:
Options, RSUs, TRSUs, PSUs, TPSUs, DSUs
March 24, 2022 – December 19, 2022

Date	Security	Grant Price	Number of Securities
19-May-22	Options	C$4.72	41,939
08-Jun-22	Options	C$5.08	193,073
15-Aug-22	Options	C$3.23	8,486
07-Nov-22	Options	C$3.47	47,970
28-Nov-22	Options	C$4.43	19,568
		Total Capstone Options	**311,036**
08-Jun-22	RSUs	-	278,992
15-Aug-22	RSUs	-	18,044
03-Nov-22	RSUs	-	21,614
28-Nov-22	RSUs	-	27,332
		Total Capstone RSUs	**345,982**
08-Jun-22	PSUs	-	44,843
		Total Capstone PSUs	**44,843**
25-May-22	Treasury RSUs	-	18,810
25-May-22	Treasury PSUs	-	37,619
08-Jun-22	Treasury RSUs	-	89,895
08-Jun-22	Treasury PSUs	-	179,789
		Total Capstone Treasury Share Units	**326,113**
03-Nov-22	DSUs	-	47,584
		Total Capstone DSUs	**47,584**
		GRAND TOTAL	**1,075,558**

Mantos Copper

Mantos Copper had not sold or issued any shares of stock of Mantos Copper or securities convertible into stock of Mantos Copper during the most recently completed financial year other than 500 shares issued on March 12, 2021 for $5.00.

Capstone Mining

Prior to the completion of the Mantos Transaction, Capstone Mining had not sold or issued any common shares of Capstone Mining or securities convertible into common shares of Capstone Mining during the most recently completed financial year other than as follows:

Award Issuance Summary of Capstone Mining:
Options, RSUs, TRSUs, PSUs, TPSUs, DSUs
January 1, 2021 – March 23, 2022

Date	Security	Grant Price	Number of Securities
2-Mar-21	Options	C$3.90	1,182,980
4-May-21	Options	C$5.45	8,801
25-May-21	Options	C$5.79	9,564
17-Jan-22	Options	C$6.17	92,758
7-Mar-22	Options	C$6.97	672,064
		Total Capstone Options	**1,966,167**
2-Mar-21	RSUs	-	841,356
4-May-21	RSUs	-	11,921
8-Dec-21	RSUs	-	2,101
7-Mar-22	RSUs	-	554,878
		Total Capstone RSUs	**1,410,256**
2-Mar-21	Treasury RSUs	-	322,548
2-Mar-21	Treasury PSUs		645,093
17-Jan-22	Treasury RSUs		41,881
17-Jan-22	Treasury PSUs		83,761
7-Mar-22	Treasury RSUs		199,737
7-Mar-22	Treasury PSUs		399,471
		Total Capstone Treasury Share Units	**1,692,491**
2-Mar-21	PSUs	-	48,970
		Total Capstone PSUs	**48,970**
2-Mar-21	DSUs	-	168,272
25-May-21	DSUs	-	12,954
7-Mar-22	DSUs	-	65,102
		Total Capstone DSUs	**246,328**
		GRAND TOTAL	**5,364,212**

13 - DIRECTORS AND OFFICERS

13.1 Name and Occupation

As of the date of this Annual Information Form, the directors and executive officers of Capstone are as follows:

Name and Address	Office held with Capstone	Principal Occupation during past five years	Director Since[1]	Common Shares held as of December 19, 2022
George L. Brack[2][3][4] British Columbia, Canada	Lead Director	Currently the non-Executive Chair of Capstone and chair of Wheaton Precious Metals Corp.; former chair of the Board & Director of Capstone Mining Corp.	May 19, 2009	530,000
Robert J. Gallagher[3][4] Florida, USA	Director	A director of Capstone and Southern Arc Minerals Inc.; former director of Capstone Mining Corp. and Japan Gold Corp.; former director and President & CEO of New Gold Inc.; and former director of Dynasty Gold Corp., Yamana Gold Inc. and BC Hydro (a crown corporation).	November 1, 2016	Nil
Peter G. Meredith[2][5] British Columbia, Canada	Director	Chartered Professional Accountant, (CPA, CA), director of Capstone, Ivanhoe Mines Ltd.; former director of Capstone Mining Corp. and former chair of Great Canadian Gaming Corporation.	April 25, 2019	63,500
Alison Baker [2][5] Winchester, England	Director	Chartered Accountant (ICAEW), director of Capstone; non-executive director and audit committee chair at Endeavour Mining plc and Helios Towers plc and is a senior independent director and audit committee chair at Rockhopper Exploration plc; formerly a non-executive director of KAZ Minerals plc and Centamin plc.	March 23, 2022	Nil
Anne Giardini[3][4][5] Rome, Italy	Director	Currently a director of K9 Mining Inc. and Stella-Jones Inc; former director of Nevsun Resources Ltd. and Thompson Creek Metals Company Inc.	April 28, 2021	Nil

Name and Address	Office held with Capstone	Principal Occupation during past five years	Director Since[1]	Common Shares held as of December 19, 2022
Istvan Zollei New York, United States	Director	A director of Capstone and Nomad Royalty Corp.; Portfolio Manager at Orion Resources Partners (USA) LP; former director of Mantos Copper, Premier Gold Mines Limited and Greenstone Gold Mines	August 19, 2015	Nil
Darren M. Pylot British Columbia, Canada	Executive Chair and Director	Executive Chair of Capstone; former President and CEO of Capstone Mining Corp. and a director of Zena Mining Corp.	October 23, 2003	2,511,229[6]
John MacKenzie Ontario, Canada	CEO and Director	Currently CEO and director of Capstone; former CEO of Audley Capital; executive chairman and director of Mantos Copper, and non-executive director of KAZ Minerals Plc	September 10, 2015	15,049,040

[1] Mr. Brack, Mr. Pylot, Ms. Giardini, Mr. Meredith and Mr. Gallagher were directors of Capstone Mining prior to the completion of the Mantos Transaction. This table presents the date they became directors of Capstone Mining. Each of these individuals became a director of Capstone Copper on March 23, 2022. Mr. Zollei and Mr. MacKenzie were directors of Mantos Copper Limited prior to the completion of the Mantos Transaction. This table presents the date they became directors of Mantos Copper. Each of those individuals became a director at Capstone on March 23, 2022.
[2] Member of the Human Resource & Compensation Committee
[3] Member of the Technical and Operational Performance Committee
[4] Member of the Governance, Nominating and Sustainability Committee
[5] Member of the Audit Committee
[6] Includes 109,609 Common Shares held indirectly by Darren M. Pylot and 25,000 Common Shares owned by Stealth Investments Corp., a company controlled by Darren M. Pylot.

Name and Address	Office held with Capstone	Principal Occupation during past five years	Common Share held as of December 19, 2022
Jerrold I. Annett Ontario, Canada	Senior Vice President, Strategy & Capital Markets	Senior Vice President, Strategy & Capital Markets since January 2021, d Director of Zena Mining Corp since September 30, 2011.; Vice President, Strategy & Capital Markets from September 2019 to January 2021; previously CEO of Tethyan Resources from January 2019 to September 2019; SVP Corporate Development for Arizona Mining & Titan Mining from May 2017 to January 2019. Head of Mining Equities Sales at Scotiabank from June 2008 to May 2017.	4,210,249[1]
Giancarlo Bruno Lagomarsino Santiago, Chile	Senior Vice President, Head of Chile	Senior Vice President, Head of Chile since March 23, 2022 following the combination of Capstone Mining and Mantos Copper. Former Chief Executive Officer of Mantos Copper from October 2015.	1,955,385
Wendy A. King British Columbia, Canada	Senior Vice President, Risk, ESG and General Counsel and Corporate Secretary	Senior Vice President, Risk, ESG and General Counsel and Corporate Secretary since January 2021; Senior Vice President, Legal, Risk and Governance from February 2020 to January 2021; Vice President, Legal, Risk and Governance from February 2014 to February 2020; and Corporate Secretary since March 2015.	931,308[2]
Cashel Meagher Ontario, Canada	President & Chief Operating Officer	President and Chief Operating Officer since January 2022, former Senior Vice President and COO of Hudbay Minerals from December 2015 to January 2022	200,000
Raman S. Randhawa British Columbia, Canada	Senior Vice President & Chief Financial Officer	Senior Vice President & Chief Financial Officer since February 2020; Chief Financial Officer since January 2019; previously Vice President, Finance, Financial Planning and Analysis from April 2018 to December 2018; previously Vice President of Business Planning, Vice President Business Performance & Reporting and Vice President Finance, Operations for Goldcorp Inc., from 2013 to 2018.	384,119
Chris Richter Ontario, Canada	Senior Vice President, Corporate Development	Senior Vice President, Corporate Development since June 2022, previously Chief Integration Officer from March 23 2022 following the combination of Capstone Mining and Mantos Copper; former Chief Development Officer of Mantos Copper from September 2021 to March 2022, Co-Leader, Acquisitions of JCM Power from November 2018 to February 2021 and President, CEO and Director of AuRico Metals Inc from July 2015 to January 2018.	2,606

[1] Includes 29,280 held indirectly by Jerrold Annett.
[2] Includes 33,500 held indirectly by Wendy King.

14 - OWNERSHIP OF SECURITIES BY DIRECTORS AND OFFICERS

As at December 19, 2022, the directors and executive officers as a group beneficially owned or exercised control or direction over, directly or indirectly, an aggregate of **25,837,437** Common Shares, representing approximately **3.74**% of the issued and outstanding Common Shares.

14.1 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Capstone, after reasonable enquiry, no director or officer of Capstone is, as at the date of this Annual Information Form, or was within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including Capstone) that:

a. was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days (together, an "order"), that was issued while the director or officer was acting in the capacity as director, chief executive officer or chief financial officer; or

b. was subject to an order that was issued after the director or officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, except: Mr. Peter Meredith served as a director of Ivanhoe Energy Inc. ("Ivanhoe Energy") from December 2007 to December 2014. On February 20, 2015, Ivanhoe Energy filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the *Bankruptcy and Insolvency Act (Canada).* Cease trade orders were issued against Ivanhoe Energy in Alberta (July 15, 2015), Quebec (May 7, 2015), Manitoba (May 6, 2015), Ontario (May 4, 2015) and British Columbia (April 14, 2015) in respect of the company failing to file its audited financial statements and annual management's discussion and analysis, annual information form and certification of annual filings for the year ended December 31, 2014. The foregoing cease trade orders remain in effect. On June 2, 2015, having failed to file a proposal, Ivanhoe Energy was assigned into bankruptcy. Ivanhoe Energy dissolved on May 16, 2017.

To the knowledge of Capstone, after reasonable enquiry, no director or officer of Capstone, or a shareholder holding a sufficient number of securities of Capstone to affect materially the control of Capstone:

a. is as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director or officer of any company that, while that person was acting in that capacity, or within a year of that person was acting in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b. has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of Capstone, after reasonable enquiry, no director or officer of Capstone, or a shareholder holding a sufficient number of securities of Capstone to affect materially the control of Capstone has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

14.2 Conflicts of Interest

Certain of our directors and officers serve or may agree to serve as directors or officers of other reporting companies, including public companies as noted in 8.1 above, or have significant shareholdings in other reporting companies and, to the extent that such other companies may participate in ventures in which we may participate, our directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of our directors, a director who has a

conflict abstains from voting for or against the approval of such participation or such terms and such director will not participate in negotiating and concluding terms of any proposed transaction. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of the Province of British Columbia, the directors of Capstone are required to act honestly, in good faith and in the best interests of Capstone. In determining whether or not we will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which we may be exposed and our financial position at that time. See also “Risk Factors” in this Annual Information Form.

15 - AUDIT COMMITTEE INFORMATION

15.1 Audit Committee Terms of Reference

The full text of our Audit Committee Terms of Reference is included as *Schedule "A"* to this Annual Information Form.

15.2 Composition of the Audit Committee and Relevant Education and Experience

As of the date of this Annual Information Form, our audit committee (the "**Audit Committee**") consists of three members all of whom are independent and financially literate as defined by National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). The name, relevant education and experience of each Audit Committee member is outlined below:

Alison Baker (Chair)

Ms. Baker is a corporate director with over 25 years of experience in providing audit, capital markets, advisory and assurance services. She previously led the UK and EMEA Oil & Gas Practice for PricewaterhouseCoopers LLP and the UK Energy, Utilities and Mining Assurance Practice for Ernst & Young LLP. She currently serves as chair of the audit committees of Endeavour Mining plc, Helios Towers plc and Rockhopper Exploration plc. Ms. Baker is a Chartered Accountant (CA) of the Institute of Chartered Accountants of England and Wales and holds a Bachelor of Science in Mathematical Sciences from the University of Bath.

Peter G. Meredith

Mr. Meredith is a Chartered Professional Accountant (CPA, CA) and corporate director. Mr. Meredith currently serves as chairman of the board and as a member of the audit committee of Great Canadian Gaming Corporation and has been on the board and a member of the audit committee of numerous other Canadian public mining companies. Mr. Meredith spent thirty-one years with Deloitte LLP, Chartered Professional Accountants, and retired as a partner in 1996. Mr. Meredith is the former Deputy Chairman of Ivanhoe Mines Ltd. Mr. Meredith is a member of the Chartered Professional Accountants of British Columbia and the Chartered Professional Accountants of Ontario.

Anne Giardini

Ms. Giardini has over 30 years' experience as a lawyer, senior corporate executive and director. She has served on the audit and finance committees of a number of organizations including as the chair of the Audit and Finance Committee of Translink. During her legal and corporate career Ms. Giardini has reviewed, analyzed and evaluated financial statements and the internal controls and procedures for financial reporting. In addition, she has advised on and led measures to ensure safe and sustainable operations, financial, legal and environmental transparency, and all other aspects of sound corporate governance. Ms. Giardini has also led and advised on consultation, accommodation and respect for community interest and indigenous rights and title.

15.3 Audit Committee Oversight

At no time since the commencement of our most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

15.4 Pre-Approval Policies and Procedures

The Audit Committee pre-approves all non-audit services provided by our external auditor and has established policies and procedures accordingly. When a new service is proposed by Capstone's external auditor, management confirms with the audit engagement partner that there is no independence concern related to the proposed service. Once it is confirmed by the audit engagement partner and the Chair of the Audit Committee that the proposed service(s) would not impair the auditor's independence, the matter is raised to the Audit Committee for pre-approval before management proceeds with engaging the external auditor to perform the proposed service(s).

15.5 External Auditors Service Fees (By Category)

The aggregate fees billed by Capstone Mining's external auditors in the last two fiscal years ended December 31, 2021 and 2020 are as follows:

Year Ending	Audit Fees[1]	Audit-Related Fees[2]	Tax Fees[3]	All Other Fees[4]
December 31, 2021	C$1,035,000	C$9,000	C$188,000	C$35,000
December 31, 2020	C$895,000	C$9,000	C$176,000	C$nil

[1] This amount includes the fees billed for the audit of the annual consolidated financial statements and for the interim review of the interim condensed consolidated financial statements.
[2] This amount relates to the audit work on the Commissioner's reports for the Mexican entities. These fees were pre-approved by the Audit Committee.
[3] The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. All fees for tax compliance, tax advice and tax planning were pre-approved by the Audit Committee.
[4] The aggregate fees billed that are not "Audit Fees", "Audit-Related Fees" or "Tax Fees". These fees in 2021 related primarily to strategy advisory services. All fees for other professional services were pre-approved by the Audit Committee.

The aggregate fees billed by Mantos Copper's external auditors in the last two fiscal years ended December 31, 2021 and 2020 are as follows:

Year Ending	Audit Fees[1]	Audit-Related Fees	Tax Fees	All Other Fees[2]
December 31, 2021	$340,600	$117,835	$nil	$nil
December 31, 2020	$136,090	$nil	$nil	$4,042

[1] This amount includes the fees billed for the audit of the annual financial statements and for the interim review of the interim condensed financial statements.
[2] The aggregate fees billed that are not "Audit Fees", "Audit-Related Fees" or "Tax Fees". These fees in 2020 related primarily to covenant compliance reviews.

16 - LEGAL PROCEEDINGS AND REGULATORY ACTIONS

16.1 Legal Proceedings

Capstone was not subject to any material legal proceedings throughout the recently completed financial year. Capstone is, from time to time, involved in legal claims, proceedings and complaints arising in the ordinary course of business. While the outcome of these legal proceedings cannot be predicted with certainty, we believe that any adverse decision in such proceedings or complaints will not have a material adverse effect on the financial condition or operations of Capstone. The directors and management know of no contemplated or pending proceedings against anyone that might materially adversely affect our financial condition or results of operations.

16.2 Regulatory Actions

Capstone is not subject to:

- any penalties or sanctions imposed against Capstone by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2021; or
- any other penalties or sanctions imposed by a court or regulatory body against Capstone that would likely be considered important to a reasonable investor in making an investment decision; or
- settlement agreements Capstone entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2021.

17 - INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no director, executive officer or principal shareholder of Capstone, or any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this Annual Information Form that has materially affected or will materially affect Capstone.

18 - TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc., at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9, is the transfer agent and registrar of our Common Shares, and Computershare Investor Services Inc., at 11th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, is the co-transfer agent and registrar.

19 - MATERIAL CONTRACTS

Material contracts, other than contracts entered into in the ordinary course of business, that were entered into by Capstone between January 1, 2021 and as of the date of this Annual Information Form, or before that time, but that are still in effect are listed below. A copy of each material contract can be found on the Company's SEDAR profile at www.sedar.com.

19.1 Mantoverde Shareholders' Agreement

In connection with Capstone's 70% ownership of the Mantoverde Mine, Capstone, through its wholly owned subsidiaries Mantos Copper Holding SpA, entered into a Shareholders' Agreement dated February 8, 2021 with Mitsubishi Materials and Mantoverde S.A. (the "**MV Shareholders Agreement**"). The MV Shareholders Agreement governs, among other things, (i) the conduct of the business and affairs of Mantoverde S.A. with respect to the ownership and operations of the Mantoverde Mine, (ii) certain corporate matters of Mantoverde S.A. that require MMC approval and board nomination rights in favour of MMC, (iii) restrictions on transfer of Mantoverde S.A. shares, (iv) the sale of the Mantoverde Mine and (v) certain participation rights granted to MMC in takeover offers, specified financings or merger transactions of Capstone.

19.2 Southern Cross Royalty

In connection with the financing of the MB Debottlenecking Project, Mantos Copper S.A. entered into the Southern Cross Royalty Agreement with Southern Cross on August 31, 2019. Under the Southern Cross Royalty Agreement, Southern Cross paid Mantos Copper S.A. approximately $50.3 million for a 1.525% royalty on the net smelter return of copper production at Mantos Blancos paid quarterly. The royalty is for a period initially through January 1, 2035 that may be extended by Southern Cross at its sole discretion through the duration of the mining rights, and is subject to our option to buy back and reduce the royalty amount by 50% at any time after January 1, 2023, subject to the payment of a buy back fee and the satisfaction of certain conditions. The Southern Cross Royalty Agreement grants Southern Cross security interests over related mining concessions and includes certain covenants with respect to the conduct of mining operations, the preservation of mining rights and maintenance of offtake arrangements, among other terms.

19.3 Osisko Silver Production Agreement

In connection with the financing of the MB Debottlenecking Project, Mantos Copper S.A. entered into an upsized Silver Production Agreement with Osisko on August 31, 2019. Under the Osisko Silver Production Agreement, Osisko paid Mantos Copper S.A. an additional $25 million. In return of the upfront payments, Osisko received the right to purchase an amount of refined silver equivalent to the number of ounces of silver delivered under concentrate offtake contracts less specified deductions until 19,300,000 ounces of silver have been sold under the agreement and thereafter an amount equal to 40% of the number of ounces of silver delivered under concentrate offtakes less specified deductions. Osisko is obliged to pay in cash 8% of the market price of the silver upon each delivery and to give credit against the advance of 92% of the market price upon each delivery, according to certain terms in the contract. The initial term of the Osisko Silver Production Agreement is 40 years and shall automatically renew thereafter for successive 10-year periods. The amount of silver estimated to have been derived from the copper concentrate is the amount calculated as due under the terms of the contract.

