



ANNUAL INFORMATION FORM

For the year ended December 31, 2022

March 29, 2023

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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., before 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, 2022, 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 for 2020 and 2021 shall mean the Capstone Mining Financial Statements (as defined below) and the Mantos Copper Financial Statements (as defined below) taken together. All references made herein to our financial statements for 2022 shall mean Capstone Copper Financial Statements.

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, 2022			
Canadian dollar (C\$) ¹	2022	2021	2020
Average	1.3011	1.2535	1.3415
High	1.3856	1.2942	1.4496
Low	1.2451	1.2040	1.2718
Mexican peso (MX\$) ²			
Average	20.1244	20.2800	21.4976
High	21.3775	21.8185	25.1185
Low	19.1433	19.5793	18.5712
Chilean peso (Ch\$) ³			
Average	872.35	759.27	792.22
High	1,042.97	868.76	867.83
Low	777.10	693.74	710.26

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. Our 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.

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 success and timing of the MB-CDP (as defined below), the timing and cost of the MV Development Project, the timing and results of the Pinto Valley pre-feasibility study (“**PV4 PFS**”), 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, environmental risks, unanticipated reclamation expenses and title disputes, the success of the synergies and catalysts related to prior transactions, the anticipated future production, costs of production, including the cost of sulphuric acid and oil and other fuel, capital expenditures and reclamation of 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’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. 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 (as defined below) 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;
- 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;
- limited recourse regarding the potential liabilities associated with the Pinto Valley Mine (as defined below);
- 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;
- the concentration of share ownership of Capstone; and
- Capstone’s Sustainable Development Strategy.

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 Management’s Discussion and Analysis (“**MD&A**”) as at December 31, 2022, 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 (as defined below) 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 MV Development Project facility, the Mantoverde \$60 million cost overrun facility from Mitsubishi

Materials, 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.

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.

BWi: Bond work index; tests for ore hardness.

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 produced by them.

ICu: acid insoluble copper grade

Igneous: a type of rock that is crystallized from a liquid magma.

IK: Indicator Kriging, a method of interpolation used in resource estimation.

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

LG: Lerchs-Grossman method of pit shape optimization.

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.

OK: Ordinary Kriging, a method of interpolation used in resource estimation

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, which 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.

QA/QC: 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.

QEMSCAN: scientific analysis by quantitative scanning electron microscopy to determine mineral speciation, association, and liberation

Qualified Person: has the meaning set out in NI 43-101.

Quartz: a common rock forming mineral made up of Silica.

Revenue Factor: ratio of incremental cost to incremental revenue, applied in mine planning to develop nested economic shells (pit shells) using the LG method of pit optimization.

