
INSIDER TRADING POLICY

1. INTRODUCTION

Capstone Copper Corp. and all its subsidiaries (“Capstone”) encourages all employees, officers and directors to become shareholders of Capstone on a long-term investment basis. These individuals will from time to time become aware of corporate developments, plans or other information that may affect the value of Capstone’s securities before these developments, plans or information are made public. Trading securities of Capstone while in possession of such information before it is generally disclosed (known as “insider trading”) or disclosing such information to third parties before it is generally disclosed (known as “tipping”), is against the law and may expose an individual to criminal prosecution or civil lawsuits. Such action will also result in a lack of confidence in the market for Capstone’s securities, harming both Capstone and its shareholders. Accordingly, Capstone has established this Policy to assist its employees, contractors, officers and directors in complying with the prohibitions against insider trading and tipping.

The procedures and restrictions set forth in this Policy are only a general framework to assist Capstone Personnel, as defined below, in ensuring that any purchase or sale of securities occurs without actual or perceived violation of applicable securities laws. Capstone Personnel have the ultimate responsibility for complying with applicable securities laws and should obtain additional guidance, including independent legal advice, as may be appropriate for their own circumstances.⁷

Capstone’s Board of Directors will designate one or more individuals from time to time as Insider Trading Policy Administrators for the purpose of administering this Policy. At the date hereof, the designated Insider Trading Policy Administrators are the Chief Executive Officer (“CEO”) and SVP, Risk, ESG, General Counsel & Corporate Secretary (“General Counsel”). This Policy has been reviewed and approved by Capstone’s Board of Directors and may be reviewed and updated periodically by the Governance, Nominating and Sustainability Committee and/or Capstone’s Board of Directors. Any amendments to this Policy shall be subject to approval by Capstone’s Board of Directors

2. SCOPE

1. Persons that are Subject to this Policy

The following persons are required to observe and comply with this Policy:

- a) all directors, officers and employees of Capstone;
- b) any other person retained by or engaged in business of professional activity with or on behalf of Capstone or any of its subsidiaries (such as a consultant, independent contractor or adviser);
- c) any family member, spouse or other person living in the household or a dependent child of any of the individuals referred to in Sections 2.1(a) and (b) above; and
- d) partnerships, trusts, corporations, R.R.S.P.’s, IRA’s and similar entities over which any of the above-mentioned individuals exercise control or direction.

For the purposes of this Policy, the persons listed above are collectively referred to as “Capstone Personnel”. Sections 2.1(c) and (d) should be carefully reviewed by Capstone Personnel as those sections have the effect of making various family members or holding companies or trusts of the persons referred to in Sections 2.1(a) and (b) subject to the Policy.



2. Trades that are Subject to this Policy

Under this Policy, all references to trading in securities of Capstone include: (a) any sale or purchase of securities of Capstone, including the exercise of stock options granted under Capstone's stock option plan and the acquisition of shares or any other securities pursuant to any Capstone benefit plan or arrangement, and (b) any derivatives-based or other transaction or arrangement that would be required to be reported by insiders in accordance with applicable laws or regulations relating to derivatives or equity monetization transactions (including Multilateral Instrument 55-103 – *Insider Reporting for Certain Derivative Transactions (Equity Monetization* ("MI 55-103"))).

3. INSIDE INFORMATION

"**Inside Information**" means:

- a change in the business, operations or capital of Capstone that would reasonably be expected to have a significant effect on the market price or value of the securities of Capstone (which includes any decision to implement such a change by Capstone's Board of Directors or by senior management who believe that confirmation of the decision by Capstone's Board of Directors is probable);
- a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of Capstone; or
- any information which is not generally available to the public that a reasonable investor would be likely to consider important in deciding whether to buy, hold or sell securities of Capstone,
- in each case, which has not been generally disclosed. Examples of information that may constitute Inside Information are set out in Schedule "A" attached to this policy. **It is the responsibility of any Capstone Personnel contemplating a trade in securities of Capstone to determine prior to such trade whether he or she is aware of any information that constitutes Inside Information. If in doubt, the individual should consult with an Insider Trading Policy Administrator.** In addition, Section 6.1 of this Policy requires that certain Personnel pre-clear trades in securities of Capstone.

4. PROHIBITION AGAINST TRADING ON INSIDE INFORMATION

Capstone Personnel must not purchase, sell or otherwise trade securities of Capstone with the knowledge of Inside Information until the earlier of:

- a) two clear business days after the disclosure to the public of the Inside Information, whether by way of news release or a filing made with securities regulatory authorities; and
- b) the Inside Information ceases to be material (e.g. a potential transaction that was the subject of the information is abandoned, and either Capstone Personnel are so advised by the Insider Trading Policy Administrators or such abandonment has been generally disclosed).