19.4 Mantoverde Common Terms Agreement and Ancillary Facilities

In connection with the financing of the MV Development Project, on February 11, 2021 Mantoverde S.A. entered into the project financing facilities (the "**MV Project Finance Facilities**") with a lending syndicate of international banks and export credit agencies for a total debt financing package of $572 million, which comprised senior secured amortizing project debt facilities in an aggregate amount of $520 million and includes (i) a $210 uncovered facility; (ii) a $250 covered facility; (iii) a $60 direct facility; and (iv) a $52 million bonding facility. We made an initial drawing under the MV Project Finance Facilities in August 2021 and, as of the date of this Annual Information Form, we have drawn $[310] million and have $[262] million of availability under the MV Project Finance Facilities. In addition, MMC agreed to provide a $60 million cost over run facility ("COF"), with an interest rate of LIBOR plus 1.70% and amortizing over 37 quarter from the earlier of September 30, 2024 or three quarters after project completion. The COF was provided in exchange for additional off-take of copper concentrate production under a 10-year contract.

Interest on borrowings under the MV Project Finance Facilities is payable quarterly at a variable rate of 3-month $ LIBOR plus a margin per annum (i.e., 1.65% for the covered facility and, with respect to the other facilities, a rate ranging from 3.75% to 4.00% pre-completion of the MV Development Project and from 3.50% to 3.75% post-completion of the MV Development Project). Pursuant to the covered facility, an export credit agency guarantee premium of 2.05% per annum is also payable quarterly and calculated over amounts outstanding under the covered facility. The MV Project Finance Facilities are secured by a comprehensive security package covering substantially all of Mantoverde's assets and are subject to certain mandatory prepayment events and excess cash sweep obligations upon the occurrence of certain events, including a change of control.

In connection with the MV Project Finance Facilities, Mantoverde is required to maintain a comprehensive hedging program with respect to its projected copper cathode production and has entered into hedging arrangements with the lenders under the MV Project Finance Facilities that are governed by International Swaps and Derivatives Association master agreements, under English law. Approximately two-thirds of our copper cathodes production is hedged at a weighted average price of $3.36 per pound through Q2 2024. Mantoverde is also required to hedge 100% of its Ch$/$ foreign exchange exposure under the engineering, procurement and construction contract for the MVDP and other related capital expenditures, as well as mandatory hedges with respect to the floating interest rate portion of the MV Project Finance Facilities.

Under the MV Project Finance Facilities, Mantoverde S.A. is required to comply with certain financial covenants following the project completion date (targeted not beyond 30 June 2024), including the maintenance of (i) a historic debt service cover ratio of no less than 1.20:1.00 (subject to an equity cure right that may be exercised up to 3 non-consecutive times); (ii) a loan life cover ratio of no less than 1.30:1.00; and (iii) a ratio of then-current forecasted sulfide mining reserves to total sulfide mining reserves (the reserve tail ratio) of no less than 30%. The MV Project Finance Facilities also includes restrictive covenants related to the incurrence of debt, granting of security interests and the payment of dividends, as well as covenants with respect to environmental compliance, maintenance of offtake arrangements and preservation of assets, among other terms.

19.5 Anglo American Offtake Agreements

Mantoverde and Mantos Blancos have entered into offtake agreements relating to cathode production with Anglo American Marketing Limited ("**AAML**"), both of which were amended and restated on August 31, 2019.

Under the agreements, Mantos Blancos and Mantoverde are required to sell, and AAML is required to buy, all of our production of copper cathodes, until the aggregate sum of cathodes delivered from Mantoverde and Mantos Blancos reach 275 thousand tonnes, which we expect to occur by December 31, 2025. If these amounts are not delivered by December 31, 2025, the agreement can be extended through December 31, 2027 subject to a 20% increase in the amount of cathodes required to be delivered. The price for cathodes is determined based on the monthly average LME copper price.

19.6 Glencore Offtake Agreement

As part of the financing for the MB Debottlenecking Project, Mantos Copper S.A. entered into an offtake agreement with the "Glencore Buyers" on August 31, 2019 for 75% of Mantos Blancos' annual production of copper concentrates subject to a minimum total quantity of 900 thousand tonnes of copper concentrates over the term of the agreement (the "**Glencore Offtake Agreement**"). The Glencore Offtake Agreement is for a 7-year term but may be extended until the minimum total quantity is delivered and the financial obligations are met.

Under the Glencore Offtake Agreement, the Glencore Buyers are required to pay for a portion of the full copper content based on the average monthly LME copper price, subject to certain adjustments based on the percentage of copper content. The Glencore Buyers are also required to pay in relation to silver content greater than or equal to 30 grams/ton at a price based on the average monthly official London Bullion Market Association silver price.

19.7 KORES Share Purchase Agreement

On March 24, 2021, Capstone Mining Corp. entered into a Share Purchase Agreement (the "**KORES Purchase Agreement**") with Korea Chile Mining Corporation, a wholly owned subsidiary of Korea Resources Corporation (collectively, "**KORES**") and 0908113 B.C. Ltd. to purchase KORES' 30% ownership interest in Santo Domingo for $120 million in three cash payments over the next four years and non-cash consideration of $32.4 million. The

KORES Purchase Agreement consolidates 100% ownership in Santo Domingo with Capstone. In connection with the KORES Purchase Agreement, the Shareholders' Agreement dated June 17, 2011 among Capstone Mining Corp., KORES and 0908113 B.C. Ltd. was terminated.

Under the terms of the KORES Purchase Agreement, Capstone acquired all of the shares of 0908113 B.C. Ltd. owned by KORES for aggregate cash consideration of $120 million payable as follows:

- $30 million payable on closing
- $45 million payable 18 months following closing
- $45 million payable 48 months following closing

The non-cash consideration consisted of Capstone assuming a promissory note held between KORES and 0908113 B.C. Ltd. of $32.4 million.

If Capstone sells greater than 50% of Santo Domingo within 18 months at the value equal to, or in excess of, $4,000,000 per one percent (1.0%) interest, and upfront cash consideration greater $90,000,000, then the second deferred payment of $45 million shall be accelerated to KORES, although such acceleration shall not apply to a reorganization or in connection with a bona fide third party take-over bid, arrangement, or other similar transaction in respect of Capstone.

19.8 Revolving Credit Facility

Capstone has established a revolving credit facility (the "**RCF**") pursuant to the Third Amended and Restated Credit Agreement between Capstone Mining, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, Wells Fargo Bank N.A., Canadian Branch, Citibank, N.A., Canadian Branch, Bank of Montreal, National Bank of Canada, and ING Capital LLC was amended on April 19, 2017, July 25, 2019, February 19, 2021 and March 24, 2021 (as amended, the "**Credit Agreement**").

On July 25, 2019, Capstone amended its Credit Agreement such that the RCF would now mature on July 25, 2022 and have a credit limit of $300 million. The facility pricing grid, starting at the LIBOR plus 2.5% and increasing to LIBOR plus 3.5% based on the total leverage ratio, will remain in effect until maturity.

The interest rate at December 31, 2021 was US Dollar LIBOR ("**US LIBOR**") plus 2.50% (2020 - US LIBOR plus 2.75%) with a standby fee of 0.56% (2020 – 0.62%) payable on the undrawn balance (adjustable in certain circumstances).

In April 2020, the Company entered into an interest rate swap exchanging the floating LIBOR rate for a fixed monthly LIBOR rate of 0.355% on an amortizing notional principal balance as follows:

- $150 million to December 31, 2020
- $125 million to December 31, 2021
- $100 million to July 25, 2022

Any balance drawn on the RCF above the notional principal of the swap will be charged interest at the prevailing market rate. Effectively the interest rate on these notional amounts is 0.355% plus 2.5% to 0.355% plus 3.5% based on the total leverage ratio.

The RCF is secured against the present and future real and personal property, assets and undertakings of Capstone (excluding certain assets, which include 0908113 B.C. Ltd., Far West, Santo Domingo, and Far West Exploration S.A., and subject to certain exclusions for Capstone Mining Chile SpA). The Credit Agreement requires the Company to maintain certain financial ratios relating to debt and interest coverage. Capstone was in compliance with these covenants as at December 31, 2020.

Upon closing of the streaming agreement with Wheaton on February 19, 2021, the $150 million received was used to repay the RCF and the credit limit on the RCF has been reduced from $300 million to $225 million. In addition, all the remaining interest rate swap derivatives were early settled in February 2021.

On March 24, 2021, the Credit Agreement was amended to permit the guarantee provided by Capstone in support of the Santo Domingo Gold Stream Agreement.

During the three months ended March 31, 2021, the Company fully repaid its RCF balance of $184.9 million at December 31, 2020. As of December 31, 2021, the outstanding balance of the RCF is $nil.

On May 12, 2022, Capstone Mining entered into a fourth amended and restated credit agreement (the "**Restated Credit Agreement**"), which restated the Credit Agreement and is effective as of July 22, 2022. The material terms of the Restated Credit Agreement, as compared to the Existing Credit Agreement, include, among others:

- adding Capstone as an additional borrower;
- increasing the facility size from $225 million to $500 million (an additional $100 million may be available under an accordion facility);
- extending the maturity date from July 29, 2022 to May 12, 2026;
- revising the definition of "Excluded Entities" to provide that Mantoverde S.A. and the Mantoverde project are excluded from the Restated Credit Agreement;
- revising the senior secured leverage ratio to only apply after the Capstone entities have incurred unsecured debt or subordinated debt in excess of $300 million;
- removing a minimum liquidity requirement in connection with permitted acquisitions;
- permitting distributions at all times, subject to pro forma financial covenant compliance, and there being no default or event of default; and
- increasing various event of default thresholds to $50 million.

On December 12, 2022 the facility size was increased by $100 million (the accordion) to $600 million. The other terms of the Restated Credit Agreement listed above remained unchanged.

19.9 Precious Metals Purchase Agreement (Silver)

On December 11, 2020, Capstone Mining entered a Precious Metals Purchase Agreement between Wheaton, Capstone Resources (Barbados) Ltd. and Capstone Mining with respect to the purchase and sale of silver. Wheaton paid upfront cash consideration of $150 million upon closing for 50% of the silver production until 10 million ounces have been delivered, thereafter dropping to 33% of silver production for the life of the mine from Capstone's Cozamin Mine in Mexico. Wheaton will make ongoing payments equal to 10% of the spot silver price at the time of delivery for each ounce delivered to them.

19.10 Precious Metals Purchase Agreement (Gold)

On March 25, 2021, Capstone Mining entered a Precious Metals Purchase Agreement between Wheaton, Capstone Resources MSD Ltd. and Capstone Mining with respect to the purchase and sale of gold. Wheaton paid upfront cash consideration of $30 million and additional deposits totalling $260 million for total consideration of $290 million. Wheaton will receive 100% of the gold production until 285,000 ounces have been delivered, thereafter dropping to 67% of the gold production. Wheaton will make ongoing payments equal to 18% of the spot gold price, until the deposit of $290 million has been reduced to zero, thereafter increasing to 22% of the spot gold price upon delivery.

19.11 Registration and Board Nomination Rights Agreement

On March 23, 2022, Capstone, entered a Registration and Board Nomination Rights Agreement (the "**Registration and Nomination Rights Agreement**") between Capstone, and Orion pursuant to which Orion is conferred certain nomination and registration rights. Pursuant to the terms of the Registration and Nomination Rights Agreement, Orion has the right to appoint up to two Board of Directors nominees for so long as it holds greater than 20% of the issued and outstanding Common Shares, or, should Orion's shareholdings in Capstone decrease below 20%, but remain above 10%, up to one Board of Directors nominee (each, an "**Orion Nominee**"). Until the day immediately following Capstone's 2023 annual general meeting, provided Capstone has put up an Orion Nominee for election to the board of Capstone at every meeting of Capstone shareholders at which the election of directors is considered, Orion must: (i) refrain from voting its Common Shares against the election of management's proposed nominees for election to the board at every such meeting; (ii) not effect, conduct or participate in any

solicitation of proxies against management's proposed nominees; and (iii) refrain from voting against the Capstone board's recommendation with respect to other matters brought to a vote of shareholders of Capstone, other than in respect to matters relating to any merger, arrangement, amalgamation, acquisition, business combination or share issuances in connection with the foregoing, involving Capstone or any of its subsidiaries.

Provided that Orion, together with its affiliates, holds greater than 20% of the issued and outstanding Common Shares, Orion may: (i) demand Capstone to file one or more prospectuses and take such other steps to facilitate a secondary offering in Canada of all or any portion of Orion's shares, by giving written notice of such demand registration to Capstone, subject to limitations; or (ii) request to exercise piggyback registration rights to be included in any public or secondary offering with respect to all or any portion of Orion's shares in Capstone, subject to limitations.

In addition, the Registration and Nomination Rights Agreement contains certain restrictions on Orion transferring shares. Until the six-month anniversary of the Registration and Nomination Rights Agreement, Orion shall not sell or transfer shares of Capstone. During the period commencing on the first day following the six month anniversary date of the Registration and Nomination Rights Agreement and ending on the twelve month anniversary date of the Registration and Nomination Rights Agreement, Orion shall not sell or transfer greater than aggregate of 20,000,000 shares of Capstone. The limitations and restrictions on transfers of Common Shares by Orion shall cease to apply upon the earlier of (i) Orion ceases to hold at least 20% of the issued and outstanding shares of Capstone and (ii) the twelve month anniversary of the Registration and Nomination Rights Agreement. Until the twelve month anniversary of the Effective Date, Orion is subject to customary standstill provisions, including that Orion shall not: (a) engage in any short sales of Common Shares, (b) acquire shares or assets of Capstone or participate in an acquisition of Capstone, (c) solicit or join in any way directly or indirectly to participate in a solicitation of proxies from Capstone's shareholders or otherwise attempt to influence the conduct of Capstone's shareholders, (d) initiate, tender to, vote its Capstone Shares in favour of or otherwise support an acquisition transaction for control of Capstone that is not recommended by the Capstone board of directors, or (e) authorize any of or commit to do any of the foregoing.

The Registration and Nomination Rights Agreement will terminate if Orion's shareholdings fall below 10% of the issued and outstanding shares of Capstone.

19.12 Water Supply Agreement

On December 1, 2014, Mantos Copper S.A. entered into a water supply contract with Aguas De Antofaga S.A. ("**ADASA**"), as amended on March 28, 2017 and December 28, 2018, (the "**Water Supply Agreement**"). Under the Water Supply Agreement, ADASA has agreed to supply raw water for industrial use to, exclusively, meet the needs of the Mantos Blancos Mine. The term of the Water supply Agreement ends on December 31, 2033.

20 - INTERESTS OF EXPERTS

20.1 Names of Experts

Deloitte LLP, Chartered Professional Accountants ("**Deloitte Canada**"), Capstone's independent auditors, have prepared an auditor's report dated February 15, 2022 on Capstone Mining's annual consolidated financial statements as at and for the years ended December 31, 2021 and 2020 which have been filed on Capstone's SEDAR profile ("**Capstone Mining Financial Statements**"). Deloitte Canada is independent of the Company within the meaning of the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

Deloitte Auditores y Consultores Limitada ("**Deloitte Chile**") have prepared an auditor report dated January 18, 2022 on Mantos Copper's consolidated financial statements as of and for the years ended December 31, 2021 and 2020 which have been filed on Capstone's SEDAR profile ("**Mantos Copper Financial Statements**" and together with Capstone Mining Financial Statements, the "**Financial Statements**"). As at January 18, 2022 Deloitte Chile was not required by securities legislation to enter, and had not entered, into a participation agreement with the Canadian Public Accountability Board. An audit firm that enters into a participation agreement is subject to the oversight program of the Canadian Public Accountability Board.

The following persons or companies have prepared or certified a statement, report or valuation in this Annual Information Form, and whose profession or business gives authority to the statement, report or valuation made by the person or company: Chris Martin, CEng MIMMM, Blue Coast Metallurgy Ltd.; Gregg Bush, P.Eng. former Senior Vice President and Chief Operating Officer of Capstone Mining; Leslie Correia, Pr. Eng., Paterson & Cooke Canada Inc.; Jenna Hardy, P.Geo., FGC, Nimbus Management Ltd.; Humberto Preciado, PhD, P.E., Wood Environment & Infrastructure Solutions, Inc.; Darren Kennard, P.Eng., Golder Associates Ltd.; Vivienne McLennan, P.Geo., Capstone Mining; Josh Moncrieff, P.Geo., Capstone Mining; Garth Kirkham, P.Geo., FGC, Kirkham Geosystems Ltd.; Clay Craig, P.Eng., Capstone Mining; Klaus Triebel, CPG, Capstone Mining; Tony J. Freiman, PE, Wood Environment & Infrastructure Solutions, Inc.; J. Todd Harvey, SME-RM, Global Resource Engineering, Ltd.; Colleen Roche, P.Eng., Capstone Mining; Edward C. Wellman, PE, PG, CEG, Independent Geomechanics LLC; Carlos Guzmán, CMC, NCL; David W. Rennie, P.Eng., RPA; Joyce Maycock, P.Eng., Wood; Antonio Luraschi, CMC, Wood; Marcial Mendoza, CMC, Wood; Dr. Mario Bianchin, P.Geo., Wood Canada Ltd.; Roy Betinol, P.Eng., BRASS Chile SA; Roger Amelunxen, P. Eng., Aminpro; Lyn Jones, P.Eng., M.Plan International; Michael Gingles, Qualified Person MMSA, Sunrise Americas LLC; Tom Kerr, P.Eng., Knight Piésold Ltd.; Gustavo Tapia, RM CMC, GT Metallurgy; Ronald Turner, MAusIMM CP(Geo), a Golder Associates S.A.; Tucker Jensen, P.Eng., Capstone Mining; (collectively, the "**Technical Experts**").

20.2 Interests of Experts

Except as listed below, none of the Technical Experts named under "Names of Experts", when or after they prepared the statement, report or valuation, has received or holds any registered or beneficial interests, direct or indirect, in any securities or other property of Capstone or of one of Capstone's associates or affiliates (based on information provided to us by the experts) or is expected to be elected, appointed or employed as a director, officer or employee of Capstone or of any of our associates or affiliates.

Josh Moncrieff, Clay Craig, Vivienne McLennan, Colleen Roche, Klaus Triebel and Gregg Bush beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares of the Company.

For the year ended December 31, 2021, Colleen Roche and Klaus Triebel were employees of Pinto Valley Mining Corp. Josh Moncrieff, Clay Craig and Vivienne McLennan were employees of Capstone and Gregg Bush was a consultant to Capstone (Non-Independent per NI 43-101).

21 - ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Common Shares held by Orion are subject to contractual restrictions on transfers. For more information regarding Orion's shareholdings and contractual restrictions on transfers, see "*Voting Securities and Principal Holders of Voting Securities*" and "*Material Contracts – Registration and Board Nomination Rights Agreement*", respectively.

22 - VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Capstone's authorized capital consists of an unlimited number of common shares without par value. As at December 19, 2022, Capstone had **691,574,566** common shares issued and outstanding, fully paid and non-assessable common shares, each share carrying the right to one vote. Capstone has no other classes of voting securities and does not have any classes of restricted securities.

To the knowledge of the directors and executive officers of Capstone, the persons who, or companies which, beneficially own, or control or direct, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of Capstone are:

Shareholder Name	Number of Shares Held	Percentage of Issued Shares
Hadrian Capital Partners Inc.	**100,712,661**	**14.56%**
Orion[1]	**222,336,179**	**32.15%**

[1] Includes securities held in the names Orion Fund JV Limited, Orion Mine Finance (Master) Fund I-A LP and Orion Mine Finance Fund II LP.

23 - CORPORATE GOVERNANCE PRACTICES

For information regarding Capstone's corporate governance practices, please see *Schedule "B"*.

24 - EXECUTIVE COMPENSATION

Prior to the completion of the Mantos Transaction on March 23, 2022, Capstone Mining was a reporting issuer in Canada and Mantos Copper was a private company. Upon completion of the Mantos Transaction, Capstone Copper became a reporting issuer in Canada and Capstone Mining made an application to the British Columbia Securities Commission, as principal regulator, and the Ontario Securities Commission for an order that Capstone Mining has ceased to be a reporting issuer in Canada. On April 29, 2022, this order was granted.

For information regarding Capstone Mining's executive compensation for the financial year ended December 31, 2021 please see *Schedule "C"*. The information included in *Schedule "C"* reflects compensation paid to the directors and officers of Capstone Mining for the financial year ended December 31, 2021. Amounts paid as compensation to the directors and officers of Mantos Copper, a private company during the financial year ended December 31, 2021 are not included in *Schedule "C".* In connection with the completion of the Mantos Transaction, the board of directors and management of the Company was reconstituted (see Section 8.1).