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

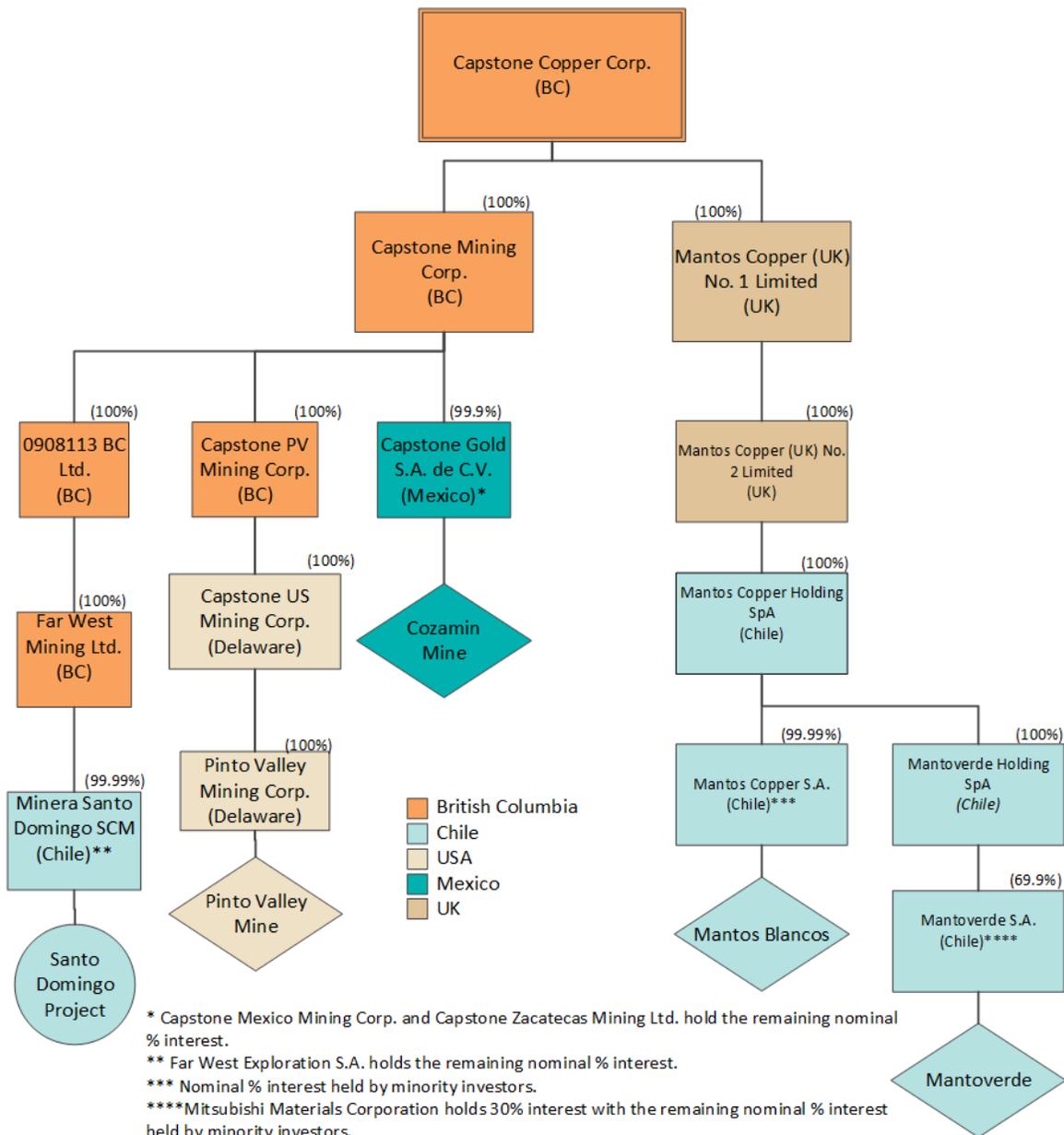
Mantos Copper (Bermuda) Limited (“**Mantos Copper**”) was incorporated pursuant to *the Companies Act 1981* (Bermuda) on August 18, 2015. Mantos Copper was continued from Bermuda into British Columbia under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on March 22, 2022. On March 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

2023

- In 2023, the Company expects to produce 170,000 to 190,000 tonnes of copper at C1 cash costs of \$2.50 to \$2.70 per payable pound of copper.
- The Company expects to invest \$400 million in sustaining and expansionary capital¹ and \$10 million in exploration programs at its operations and projects.
- Capstone expects to complete the construction of the MDVP and commence the commissioning of the new sulphides processing line by year-end.
- On March 20th, the Company announced its new Sustainable Development Strategy with interim targets including GHG emissions reduction targets.
- On March 22, 2023, the Company announced it had entered into an agreement with Orion Fund JV Limited, Orion Fund Mine Finance Fund II LP and Orion Mine (Master) Fund I-A LP (collectively, “Orion”) and a syndicate of underwriters led by National Bank Financial and Scotiabank (collectively, the “Underwriters”) under which the Underwriters have agreed to purchase, on a bought deal basis, from Orion, 50,000,000 Common Shares at a price of C\$5.70 per Common Share (the “Offering Price”) for gross proceeds of approximately C\$285,000,000 (the “Secondary Offering”). Orion has granted the Underwriters an option (the “Over-Allotment Option”), exercisable in whole or in part at any time up to 30 days after closing of the Secondary Offering, to purchase an additional 7,500,000 Common Shares at the Offering Price. The Secondary Offering will be made by way of prospectus supplement, dated March 24, 2023, to the Company’s short form base shelf prospectus dated March 1, 2023 in all of the provinces and territories of Canada (other than Quebec). As part of the Secondary Offering, Orion has agreed, subject to certain limited exceptions, not to sell any Common Shares or other securities of Capstone for a period of 150 days from the closing of the Secondary Offering. Capstone has also agreed, subject to certain limited exceptions, not to issue any Common Shares or other securities of Capstone for a period of 90 days from the closing of the Secondary Offering. Capstone will not receive any proceeds from the Secondary Offering.
- The Secondary Offering is expected to close on or about March 31, 2023. Following the closing of the Secondary Offering, but before giving effect to the Over-Allotment Option, Orion will, in the aggregate, beneficially own 172,336,179 Common Shares, representing 24.83% of the outstanding Common Shares. Following the closing of the Secondary Offering, and assuming that the Over-Allotment Option is exercised in full, Orion will, in the aggregate, beneficially own 164,836,179 Common Shares, representing 23.75% of the outstanding Common Shares.