In addition, Capstone Personnel must not make any trades in securities of Capstone during the black-out periods described in Section 6 of this Policy.

5. PROHIBITION AGAINST SPECULATING, SHORT-SELLING, PUTS AND CALLS

Certain types of trades in securities of Capstone by Capstone Personnel can raise particular concerns about potential breaches of applicable securities law or that the interests of the persons making the trade are not aligned with those of Capstone. Capstone Personnel are therefore prohibited at any time from, directly or indirectly, undertaking any of the following activities:



- a) speculating in securities of Capstone, which may include buying with the intention of quickly reselling such securities, or selling securities of Capstone with the intention of quickly buying such securities (other than in connection with the acquisition and sale of shares issued under Capstone's stock option plan or any other Capstone benefit plan or arrangement);
- b) buying Capstone's securities on margin;
- c) short selling a security of Capstone or any other arrangement that results in a gain only if the value of Capstone's securities declines in the future;
- d) selling a "call option" giving the holder an option to purchase securities of Capstone; and
- e) buying a "put option" giving the holder an option to sell securities of Capstone.

6. RESTRICTIONS ON TRADING OF CAPSTONE SECURITIES

1. Trading Pre-Clearance

To assist each of Capstone Personnel specified below to avoid any trade in securities of Capstone that may contravene or be perceived to contravene applicable securities laws, these individuals are required to notify an Insider Trading Policy Administrator of any proposed trade of securities of Capstone **before effecting the trade** in order to confirm that there is no Inside Information that has not been generally disclosed:

- a) a director;
- b) the CEO, Chief Operating Officer ("COO") or Chief Financial Officer ("CFO");
- c) an employee who reports directly to the CEO, COO or CFO;
- d) a member of the finance staff;
- e) an individual that is notified by the Insider Trading Policy Administrators that the individual's trades in securities of Capstone will be subject to pre-clearance in accordance with this Policy; and
- f) a family member, spouse or other person living in the household or a dependent child of any of the foregoing individuals.

Such notification shall be made by filing a Trade Notice in the form of Schedule "B" to this Policy with an Insider Trading Policy Administrator no later than 12:00 noon (PST) on the second business day before the date of the proposed transaction. Such filing must be made by delivering the notice in person to the CEO or General Counsel or by sending an email to insider@capstonecopper.com. Prior to the date of the proposed transaction, an Insider Trading Policy Administrator shall notify any individual that has filed a Trade Notice in accordance with this Policy whether Capstone reasonably believes that there is Inside Information that has not been generally disclosed or otherwise anticipates that the proposed trade will contravene applicable securities laws or this Policy, and whether or not the proposed trade may be made.

If an individual has filed a Trade Notice in accordance with the foregoing and has not received a response from an Insider Trading Policy Administrator prior to the proposed date of the trade, the individual may proceed with such trade in accordance with applicable securities laws and this Policy.

2. Scheduled Black-out Periods

No person that is required to file a Trade Notice with the Insider Trading Policy Administrators shall trade in securities of Capstone during the period commencing on the 1st day of the month following each fiscal quarter and ending after two clear business days following the date on which a news release has been issued in respect of Capstone's interim or annual financial statements (otherwise known as a "**black-out period**").



The trading restrictions described above also apply to the exercise of stock options granted under Capstone's stock option plan and any other securities that may be acquired pursuant to any Capstone benefit plan or arrangement.

3. Extraordinary Black-out Periods

Additional black-out periods may be prescribed from time to time by the Insider Trading Policy Administrators at any time at which it is determined there may be undisclosed Inside Information concerning Capstone that makes it inappropriate for individuals required to file a Trade Notice with the Insider Trading Policy Administrators to be trading. In such circumstances, the Insider Trading Policy Administrators will issue a notice instructing these individuals not to trade in securities of Capstone until further notice. This notice will contain a reminder that the fact that there is a restriction on trading may itself constitute inside information or information that may lead to rumors and must be kept confidential.

4. Exemptions

Individuals subject to a black-out period who wish to trade securities of Capstone may apply to an Insider Trading Policy Administrator for approval to trade securities of Capstone during the black-out period. Any such request should describe the nature of and reasons for the proposed trade. The Insider Trading Policy Administrator will consider such requests and inform the requisitioning individual whether or not the proposed trade may be made. The requisitioning individual may not make any such trade until he or she has received the specific approval from an Insider Trading Policy Administrator.