25 - INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Annual Information Form, no executive officer, director, employee or former executive officer, director or employee of Capstone or any of its subsidiaries is indebted to Capstone, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Capstone, or any of its subsidiaries.

26 - ADDITIONAL INFORMATION

Additional information relating to Capstone may be found on Capstone's SEDAR profile at www.sedar.com, including financial and other information in our Financial Statements and management's discussion and analysis that are filed from time to time.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Capstone's securities, and securities authorized for issuance under equity compensation plans can be found in Capstone's information circulars for our annual general meetings of security holders that involve the election of directors from time to time.

SCHEDULE "A"
AUDIT COMMITTEE

1. TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

1.1 Purpose

The overall purpose of the Audit Committee of Capstone Copper Corp. ("Capstone") is to assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities related to the quality and integrity of financial reporting, including ensuring fair presentation of the financial position and results of operations of Capstone in accordance with Canadian generally accepted accounting principles. The Audit Committee will also ensure that management has designed and implemented an effective system of internal financial controls and review their compliance with regulatory and statutory requirements as they relate to consolidated financial statements, taxation matters and disclosure of material facts.

1.2 Composition

A. The Audit Committee shall consist of at least three members of the Board, all of whom shall be "independent directors", as that term is defined in National Instrument 52-110, "Audit Committees".

B. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.

C. The Board shall have appointed the chair of the Audit Committee on an annual basis.

D. All the members of the Audit Committee shall be "financially literate" (i.e., able to read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by Capstone's consolidated financial statements).

E. The secretary of the Audit Committee shall be appointed from time to time from one of the members of the Audit Committee or, failing that, shall be the Corporate Secretary, unless otherwise determined by the Audit Committee.

F. The quorum for meetings shall be a majority of the members of the Audit Committee, present in person or by telephone or other telecommunication device that permits all persons taking part in the meeting to speak and to hear each other.

1.3 Core Responsibilities

A. The overall duties and responsibilities of the Audit Committee shall be as follows:

i. To assist the Board in the discharge of its responsibilities relating to accounting principles, reporting practices and internal controls and its approval of Capstone's annual and quarterly consolidated financial statements.

ii. To ensure that management has designed, implemented and is maintaining an effective system of internal financial controls.

iii. To assist the Board in ESG (Environmental Social Governance) oversight as outlined in the Terms of Reference for Board Oversight of Environmental, Social and Governance ("ESG").

iv. To assist the Board in the fulfilment of its enterprise risk management oversight specifically relating to financial risks affecting Capstone, including but not limited to the significant financial risks identified by management in Capstone's corporate risk register, the significant financial impacts of ESG risk, and the significant financial risks disclosed in Capstone's continuous and other public disclosure documents such as the interim and annual financial statements, the interim and annual management's discussion and analysis, and the annual information form; and

v. To report regularly to the Board in the fulfilment of its duties and responsibilities.

B. The duties and responsibilities of the Audit Committee as they relate to the external auditors shall, in general, be to oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Capstone, including the resolution of disagreements between management and the external auditor regarding financial reporting. Specifically, these duties and responsibilities include the following:

i. To recommend to the Board a firm of external auditors to be engaged by Capstone, and to consider the independence of such external auditors.

ii. To review and pre-approve the audit and any other services rendered by the external auditors and review the fee, scope and timing of these services.

iii. To review the audit plan of the external auditors prior to the commencement of the audit.

iv. To review with the external auditors, upon completion of their audit, the following:

a) content of their report to the Audit Committee.

b) scope and quality of the audit work performed.

c) adequacy of Capstone's financial and auditing personnel.

d) co-operation received from Capstone's personnel during the audit.

e) significant transactions outside of the normal business of Capstone.

f) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems.

g) any significant changes to their audit plan; and

h) any serious difficulties or disputes with management encountered during the audit.

v. To discuss with the external auditors the quality and not just the acceptability of accounting principles.

vi. To implement structures and procedures to ensure that the Audit Committee meets the external auditors on a regular basis in the absence of management.

vii. To review the performance of the external auditors, making recommendations to the auditors, to management and/or to the Board as appropriate; and

viii. To review and approve hiring policies for employees or former employees of the past and present external auditors.

C. The duties and responsibilities of the Audit Committee as they relate to the internal control procedures are to:

i. Review and approve the internal control assessment plan.

ii. Review any significant findings and recommendations, and management's response thereto.

iii. Review the appropriateness and effectiveness of the policies and business practices which impact on the financial integrity of Capstone, including those relating to internal auditing, accounting, information services and systems and financial controls, management reporting and risk management.

iv. Review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls.

v. Review all material written communications between the external auditors and management; and

vi. Periodically review the financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

D. The Audit Committee is also charged with the responsibility to:

i. Review the quarterly financial statements and associated MD&A (Management's Discussion and Analysis) and earnings release and recommend approval to the Board with respect thereto.

ii. Review and approve the financial sections of:

a) the annual report to shareholders.

b) the annual information form.

c) prospectuses and other offering documents; and

d) other public reports requiring approval by the Board and report to the Board with respect thereto.

iii. Review regulatory filings and decisions as they relate to the consolidated financial statements.

iv. Review the appropriateness of the policies and procedures used in the preparation of the consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies.

v. Review and report on the integrity of the consolidated financial statements.

vi. Review the minutes of any audit committee meetings of subsidiary companies.

vii. Review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results and the manner in which such matters have been disclosed in the consolidated financial statements.

viii. Review the compliance with regulatory and statutory requirements as they relate to consolidated financial statements, tax matters and disclosure of material facts.

ix. Receive a report annually from management of all accounting firms employed, other than the principal external auditors, with such report to include the nature of the services performed and the fees charged.

x. Develop a calendar of activities to be undertaken by the Audit Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.

xi. Establish and periodically review procedures for:

a) the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters; and

b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and

xii. Review the adequacy of the Terms of Reference annually, proposing modifications as appropriate.

1.4 Responsibilities of the Committee Chair

The fundamental responsibility of the Audit Committee Chair is to be responsible for the management and effective performance of the Audit Committee and provide leadership to the Audit Committee in fulfilling its core responsibilities and any other matters delegated to it by the Board. To that end, the Audit Committee Chair's responsibilities shall include:

A. Working with the Chair of the Board, the Lead Director (if any), the Chief Financial Officer and the Corporate Secretary to establish the frequency of the Audit Committee meetings.

B. Providing leadership to the Audit Committee and presiding over Audit Committee meetings.

C. Facilitating the flow of information to and from the Audit Committee and fostering an environment in which Audit Committee members may ask questions and express their viewpoints.

D. Reporting to the Board with respect to the significant activities of the Audit Committee and any recommendations of the Audit Committee.

E. Leading the Audit Committee in annually reviewing and assessing the adequacy of its terms of reference and evaluating its effectiveness in fulfilling its terms of reference; and

F. Taking such other steps as are reasonably required to ensure that the Audit Committee carries out its core responsibilities under its terms of reference.

1.5 Authority

A. The Audit Committee shall have access to such officers and employees and to such information respecting Capstone, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

B. The external auditors shall have a direct line of communication to the Audit Committee through its Chair and may bypass management if deemed necessary. The Audit Committee, through its Chair, may contact directly any Capstone employee as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.

C. The Audit Committee shall have authority to engage independent counsel, consultants and other advisors at the expense of Capstone, as it determines to be necessary or advisable to carry out its duties and responsibilities, including setting and authorizing the payment of the compensation for any advisors employed by the Audit Committee, and to communicate directly with the internal and external auditors.

1.6 Accountability

A. The Audit Committee Chair has the responsibility to make periodic reports to the Board, as requested, on financial reporting and internal financial control matters relative to Capstone.

B. The Audit Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

1.7 Meetings

Meetings of the Audit Committee shall be conducted as follows:

A. The Audit Committee shall meet at least four times annually at such times and at such locations as may be requested by the Chair of the Audit Committee. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee.

B. Notice of the time and place of every meeting of the Audit Committee shall be given in writing to each member of the Audit Committee a reasonable time before the meeting.

C. The external auditors shall receive notice of and have the right to attend all meetings of the Audit Committee.

D. Agendas for meetings of the Audit Committee shall be developed by the Chair of the Audit Committee in consultation with management and the Corporate Secretary, and should be circulated to Audit Committee members one week prior to Audit Committee meetings.

E. The following management representatives shall be invited to attend all meetings, except executive sessions and private sessions with the external auditors:

   i. Chief Executive Officer; and

   ii. Chief Financial Officer.

F. Other management representatives shall be invited to attend as necessary.

G. A member of the Audit Committee may be designated as the liaison member to report on the deliberations of the Audit Committee to the Board; and

H. All meetings shall include an in-camera session of independent directors without management present.

SCHEDULE "B"

CORPORATE GOVERNANCE DISCLOSURE

GOVERNANCE OF CAPSTONE

Capstone and the Board believe in the importance of good corporate governance and the central role played by Directors in the governance process. We strongly believe that good corporate governance practices are essential for an effectively managed company which in turn enhances shareholder value.

Capstone's corporate governance practices comply with all applicable securities regulatory requirements and we continue to monitor developments in best practices to ensure we have strong governance practices. The Board believes that Capstone's governance system is effective and appropriate to its circumstances, and that there are appropriate structures and procedures in place to ensure the Board's independence from Management.

The mandate of the Board, which it discharges directly or through one of its four Board committees, is to supervise the Management of the business and affairs of Capstone, and includes responsibility for approving strategic goals and objectives, reviewing operations, disclosure and communication policies, oversight of financial reporting and other internal controls, oversight of Capstone's ESG strategy, risks, performance and disclosures, oversight of Capstone's Enterprise Risk Management ("**ERM**") system including Capstone's cyber security and global insurance programs, corporate governance, director orientation and education, executive compensation and succession planning oversight, and director nomination, compensation and assessment. The frequency of Board and committee meetings may be increased when Capstone is facing new opportunities or risks that require oversight by the Board. The Board is kept informed of the operations of Capstone on a continuous basis through reports from, and discussions with Management during and between Board and committee meetings.

Governance Guideline

The Board has adopted a Corporate Governance Guideline that complies with the listing standards of the TSX which guides the Board in exercising its duties and provides a framework of corporate governance, including outlining the Board's goals and responsibilities, the organization and composition of the Board, and the conduct of the Board. A copy of our Corporate Governance Guideline is available on our website at *www.capstonecopper.com*.

Independence of the Board

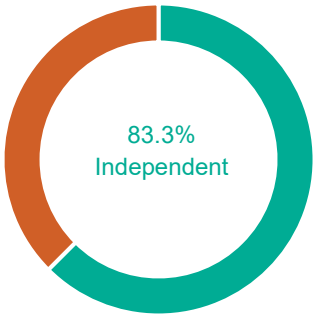
The Board has considered the relationship of each director to Capstone and determined that the majority of Directors as of the date of this Annual Information Form (five of eight) are independent within the meaning of independence under NI 52-110 and NI 58-101- *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

Mr. MacKenzie is a non-independent director and is considered to have a material relationship with Capstone as Chief Executive Officer.

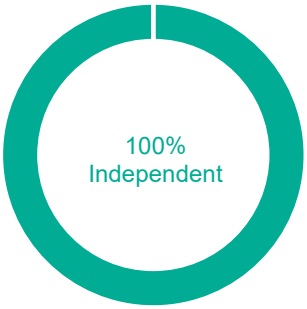
Mr. Pylot, a non-independent director, is the Executive Chair who acts as Chair of Board meetings, and acts as the liaison between Management and the Board.

Mr. Zollei is a non-independent director and is considered to have a material relationship with Capstone as a shareholder nominated director.

2021 Board Independence



2021 Committee Independence



To facilitate the ability of the Board to function independently of Management, the following structures and processes are in place:

1. Capstone has an independent Lead Director, Mr. Brack, who is responsible for, among other things, providing leadership to ensure the Board functions independently, working with the Chair to ensure appropriate committee structure is in place, consulting and meeting with any or all of the independent directors and, in the absence of the Chair, chairing Board meetings;
2. The CEO and Executive Chair of Capstone do not serve on any of the Committees of the Board;
3. Pursuant to the Articles of Capstone, any one director may call a meeting of the Board;
4. The CEO's compensation is considered, in the CEO's absence, by the Human Resources & Compensation Committee and at a Board meeting of the independent members of the Board at least once a year;
5. In addition to the standing committees of the Board, *ad hoc* committees are appointed from time to time, when appropriate; and
6. The directors hold in camera meetings at the end of all Board and committee meetings at which members of Management do not attend.

Members of our Board of Directors and Committees of the Board of Directors

The Board discharges some of its mandate through four committees of the Board. The members of the Board and the committees on which they serve as of the date of this Annual Information Form are identified below:

		Committees			
Name of Director	**Independent**	**Audit**	**Human Resources & Compensation ("HR&C")**	**Governance, Nominating and Sustainability ("GNS")**	**Technical and Operational Performance ("TOP")**
Alison Baker	✓	**C**	M		
George Brack	✓		C	M	M
Robert Gallagher	✓			M	**C**
Anne Giardini	✓	M		**C**	M
John MacKenzie					
Peter Meredith	✓	M	M		
Darren Pylot					
Istvan Zollei					

C = Chair of Committee M = Member of Committee

The GNS Committee nominates to the Board for approval, an independent director as Chair of each committee based on an assessment of the appropriate skills for a given committee. The Board has the authority to appoint *ad hoc* committees as needed.

Meetings of the Board and Committees of the Board

The Board has eight regularly scheduled meetings per year with provisions for additional meetings as required. At any time, the Board may convene a special meeting with notice. The committees typically meet between four to five times per year depending upon the nature of the committee. All Directors are expected to attend Board meetings and committee meetings in person, by video conference or by telephone conference call unless they recuse themselves from such meetings. All Directors have a standing invitation to attend committee meetings as guests. In practice, Directors attend meetings of other committees on a regular basis. The Chair and the CEO attend portions of committee meetings *ex officio* with a portion of each meeting held *in camera* (independent Directors only).

Attendance Record

The table below outlines the attendance record of each director for all board meeting held in the most recently completed financial year.

Name of Director	2021 Attendance	
Alison Baker(1)	nil.	nil.
George Brack(2)	19 of 19	100%
Robert Gallagher(2)	19 of 19	100%
Anne Giardini(2)(4)	13 of 13	100%
John MacKenzie(3)	4 of 4	100%
Peter Meredith(2)	18 of 19	95%
Darren Pylot(2)	18 of 19	95%
Istvan Zollei(3)	4 of 4	100%

(1) Alison Baker is a newly appointed director of Capstone Copper Corp., effective March 23, 2022.
(2) Attendance record as a director of Capstone Mining Corp. for the most recently completed financial year.
(3) Attendance record as a director of Mantos Copper (Bermuda) Limited for the most recently completed financial year.
(4) Anne Giardini was elected to Capstone Mining Corp.'s Board of Directors on April 28, 2021.

In Camera Sessions

The Board's policy is to hold *in camera* sessions at the end of each Board meeting and committee meetings at which non-independent Directors and members of Management do not attend. Notwithstanding this policy, Mr. Zollei may attend *in camera* sessions when such attendance will not impede open and candid discussion among the independent directors. In addition, each committee holds an *in-camera* session at the end of each committee meeting. Additional *in camera* sessions are held as required.

Directorships

In addition to their positions on the Board, the following Directors or nominees for director also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
George Brack	Wheaton Precious Metals Corp.

Name of Director	Reporting Issuer(s) or Equivalent(s)
Robert Gallagher	Southern Arc Minerals Inc.
Peter Meredith	Ivanhoe Mines Ltd.
Alison Baker	Endeavor Mining plc, Helios Towers plc and Rockhopper Exploration plc
Anne Giardini	K92 Mining Inc. and Stella-Jones Inc.
Istvan Zollei	Nomad Royalty Corp.
Darren Pylot	Zena Mining Corp.
John MacKenzie	nil.

Directors Serving Together

The Board's approach to director interlocking board relationships is aligned with Canadian Coalition of Good Governance principles limiting the number of directors sitting together on another public company board to two directors. The Board considers director interlocks when considering new candidates and approving requests to join additional boards. Currently, no Directors of Capstone serve together on interlocking boards.

Board and Committee Terms of Reference

The Board has developed written terms of references for the Board and each committee of the Board. These terms of references are reviewed annually by the respective committees and the Board. The Board's and each committee's terms of references are available on Capstone's website at *www.capstonecopper.com* and a copy of the Board's terms of reference is attached as Schedule D to this Annual Information Form.

Position Descriptions

The Board has developed and approved written position descriptions for the following:

- Chair of the Board;
- Lead Director
- Chief Executive Officer;
- Audit Committee Chair;
- GNS Committee Chair;
- TOP Committee Chair;
- HR&C Committee Chair;
- Chief Financial Officer ("CFO"); and
- Chief Operating Officer ("COO").

The position descriptions are reviewed by the GNS Committee and the Board annually.

Director Tenure

The Board has chosen not to implement mandatory retirement or term limits for Directors. The Board believes that limits on a director's term is not in the best interest of Capstone. Limits on tenure discount the value of experience and continuity of board members and risks excluding potentially valuable members of the Board as a result of an arbitrary determination. The Board has a rigorous process to review Directors and Board effectiveness, including a skills gap analysis and a diversity policy which all assist in Board renewal and ensuring the strong performance and independence of Directors.

Diversity

The Board has a Diversity and Inclusion Policy which recognizes and embraces the benefits of having diversity on the Board and in Capstone's Management, including but not limited to gender diversity. Capstone's "Our Values and Ethics – Code of Conduct" (the "Code of Conduct" or "Code") also supports diversity within Capstone.

With respect to the Board, the objective of the Diversity Policy is to ensure that diversity is taken into account when reviewing Board composition and identifying suitable candidates for Board appointment or nomination for election to the Board, a merit-based competitive process is also maintained where the GNS Committee also considers the following:

- The competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- The competencies and skills that the Board considers each existing director to possess; and

- The competencies and skills each new nominee will bring to the boardroom.

On an annual basis, the GNS Committee assesses the effectiveness of Capstone's performance in meeting the objectives outlined in the Diversity Policy by a review of our progress in increasing diversity amongst Management and on the Board.

The Board set a target of 30% female directors by 2023. As of the date of this Annual Information Form, 20% of executive direct reports to the CEO are female.

The Diversity and Inclusion Policy may be accessed on Capstone's website at *www.capstonecopper.com*.

Director Orientation and Education Process

The Board has adopted a written Director's Orientation and Education Process which sets out the education support provided to the Board. The Director's Orientation and Education Process also provides the onboarding process for new Directors that includes a comprehensive board manual, site visits, and an in-depth seminar covering an introduction to mining (as needed), and an education session with the members of Management and external legal, compensation and audit service providers to familiarize the new director with Capstone's business and operations, including but not limited to:

- corporate and financial strategy;
- risk, governance, legal and regulatory compliance programs;
- operations overview;
- marketing strategy;
- industry education, as needed;
- investor presentation;
- exploration strategy; and
- an orientation to the Board and committees.

EACH ORIENTATION PROGRAM IS TAILORED TO THE INDIVIDUAL NEEDS AND AREAS OF EXPERTISE OF THE NEW DIRECTOR.

Board members are provided with:

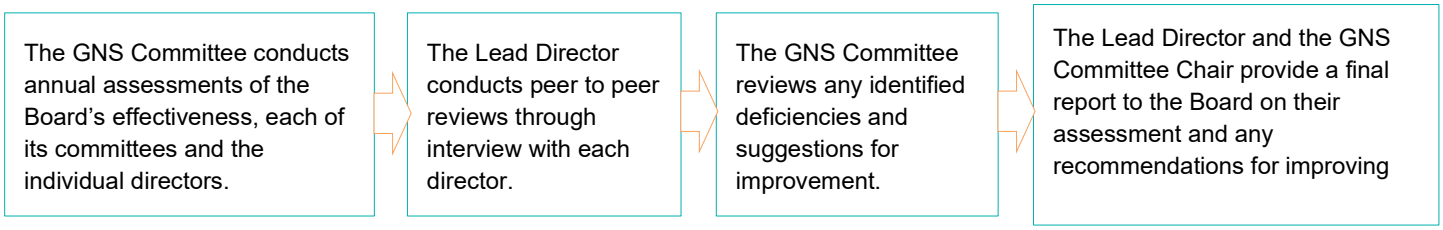
- a digital board manual which provides information such as position descriptions for the Chair of the Board and the committee Chairs, the terms of reference for the Board and all committees, copies of Capstone's corporate governance policies, governance related articles, materials relating to the operations of Capstone and other industry related materials;
- access to recent, publicly filed documents of Capstone, technical reports and Capstone's internal financial information;
- access to recent Board and committee meeting materials;
- access to Management, technical experts and consultants; and
- a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with Management, auditors, technical consultants and compensation consultants; to keep themselves current with industry trends and developments and changes in legislation with Management's assistance; and to attend related industry and governance seminars and visit Capstone's operations. Board members have full access to Capstone's records.