2022

- During 2022, Capstone Copper produced 158,800 tonnes of copper, at cash costs within guidance of \$2.63 per payable pound of copper.
- The ramp up of the MB-CDP Project was completed in December 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.
- On August 25, Capstone announced that it has committed to the Copper Mark Assurance Framework at its Mantoverde and Mantos Blancos operations in Chile and is expected to complete it by the end of 2025.
- 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 Capstone Mining’s 2021 Sustainability Report.
- 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.

¹ This is a non-GAAP financial performance measure. See “Alternative Performance Measures”.

- 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 debt² balance, resulting in Capstone Mining being in a net cash³ 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 Corporation ("**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 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.

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

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

- 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 Jetty Resources, LLC ("**Jetty**") 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 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.

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 four mines and one development project in the Americas. Our material properties are the Pinto Valley copper mine located in Arizona, USA ("**Pinto Valley**" or the "**Pinto Valley Mine**"), the Mantos Blancos copper-silver mine located in the Antofagasta region, Chile ("**Mantos Blancos**" or the "**Mantos Blancos Mine**"), 70% of the Mantoverde copper-gold mine, located in the Atacama region, Chile ("**Mantoverde**" or the "**Mantoverde Mine**"), and the Cozamin copper-silver mine located in Zacatecas, Mexico ("**Cozamin**" or the "**Cozamin Mine**"). 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 ("**Santo Domingo**" or the "**Santo Domingo Project**"), 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.

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 2022, 2021 and 2020:

Operating	Pinto Valley			Cozamin			Mantos Blancos			Mantoverde		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Production (contained metal and cathode) ¹												
Copper (tonnes)	56,844	60,456	53,963	24,451	24,418	17,203	50,658	45,382	41,937	47,364	49,013	36,640
Zinc (000's pounds)	-	-	-	1,697	6,238	14,587	-	-	-	-	-	-
Silver (000s ounces) ²	-	-	-	1,376	1,531	1,204	980	635	710	-	-	-

