



Sustainable Development: Strategic Priorities

Forward-looking Statements

Capstone's Sustainable Development Strategy goals and strategies are based on a number of assumptions, including regarding the biodiversity and climate-change consequences; availability and effectiveness of technologies needed to achieve our sustainability goals and priorities; availability of land or other opportunities for conservation, rehabilitation or capacity building on commercially reasonable terms and our ability to obtain any required external approvals or consensus for such opportunities; the availability of clean energy sources and zero-emissions alternatives for transportation on reasonable terms; our ability to successfully implement new technology; and the performance of new technologies in accordance with our expectations.

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

Forward-looking statements relate to future events or future performance and reflect our expectations or beliefs regarding future events and the impacts of the ongoing and evolving COVID-19 pandemic and the evolving geopolitical environment. Forward-looking statements include, but are not limited to, statements with respect to the execution of our future growth projects, our financial liquidity and development of our projects, 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 success and timing of the Mantos Blancos Concentrator Debottlenecking Project, the timing and cost of the Mantoverde Development Project, the timing and results of the PV4 study, timing and success of the Jetti Technology, the successful execution of a port services agreement with Puerto Abierto S.A., the expected reduction in capital requirements for the Santo Domingo project, the timing and success of the Cobalt Study for Santo Domingo, the timing and results of the integrated plan for Mantoverde - Santo Domingo, 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, Mantos Blancos, Mantoverde 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 and other current or future projects and expansions, environmental risks, unanticipated reclamation expenses and title disputes, the success of the synergies and catalysts related to the combined business following the Company's recent arrangement, and the anticipated future production, costs of production, including the cost of sulphuric acid and oil and other fuel, capital expenditures and reclamation of the Company's operations and development projects and the risks included in our continuous disclosure filings on SEDAR at www.sedar.com. The potential effects of the COVID-19 pandemic on our business and operations are unknown at this time, including Capstone Copper's ability to manage challenges and restrictions arising from COVID-19 in the communities in which Capstone Copper operates and our ability to continue to safely operate and to safely return our business to normal operations. The impact of COVID-19 to Capstone Copper is dependent on a number of factors outside of our control and knowledge, including the effectiveness of the measures taken by public health and governmental authorities to combat the spread of the disease, global economic uncertainties and outlook due to the disease, supply chain delays resulting in lack of availability of supplies, goods and equipment, and evolving restrictions relating to mining activities and to travel in certain jurisdictions in which we operate.

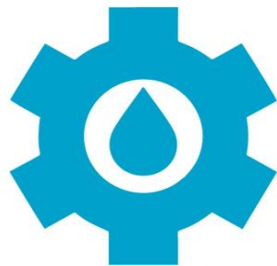
In certain cases, forward-looking statements can be identified by the use of words such as "anticipates", "approximately", "believes", "budget", "estimates", "expects", "forecasts", "guidance", "intends", "plans", "scheduled", "target", or variations of such words and phrases, or statements that certain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

Capstone's Sustainable Development Strategy

- Our Sustainable Development Strategy and GHG reduction targets follow a detailed review of our operations to establish a 2021 baseline.
- The Strategy identifies five initial priorities with milestones, goals and targets supported by robust reporting and evaluation processes under the direction of the Board of Directors and senior leadership:



Climate



Water



Tailings



Biodiversity



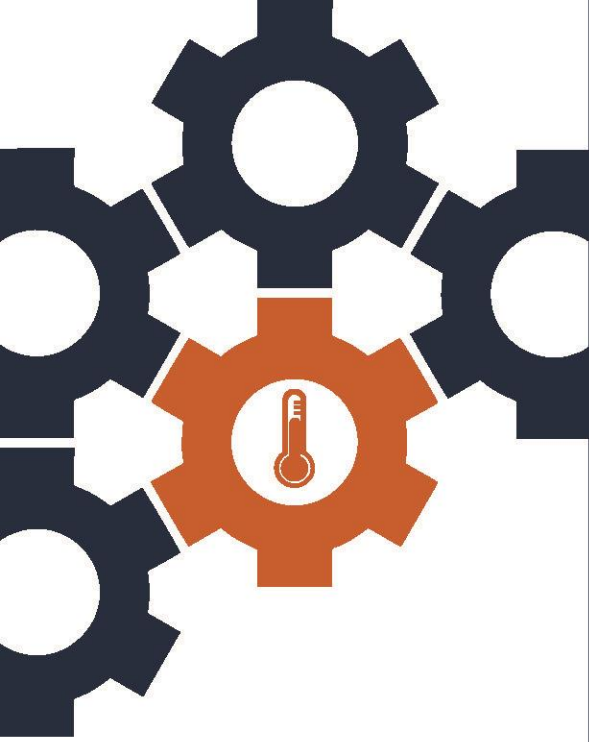
Communities



Climate

PRIORITY:
Reduce Capstone's
carbon footprint.