The Board believes that continuing education is important for Directors to keep informed on changes in governance best practices and legal regulatory requirements and to better understand the issues facing Capstone. As such, the Board encourages all Directors to participate in continuing education. In addition, the Directors receive regular educational presentations and updates from Management on matters of emerging significance.

Board Performance Assessments

The GNS Committee is responsible for overseeing the annual assessment process of the Board, its committees and individual Directors. The assessments are intended to provide the Board and each committee with an opportunity to evaluate performance for the purpose of improving Board and committee processes and effectiveness.



The process is composed of the following steps:

- Board and committee performance evaluation questionnaires including a self-assessment by each director;
- Chair evaluation questionnaire;
- Committee chairs evaluation questionnaire; and
- One-on-one confidential meetings between the Lead Director and every director covering comments provided in the questionnaire and peer evaluations. In addition, the Board may from time to time, retain an independent advisor to assist the Board in independently assessing the performance of the Board, Board committees, Board and committee chairs and individual Directors.

As part of the Board assessment process, Directors are asked to rate items such as structure and size of the Board, the knowledge and diversity of the collective Board, the timeliness and completeness of information received from Management, the relationship with Management and the overall effectiveness of the decision-making process. The assessment is intended to identify any deficiencies and any areas for improving the functionality of the Board. The GNS Committee is responsible for evaluating and implementing any suggestions elicited through the evaluation process.

Nomination of Directors

The GNS Committee, composed entirely of independent directors, with oversight from the Board, has responsibility for identifying and recruiting potential Board candidates for nomination to the Board.

The Board has developed a Director Succession Plan and Board Recruitment Process Guideline (the "Guideline") to ensure orderly identification and selection of new Directors in the event of an opening on the Board, whether through anticipated retirement, unanticipated departure, expansion of the Board or otherwise. The Guideline outlines a robust nomination and selection process which is fundamental to board effectiveness.

Under the Guideline, the GNS Committee assesses potential candidates to fill the needs of the Board based on an analysis of the skills matrix, and the long-term plan for Board composition to ensure the appropriate industry, market, technical and professional skills are represented to enable good governance. A recruitment firm may be retained to identify a broad slate of candidates. An assessment of each candidate's skills, expertise, experience, independence, diversity and personality fit are some of the key factors considered. The Board has a Diversity and Inclusion Policy that is an integral part of the nomination process.

Capstone has implemented a majority voting policy for Directors which may be accessed on Capstone's website at *www.capstonecopper.com*.

Skills Matrix

The GNS Committee annually reviews and updates a matrix of skill sets of the current Directors that are important for oversight of Capstone's business. The skills matrix review has been enhanced with the use of a more comprehensive skills analysis to assist the GNS Committee with its gap analysis when reviewing the needs of the Board. The review is a critical part of director recruitment when changes are made to the Board. The skills matrix and gap analysis are also used to identify board development opportunities and when a change in Board composition is required.

✓ Gold – Expert - worked directly or had individuals directly reporting to you in specific area
● Silver – Experienced – a reasonable wide range of understanding and knowledge in specific area
● Bronze –Knowledgeable - limited expertise in specific area

Summary of Director Qualification and Experience	Baker	Brack	Gallagher	Giardini	MacKenzie	Meredith	Pylot	Zollei
Environmental, Health, Safety	●	●	✓	✓	✓	●	●	●
Sustainability	●	●	✓	●	✓	●	●	●
Mining Operations	●	●	✓	●	✓	●	✓	●
Industry Knowledge	●	✓	✓	●	✓	✓	✓	✓
Corporate Finance/Capital Markets	✓	✓	●	●	●	✓	✓	✓
Risk Management	✓	●	✓	●	●	✓	✓	●
Mergers & Acquisitions	●	✓	●	●	✓	✓	✓	●
Accounting	✓	●	●	●	●	✓	●	●
Governance/ Board	✓	✓	✓	✓	●	✓	✓	●
Legal	●	●	●	✓	●	●	●	●
Government Relations/Social, Economic, Foreign Policy	●	●	●	●	●	●	●	●
Information Technology/Cyber Security	●	●	●	●	●	●	●	●
Human Resource, Labour Relations and Executive Compensation	●	●	✓	✓	●	✓	✓	●
Strategic Leadership	●	✓	✓	●	✓	●	✓	●

Risk Oversight

Our Corporate Governance Guideline explicitly recognizes that our Board has the responsibility to oversee Capstone's Enterprise Risk Management Framework and risk management activities ("ERM System"). These risks include strategic, operational, environmental, health and safety, human resources, information security, legal and compliance, and ESG global risks, such as climate change, water scarcity, human rights, diversity and inclusion and other risks faced by Capstone. Management is responsible for identifying, evaluating, managing and mitigating Capstone's exposure to risk. It is the Board's responsibility to assess key risks facing Capstone and to review Management's strategies for risk mitigation. Our Board committees assist the Board in fulfilling its risk oversight responsibilities in certain areas of risk. Our Terms of Reference for the Board and each committee further outlines these responsibilities.

Enterprise Risk Management (ERM)

The Audit Committee

- Oversight responsibility for financial risks, including but not limited to the significant financial risks identified by management in Capstone's corporate risk register or ESG initiatives, and the significant financial risks disclosed in Capstone's continuous and other public disclosure documents.

The Human Resources and Compensation Committee

- Oversight responsibility related to talent management and succession planning risks and the business risk implications of our compensation policies and programs, as well as the compensation of directors.

The Governance, Nominating and Sustainability Committee

- Oversight responsibility for risks related to Board structure, membership and corporate governance compliance.

The Technical and Operational Performance Committee

- Oversight responsibility for technical risk and operational risk related to production and costs, tailings management, environmental protection, climate change, occupational health and safety, sustainability and social risk facing Capstone.

Capstone's robust ERM System is implemented across Capstone to ensure that the risks affecting Capstone's business objectives and strategy are identified, evaluated and managed. The Board and Management identify and discuss key risks and opportunities during the annual strategic planning process. Our framework is used to navigate both negative risk and positive risk in order to better achieve our objectives. Additionally, Capstone's ERM system is integrated and aligned with our insurance program and operations to establish a more efficient, effective and transparent risk management system. This strategic alignment allows Capstone to successfully transfer risk as appropriate through a robust global insurance program.

Each quarter, committees of the Board receive reports from Management on the risk areas they oversee. The Board also receives an update from Management on the key risks facing Capstone. The update includes a risk matrix, indicating the potential impact and likelihood of the principal risks supported by a document that details each risk, including reasons for reporting and the mitigation strategies. Several risk management activities are completed by Management quarterly, to support the summary reporting to the Board, including but not limited to the following:

THE BOARD HAS A STRONG PROCESS IN PLACE TO MONITOR SIGNIFICANT 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 regular workshops and meetings with the general managers and their respective Management teams.

- The corporate risk register is developed, reviewed and updated with input from site management followed by a review by the Management team.
- Top risks at each site are regularly discussed during Management meetings.
- Risk training and awareness programs are implemented across Capstone.
- Risks facing Capstone are discussed at each committee of the Board, as appropriate.

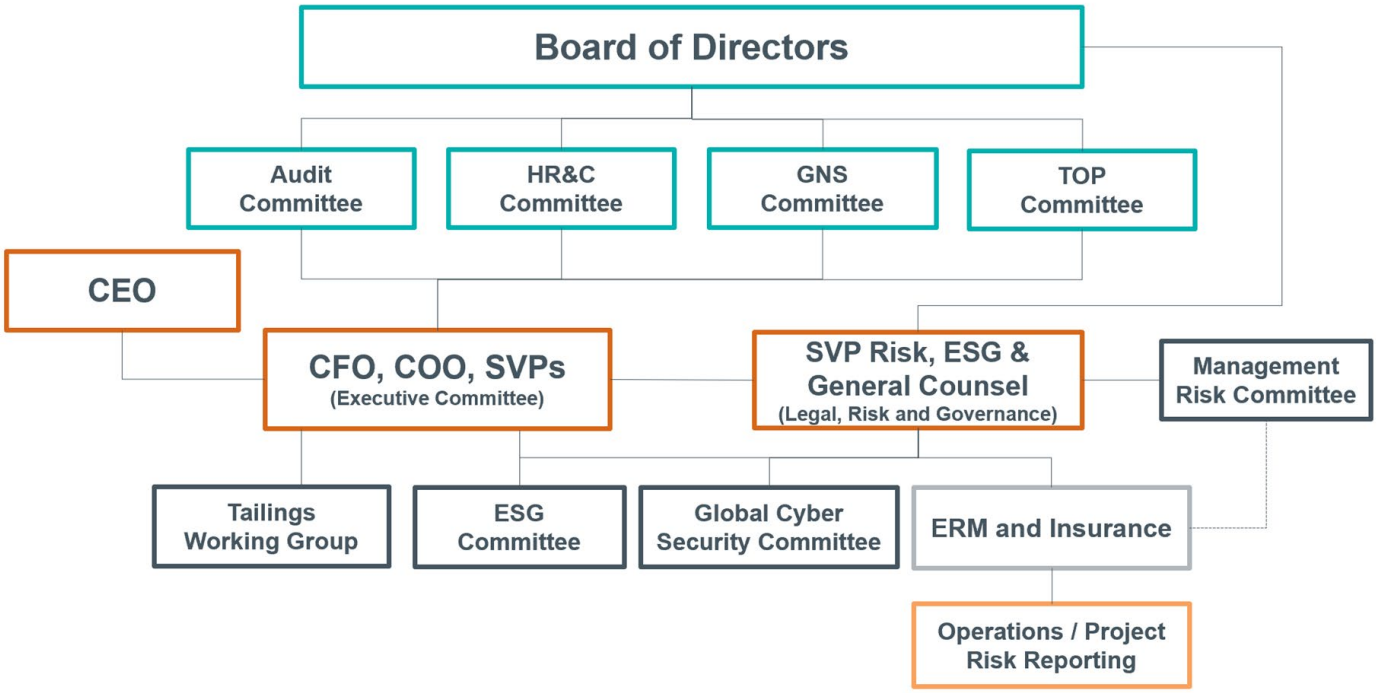
Risk champions are identified and trained at the operating sites and development projects; this coupled with on-going training and awareness programs for the Management teams, assists in embedding our ERM System and enhancing our risk awareness culture and risk-based decision making.

Capstone's ERM framework includes a cross functional management risk committee which meets to identify and discuss emerging and disruptive risks, and the interconnectivity between identified risks and mitigation strategies. Additionally, committees and working groups are established to manage key risks. The Tailings Working Group, ESG Committee, Global Cyber Security Committee and Global Pandemic Response Team report quarterly to the Board of Directors.

Tailings Working Group	The **Tailings Working Group** is led by our Director, Technical Services, a tailings management professional, and provides tailings management guidance and oversight to ensure tailings risks and mitigation efforts are adequately understood and communicated and responsible tailings management practices are applied across all operations and projects.
ESG Committee	The **ESG Committee** is led by our Senior Vice President, Risk, ESG & General Counsel and is tasked with assisting Management in leading the ESG strategy and initiatives across Capstone. The ESG Committee identifies, assesses, and determines ESG issues that are material to the operations of Capstone or stakeholders' interests and ensures risk management and internal control systems are in place for managing ESG risks.
Global Cyber Security Committee	The **Global Cyber Security Committee** manages information security risk through ongoing governance, policies, practices and cyber security training initiatives. Capstone continuously monitors the effectiveness of existing controls and the Cyber Incident Response Plan and utilizes third parties to assist with identifying and assessing new cyber threats and system vulnerabilities. Capstone highlights the importance of cyber and information security risk through direct oversight from the Board of Directors.
Global Pandemic Response Team	Capstone has a dedicated **Global Pandemic Response Team** and a robust Pandemic Response Plan as part of the Company's overall Crisis Management and Business Continuity efforts. The team continually assesses any potential health and business impacts across all our offices and operations and provides recommendations to Management on controls and prevention measures.

Capstone's ERM System is regularly assessed against best practices and enhanced where appropriate. In addition to traditional measures of likelihood and impact, Capstone includes a third dimension of risk analysis, risk velocity. Velocity measures how fast the occurrence of a risk may affect the organization and can significantly influence the mitigation strategy. In addition to the quarterly reports to the Board, additional risk reports are provided to the Board and the appropriate committee of the Board following any special reviews or investigations completed internally or by consultants.

The following chart highlights the governance structure of Capstone's ERM framework:



Compensation

The HR&C Committee composed of three independent members of the Board of Directors is responsible for the annual evaluation process, compensation structure and making recommendations to the Board with respect to the compensation of the directors and officers of Capstone. For further detail, please refer to the “Compensation Governance” section under Schedule “B” of this Annual Information Form.

Environmental, Social, Governance

Capstone is embedding a culture of ESG-based thinking in decision making and is committed to (a) creating and preserving value for our stakeholders, including our employees and contractors, the local communities in which we operate in, and our shareholders; and (b) adapting to changing conditions, including global climate change, cyclical industry trends and evolving political and social issues worldwide.

Management is developing an ESG strategy with Board oversight, including identification of short, mid and long-term ESG-focused priorities. An ESG Committee was formed in 2020 and tasked with enhancing governance practices, improving disclosure data and assisting Management in developing the ESG strategy and initiatives across Capstone. Capstone published its 2021 Sustainability Report on June 21, 2022. The Report is Capstone’s sixth sustainability report prepared following the Global Reporting Initiative (“GRI”) Standards (Cor option) and Capstone’s first report using the Sustainability Accounting Standards Board (SASB) Standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Other Corporate Governance Related Policies

Anti-Bribery Policy

Capstone has an Anti-Bribery Policy which provides guidance and procedures to ensure that Capstone, as well as the third parties who have an arrangement with Capstone and interact with government officials on Capstone's behalf, conduct themselves in an honest and ethical manner when dealing with government officials and all other parties, and in compliance with all applicable laws and regulations pertaining to bribery and corruption. The Anti-Bribery Policy, amongst other things, prohibits the provision of facilitation payments, gifts, entertainment and political and charitable contributions to government officials. The Anti-Bribery Policy also establishes guidelines for internal controls to facilitate compliance with the policy. Training or other awareness initiatives on the Anti-Bribery Policy is provided on an ongoing basis.

Anti-Hedging Policy

Capstone has an Anti-Hedging Policy which prohibit Directors and Management from directly or indirectly hedging against future decisions in the market value of any securities of Capstone through the purchase of financial instruments designed to offset such risk. Prohibited transactions include the purchase by a director or Management of financial instruments, including, without limitation, prepaid variable forward contracts, equity swaps, collars, puts, calls or other derivative securities that are designed to hedge or offset a decrease in market value of equity securities of Capstone.

Hedging or monetizing transactions to fix the value of equity holdings in Capstone could potentially break the alignment between the holder's interests and those of other Capstone shareholders, thus defeating the purpose of LTI compensation.

Clawback Policy

Capstone has a Clawback Policy which allows the Company to recover performance-based compensation from the CEO, CFO, COO, Senior Vice Presidents and Vice Presidents if there is a restatement of Capstone's previous financial results (other than a restatement caused by a change in applicable accounting results or interpretations), the result of which is that any performance-based compensation paid would have been a lower amount had it been calculated based on the restated results.

Performance-based compensation means all bonuses and other incentive and equity compensation awarded based on achievement of financial results

Cyber Security Policy

Capstone has a Cyber Security Policy which establishes procedures and practices to mitigate internal and external cyber security threats, protect Capstone's information technology systems and infrastructure, data and reputation, and ensure that information technology related change management, business continuity and disaster recovery plans are developed to avoid changes or circumstances that could compromise Capstone's operations. The Cyber Security Policy also includes processes regulating how third parties are permitted access to our systems and guidelines in connection with the use of employees' personal devices. The Cyber Security Policy applies to all employees of Capstone and its subsidiaries as well as third parties who are users of Capstone's information technology resources. A global cross-functional cyber security team, with support from independent third-party service providers with cyber security expertise, is responsible for overseeing Capstone's cyber security strategy and response plan, and ongoing education and engagement. Capstone conducts monthly phishing tests and ongoing training at least once per annum.

Disclosure & Confidentiality Policy

Capstone has a Disclosure and Confidentiality Policy which establishes procedures to permit the disclosure of information about Capstone and its subsidiaries to the public in a timely manner, and to ensure that undisclosed non-public information remains confidential. Training or other awareness initiatives on the Disclosure & Confidentiality Policy is provided on an ongoing basis.

Ethical Business Conduct

The Board views conduct of its businesses legally, ethically, responsibly and in accordance with Capstone's values as an integral component to the success of Capstone and part of its responsibilities to stakeholders.

The Board has adopted the Code of Conduct that is posted on our website at *www.capstonecopper.com* and under Capstone's profile at *www.sedar.com*. The Board has instructed Management and employees to abide by the Code. Management reports significant breaches of the Code of Conduct to the GNS Committee on an annual basis, allowing the GNS Committee to monitor any trends. The Board also conducts an annual review of the performance of Capstone personnel under the Code of Conduct with a view to making any required changes in Capstone practice or policy to enhance compliance with the Code of Conduct. The Board keeps a record of any departures from the Code of Conduct and waivers requested and granted, and confirms that no material change reports have been filed by Capstone since the beginning of Capstone's most recently completed financial year pertaining to any conduct of a director or executive officer that constitutes a departure from the Code of Conduct. Employees and Directors are required to annually certify their understanding of and adherence to the Code of Conduct.

All Directors of Capstone have the obligation to perform their duties and assume their responsibilities in the best interests of Capstone. Capstone expects all of its Directors to comply with the laws and regulations governing their conduct and further is committed to promoting integrity and maintaining the highest standard of ethical conduct in all of its activities.

Directors and executive officers who have an interest in a transaction or agreement with Capstone are required to promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed, and abstain from discussions and voting in respect to same if the interest is material or if required to do so by corporate or securities law. As part of the Director Orientation and Education Process, new Directors are provided with education on Directors' duties including conflicts of interest and duty of confidentiality.

Insider Trading Policy

Capstone has an Insider Trading Policy to ensure that any purchase or sale of securities occurs in accordance with applicable securities laws. The Insider Trading Policy applies to the Directors, officers, employees, contractors, and their respective family members, other persons living in their household, or partnerships, trusts, corporations or other similar entities under their control, of Capstone and its subsidiaries. The Insider Trading Policy prohibits trading of securities based on inside information, speculating, short-selling, purchasing or selling puts and calls, and tipping, and sets out trading restrictions and reporting requirements.

Training or other awareness initiatives on the Insider Trading Policy is provided on an ongoing basis.

Policy on Hiring from External Auditors

Capstone has a Policy on Hiring from External Auditors which establishes a process for hiring current or former partners, principals or employees of the current or former external auditors by Capstone and its subsidiaries into a position considered to be a financial reporting oversight role. The purpose of the Policy on Hiring from External Auditors is to avoid compromising auditors' independence from such actions.

Subsidiary Governance Policy

Capstone has a Subsidiary Governance Policy to ensure adequate and appropriate governance and controls as well as consistency amongst all of Capstone's controlled subsidiaries. The Subsidiary Governance Policy establishes various guidelines, including guidelines surrounding the categorization of the various entities, the approval process relating to structural changes, the composition of a subsidiary's board and Management, board meeting policies and the delegation and limit of authority.

Tax Policy

Capstone has a Tax Policy which establishes a fundamental set of principles in which the tax function shall be embodied within Capstone and provides the overall strategy of how the tax function should carry out its duties, role and responsibilities. The Tax Policy, amongst other things, sets out the level of tax risk acceptable to Capstone and the process to determine and approve such risks with any necessary mitigation actions.

Whistleblower Policy

Capstone has a Whistleblower Policy to assist employees, Directors, shareholders and contractors of Capstone to report actual or suspected fraud or other ethical concerns. The Whistleblower Policy outlines the process for reporting an ethical concern and the investigation based on the whistleblower report and confirms Capstone's commitment to employee protection. Concerns can be raised by individuals through the process on a confidential and anonymous basis. Training or other awareness initiatives on the Whistleblower Policy are provided on an ongoing basis. The Whistleblower Policy may be accessed on Capstone's website at *www.capstonecopper.com*.