7. EXEMPTIONS FROM TRADING RESTRICTIONS

The trading restrictions set forth in Sections 4 and 6 of this Policy do not apply to the following:

- i. Purchase of securities made pursuant to an automatic dividend reinvestment plan or a Capstone employee share purchase plan, or similar plan ("Share Purchase Plan") pursuant to standing instructions given prior to the commencement of a blackout and prior to the acquisition of Inside Information;
- ii. Transfers of securities where underlying beneficial ownership of the securities does not change (ex. Share Purchase Plan to RRSP);
- iii. Participation in an automatic purchase plan or sale plan entered into by Capstone or a director, officer or employee prior to the acquisition of knowledge of Inside Information, approved by the Insider Trading Policy Administrators and as required by applicable law.

8. PROHIBITION AGAINST TIPPING

Capstone Personnel are prohibited from communicating Inside Information to any person outside Capstone, unless: (a) disclosure is in the necessary course of Capstone's business provided that the person receiving such information first enters into a confidentiality agreement in favor of Capstone (which should contain, among other things, an acknowledgement by the recipient of the requirements of applicable securities laws relating to such recipient trading securities with knowledge of a material fact or material change in respect of Capstone that has not been generally disclosed and to such recipient disclosing information to another person or company such material fact or material change) and the disclosure is made pursuant to the proper performance by such Capstone Personnel of his or her duties on behalf of Capstone; (b) disclosure is compelled by judicial process; or (c) disclosure is expressly authorized by the Insider Trading Policy Administrators.



Subject to the above, Inside Information is to be kept strictly confidential by all Capstone Personnel until after it has been generally disclosed. Discussing Inside Information within the hearing of, or leaving it exposed to, any person who has no need to know is to be avoided at all times. Capstone Personnel with knowledge of Inside Information shall not encourage any other person or company to trade in the securities of Capstone, regardless of whether the Inside Information is specifically communicated to such person or company.

If any Capstone Personnel has any doubt with respect to whether any information is Inside Information or whether disclosure of Inside Information is in the necessary course of business, the individual is required to contact an Insider Trading Policy Administrator.

9. SECURITIES OF OTHER COMPANIES

In the course of Capstone's business, Capstone Personnel may obtain information about another publicly traded company that has not been generally disclosed. Securities laws generally prohibit such Capstone Personnel from trading in securities of that other company while in possession of such information or communicating such information to another person. The restrictions set out in this Policy apply to all Capstone Personnel with respect to both trading in the securities of another company while in possession of such information and communicating such information.

10. REPORTING REQUIREMENTS

The directors and "senior officers" (as defined in applicable securities laws) of Capstone and its subsidiaries are "Insiders" under applicable securities laws. Insiders are required to file reports with Canadian provincial securities regulators, pursuant to the electronic filing system known as SEDI, of any direct or indirect beneficial ownership of, or control or direction over, securities of Capstone and of any change in such ownership, control or direction. In addition, Insiders must also include in their reports any monetization, non-recourse loan or similar arrangement, trade or transaction that changes the Insider's economic exposure to or interest in securities of Capstone and which may not necessarily involve a sale, whether or not required under applicable law.

It is the responsibility of each Insider (and not Capstone) to comply with these reporting requirements, and Insiders, with the exception of directors, are required to provide the Insider Trading Policy Administrators with a copy of any insider report completed by the Insider concurrent with or in advance of its filing. Capstone will assist any Insider in the preparation and filing of insider reports upon request. Some officers of Capstone or its subsidiaries may be eligible to be exempted by applicable securities law from the requirements to file insider reports.

A person that is uncertain as to whether he or she is an Insider or whether he or she may be eligible to be exempted from these requirements should contact an Insider Trading Policy Administrator. Insiders who are exempted from these requirements remain subject to all of the other provisions of applicable securities law and this Policy.

Penalties and Civil Liability

The applicable securities laws that impose insider trading and tipping prohibitions also impose substantial penalties and civil liability for any breach of those prohibitions, namely:

- a) Criminal fines of up to \$5,000,000 and four times the profit made or loss avoided;
- b) Prison sentences for a term not exceeding 10 years for insider trading, and five years for tipping; and
- c) Civil liability for compensation to the seller or purchaser of the relevant securities for damages as a result of the trade.



Where a company is found to have committed an offence, the directors, officers and supervisory personnel of the company may be subject to the same or additional penalties.