Climate

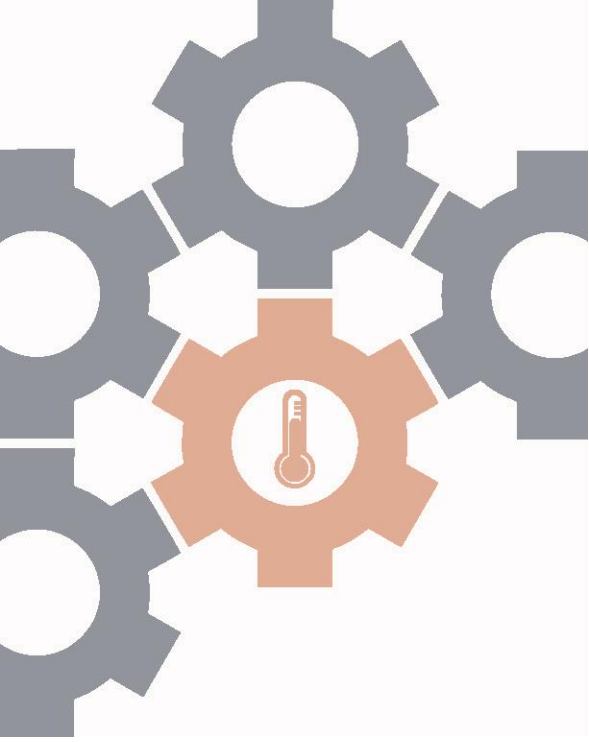
 2030

GOAL:

Develop and execute our decarbonization strategies.

TARGETS:

- ▼ Interim target to reduce GHG emissions from fuel and power by 30% by 2030

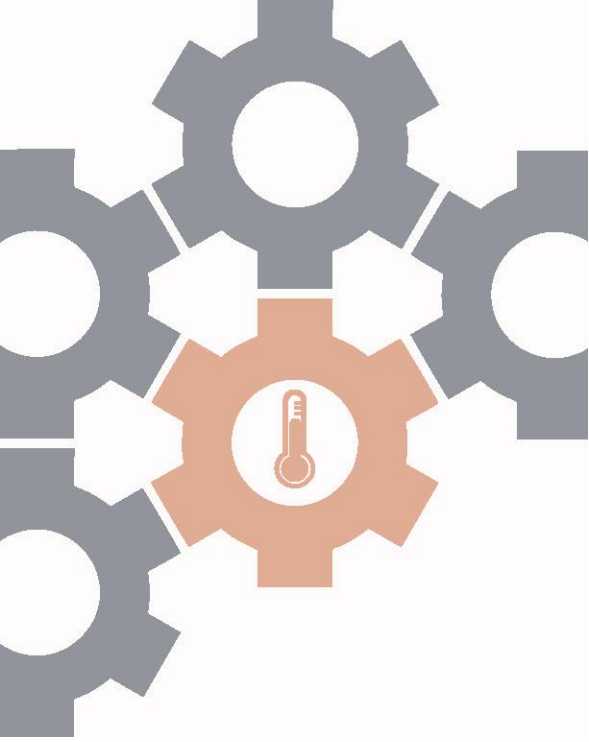


Climate

Interim target: reduce GHG emissions from fuel and power by 30% by 2030 compared to a 2021 baseline year.

Our carbon reduction strategy to 2030:

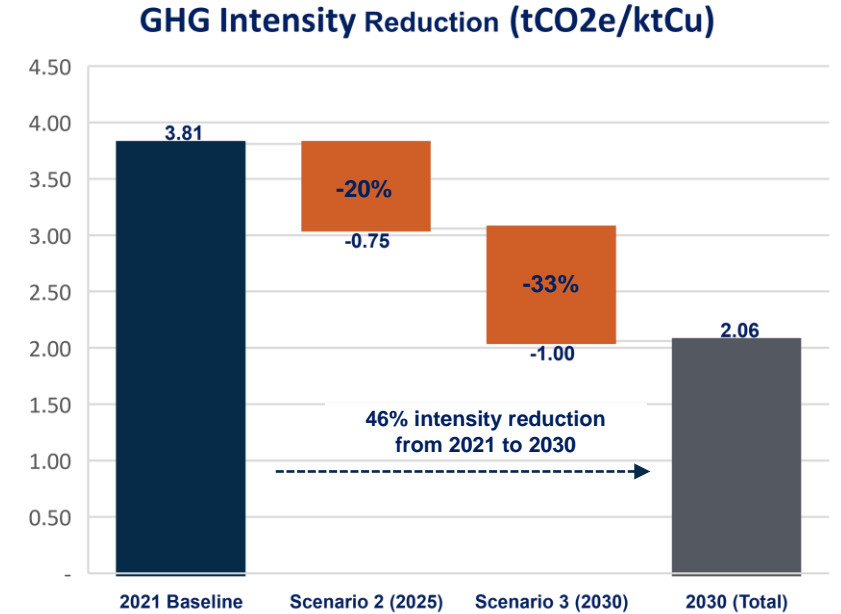
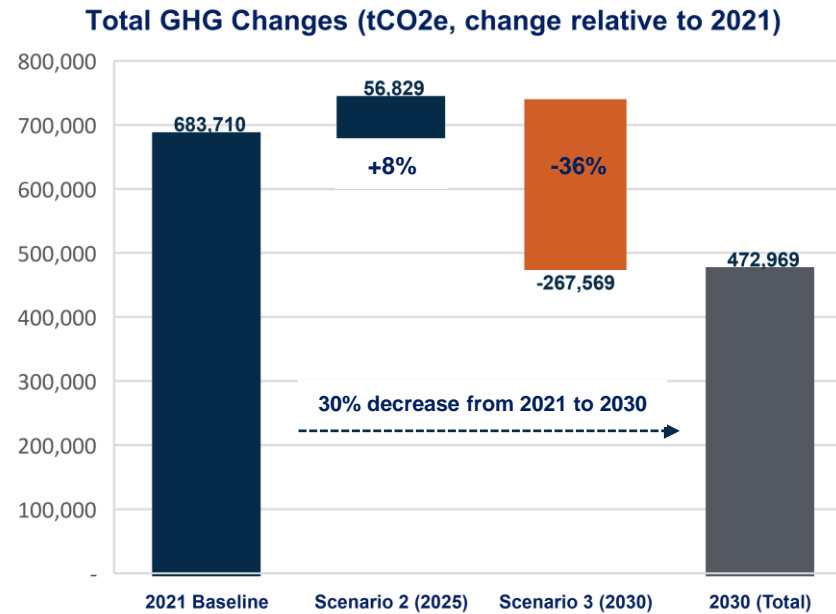
- Transition to 50% renewable electricity in Chile by 2025
- Transition to >90% renewable electricity across Capstone by 2030
- Study renewable power self-generation and storage options at Pinto Valley
- Assess future growth opportunities against our 2030 target and incorporate carbon reduction into feasibility studies
- Pursue diesel displacement opportunities



Climate

Pathway to 2030

Projected near term increase in absolute emissions while intensity will decrease year over year.



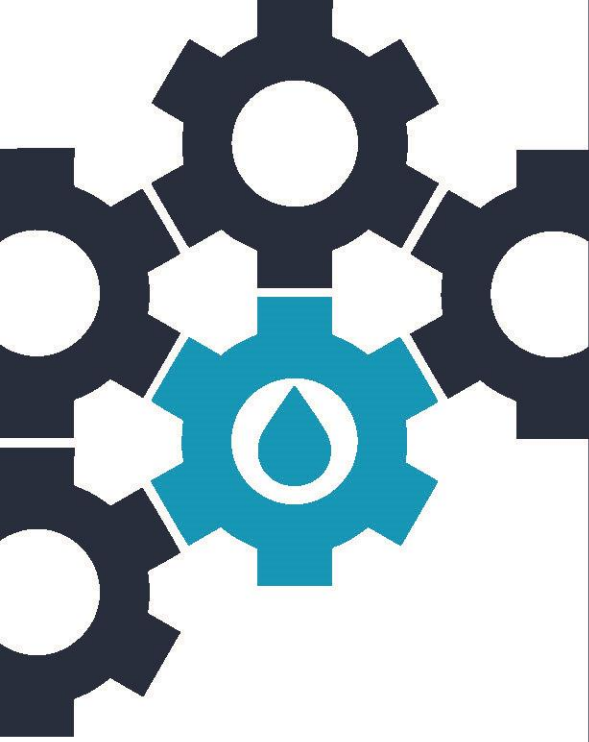


Water

PRIORITY:

Reduce freshwater withdrawals in water stressed regions.