BOARD COMMITTEES

Audit Committee

The Audit Committee provides assistance to the Board in fulfilling its oversight responsibilities with respect to Capstone's:

- financial statements and MD&A and related earnings news releases;
- financial reporting processes;
- internal financial controls;
- internal and external audit functions;
- oversight of financial related risks;
- Whistleblower Policy and related procedures; and
- compliance with regulatory and statutory requirements relating to tax and disclosure.

Members	Independent	2021 Attendance	
Alison Baker, CPA, CA (Chair)	✓	nil.	nil.
Anne Giardini[1]	✓	2 of 2	100%
Peter Meredith, CPA, CA	✓	6 of 6	100%

The Audit Committee consists of three independent members of the Board that are financially literate, meaning that each member can read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by Capstone's consolidated financial statements, including two members who are designated as financial experts.

The Audit Committee's terms of reference is located on our website at *www.capstonecopper.com*.

Human Resources & Compensation Committee

The HR&C Committee provides assistance to the Board in fulfilling its oversight responsibilities with respect to Capstone's:

- compensation policies and guidelines;
- executive compensation and general compensation;
- Management succession planning;
- annual performance evaluations; and
- oversight of human resource and compensation related risks.

Members	Independent	2021 Attendance	
Alison Baker[2]	✓	nil.	nil.
George Brack (Chair)	✓	9 of 9	100%
Peter Meredith	✓	9 of 9	100%

The HR&C Committee consists of three independent members of the Board that have previous industry experience in setting executive salaries and have served on compensation committees of other issuers of similar size.

The HR&C Committee's terms of reference is located on our website at *www.capstonecopper.com*.

(1) Anne Giardini was elected to Capstone Mining Corp.'s Board of Directors, effective April 28, 2021

(2) Alison Baker is a newly appointed director of Capstone Copper Corp. effective March 23, 2022.

Governance, Nominating and Sustainability Committee

The GNS Committee provides assistance to the Board in fulfilling its oversight responsibilities with respect to:

Members	Independent	2021 Attendance	
George Brack	✓	5 of 5	100%
Robert Gallagher	✓	5 of 5	100%
Anne Giardini[(1)] (Chair)	✓	2 of 2	100%

- developing and implementing principles and systems for the management of corporate governance;
- establishing and leading the process for identifying and recruiting qualified individuals for Board and Board committee membership;
- evaluating the Board, Board committee and individual director performance;
- oversight for Code of Conduct;
- oversight of risks related to board structure, membership and corporate governance;
- establishing the process for ongoing development for Directors; and
- oversight and direction of Capstone's ESG strategy and provide oversight of ESG disclosures.

The GNS Committee consists of three Directors, all of whom are independent.

The GNS Committee's terms of reference is located on our website at *www.capstonecopper.com*.

Technical and Operational Performance Committee

The TOP Committee provides assistance to the Board in fulfilling its oversight responsibilities with respect to:

Members	Independent	2021 Attendance	
George Brack	✓	6 of 6	100%
Robert Gallagher (Chair)	✓	6 of 6	100%
Anne Giardini[(1)]	✓	2 of 2	100%

- ensuring accurate and measurable data and performance for technical, environmental, health and safety initiatives;
- environmental policies and activities;
- health and safety policies and activities;
- policies and activities related to engagement with communities, government and stakeholders;
- oversight for Capstone's Integrated EHS&S Policy;
- oversight of risks related to safety, operations, environmental and social impacts;
- management and reporting of mineral resources and reserves; and
- policies and activities related to major capital projects and mine development.

The TOP Committee consists of three Directors, all of whom are independent.

The TOP Committee's terms of reference is located on our website at *www.capstonecopper.com*

(1) Anne Giardini was elected to Capstone Mining Corp.'s Board of Directors, effective April 28, 2021.

SCHEDULE "C"

STATEMENT OF EXECUTIVE COMPENSATION

Meaning of Certain References

The information included in this Schedule "C" reflects compensation paid to the directors and officers of Capstone Mining Corp. for the financial year ended December 31, 2021. Amounts paid as compensation to the directors and officers of Mantos Copper, a private company, during the financial year ended December 31, 2021 are not included in this Schedule "C".

In this Schedule "C", unless otherwise stated, (i) all references to we, our, us or Capstone, (A) when used in respect of information presented for periods prior to completion of the Mantos Transaction, refer to Capstone Mining Corp.; and (B) when used in respect of forward-looking or prospective statements (including policy, intention and strategy), refer to Capstone Copper Corp., (ii) all references to the Board follow the same rule as references to Capstone; and (iii) all information and discussion contained herein is presented as at December 31, 2021, except where otherwise stated.

Except where otherwise noted, Capstone Copper Corp. intends to maintain the former policies of Capstone Mining Corp. with respect to executive compensation and director compensation.

Capstone Copper Corp. continued the security-based compensation arrangements of Capstone Mining Corp., with the same terms and conditions, except that the underlying securities issuable under such security-based compensation arrangements are shares of Capstone Copper Corp. and not shares of Capstone Mining Corp.

All currency amounts in this Statement of Executive Compensation are expressed in Canadian dollars, unless otherwise indicated.

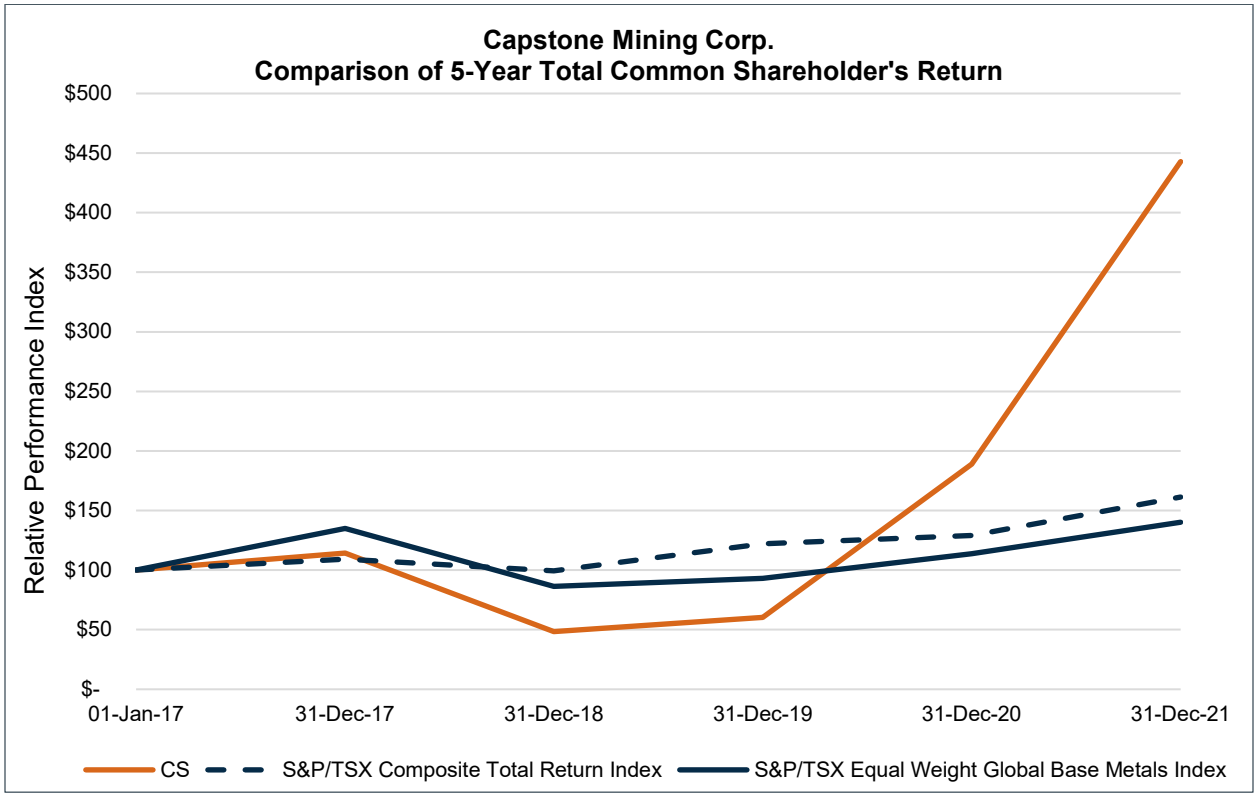
Executive Summary

We have adopted the following leading practices that drive performance, build culture and teamwork, instill Capstone values and ensure alignment with shareholder interests.

What We Do	
✓	We pay for performance
✓	We engage an independent compensation advisor
✓	We benchmark our executive compensation program against an appropriate peer group
✓	More than 76% of CEO compensation and 65% of other Named Executive Officer ("**NEO**") compensation is at risk
✓	We have maximum payout caps on our short- and long-term incentive programs
✓	50% of the CEO and other NEO's equity-based compensation is in the form of Performance Share Units
✓	We have Share Ownership Guidelines for our directors and executive officers
✓	We have a Clawback Policy, an Anti-Hedging Policy and an Insider Trading Policy
✓	The Board may exercise discretion when considering compensation decisions to reduce or increase the size of any award or payout to reflect unusual or extraordinary events or circumstances
What We Do Not Do	
x	We do not guarantee annual base salary increases or incentive compensation
x	We do not reprice stock options
x	We do not offer excessive perquisites
x	We do not offer loans to directors or executives

Share Performance

The following graph compares the cumulative total shareholder return ("**TSR**") on $100 invested in common shares of Capstone Mining from January 1, 2017 through December 31, 2021 with the cumulative TSR for the same period of the Standard & Poor's 500 Index ("**S&P**")/TSX Composite Index and S&P/TSX Equal Weight Global Base Metals Index.



For the five-year period ended December 31, 2021, Capstone Mining's share price increased by 288%, outperforming the S&P/TSX Equal Weight Global Base Metals Index, which was up 4% over the same period.

2021 NAMED EXECUTIVE OFFICERS SUMMARY COMPENSATION TABLE

For the financial year ended December 31, 2021, our NEOs include our CEO, CFO, COO and the two other most highly compensated executive officers. The following table is a summary of compensation paid in Canadian dollars to our NEOs for each of Capstone's three most recently completed financial years (2019, 2020 and 2021).

Name and Principal Position	Year	Salary ($)	Share Based Awards ($)	Option Based Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)		All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans ($)[2]	Long-Term Incentive Plans ($)		
Darren Pylot President and CEO and Director[3]	2021	800,000	1,500,000	500,000	1,008,000	-	75,907	3,883,907
	2020	735,000	1,378,125	459,375	1,137,780	-	70,877	3,781,157
	2019	702,000	1,053,000	351,000	716,040	-	65,572	2,887,612

Name and Principal Position	Year	Salary ($)	Share Based Awards ($)	Option Based Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)		All Other Compensa-tion ($)	Total Compensa-tion ($)
					Annual Incentive Plans ($)[2]	Long-Term Incentive Plans ($)		
Raman Randhawa Senior Vice President & CFO[4]	2021	420,000	441,000	147,000	352,170	-	39,875	1,400,045
	2020	378,000	396,900	132,300	364,127	-	33,864	1,305,191
	2019	360,000	302,400	100,800	251,550	-	36,185	1,050,935
Brad Mercer Senior Vice President & COO[5]	2021	450,000	472,500	157,500	377,325	-	42,051	1,499,376
	2020	360,000	378,000	126,000	360,828	-	38,327	1,263,155
	2019	360,000	302,400	100,800	269,100	-	33,499	1,065,799
Jason Howe Senior Vice President, Corporate Development[6]	2021	410,000	430,500	143,500	343,785	-	44,411	1,372,196
	2020	350,000	367,500	122,500	350,805	-	36,487	1,227,292
	2019	350,000	252,000	84,000	206,938	-	32,481	925,419
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary[7]	2021	380,000	399,000	133,000	318,630	-	40,816	1,271,446
	2020	325,500	341,775	113,925	316,728	-	37,894	1,135,822
	2019	310,000	223,200	74,400	183,288	-	36,049	826,937

[1] Option-based compensation is valued using the Black-Scholes option pricing model. We selected the Black-Scholes model because it is widely used in estimating option based compensation values by Canadian public companies. The Black-Scholes model resulted in a value of an option of $1.76 on March 2, 2021, $0.31 on February 24, 2020 and $0.29 on February 20, 2019.
[2] The amounts earned as non-equity incentive pay compensation were paid during the subsequent financial year.
[3] Mr. Pylot does not receive any remuneration in his role as a Director of Capstone. Mr. Pylot was appointed Executive Chair on March 23, 2022.
[4] Mr. Randhawa was promoted to Chief Financial Officer on January 1, 2019.
[5] Mr. Mercer was promoted to SVP & COO on January 1, 2021 and he retired from Capstone on June 30, 2022.
[6] Mr. Howe was promoted to the SVP level on January 1, 2020 and his employment ended with Capstone on June 10, 2022.
[7] Ms. King was promoted to the SVP level on January 1, 2020 and her title was changed to SVP, Risk, ESG, General Counsel & Corporate Secretary effective January 1, 2021.

COMPENSATION GOVERNANCE

Role of the Human Resources & Compensation Committee and Management

Following closing of the Mantos Transaction, George Brack, Peter Meredith and Alison Baker are members of the Human Resources & Compensation Committee ("**HR&C Committee**"), which is responsible for implementing and assisting the Board in fulfilling its oversight responsibilities in relation to executive and general compensation, human resources policies, labour relations strategy and succession planning. Each member of the HR&C Committee is an independent director and has a wide range of understanding and knowledge in human resources management, labour relations and compensation.

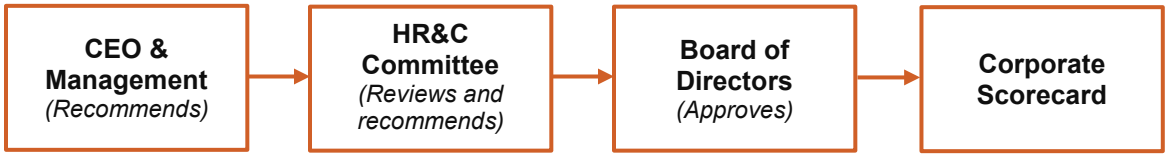
Management plays an important role in executive compensation and human resources policy decisions by making recommendations to the HR&C Committee.

Role of HR&C Committee	Role of Management
In fulfilling its mandate, the HR&C Committee is responsible for the following: • reviewing the annual Corporate Scorecard objectives, which are ultimately approved by the Board, and then approving the Corporate Scorecard rating each year; • considering matters of compensation with respect to the CEO and making recommendations to the Board; • reviewing and approving compensation of the senior executive officers who report to the CEO, all within the human resources and compensation policies; • guiding broader policies on compensation, benefits, human resources and overall labour relations strategy; • annually assessing the risk, competitiveness and appropriateness of Capstone's human resources and compensation policies and guidelines; • ensuring the development of the CEO succession plan as well as a succession plan for other key executive officers; and • reporting regularly to the Board on all of the HR&C Committee activities and findings during the year.	Management makes recommendations to the HR&C Committee and keeps the HR&C Committee informed of best practices regarding the following: • the annual Corporate Scorecard objectives and weightings; • the annual leadership effectiveness objectives of the NEOs, other executive officers and Capstone employees; • proposed compensation adjustments for the NEOs, other than the CEO, and senior executive officers; • Capstone's broader policies on compensation, benefits, diversity and inclusion, labour relations and human resources; • equity-based compensation plans and amendments to such plans, as necessary; and • talent development plans for the executives.

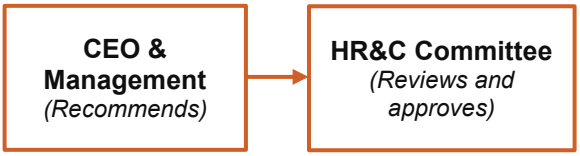
With respect to executive pay decisions, management acts in an advisory and informational capacity only. The HR&C Committee recommends CEO compensation to the Board for approval. The HR&C Committee approves compensation for all executives who report directly to the CEO.

Decision Making Process

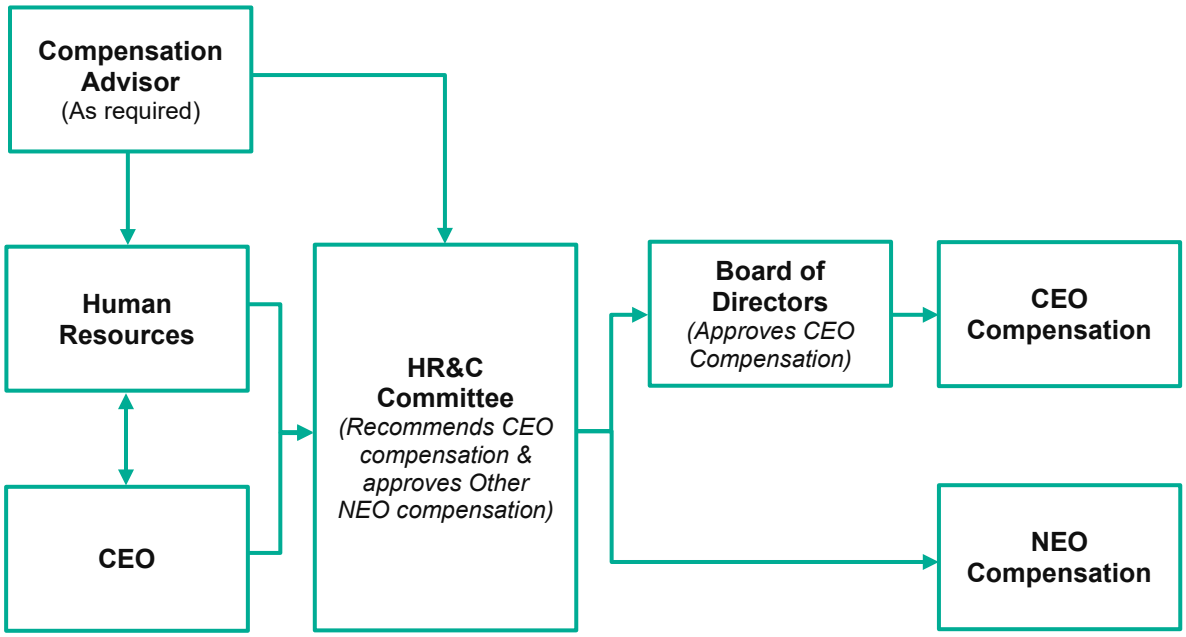
Corporate Scorecard Objectives & Weightings



Corporate Scorecard Rating



CEO and NEO Compensation



Compensation Risk Management

The Board has overall responsibility for the oversight of our risk management policies, plans and practices. The HR&C Committee is responsible for overseeing our compensation policies and practices to ensure they do not encourage management to take risks that are outside of our risk tolerance and would be reasonably likely to have a material adverse effect on Capstone. Management reports annually to the HR&C Committee on the steps taken to identify, monitor and control compensation risk exposures. Annually, a third-party consultant reviews the following:

- the appropriateness of the peer group;
- compensation levels by role to ensure that levels are consistent with compensation philosophy and peer group practices;
- pay mix to ensure that there is an appropriate mix of fixed and variable (at-risk) compensation; and
- pay-for-performance programs to ensure that there is appropriate alignment between executive pay and shareholder returns.

In addition, our Anti-Hedging Policy and Clawback Policy have been designed to complement our risk management approach.

Anti-Hedging Policy

Capstone prohibits directors and management from directly or indirectly hedging against future declines in the market value of any securities of Capstone through the purchase of financial instruments designed to offset such risk. Prohibited transactions include the purchase by a director or management of financial instruments, including, without limitation, prepaid variable forward contracts, equity swaps, collars, puts, calls or other derivative securities that are designed to hedge or offset a decrease in market value of equity securities of Capstone.

Hedging or monetizing transactions to fix the value of equity holdings in Capstone could potentially break the alignment between the holder's interests and those of other Capstone shareholders, thus defeating the purpose of long-term incentive ("**LTI**") compensation.

Clawback Policy

The Board adopted a Clawback Policy in 2015 which allows Capstone to recover performance-based compensation from the CEO, CFO, COO, Senior Vice Presidents and Vice Presidents if there is a restatement of Capstone's previous financial results (other than a restatement caused by a change in applicable accounting rules or interpretations), the result of which is that any performance-based compensation paid would have been a lower amount had it been calculated based on the restated results.

Performance-based compensation means all bonuses and other incentive and equity compensation awarded based on achievement of financial results.