11. ENFORCEMENT

All directors, officers, employees and contractors of Capstone and its subsidiaries will be provided with a copy of this Policy, as appropriate, and shall execute the certification set out in Schedule “C” regarding acknowledgement of and compliance with the procedures and restrictions set forth in this Policy. It is a condition of their appointment, employment or engagement that each of these persons at all times abide by the standards, requirements and procedures set out in this Policy unless a written authorization to proceed otherwise is received from an Insider Trading Policy Administrator. Any such person who violates this Policy may face disciplinary action up to and including termination of his or her employment or appointment with or engagement by Capstone without notice. The violation of this Policy may also violate certain securities laws. If it appears that a director, officer, employee or contractor may have violated such securities laws, Capstone may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

12. QUESTIONS

Should you have any questions or wish information concerning the above, please contact an Insider Trading Policy Administrator.

13. AMENDMENT

This Policy may be translated into other languages. In the event of any discrepancy between the original English version and any translation, the English version will prevail.

Issue Date: March 23, 2022
Review: Annually
Revised Date: May 12, 2022

Authorized By: Board of Directors



SCHEDULE "A"

COMMON EXAMPLES OF INSIDE INFORMATION

The following examples are not exhaustive:

- Proposed changes in capital structure including stock splits and stock dividends
- Proposed or pending financings
- Material increases or decreases in the amount of outstanding securities or indebtedness
- Proposed changes in corporate structure including amalgamations and reorganizations
- Proposed acquisitions of other companies including take-over bids or mergers
- Material acquisitions or dispositions of assets
- Material changes or developments in products or contracts which would materially affect earnings upwards or downwards
- Material changes in the business of Capstone
- Changes in senior management or control of Capstone
- Bankruptcy or receivership
- Changes in Capstone's auditors
- The financial condition and results of operations of Capstone
- Indicated changes in revenues or earnings upwards or downwards of more than recent average size
- Material legal proceedings
- Defaults in material obligations
- The results of the submission of matters to a vote of securityholders
- Transactions with directors, officers or principal securityholders
- The granting of options or payment of other compensation to directors or officers



SCHEDULE "B"

TRADE NOTICE

TO: Insider Trading Policy Administrator
CC: Assistant Corporate Secretary
FROM: _____

RE: CAPSTONE COPPER CORP. Insider Trading Policy

I, a family member, another person living in my household, or a dependent child propose to execute a transaction in the securities of Capstone Copper Corp. ("**Capstone**") on _____, 20____ and thereafter until the trading window shall close and does hereby request that Capstone pre-clear the transaction as required by Capstone's Insider Trading Policy (the "Policy").

The general nature of the transaction is as follows: (i.e. open market purchase of 10,000 shares of the common stock through the Toronto Stock Exchange, exercise of up to 100,000 stock options, etc.)

In accordance with the **Policy**, I hereby certify that:

1. I have read and understand the Policy.
2. I do not have (and in the case of a trade by a family member or other person living in my household or a dependent child, such family member, other person or dependent child does not have) knowledge of Inside Information (as defined in the Policy) which has not been generally disclosed.
3. I understand that my pre-clearance request must be submitted **two business days in advance** of the proposed transaction and that the trade may not be completed earlier unless it is approved by an Insider Trading Policy Administrator designated under the Policy. If pre-clearance is approved, **I have the earlier of 14 days or until the next Scheduled Black-out period or Extraordinary Black-out period to complete the proposed transaction. If the trade is not completed within that time, I must request pre-clearance again.**
4. I understand that I may buy and sell securities of Capstone only during a period ("**Trading Window**") beginning at the opening of the market after two clear business days following the date on which a news release has been issued in respect of Capstone's interim or annual financial statements and ending at the opening of the market on the 1st day of the month following each fiscal quarter.
5. I understand that the Trading Window may be "closed" at any time at which it is determined there may be undisclosed Inside Information concerning Capstone that makes it inappropriate for Capstone Personnel to be trading. I understand that the fact that the Trading Window has been "closed" is itself Inside Information that should not be disclosed to or discussed with anyone.

DATE:

[Employee's Signature]

[Employee's Name]

TITLE:



SCHEDULE "C"

CERTIFICATION - INSIDER TRADING POLICY OF CAPSTONE COPPER CORP.

The undersigned hereby certifies that he/she has read and understands Capstone's Insider Trading Policy, a copy of which is attached hereto, and agrees to comply with the procedures and restrictions set forth therein.

Date: _____

Signature: _____

Name: _____
(print)