Operating	Pinto Valley			Cozamin			Mantos Blancos			Mantoverde		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Mining - Open Pit												
Waste (000s tonnes)	22,361	25,839	27,292	-	-	-	48,329	42,957	37,180	58,058	25,672	44,010
Ore (000s tonnes)	21,980	22,067	19,882	-	-	-	11,142	9,062	6,145	24,309	28,101	24,786
Total (000s tonnes)	44,341	47,906	47,174	-	-	-	59,471	52,019	43,325	82,366	53,773	68,796
Mining - Underground												
Ore (000s tonnes)	-	-	-	1,354	1,358	1,083	-	-	-	-	-	-
Milling												
Milled (000s tonnes)	19,027	19,601	19,674	1,353	1,359	1,079	5,491	4,197	3,828	-	-	-
Tonnes per day	51,088	53,700	53,755	3,803	3,724	2,949	16,440	11,500	10,486	-	-	-
Copper grade (%)	0.33	0.35	0.31	1.87	1.86	1.67	0.90	0.90	0.90	-	-	-
Zinc grade	-	-	-	0.36	0.56	0.92	-	-	-	-	-	-
Silver grade	-	-	-	38.4	42.5	43.3	8.2	6.9	8.1	-	-	-
Heap												
Throughput (000s tonnes)	-	-	-	-	-	-	-	-	-	10,949	10,277	9,584
Grade (%)	-	-	-	-	-	-	-	-	-	.46	.51	.37
Recoveries	-	-	-	-	-	-	-	-	-	76.6	74.6	79.4
Dump												
Throughput (000s tonnes)	-	-	-	-	-	-	10,955	22,380	27,659	12,299	13,749	10,129
Copper grade	-	-	-	-	-	-	.19	.17	.17	.16	.17	.15
Recoveries	-	-	-	-	-	-	-	-	-	40.6	39.9	44.3
Recoveries												
Copper (%)	86.5	85.7	85.0	96.7	96.4	95.4	71.9	79.0	78.4	-	-	-
Zinc (%)	-	-	-	15.8	37.0	66.4	-	-	-	-	-	-
Silver (%)	-	-	-	82.3	82.4	80.1	75.5	77.8	79.6	-	-	-
Concentrate												
Copper (dmt)	204,820	228,342	211,431	91,792	91,651	62,705	112,801	93,526	87,126	-	-	-
Copper (%)	26.5	25.5	25.1	26.6	26.6	27.4	31.0	31.1	29.4	-	-	-
Silver (g/t)	-	-	-	466	511	553	300	241.3	283.5	-	-	-
Zinc (dmt)	-	-	-	1,618	5,941	13,548	-	-	-	-	-	-
Zinc (%)	-	-	-	47.4	47.8	48.8	-	-	-	-	-	-

- Adjustments based on final settlements will be made in future periods.
- 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 year ended December 31, 2022, Capstone Copper generated total gross revenue of \$1,376.1 million primarily from the sale of 159.9 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 2022, 2021 and 2020 from sales to customers:

Gross Revenue by Metal¹

	2022 ^{1,3}	
	\$ millions	%
Copper	1,332.9	96.9
Silver	33.9	2.5
Zinc	2.7	0.2
Gold	1.8	0.1
Lead	-	0.0
Molybdenum	4.8	0.3
Total ²	1,376.1	100

1. The current and subsequent period may include final settlement quantity and/or price adjustments from prior shipments.
2. 2022 gross revenue figures reflect the results from Mantos Copper with effect from March 23, 2022, the effective date of the Mantos Transaction.
3. Treatment and selling costs of \$72.2 million and pricing and volume adjustments of \$7.9 million are deducted from gross revenue of \$1,376.1 million resulting in reported revenue of \$1,296.0 million in 2022 as per the Consolidated Statement of Income.

2021	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.

2020	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 2022, 100% of the copper concentrate production was exported, mostly to Asia. 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.

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 major trading companies 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 2022, 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 2022 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 2022, 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.

Specialized Skill and Knowledge

Many aspects of the Company's business require specialized skill and knowledge, such as expertise in the areas of mine operations, mine construction, permitting, geology, drilling, implementation of exploration programs, logistical planning, accounting, communications and local laws. Capstone Copper retains executive officers and consultants with experience in mining, metallurgy, geology and development, as well as executive officers and consultants with relevant accounting, communications and legal experience.

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-CDP 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 that started in 1960. It includes Oxides and Sulphides ore process with 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 MB-CDP 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 while we 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 December 31, 2022, Capstone had 3,061 employees and 5,394 contractors.

There are approximately 424 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 97% 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 in 2022 related to foreign operations. Foreign operations represented substantially all of our assets as at December 31, 2022.

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.

In 2023, Capstone introduced our Sustainable Development Strategy which reflects the Company's core values and senior leadership's commitment to responsible mining practices. A series of ongoing and future initiatives with specific goals, key performance indicators and targets will focus on five initial priority areas: biodiversity, communities, tailings, climate and water.

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 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 2023.

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 (mi²) 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.

There are 26 unpatented lode claims located outside of the Pinto Valley patented land boundary that have a 2% net smelter return (“**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 530.4 kt of copper 2014-2022. Pinto Valley Mine production since 2014 is summarized in Table 1.