Share Ownership Guidelines

The Board adopted Share Ownership Guidelines in 2013 that apply to the independent directors and officers of Capstone and its subsidiaries (includes independent directors, CEO, CFO, COO, Senior Vice Presidents, Vice Presidents and Mine General Managers).

The following shares (collectively, the "**Qualifying Shares**") qualify under the guidelines:

- shares owned outright;
- share units granted through Capstone's share unit plans;
- shares owned through Capstone's Employee Share Purchase Plan; and
- shares held by immediate family members or held in trust or held by family holding companies.

Stock options granted through the Incentive Stock Option & Bonus Share Plan are excluded from the definition of share ownership.

The below table summarizes share ownership requirements for the independent directors, CEO and all other executives (including the NEOs).

Level	Requirement
Independent Directors	3x Annual Retainer[1]
CEO	3x Base Salary
Other Executives (CFO, COO, Senior Vice Presidents, Vice Presidents and Mine General Managers)	2x Base Salary

[1] Effective January 1, 2022, the share ownership requirement for Independent Directors increased to 4x Annual Retainer.

Participants are required to achieve ownership of a number of Qualifying Shares meeting the required market value by the later of five years after adoption of the Share Ownership Guidelines (July 2013 for independent directors and the CEO; February 2015 for all other executives), or five years after first being designated as a participant.

After a change in base salary or annual retainer fee or, if appropriate, a change in title, Participants are required to meet the additional incremental value requirement within three (3) years.

The following table provides information about the stock-based holdings of Capstone's NEOs, as at December 31, 2021.

Executive	Guideline: Multiple of Salary ($)	Status as at December 31, 2021[1]	Meets Requirement
Darren Pylot[2] President and CEO and Director	3X $2,400,000	39.0X $31,199,504	✓
Raman Randhawa[3] Senior Vice President & CFO	2X $840,000	17.0X $7,148,326	✓
Brad Mercer Senior Vice President & COO[4]	2X $900,000	19.0X $8,572,119	✓
Jason Howe Senior Vice President, Corporate Development[5]	2X $820,000	29.0X $11,909,600	✓
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary[6]	2X $760,000	24.5X $9,321,072	✓

[1] The value calculated per share is the higher of the December 31, 2021 market price, being $5.58 on the TSX, and the original purchase price or exercise price on acquisition of the share. Assumed a target (100%) performance rating for PSUs.
[2] Mr. Pylot was appointed Executive Chair on March 23, 2022.
[3] Mr. Randhawa was promoted to Chief Financial Officer on January 1, 2019.
[4] Mr. Mercer was promoted to SVP & COO on January 1, 2021 and he retired from Capstone on June 30, 2022.
[5] Mr. Howe was promoted to the SVP level on January 1, 2020 and his employment ended with Capstone on June 10, 2022.
[6] Ms. King was promoted to the SVP level on January 1, 2020. Her title was changed to SVP, Risk, ESG, General Counsel & Corporate Secretary effective January 1, 2021.

The following table provides information about the stock-based holdings of Capstone's independent directors, as at December 31, 2021.

Independent Director[1]	Guideline: Multiple of Retainer ($)	Status as at December 31, 2021[2]	Meets Requirement
George Brack	3X $375,000	85.7X $10,712,395	✓
Robert Gallagher	3X $195,000	42.2X $2,741,761	✓
Peter Meredith	3X $195,000	29.7X $1,930,937	✓
Dale Peniuk[3]	3X $195,000	78.1X $5,076,137	✓
Anne Giardini	3X $195,000	1.2X $75,004	On Track

[1] Mr. Zimmer retired from the Board effective August 17, 2021. Therefore, his share ownership has not been included as at December 31, 2019.
[2] The value calculated per share is the higher of the December 31, 2021 market price, being $5.58 on the TSX, and the original purchase price or exercise price on acquisition of the share.
[3] Mr. Peniuk retired from the Board effective March 23, 2022.

EXECUTIVE COMPENSATION OBJECTIVES

Our executive compensation program is designed to provide an attractive, market-based total rewards program tied to performance and aligned with the interests of our shareholders. Our objective is to attract and retain the caliber of executive officers necessary to deliver sustained high performance and growth. On a regular basis, we benchmark our programs against the best practices of our compensation peer group to remain competitive. The goals of our program are to:

- **attract and retain top-caliber executives:** executive officers have base salaries and employee benefits that are market competitive and allow us flexibility to hire and retain high-caliber individuals at all levels;
- **pay for performance:** a significant portion of executive compensation is at risk based on Company and individual performance;
- **reward long-term growth and profitability:** a significant portion of executive compensation is in long term equity-based programs that reward achievement of long-term results, aligned with Capstone's goals and the interests of our shareholders;
- **align compensation with shareholder interests:** the interests of our executive officers are linked with those of our shareholders through the risks and rewards of ownership of our securities and units; and
- **reinforce succession planning:** the overall compensation program for our executive officers reinforces our robust succession planning process and the expected leadership behaviours.

EXECUTIVE COMPENSATION PRACTICES

Compensation Philosophy

Capstone's compensation philosophy is to target total direct compensation ("TDC") within a competitive range of the market median, with the ability to earn compensation above median for very strong performance.

Total direct compensation includes base salary, short-term incentive and long-term incentives.

Peer Benchmarking

Capstone management reviewed peer companies' executive compensation, which Meridian Compensation Partners ("**Meridian**") reviewed in order to provide advice to the Committee. Meridian benchmarks executive and independent director pay levels and practices every two years.

To identify appropriate peer companies, Meridian used the following criteria:

- publicly-traded North American companies in the Copper, Gold, Silver and Diversified Metals and Mining sectors;
- a target size scope of 1/3 to 3 times Capstone's total assets, with revenue and market capitalization used as secondary lenses;
- corporations whose recent history has demonstrated good financial results and governance; and
- corporations with a similar mining operations profile to Capstone's.

These criteria were validated by Capstone's HR&C Committee and management. The HR&C Committee may expand these criteria as necessary to maintain an appropriately sized peer group.

Compensation Peer Group

The below table summarizes the compensation peer group for 2021, and how Capstone compares in terms of assets, revenue and market capitalization:

Company Name[1]	Total Assets[2] ($ millions)	Trailing 12 Month's Revenue ($ millions)	Market Cap[3] ($ millions)
SSR Mining Inc.	6,595	1,827	4,743
Hudbay Minerals Inc.	5,842	1,956	2,396
Pan American Silver Corp.	4,453	2,128	6,637
Hecla Mining Company	3,453	978	3,555

Company Name[1]	Total Assets[2] ($ millions)	Trailing 12 Month's Revenue ($ millions)	Market Cap[3] ($ millions)
Centerra Gold Inc.	3,387	1,210	2,895
New Gold Inc.	3,134	943	1,287
First Majestic Silver Corp.	2,689	800	3,611
Fortuna Silver Mines Inc.	2,559	829	1,440
Coeur Mining, Inc.	2,195	1,023	1,639
Dundee Precious Metals Inc.	1,479	821	1,497
Sherritt International Corp.	1,398	122	161
Taseko Mines Ltd.	1,183	465	738
Copper Mountain Mining Corp.	1,024	510	719
Ero Copper Corp.	873	595	1,731
Trevali Mining Corp.	675	409	170
Capstone Mining Corp.	**2,187**	**1,072**	**2,307**
Percentile Positioning	Between 25th and 50th percentile	Between 75th and 100th percentile	Between 50th and 75th percentile

[1] Capstone's peer group also included SEMAFO Inc., which was acquired by Endeavour Mining Corporation and was subsequently removed from this table.
[2] Most recently reported annual assets.
[3] Market capitalization as of December 31, 2021.

Compensation Advisor

Since 2017, Meridian has been engaged to provide the HR&C Committee with independent advice on our compensation program. Meridian provided the following support to the HR&C Committee in 2021:

- advised on trends in executive compensation and reviewed compensation philosophy;
- provided views on alignment with market practices, good governance principles and proxy advisory voting policies;
- reviewed and advised on compensation and Performance Share Unit performance peer groups;
- conducted market analysis, advised on trends and reviewed executive compensation;
- conducted market analysis, advised on trends and reviewed independent directors' compensation; and
- conducted market analysis, advised on director and executive compensation programs and policies, including short-term incentives and long-term incentives.

Executive Compensation-Related Fees

A summary of the fees paid to our compensation advisors and their affiliates for 2020 and 2021 are outlined in the following table.

Consultant	2020		2021	
	Executive Compensation Related Fees ($)	All Other Fees ($)	Executive Compensation Related Fees ($)	All Other Fees ($)
Meridian	62,623	-	96,032	-

Executive Continuing Education

Capstone believes that continuing education is important for executives to build on their skills and expertise, to keep up to date on industry trends and best practices, and to help gain better understanding of the issues facing Capstone. As such, executives are encouraged to participate in continuing education which is discussed in the development plan component of our performance management program.

Diversity

Capstone is committed to having an executive team with the appropriate background, knowledge and skills with gender and other diversity, in accordance with our Diversity Policy, to effectively carry out its duties and deliver on Capstone's strategy.

When assessing potential candidates, the following factors are also considered:

- the executive team's overall mix of capability, skills and experience;
- the alignment of their values with Capstone's;
- their character, integrity, judgment and background; and
- diversity.

In 2019, the Board set a target of 20% female in executive officer positions no later than 2022. As of December 31, 2021, 20% of executive direct reports to the CEO are female.

SCORECARD

Capstone bases short-term variable compensation on predetermined objectives that are recommended annually by Management, reviewed by the HR&C Committee and approved by the Board. These objectives are documented on the annual Corporate Scorecard, with a significant proportion based on the performance of Capstone's operating mines. The objectives are based on what Management can control. Targets are set for safety, environmental, ESG, operational and financial performance, with specific strategic growth initiatives set at each of our operating assets.

Summary of Capstone's 2021 Performance

2021 was a pivotal year for Capstone. While the COVID-19 pandemic continued to pose challenges to our business and the severe weather events affected our Pinto Valley mine in Arizona, we focused on operations excellence, fiscal discipline, and the well-being of our people and the communities in which we operate. Our collective efforts allowed us to successfully complete organic growth projects to deliver strong operating results and achieve record financial performance in 2021. This is reflected in our corporate scorecard results:

- Safety and Environmental: We did not achieve our objective of zero harm due to a single fatality at Cozamin. We met our environmental objectives.
- Operational Performance: We achieved production above target, delivered within guided cash costs and managed absolute sustaining and expansionary capital within budget.
- Growth & ESG: We exceeded on both our growth and ESG objectives.
- In addition, we generated outstanding returns for our shareholders, were the best performing base metals equity in our peer group and our share price appreciated 134% during the year.
- On November 30, 2021 we announced the business combination with Mantos Copper, thereby setting the stage for transformational and sustainable long-term growth and giving us one of the most exciting growth profiles in the copper industry.

EXECUTIVE COMPENSATION COMPONENTS

The following table describes the different compensation components that make up total executive pay to meet the objectives of Capstone's compensation philosophy. The table provides a description of each component's key features and objectives:

Compensation Elements, Key Features and Objectives

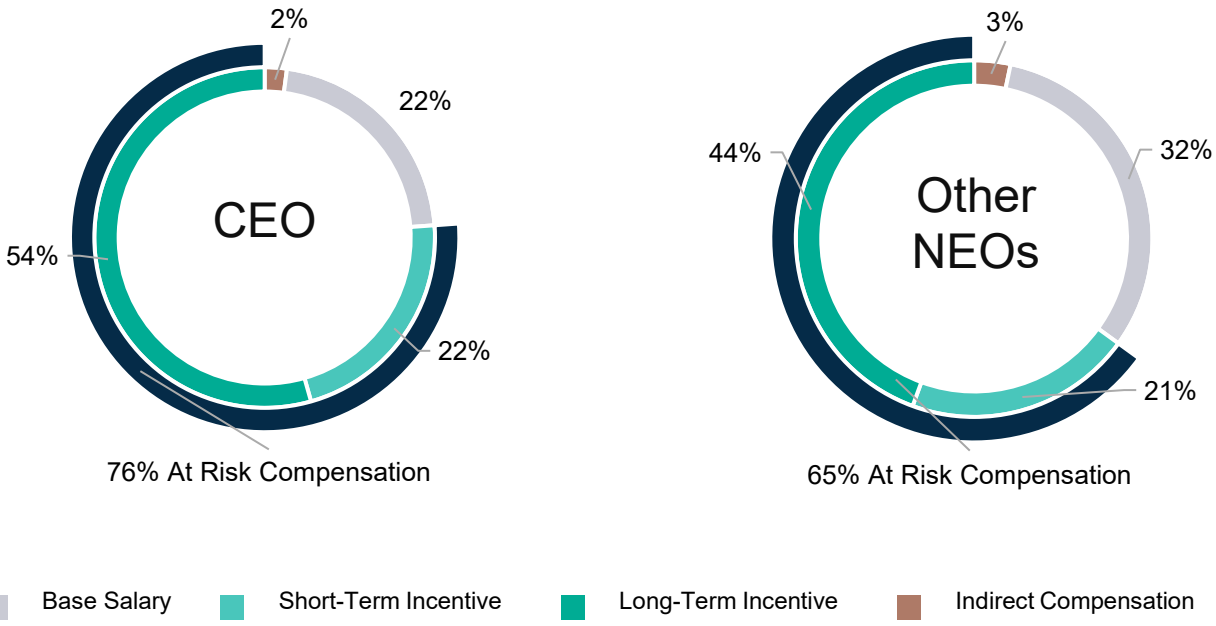
Compensation Elements	Key Features	Objectives
Base Salary	• Set in the first quarter of each year for the 12-month period from January to December	• Attract and retain talented and experienced executives • Recognize individual experience, level of responsibility and performance
Annual Short-Term Incentive ("STI")	• Annual bonus based on the achievement of corporate and leadership effectiveness goals in the context of the overall performance of Capstone as set out in the Corporate Scorecard • Payments can be above (up to 200%) or below target (to zero) depending on performance • NEO weightings of corporate and leadership effectiveness ratings vary by level	• Motivate and reward NEOs and other executives to meet Capstone's near-term objectives using a performance-based compensation program with objectively determined goals • Recognize individual contributions
Long-Term Incentive ("LTI")		
Performance Share Units ("PSU")	• Performance vesting: at the end of three years based on a three-year rolling average performance rating • Performance ratings are obtained by measuring Capstone's TSR relative to a predetermined peer group using a 0-200% performance scale	• Ensure that long-term incentive plan payouts are directly linked to relative share price performance • Reward executives for industry out-performance • Promote retention
Stock Options	• Time vesting: ⅓ on first anniversary, ⅓ on second anniversary and ⅓ on third anniversary of the grant • Expire after five years	• Encourage participants to pursue opportunities that increase shareholder value over the long term • Promote retention
Restricted Share Units ("RSU")	• Time vesting: ⅓ after one year, ⅓ after two years and ⅓ after three years	• Promote retention • Provide immediate sense of ownership • Allow greater resiliency under all market conditions
Bonus Shares	• Common shares • No vesting • No expiry date	• Used in exceptional circumstances to attract talent or reward extraordinary performance
Benefits		
Registered Retirement Savings Plan (Canada)	• Annual personal contributions of up to 5% of base salary are 100% matched by Capstone	• Provide market competitive benefits to increase income security in retirement

Compensation Elements	Key Features	Objectives
Health and Other Benefits and Perquisites	• Health, dental, life, critical illness and disability insurance plans • Annual executive medical examinations • Employee Share Purchase Plan (Canada) allows employees to contribute up to 7% of base salary (to a maximum of $5,000) per calendar year to purchase Capstone shares; Capstone will match 50% of employee contributions	• Provide market competitive benefits to support a healthy and focused team • Promote ownership in Capstone

Compensation Mix

The following charts demonstrate the target pay mix for Capstone's NEOs. A large portion of NEO pay is performance-based in the form of short-term annual incentive bonuses and long-term incentives.

The following charts show the target CEO and average NEO compensation mix for 2021.



Base Salary

Capstone's approach is to pay its executives a base salary that is competitive with those of other executive officers in similar companies. We believe that a competitive base salary, targeting the median of the peer group, is a necessary and balanced element to attract and retain talented and experienced executives. The base salary of each executive is reviewed annually and may be adjusted to reflect experience in the role, scope of the role, change in responsibility, performance, internal equity, retention risk and market competitive salary levels.

Capstone entered into employment agreements with its NEOs at the time of their appointment that set base salaries at an initial negotiated level considering the following factors:

- base salaries for comparable positions at similar companies;
- individual experience and skills of, and expected contribution from, each executive;
- roles and responsibilities of the executive; and
- base salaries of Capstone's other executives and other factors.

The following table shows the annualized base salaries of our NEOs in 2020 and 2021 periods:

Executive	Salary 2020 ($)	Salary 2021 ($)	2020-2021 Change
Darren Pylot[1] President and CEO and Director	735,000	800,000	8.8%
Raman Randhawa Senior Vice President & CFO	378,000	420,000	11.1%
Brad Mercer Senior Vice President & COO[2]	360,000	450,000	25.0%
Jason Howe Senior Vice President, Corporate Development[3]	350,000	410,000	17.1%
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary[4]	325,500	380,000	16.7%

[1] Mr. Pylot was appointed Executive Chair on March 23, 2022.
[2] Mr. Mercer was promoted to SVP & COO on January 1, 2021 and he retired from Capstone on June 30, 2022.
[3] Mr. Howe was promoted to the SVP level on January 1, 2020 and his employment ended with Capstone on June 10, 2022.
[4] Ms. King was promoted to the SVP level on January 1, 2020. Her title was changed to SVP, Risk, ESG, General Counsel & Corporate Secretary effective January 1, 2021.

Annual Short-Term Incentive Bonus

The executive officers of Capstone have an opportunity to earn an annual short-term incentive bonus based on corporate and leadership effectiveness goals in the context of the overall performance of Capstone.

Each year, the HR&C Committee recommends to the Board for their approval performance targets for STI that reflect Capstone's short-term business objectives.

The STI considers a balanced mix of performance measures, which include:

1. **Corporate Objectives,** which outline Capstone's annual objectives, including specific weightings, targets and criteria for measurement**.**

2. **Leadership Effectiveness Objectives,** which vary for each NEO and consist of key initiatives and projects aligned with their role, their leadership and personal development and the overall strategic plan of the organization.

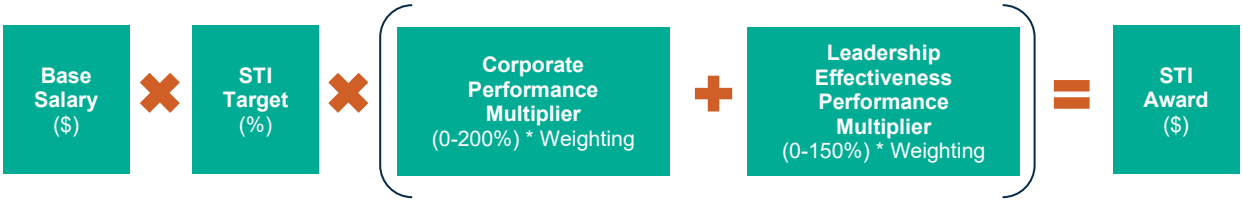
Short-Term Incentive Weightings

The following table describes the target performance weightings for the CEO and other NEOs.

Executive	Corporate Scorecard	Leadership Effectiveness
Darren Pylot President and CEO and Director	80%	20%
Raman Randhawa Senior Vice President & CFO	70%	30%
Brad Mercer Senior Vice President & COO	70%	30%
Jason Howe	70%	30%

Executive	Corporate Scorecard	Leadership Effectiveness
Senior Vice President, Corporate Development		
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	70%	30%

STI awards are calculated using an actual performance multiplier as described below.



Short-Term Incentive Targets

Capstone's target STI awards are positioned to align total cash compensation within a competitive range of the market median, with the ability to earn compensation above median for very strong performance. The table below summarizes the STI targets for the CEO, CFO, COO and Senior Vice Presidents (including Mr. Howe and Ms. King).

Executive Level	2019 - 2021 Targets (% of Base Salary)
CEO	100%
CFO, COO & Senior Vice Presidents	65%

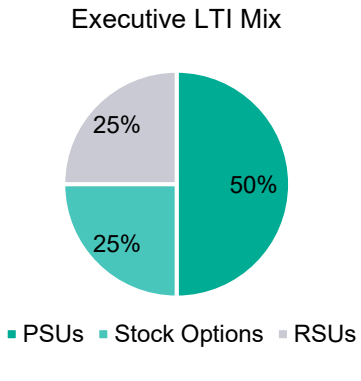
Long-Term Incentive Plans

Capstone's long-term incentive plans are designed to align management's interests with those of shareholders through grants of PSUs, RSUs (collectively, "**Share Units**") and stock options. The value of earned Share Units as well as vested stock options fluctuate with the value of Capstone's shares. PSUs vest only when performance-based criteria are achieved over a three-year period, while RSUs vest ⅓ after one year, ⅓ after two years and ⅓ after three years.