Water

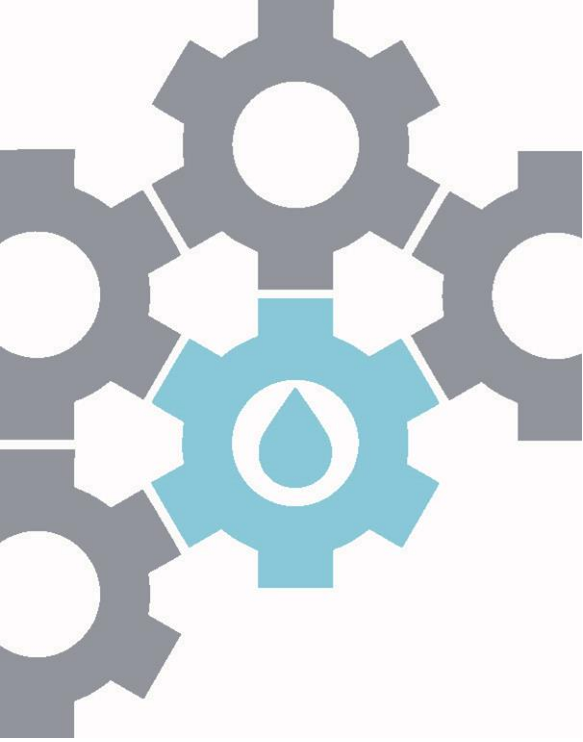
 2030

GOALS:

- ▼ Reduce freshwater use intensity
- ▲ Increase low quality or recycled water as a proportion of total water consumed

TARGET:

Improvement against 2021 baseline year



Water

Targets:

- ▼ Reduce freshwater use intensity by 2030, compared to a 2021 baseline.
- ▲ Increase low quality or recycled water as a proportion of total water consumed by 2030, compared to a 2021 baseline.

Strategy:

- Utilize Mantoverde desalination plant to provide water for all projected growth in the Mantoverde-Santo Domingo District.
- Conversion to filtered and dry-stack tailings will deliver an estimated 15% reduction in annual water use at Cozamin.
- Optimize water reclaim rates from tailings thickening and continue applying evaporation prevention measures at Pinto Valley
- Study alternative, low-quality water sources at Mantos Blancos, such as desalinated or treated wastewater.



Tailings

PRIORITY:
Achieve industry
best practices for
safe and responsible
tailings management.





Tailings

 2026

GOAL:

Adopt the Global Industry Standard for Tailings Management (GISTM).

TARGET:

100% of Capstone TSFs are independently assessed or assured for conformance with the GISTM.



Tailings

Target: 100% of Capstone TSFs independently assured for conformance with the Global Industry Standard for Tailings Management (GISTM) by YE 2026.

- Mantos Blancos and Mantoverde will conform to GISTM by 2025, assurance through Copper Mark participation.
- Pinto Valley, Cozamin targeting conformance by 2026



Biodiversity

PRIORITY:

Minimize ecological impacts and protect biodiversity, aiming to deliver a net positive impact.





Biodiversity

 2025

GOALS:

Establish a common framework across Capstone for applying the mitigation hierarchy and prioritizing nature-related risks and opportunities.

Achieve the successful regeneration of land restored by Capstone.

TARGETS:

100% sites assessed against the Capstone Biodiversity Standard.

Reclamation, reforestation, and habitat conservation project-specific metrics are achieved.



Biodiversity

Targets:

100% sites assessed against the Capstone Biodiversity Standard by 2025

Reclamation, reforestation, and habitat conservation project-specific metrics are achieved, with results annually reported.

Strategy:

- Developing the Capstone Biodiversity Standard
- Developing methodology for setting nature-related targets
- Chiripa historic tailings remediation project at Cozamin
- Cottonwood tailings reclamation and closure at Pinto Valley
- Biodiversity conservation initiatives at Mantoverde



Communities

PRIORITY:

Proactively manage impacts and deliver socioeconomic benefits in line with local development priorities.





Communities

 2025

GOAL:

Develop a company-wide framework for managing social impacts and socioeconomic contributions, informed by recognized best practices.

TARGET:

100% sites assessed against the Capstone Social Performance Standard.



Communities

Target: 100% sites assessed against the Capstone Social Performance Standard by 2025

Strategy:

- Develop the Capstone Social Performance Standard as a company-wide framework for managing social impacts and socioeconomic contributions.
- Aligned with IFC Performance Standards, ICMM, and the UN Guiding Principles on Business and Human Rights.