Table 1: Pinto Valley Mine Production Summary since 2014

Operating Statistics¹	2022	2021	2020	2019	2018	2017	2016	2015	2014
Production (contained metal in concentrate and cathode)									
Copper (tonnes)	56,844	60,459	53,963	53,356	54,008	57,331	68,850	60,412	65,129
Mining									
Ore (kt)	21,980	22,067	19,883	18,888	19,290	20,605	21,586	23,139	20,931
Waste (kt)	22,361	25,839	27,292	30,101	27,687	26,164	19,507	11,464	932
Milling									
Milled (kt)	19,027	19,601	19,674	18,665	19,246	19,655	20,565	17,730	17,231
Milled (average tpd)	51,088	53,700	53,755	51,137	52,728	53,849	56,189	48,576	47,209
Copper grade (%)	0.33	0.35	0.31	0.33	0.32	0.32	0.37	0.38	0.41
Recovery									
Copper (%)	86.5	85.7	85.0	85.1	84.6	89.2	87.6	87.4	88.9
Payable copper produced (tonnes)	54,946	58,419	52,153	51,549	52,171	55,392	66,527	58,396	62,986
C1 cash costs⁽²⁾ (\$/lb payable copper)	\$2.63	\$2.16	\$2.21	\$2.05	\$2.16	\$1.95	\$1.61	\$1.97	\$2.03

Note:

- Source of the operating statistics is Capstone’s Form 51-102F1 Management Discussion & Analysis from December 2014 to 2022. The abbreviation dmt refers to dry metric tonnes.
- 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. Since the publication of the Pinto Valley Technical Report in 2021, an additional six infill diamond drillholes were completed.

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.

Exploration

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

Drilling

A total of 951 drill holes informed the Mineral Resource in the Pinto Valley Technical Report, with 957 drillholes completed to the end of 2022. 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 179 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 ("**CRM**"). All drilling campaigns after 2006 conform to industry standards for QA/QC.

A drilling summary for Capstone's drilling activities from 2015 to 2022 can be found in Table 2.

Table 2: Drilling Summary, 2015 to 2022

Year	2015	2016	2017	2018	2019	2020	2021	2022
# of drillholes available for model update	897	901	919	942	951	951	951	953
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 ² (4,250 feet)	Infill: 4 DDH ² (8,970 feet)

1. DDH core is HQ size, with a diameter of 63.5 mm.
2. Assays from drilling completed in 2021 were not available for the 2022 estimate update and assays from 2022 drilling are expected in early 2023 due to long turnaround times at the commercial laboratory.

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 inductively coupled plasma (“**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**”) from 2015 to 2019 to analyze 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.

Since 2021, assay samples for the resource model were analyzed at ALS Minerals (“**ALS**”) in Tucson, Arizona using total copper and molybdenum by a 4-acid digestion with ICP finish in 2021 and an aqua regia digestion with ICP finish in 2022.

Drill core, representative RC chips and sample reject are stored in a secured warehouse adjacent to the core logging facility. Access to the storage facilities is controlled by the Mine Geology/Ore Control Department.

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 ensure 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 48 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 PV 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.

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.

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 (2014), Blue Coast Metallurgy, Ltd (Blue Coast) (2019), FL Smidth (FLS) (2017), BaseMetLabs (2015) and Amelunxen Mineral Processing Ltd (Aminpro) (2017).

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 (“OK”), 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).

Garth Kirkham, P.Geo., FGC estimated the Mineral Resource presented in the Pinto Valley Technical Report, effective March 31, 2021. Klaus Triebel, GPG, Chief Resource Modeler at Pinto Valley Mine, oversaw depletion of the of Mineral Resource for mining activities. Mineral Resources have an effective date of December 31, 2022 and reflect the surveyed topographic surface as at December 31, 2022.