Our long-term incentive equity vehicles support Capstone's strategic business objectives in relation to performance, retention of critical talent, ability to manage costs as well as our ability to minimize the dilutive impact of stock options while remaining competitive within the industry.

Long-Term Incentive Mix

Senior executives receive a combination of PSUs, RSUs and stock options. The LTI mix for senior executives has evolved to increase the weighting on PSUs and reduce the weighting on stock options. This evolution was as a result of alignment to best practice and designed to strengthen the link to relative shareholder returns. The chart shows the senior executives LTI mix for 2019-2021 and the increased weighting on PSUs which are directly linked to Capstone's share price performance relative to a pre-determined group of base metals peers.



The LTI mix is reviewed on an annual basis to ensure it aligns with trends in compensation best practices, shareholder interests, and peer benchmarking while supporting attraction and retention objectives. In the PSU portion of the LTI, we focus on TSR relative to

a group of primarily copper mining companies. The combination of measuring relative TSR in the PSUs which are denominated in shares, so reflect absolute and relative performance, and stock options, which only payout to the extent share price increases, allows us to reward industry and commodity price out performance, in a shareholder aligned way.

Long-Term Incentive Targets

Capstone's target LTI awards are positioned to align TDC within a competitive range of the market median with the ability to earn compensation above median for very strong performance. The table below summarizes the LTI targets for the CEO, CFO, COO and Senior Vice Presidents (including Mr. Howe and Ms. King).

Executive Level	2019 Target[1] (% of Base Salary)	2020 Target (% of Base Salary)	2021 Target (% of Base Salary)
CEO	200%	250%	250%
CFO, COO & Senior Vice Presidents	112%	140%	140%

[1] A 20% reduction in target LTI value was applied in 2019 in response to market conditions.

Capstone generally expects future LTI awards to be based on executive responsibilities, executive's past performance and anticipated future contribution, competitive market practices and terms and conditions of the employment agreements.

Types of Equity Awards

The purpose and characteristics of each type of grant are summarized in the following table:

Type of Grant	Purpose of Grant	Vesting and Expiration	Payment Characteristics
PSUs	• Ensure that long-term incentive plan payouts are directly linked to relative share price performance • Reward executives for industry out-performance • Promote retention long term	• Performance vesting: at the end of three years based on a 3-year rolling average performance rating • Performance ratings are obtained by measuring Capstone's TSR relative to a predetermined peer group using a 0-200% performance scale	• Vested awards can be settled in cash, or in shares purchased on the open market (under the Treasury Share Plan approved in 2021, vested awards are intended to be settled with shares from treasury, however the Treasury Share Plan allows for settlement in cash)
Stock Options	• Encourage participants to increase shareholder value over the long term • Promote retention over the long term	• Vesting occurs ⅓ on first anniversary, ⅓ on second anniversary and ⅓ on third anniversary of the grant • Expire after five years	• Issued with an exercise price equal to or above the weighted average price of the common shares traded on the TSX for the five days preceding the date of grant • Provide value to participants only if the share price increases above the exercise price before the end of the term
RSUs	• Promote retention over the long term • Provide an immediate sense of "ownership"	• Time vesting: ⅓ after one year, ⅓ after two years and ⅓ after three years	• Vested awards can be settled in cash, or in shares purchased on the open market (under the Treasury

Type of Grant	Purpose of Grant	Vesting and Expiration	Payment Characteristics
	• Allow greater resiliency under all market conditions		Share Plan approved in 2021, vested awards are intended to be settled with shares from treasury, however the Treasury Share Plan allows for settlement in cash)
Bonus Shares	• Used in exceptional circumstances to attract talent or reward extraordinary performance	• Common shares • No vesting • No expiry date	• Provide immediate value to participants

Security Based Compensation Plans

Capstone's Incentive Share Option and Bonus Share Plan (the "**Option Plan**") and Capstone's Treasury Share Unit Plan (the "**Treasury Share Plan**") (collectively the "**Security Based Compensation Plans**") provide for the issuance of options or share units to a maximum of 10% of Capstone's issued and outstanding common shares (subject to standard anti-dilution adjustments) to employees or directors of Capstone. The **Option Plan** allows for the issuance of up to 500,000 Bonus Shares in any one calendar year to employees or directors of Capstone.

The **Security Based Compensation Plans** are considered "rolling" plans as the number of shares available for issuance under the **Security Based Compensation Plans** increases with the number of our issued and outstanding shares. The **Security Based Compensation Plan**s are also considered "evergreen" plans because when: (a) an option or share unit is exercised or redeemed, additional shares become available for subsequent grants under the **Security Based Compensation Plan**s because each exercise or redemption reduces the number of shares that are currently covered by options or share units and increases the outstanding share capital of Capstone; and (b) an option or share unit expires or otherwise terminates for any reason without having been exercised or redeemed in full, the number of common shares reserved for issuance under that expired or terminated option or share unit again becomes available for the purpose of the **Security Based Compensation Plans**. Any option or share unit outstanding when the **Security Based Compensation Plans** are terminated will remain in effect until they are exercised, expired or redeemed.

Incentive Stock Options & Bonus Shares

Stock option grants and bonus shares under the **Option Plan** are used to attract and retain executives and to give them an incentive to participate in the long-term development of Capstone and increase shareholder value.

The following table sets out information with respect to compensation plans under which equity securities of Capstone are authorized for issuance as at December 31, 2021.

Plan Category	No. of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ($) (b)	Number of Securities Remaining Available for Future Issuances Under Equity Compensation Plans (excluding securities reflected in (a) (c)

Equity Compensation Plans Approved by Security Holders	11,411,528	0.931	29,936,707
Equity Compensation Plans Not Approved by Security Holders	-	-	-
Total	**11,411,528**	**0.931**	**29,936,707**

Under our **Option Plan**, (a) the maximum number of shares reserved for issuance under the Plan, together with all other security based compensation arrangements, including the new Treasury Share Plan, is up to 10% of our issued and outstanding common shares, (b) stock options in favor of any one individual may not exceed 5% of the issued and outstanding shares of common stock, (c) stock options in favor of any one Insider may not exceed 10% of the issued and outstanding shares of common stock from time to time, (d) no stock option is transferable by the optionee other than by will or the laws of descent and distribution, (e) a stock option is exercisable during the lifetime of the optionee only by such optionee, (f) the maximum term of each stock option is ten years, with the vesting period determined at the discretion of the Board, (f) the minimum exercise price for a stock option is the volume weighted average trading price of the common shares of Capstone on the TSX calculated by dividing the total value by the total volume of common shares traded, for the five trading days immediately preceding the granting of the option, (g) subject to the terms of an option holder's written employment agreement, in the event an option holder's employment is terminated for cause or from an order made by a regulatory authority, stock options that have not vested shall be forfeited immediately, otherwise, after 30 days from the date the termination notice is delivered and (h) subject to the terms of a participant's written employment agreement, in the event an option holder's employment is terminated due to death, stock options that have not vested shall be forfeited on the one year anniversary of the option holder's death.

The Option Plan may be amended, modified or terminated by the Board without approval of shareholders of Capstone, including, without limiting the generality of the foregoing: (i) amendments of a "housekeeping" nature, (ii) amendments necessary to comply with the provisions of applicable law, (iii) amendments which increase the exercise price of an option, (iv) expansion of the scope of persons eligible to participate, (v) amendments respecting administration of the Option Plan, (vi) amendments to the vesting provisions of the Option Plan or any options, (vii) amendments to the early termination provisions, provided such amendment does not entail an extension beyond the original expiry date of such option, (viii) to add or change provisions relating to any form of financial assistance provided by Capstone, and (ix) to add a cashless exercise feature to any option. Provided however that such amendment, suspension or termination must be in accordance with applicable laws and the rules of any securities exchange on which Capstone has listed or posted its securities for trading, and, the following amendments require shareholder approval: (i) increase in the maximum number of common shares issuable under the Option Plan, (ii) amendments which reduce the exercise price of an option (except pursuant to customary permitted adjustments), (iii) amendments to the assignment or transferability provisions, (iv) amendments extending the term of an option beyond its original expiry date, except in case of an extension due to a black-out period, (v) amendments to the amendment provisions, (vi) any amendment to the number of Equity Awards (as defined in the Option Plan) which may be granted to non-employee directors and (vii) amendments required to be approved by shareholders under applicable law. Where shareholder approval is sought for amendments under clauses (ii) and (iv) above, the votes attached to common shares held directly or indirectly by insiders who would benefit from the amendment will be excluded.

In accordance with s. 613(d) of the TSX Company Manual, the following table presents the annual burn rate of each of our security-based compensation arrangements for the three most recently completed financial years:

	2019 Burn Rate	2020 Burn Rate	2021 Burn Rate
Security Based Compensation Plans	1.26%	1.34%	0.52%

Stock options to purchase securities of Capstone may be granted to its directors, officers, employees and consultants on terms and conditions acceptable to the regulatory authorities in Canada.

Bonus shares allow for more ownership in Capstone by management and provide additional incentives for employees to remain with us. The bonus shares are also used as an incentive tool to attract new employees to Capstone. We may issue up to 500,000 Common Shares annually for bonus compensation in lieu of cash for annual or long-term bonus plans. In 2019 and 2020, 98,685 and 137,196 bonus shares were issued, respectively. No bonus shares were awarded to any named executive officer in 2021. Any bonus shares issued are subject to approval by the Board.

Treasury Share Plan – RSUs and PSUs

On February 23, 2021, the Board adopted the Treasury Share Plan for executives, and on April 28, 2021, it was subsequently approved by shareholders. The objectives of the Treasury Share Plan are to:

- promote further alignment of interests between executives and shareholders of Capstone;
- associate a portion of executives' compensation with the returns achieved by shareholders of Capstone; and
- attract and retain executives with the knowledge, experience and expertise required by Capstone.

The **Treasury Share Plan** provides that the HR&C Committee may award grants of share units (PSUs or RSUs) to executives, employees and consultants who make contributions to the organization. A PSU is a right to receive the value of a common share that vests at the end of three years based on relative TSR performance. An RSU is a right to receive the value of a common share that vests ⅓ after one year, ⅓ after two years and ⅓ after three years.

The **Treasury Share Plan** provides for the grant of share units up to a maximum of 3.5% of Capstone's issued and outstanding common shares (subject to standard anti-dilution adjustments) to executives, employees and consultants of Capstone.

The maximum number of common shares: (i) issued to Insiders (as defined in the Treasury Share Unit Plan) within any one-year period, and (ii) issuable to Insiders, at any time, under the Treasury Share Unit Plan, or when combined with all Capstone's other Security Based Compensation Plans shall not exceed 10% of issued and outstanding common shares from time to time.

Subject to the terms of a participant's written employment agreement, in the event a participant's employment is terminated with cause, PSUs or RSUs that have not vested shall be forfeited immediately. In the event employment is terminated without cause death or disability, PSUs that have not vested shall vest in accordance with the grant agreement governing the PSU, and RSUs that have not vested shall vest in accordance with the formula described in the Treasury Share Plan, PSUs or RSUs that have not vested shall be forfeited immediately.

Except upon the death of a Participant, PSUs and RSUs (together, "Treasury Share Units") may not be transferred or assigned.

The Treasury Share Unit Plan may be amended, modified or terminated by the Board without approval of shareholders of Capstone, provided that no amendment to Treasury Share Unit Plan (or grants thereunder) may be made without the consent of a participant if it adversely alters or impairs the rights of the participant in respect of any grant previously granted, except for purposes of compliance with applicable law. For greater certainty, the following amendments require shareholder approval: (i) increase in the maximum number of common shares issuable, (ii) increase or remove the Insider participation limits, (iii) extend the maximum term of grant, except in case of an extension due to a black-out period, (iv) amend the assignment provisions, (v) include other types of equity compensation involving the issuance of common shares and (vi) amendments to the amendment provisions to grant additional powers to the Board to amend the

Treasury Share Unit Plan without shareholder approval. For greater certainty and without limiting the foregoing, shareholder approval shall not be required for the following amendments and the Board may make such changes without shareholder approval, subject to TSX approval: (i) amendments of a "housekeeping" nature, (ii) a change to the vesting provisions of any grants, (iii) a change to the termination provisions of any grant that does not entail an extension beyond the original term of the grant or (iv) amendments to the provisions relating to a Change of Control (as defined in the Treasury Share Unit Plan).

Under the Treasury Share Unit Plan, Market Value with respect to any particular date is calculated as the volume weighted average trading price per common share of Capstone on the TSX during the immediately preceding five days on which the shares were actually traded or the value established by the HR&C Committee of the Board acting in good faith.

The maximum expiry date of a Treasury Share Unit is the earlier of the date which is the tenth anniversary of the date on which such Treasury Share Unit is granted or the latest date permitted under the applicable rules and regulations of all regulatory authorities to which Capstone is subject, including the TSX.

PSU Performance

PSU award levels are determined by TSR, which is the return on investment including share price return and dividends relative to the TSR of other companies in the PSU comparator group. Capstone's performance is measured on a 3-year rolling basis against the predetermined base metals peer group and PSU award levels are based on this same 3-year period.

For the 3-years ending December 31, 2021, Capstone's TSR was 814.8% compared to the average total return of the peer group of 137.2%, which was at the 100th percentile in the peer group and resulted in a payout factor of 200% of target for the 2019 PSUs. The 2019 peer group comprised the following companies[1]:

- Amerigo Resources Ltd.;
- Antofagasta PLC;
- Atalaya Mining PLC;
- Copper Mountain Mining Corp.;
- Ero Copper Corp.;
- First Quantum Minerals Ltd.;
- Freeport-McMoRan Inc.;
- Hudbay Minerals Inc.;
- Lundin Mining Corp.;
- OZ Minerals Ltd.;
- Sandfire Resources Ltd;
- Southern Copper Corp.;
- Taseko Mines Ltd.;
- Teck Resources Ltd.; and
- Turquoise Hill Resources Ltd.

[1] Imperial Metals Corp. was removed as they sold 70% of their flagship asset and are currently not operating any mines.

The following table summarizes the PSU performance ratings for the past 3 years:

PSU Grant Year	PSU Settlement Year	PSU Performance Rating
2017	2019	61.1%
2018	2020	183%
2019	2021	200%

The following table shows the PSU performance ranges and associated payout percentages.

PSU Payout Performance Range	0-200%
Performance <25th percentile	0%
Performance at 25th percentile	50% of target
Performance at 37.5th percentile	75% of target
Performance at median	100% of target
Performance at 62.5th percentile	125% of target
Performance at 75th percentile	150% of target
Performance at 87.5th percentile	175% of target
Performance at 100th percentile	200% of target

Board discretion can be applied to the percentage payout range as required.

Outstanding Share-Based and Option-Based Awards

The following table sets out all share-based and option-based awards outstanding for each NEO at December 31, 2021.

	Option-Based Awards				Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date[1]	Value of Unexercised In-The-Money Options ($)[2]	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)[3]	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)
Darren Pylot	754,177	1.44	Feb 21, 2023	3,122,293	4,965,265	27,706,179	-
	403,449	0.58	Feb 20, 2024	2,017,245			
	1,478,041	0.70	Feb 24, 2025	7,212,840			
	283,954	3.90	Mar 2, 2026	477,043			
Raman Randhawa	125,863	0.58	Feb 20, 2024	629,315	1,429,983	7,979,305	-
	325,676	0.70	Feb 24, 2025	1,589,299			
	83,483	3.90	Mar 2, 2026	140,251			
Brad Mercer	179,705	1.44	Feb 21, 2023	743,979	1,414,060	7,890,455	-
	216,587	0.58	Feb 20, 2024	1,082,935			
	405,406	0.70	Feb 24, 2025	1,978,381			
	89,446	3.90	Mar 2, 2026	150,269			
Jason Howe	289,656	0.58	Feb 20, 2024	1,448,280	1,254,472	6,999,954	-
	394,145	0.70	Feb 24, 2025	1,923,428			
	81,495	3.90	Mar 2, 2026	136,912			
Wendy King	152,956	1.44	Feb 21, 2023	633,238	1,136,309	6,340,604	-
	256,552	0.58	Feb 20, 2024	1,282,760			
	366,555	0.70	Feb 24, 2025	1,788,788			
	75,532	3.90	Mar 2, 2026	126,894			

[1] All options vest one-third per year commencing on the first anniversary of the award.
[2] Calculated based on the difference between the market price of our shares on the TSX on December 31, 2021, which was $5.58, and the exercise price of the options.
[3] Market value based on the closing price of Capstone's shares on the TSX on December 31, 2021 ($5.58), PSU multiplier is 2.00x target for 2021 and 1.0x target assumed for all other years.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards - Value Vested During the Year ($)[1]	Share-Based Awards - Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation - Value Earned During the Year ($)
Darren Pylot	$3,434,850	$6,013,640[2]	$1,008,000
Raman Randhawa	$978,156	$1,525,784[3]	$352,170
Brad Mercer	$3,314,869	$1,461,831[2]	$377,325
Jason Howe	$858,696	$1,378,096[2]	$343,785
Wendy King	$783,028	$1,257,292[2]	$318,630

[1] Total value that would have been realized if the stock options had been exercised on the vesting date.
[2] Calculated using the 5-day Volume-Weighted Average Price of the Common Shares on the TSX on March 5, 2021 of $3.67, the date on which the Share Units were settled.
[3] Calculated using the 5-day Volume-Weighted Average Price of the Common Shares on the TSX on March 5, 2021 of $3.67, on April 1, 2021 of $3.96 and on April 4, 2021 of $4.04, the dates on which the Share Units were settled.

Termination and Change of Control Benefits

We have entered into employment agreements with each of our NEOs which were negotiated at the time of appointment to align with market. Under the terms of the employment agreements, our NEOs are entitled to compensation, based on their remuneration at the time, in the event of:

- termination without cause; or
- a change of control, if the NEO is terminated without cause or resigns their employment for Good Reason (as defined below) within 12 months (6 months for the CEO) of the change of control.

A change of control, in general, occurs when a person or group of persons acting together through a transaction or series of transactions beneficially acquires or exercises control or direction over 50% or more of Capstone's common shares. The events selected for triggering payment in connection with termination without cause and on a change of control were determined by the HR&C Committee, with advice from independent consultants, based on industry standards at the time the agreements were entered into with each NEO.

"Good Reason" means the occurrence, within 12 months (6 months for the CEO) of a Change of Control, of any of (i) a meaningful or detrimental change in the employee's position, duties or responsibilities; or (ii) a reduction in the employee's salary; or (iii) a demand by the employer that the employee cease working or providing services to another entity where the employer and employee had previously agreed that the employee could engage in such activities.

"Average Bonus Payment" means the amounts paid to the employee under the Annual Incentive Plan during the last three completed Bonus Years. However, if the employee has not been eligible to be paid under the Annual Incentive Plan for at least three Bonus Years, then the averages described above shall be calculated as (i) the average of the amounts paid to the employee under the Annual Incentive Plan during the last two completed Bonus Years, if the employee has been eligible to be paid under the Annual Incentive Plan for only the last two completed Bonus Years, or the last one completed Bonus Year, if the employee has been eligible to be paid under the Annual Incentive Plan for only the last one completed Bonus Year, as the case may be; or (ii) if, as of the last day of work, the employer has never paid an amount to the employee under the Annual Incentive Plan because the employee's eligibility to be paid has been for less than one complete Bonus Year or because the employer has not yet made an award under the Annual Incentive Plan in respect of the employee's one completed Bonus Year, then the average shall be calculated as 25% of the employee's salary as of the last day of work; and for clarity, if the employee was eligible to be paid an award under the Annual Incentive Plan during a Bonus Year but the employer did not make an award to the employee, the amount paid in respect of that Bonus Year (zero) shall be included for the purpose of determining the average.

No NEO is entitled to compensation on resignation, retirement or termination for cause.

The following table outlines the NEO termination and change of control benefits that were effective as at December 31, 2021 and remain effective, unamended:

Termination Type	Severance	Bonus	LTI[1]
Termination without Cause	Lump sum payment of salary (18-24 months[2] for SVP & CFO, and 24 months for all other NEOs)	• Average bonus paid in the last 3 years (1.5-2x[3] for SVP & CFO, 2x for all other NEOs, 2.5x for CEO); plus • a prorated amount for the year in which the termination occurs	• PSUs are forfeited • Pro-rated amount of RSUs vest based on service • Vested stock options must be exercised within 90 days[4] or by the end of the original term (if sooner) • Unvested stock options are cancelled
Change of Control *(and NEO is terminated without cause or resigns their employment for Good Reason within 6 months for the CEO and 12 months for all other NEOs)*	Lump sum payment of salary (30 months for CEO and 24 months for all other NEOs)	• Average bonus paid in the last 3 years (2.5x for CEO and 2x for all other NEOs); plus • a prorated amount for the year in which the termination occurs	• PSUs immediately vest • RSUs immediately vest • Vested stock options remain exercisable until original expiration date • Unvested stock options vest immediately and remain exercisable until original expiration date
Resignation or Retirement	-	-	• Unvested PSUs are forfeited • Unvested RSUs are forfeited • Vested stock options must be exercised within 30 days or by the end of the original term (if sooner) • Unvested stock options are cancelled
Termination for Cause	-	-	• Unvested PSUs are forfeited • Unvested RSUs are forfeited • Vested and unvested stock options are cancelled

[1] Equity plans allow for Board discretion. In addition, refer to the Amendments to Employment Agreements section below for recent amendments for certain executives.
[2] In the event of a termination without cause, Mr. Randhawa shall receive a lump sum payment equal to 18 months' Salary plus 1 additional months' Salary for each completed year of service, up to a maximum of 24 months' Salary.
[3] In the event of a termination without cause, Mr. Randhawa shall receive an amount equivalent to 1.5 times plus 1 additional month for each completed year of service, up to a maximum of 2 times, the Average Bonus Payment.
[4] Mr. Randhawa's Employment Agreements specify that vested stock options must be exercised within 30 days or by the end of the original term (if sooner).

The following table provides the total value of severance, incremental payments, payables and any other termination benefits that would have been paid to each NEO, had employment been terminated on December 31, 2021 under various termination scenarios.

Name		Termination Without Cause ($)[1]	Change of Control ($)	Resignation or Retirement ($)	Termination for Cause ($)
Darren Pylot	*Salary*	1,600,000	2,000,000	-	-
	Bonus	2,861,820	3,338,790	-	-
	Equity	5,341,896	11,910,925[2]	-	-
	Other	19,406	24,258	-	-
Raman Randhawa	*Salary*	735,000	840,000	-	-
	Bonus	927,520	967,847	-	-
	Equity	1,538,400	3,670,289[2]	-	-
	Other	6,881	9,174	-	-
Brad Mercer	*Salary*	900,000	900,000	-	-
	Bonus	1,007,253	1,007,253	-	-
	Equity	1,520,165	3,428,365[2]	-	-
	Other	13,910	13,910	-	-
Jason Howe	*Salary*	820,000	820,000	-	-
	Bonus	901,528	901,528	-	-
	Equity	1,350,661	2,929,591[2]	-	-
	Other	13,308	13,308	-	-
Wendy King	*Salary*	760,000	760,000	-	-
	Bonus	818,646	818,646	-	-
	Equity	1,223,973	3,185,907[2]	-	-
	Other	9,194	9,194	-	-

[1] Equity value is based on the termination and change of control benefits as outlined in the previous table.
[2] Change of Control Equity value is based on December 1, 2022 and assumes target performance for PSUs. The Change of Control Equity values as of December 31, 2021 for Mr. Pylot, Mr. Randhawa, Mr. Mercer, Mr. Howe and Ms. King were $35,009,028, $10,083,738, $7,890,455, $8,901,914 and $8,087,614 respectively.

Amendments to Employment Agreements

On November 27, 2021, the Board agreed to amend the terms of the individual employment agreements with each of Mr. Pylot, Mr. Randhawa, Mr. Howe and Ms. King, conditional on the completion of the plan of arrangement between Capstone Mining and Mantos Copper as described below.

Mr. Pylot's employment agreement shall be amended such that upon leaving the board of directors of Capstone Copper Corp.:

- he shall receive a deferred payment of $4.5 million which is based on 30 months' salary and 2.5x his average short-term incentive payment;
- he shall receive continued benefits for 30 months;
- his existing stock options shall remain in full force and effect in accordance with the original terms thereof until the earlier of the normal expiry date or 36 months; and
- his existing RSUs and PSUs shall remain in full force and continue to vest as per the original vesting schedule and PSUs will vest based on actual performance versus original goals.

Mr. Randhawa, Mr. Howe and Ms. King's respective employment agreements have been amended such that if any of them is terminated without cause within the later of 12-months following the effective date of the Mantos Transaction or April 30, 2023, the terminated person's respective:

- existing stock options shall remain in full force and effect in accordance with the original terms thereof until the earlier of the normal expiry date or 36 months; and
- existing RSUs and PSUs shall remain in full force and continue to vest as per the original vesting schedule and PSUs will vest based on actual performance versus original goals.

Mr. Howe's employment ended with Capstone on June 10, 2022.

On November 27, 2021, the Board agreed to amend the terms of Mr. Mercer's employment, which amendments were not conditional on the completion of the Mantos Transaction.

Effective January 5, 2022, Mr. Mercer ceased to be Chief Operating Officer and became the Senior Vice President, Exploration & Strategic Projects of Capstone, reporting to Capstone's new Chief Operating Officer. In connection with this transition, Mr. Mercer's employment agreement had been amended such that, upon his retirement from Capstone:

- he shall receive 24 months' salary, a prorated average short-term incentive payment for his year of retirement and 2x his average short-term incentive payment;
- he shall receive continued benefits for 24 months;
- his existing stock options immediately vest and shall remain in full force and effect in accordance with the original terms; and
- his existing RSUs and PSUs shall remain in full force and continue to vest as per the original vesting schedule and PSUs will vest based on actual performance versus original goals.

Mr. Mercer retired from Capstone on June 30, 2022.

DIRECTOR COMPENSATION

Director Compensation Objectives

The goals of the Board's compensation program are to:

- reflect the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board;
- reflect director compensation consistent with companies in Capstone's compensation peer group; and
- align the interests of Capstone's directors with those of its shareholders.

Directors' compensation is reviewed in consultation with a third-party consulting firm and the same peer group is used as for the NEO and other senior executives' compensation review.

Director Compensation Components

Directors' compensation for service on the Board is composed of:

- a cash retainer; and
- an equity retainer.

Directors who are also employees of Capstone do not receive any compensation for their service as a director of Capstone.

The HR&C Committee reviews Board compensation on a regular basis and recommends revisions to the annual retainers paid to the Board when warranted. In addition, the Board may award special remuneration to any director undertaking any special services on Capstone's behalf other than services ordinarily required of a director.

Directors' Compensation – Cash Retainer

Directors receive an annual cash retainer and the Board chair and committee chairs receive an additional cash amount for their increased responsibilities. The following table provides a breakdown of the 2021 annual cash retainers.

Role	Director Retainer ($)	Audit Committee ($)	HR&C Committee ($)	CG&N Committee ($)	THES&S Committee ($)
Chair	125,000	20,000	15,000	10,000	10,000
Member	65,000	-	-	-	-

Directors' Compensation – Equity Retainer

Directors' equity retainers are positioned to align total direct compensation within a competitive range of the market median. The below table summarizes the equity retainers for the Board Chair and Board Members.

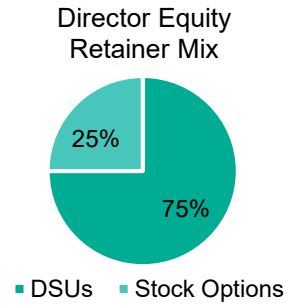
Level	2019 ($)[1]	2020 ($)	2021 ($)
Board Chair	160,000	200,000	200,000
Board Member	108,000	135,000	135,000

[1] A 20% reduction in target LTI value was applied in 2019 in response to market conditions. This reduction was restored in 2020.

Equity Retainer Mix

Capstone grants a combination of 75% Deferred Share Units ("DSU") and 25% stock options to align the interests of independent directors with those of shareholders. The equity mix is reviewed on an annual basis to ensure it aligns with market, shareholder interests and supports retention.

The LTI mix is reviewed on an annual basis to ensure it aligns with trends in compensation best practices, shareholder interests and peer benchmarking.



2021 Director Compensation Table

The following table sets out all amounts of compensation provided to our non-executive directors for the year ended December 31, 2021.

Name of Director	Fees Earned ($)[1]	Share-Based Awards ($)[2]	Option-Based Awards ($)[3]	Non-Equity Incentive Plan Awards ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
George Brack	166,667	150,000	50,000	-	-	-	366,667
Robert Gallagher	116,667	101,250	33,750	-	-	-	251,667
Peter Meredith	121,667	101,250	33,750	-	-	-	256,667
Dale Peniuk[4]	85,000	101,250	33,750	-	-	-	220,000
Anne Giardini[5]	88,445	75,000	25,000	-	-	-	188,445
Richard Zimmer[6]	47,500	101,250	33,750	-	-	-	182,500
Seung Wan Shon[7]	27,082	101,250	33,750	-	-	-	162,082

[1] Mr. Brack, Mr. Gallagher, Ms. Giardini and Mr. Meredith received a special committee cash retainer of $41,667 in November 2021.
[2] Share-based awards are granted in the form of DSUs. In addition, independent directors may elect to receive up to 100% of their fees for serving as a director in the form of DSUs.
[3] Option-based compensation is valued using the Black-Scholes option pricing model. Awards vest one-third per year commencing on the first anniversary of the award.
[4] Mr. Peniuk retired from the Board effective March 23, 2022.
[5] Ms. Giardini was appointed to the Board effective April 28, 2021.
[6] Mr. Zimmer retired from the Board effective August 17, 2021.
[7] Mr. Shon resigned from the Board effective June 2, 2021.

Directors' Deferred Share Unit Plan

Capstone has a DSU Plan to align the interests of non-executive directors with those of Capstone's shareholders and to provide a compensation system for eligible directors that, together with the other director compensation mechanisms of Capstone, is reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board.

Under the DSU Plan, independent directors may elect to receive up to 100% of their fees for serving as a director in the form of DSUs. Directors receiving DSUs will be credited with additional DSUs whenever cash dividends are paid on common shares. While DSUs received by directors vest immediately, directors will only be able to redeem their DSUs after they cease to be directors of Capstone.

The Board may amend the DSU Plan as it deems necessary or appropriate or terminate the DSU Plan at any time, but no such amendment or termination will, without the consent of the eligible director or unless required by law, adversely affect the rights of an eligible director with respect to any amount in respect of which an eligible director has then elected to receive DSUs or DSUs which the eligible director has been granted under the DSU Plan.

Outstanding Share-Based and Option-Based Awards

The following table sets out all share-based and option-based awards outstanding for each of our non-executive directors at December 31, 2021.

	Option-Based Awards				Share-Based Awards		
Name of Director[1]	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date[2]	Value of Unexercised In-The-Money Options ($)[3]	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)[4]	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)
George Brack	85,947	1.44	Feb 21, 2023	355,821	-	-	7,922,395
	137,932	0.58	Feb 20, 2024	689,660			
	160,876	0.70	Feb 24, 2025	785,075			
	28,396	3.90	Mar 2, 2026	47,705			
Robert Gallagher	31,035	0.58	Feb 20, 2024	155,175	-	-	2,741,761
	72,394	0.70	Feb 24, 2025	353,283			
	19,167	3.90	Mar 2, 2026	32,301			
Peter Meredith	74,627	0.67	May 1, 2024	366,419	-	-	1,576,607
	108,591	0.70	Feb 24, 2025	529,924			
	19,167	3.90	Mar 2, 2026	32,201			
Dale Peniuk[5]	31,035	0.58	Feb 20, 2024	155,175	-	-	5,076,137
	72,394	0.70	Feb 24, 2025	353,283			
	19,167	3.90	Mar 2, 2026	32,201			
Anne Giardini[6]	9,564	5.79	Mar 2, 2026	(2,008)	-	-	72,283

[1] Mr. Shon resigned from the Board effective June 2, 2021 and Mr. Zimmer retired from the Board effective August 17, 2021.
[2] All options (except otherwise noted) granted vest one-third per year commencing on the first anniversary of the award.
[3] Calculated based on the difference between the market price of our shares on the TSX on December 31, 2021, which was $5.58, and the exercise price of the options.
[4] Market value based on the closing price of Capstone's shares on the TSX on December 31, 2021 ($5.58).
[5] Mr. Peniuk retired from the Board effective March 23, 2021.

[6] Ms. Giardini was appointed to the Board effective April 28, 2021.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of incentive plan awards for each of our non-executive directors vested or earned during the year ended December 31, 2021.

Name of Director	Option-Based Awards - Value Vested During the Year ($)[1]	Share-Based Awards - Value Vested During the Year ($)[2,3]	Non-Equity Incentive Plan Compensation - Value Earned During the Year ($)
George Brack	382,941	150,000	-
Robert Gallagher	258,487	101,250	-
Peter Meredith	240,394	101,250	-
Dale Peniuk[4]	258,487	101,250	-
Richard Zimmer[5]	258,487	101,250	-
Anne Giardini[6]	-	75,000	-
Seung Wan Shon[7]	-	-	-

[1] Total value that would have been realized if the stock options had been exercised on the vesting date.
[2] The amount represents the aggregate dollar value of the share units as of the vesting date. As directors' DSUs vest immediately, the market value for DSUs was as of the grant date.
[3] DSUs vest on the grant date but are not redeemable until the Director ceases to hold office. The value of the DSUs is based on the fair market value on the redemption date(s), accordingly, the amount of the final payout will not be known until that time.
[4] Mr. Peniuk retired from the Board effective March 23, 2022.
[5] Mr. Zimmer retired from the Board effective August 17, 2021.
[6] Ms. Giardini was appointed to the Board effective April 28, 2021.
[7] Mr. Shon resigned from the Board effective June 2, 2021.

SCHEDULE "D"
TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

1. INTRODUCTION

The Board of Directors (the "Board") has the responsibility for the overall stewardship of the conduct of the business of Capstone Copper Corp. ("Capstone") and the activities of management. Management is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, and to ensure Capstone meets its obligations on an ongoing basis and that Capstone operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests that its other stakeholders, such as employees, customers and communities, may have in Capstone. In overseeing the conduct of the business, the Board, through the Chief Executive Officer ("CEO"), shall set the standards of conduct for Capstone.

In performing its function, the Board will act honestly and in good faith with a view to the best interest of Capstone.

2. COMPOSITION

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chair, nominating candidates for election to the Board and constituting committees of the Board. Subject to the Articles of Capstone and the British Columbia Business Corporations Act (the "Act"), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

3. CORE RESPONSIBILITIES

The Board's principal duties and responsibilities fall into a number of categories which are outlined below.

A. Legal Requirements

The Board has the responsibility to direct management to ensure that all legal requirements have been met and documents and records have been properly prepared, approved and maintained.

The Board has the statutory responsibility to:

i. Manage or, to the extent it is entitled to delegate such power, to supervise the management of the business and affairs of Capstone by the senior officers of Capstone;

ii. Act honestly and in good faith with a view to the best interests of Capstone;

iii. Exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances;

iv. Act in accordance with its obligations contained in the Act and the regulations thereto, Capstone's Articles, applicable securities legislation of Canada, and other relevant legislation and regulations; and

v. Ensure that management has established an effective risk management system.

B. Independence

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management, including endeavouring to have a majority of independent directors as well as an independent Chair or an independent Lead Director, as the term "independent" is defined in National Instrument 58-101 "Disclosure of Corporate Governance Practices".

C. Strategy Determination

The Board has the responsibility to ensure that long term goals and a strategic planning process for Capstone is put in place and to participate with management through its committees in approving the mission of the business of Capstone and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of Capstone's business.

D. Managing Risk and Insurance

The Board has the responsibility to identify and understand the principal risks of the business in which Capstone is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure management has put in place systems which effectively identify, monitor and manage those risks with a view to the long-term viability of Capstone. The Board's oversight of risk includes assessing the environmental and social impacts and related risks of environmental, social and governance (ESG) issues on the corporate strategy and operating model. The Board also has the responsibility to take appropriate steps to minimize material risk exposures by assessing Capstone's risk profile, categories of risk Capstone faces, strategies implemented to mitigate identified risks, and maintaining appropriate insurance programs to transfer risks where appropriate, including Capstone's captive insurance program. Board committees assist the Board in fulfilling its risk oversight responsibilities in certain areas of risk, as outlined in each Board Committee's Terms of Reference document.

E. Division of Responsibilities

The Board has the responsibility to:

i. Appoint directors to committees, and to delegate responsibilities to committees where appropriate to do so;

ii. Have in place position descriptions for:

   a) The Chair of the Board;

   b) The Chair of each Board Committee;

   c) The Chief Executive Officer;

   d) The President and Chief Operating Officer; and

   e) The Chief Financial Officer; and

iii. Ensure that the directors of Capstone's subsidiaries are qualified and appropriate and that they are provided with copies of Capstone's policies for consideration for implementation by the subsidiaries.

To assist it in exercising its responsibilities, the Board has established four standing committees of the Board: the Audit Committee, the Human Resources & Compensation Committee, the Governance, Nominating & Sustainability Committee and the Technical, Health, Environment, Safety & Sustainability Committee. The Board may also establish other standing or special committees from time to time.

Each committee shall have written Terms of Reference that clearly establish its purpose, composition, responsibilities, authority, accountability and meetings.

F. Appointment, Training and Monitoring Senior Management

The Board has the responsibility:

i. to appoint the CEO, to monitor and assess the CEO's performance, to satisfy itself as to the integrity of the CEO, and to provide advice and counsel in the execution of the CEO's duties;

ii. to approve the corporate goals or objectives that the CEO is responsible for;

iii. to approve the appointment of all corporate officers, acting upon the advice of the CEO and to satisfy itself as to the integrity of such corporate officers;

iv. to ensure that adequate provision has been made to train and develop management and for the orderly succession of management;

v. to ensure that all new directors receive a comprehensive orientation, to fully understand the role of the Board and its committees, the nature and operation of Capstone's business and the contribution that individual directors are required to make;

vi. to ensure a culture of integrity throughout Capstone;

vii. to set out expectations and responsibilities of directors including attendance at meetings and review of meeting materials.

viii. to ensure that management is aware of the Board's expectations of management;

ix. to ensure that succession plans have been made for corporate officers; and

G. Policies, Procedures and Compliance, Conduct

The Board has the responsibility:

i. to ensure that Capstone has in place a corporate policy framework that enables Capstone to operate at all times within applicable laws, regulations and its ethical standards;

ii. to approve and monitor compliance with significant policies and procedures by which Capstone is operated; and

iii. to have in place a code of conduct and ensure effective systems are in place such that all directors, officers and employees comply with the code.

H. Reporting and Communication

The Board has the responsibility:

i. to ensure Capstone has in place policies and programs to enable Capstone to communicate effectively with its shareholders, stakeholders and the public generally;

ii. to ensure that the financial performance of Capstone is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;

iii. to ensure that the financial results are reported fairly and in accordance with international financial reporting standards ("IFRS")

iv. to ensure the timely reporting of developments that have a material impact on the value of Capstone;

v. to report annually to shareholders on its stewardship of the affairs of Capstone for the preceding year;

vi. to develop appropriate measures for receiving shareholder feedback; and

vii. to develop Capstone's approach to corporate governance and to develop a corporate governance guideline.

I. Monitoring and Acting

The Board has the responsibility:

i. to monitor Capstone's progress towards it goals and objectives and to revise and alter its direction through management in response to changing circumstances;

ii. to take action when performance falls short of its goals and objectives or when other special circumstances warrant;

iii. to ensure that Capstone has implemented adequate control and information systems which ensure the effective discharge of its responsibilities; and

iv. to conduct regular assessments of the Board, committee and director effectiveness.

J. Non-Delegation

The following are responsibilities of the Board that cannot be delegated to management or any committee of the Board.

i. Declare dividends;

ii. On behalf of the Company, purchase, redeem, or otherwise acquire shares issued by the Company

iii. Approve a management proxy circular

iv. Approve a take-over bid circular

v. Approve any financial statements or other statutory disclosure documents

4. REVIEW AND REVISION OF THE TERMS OF REFERENCE

Annual Review: The Board shall annually review these Terms of Reference and make such changes as it deems advisable.