Table 4: Pinto Valley Mine Mineral Resource at 0.14% Cu Cut-off, at December 31, 2022 (Metric Units)

Classification	Tonnes (millions)	%Cu	%Mo	Contained Cu (kt)	Contained Mo (Mt)
Measured (M)	599	0.33	0.006	1,949	37
Indicated (I)	745	0.26	0.005	1,946	39
Total M & I	1,344	0.29	0.005	3,896	76
Inferred	164	0.26	0.006	432	9

NOTE: 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, 2022 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, average 84.6% Cu recovery, average 8.9% Mo recovery, average \$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% average Cu Recovery, 8.5% average Mo recovery, \$1.68/tonne average 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 variable cut-off grade of 0.17-0.21% Cu was averaged 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 December 31, 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 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, 2022 (Metric Units)

Classification	Tonnes (millions)	%Cu	%Mo	Contained Cu (kt)	Contained Mo (kt)
Proven	226	0.34	0.007	764	15
Probable	121	0.29	0.006	347	7
Total P + P	347	0.32	0.006	1,111	23

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, average 86.0% Cu Recovery, average 8.5% Mo recovery, average \$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:

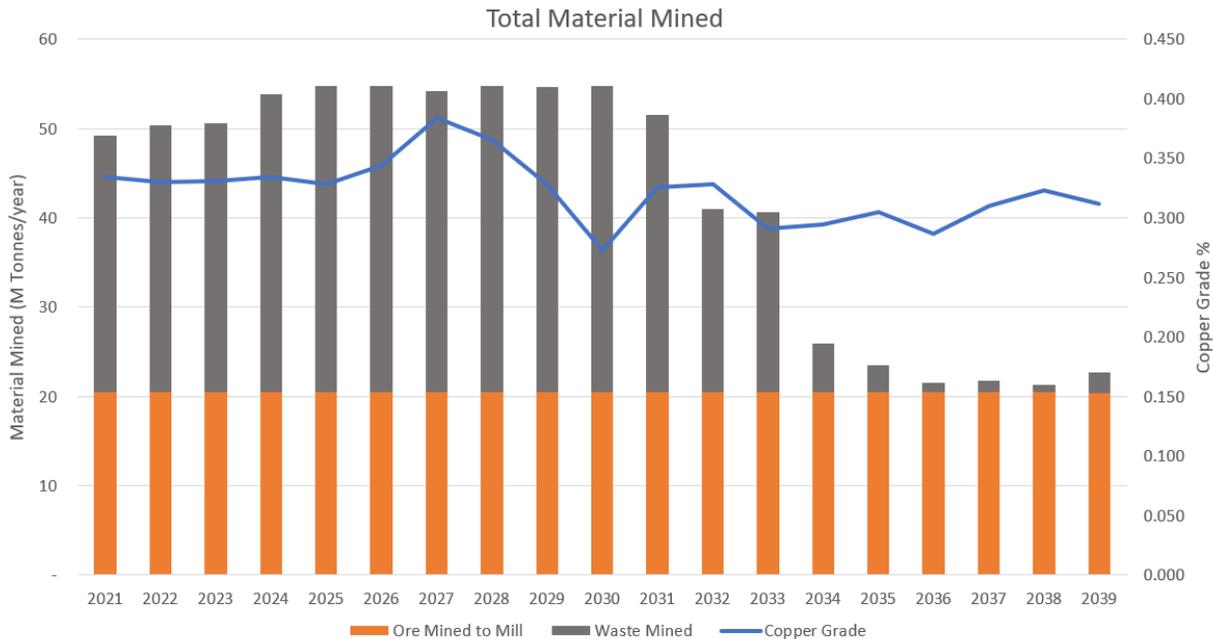
- Changes to the resource model, potentially resulting from revised interpretation and/or the results of additional drilling and sampling.
- Changes to financial assumptions, including metal pricing.
- Significant changes to land tenure or the permitting requirements, including anticipated timelines 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 . The Pinto

Valley Technical Report incorporates a mill throughput of 56,000 tonnes per day (tpd) from 2021 through 2039. Modest increases in trucking capacity are envisioned during certain periods of the mine plan. The areas mined in the study are the southeast, 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 1: 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 be or are not physically measured in the plant.

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;
- A Supplier Code of Conduct that outlines Capstone's minimum expectations of its suppliers with respect to Capstone's governance, social and environmental standards and values; 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 costs⁴ 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 capital⁵ 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 capital⁶ 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 Pinto Valley was projected to average \$9.94/tonne milled in the 2021 Technical Report, excluding treatment charge / refining charge and concentrate transportation costs. Operating costs are detailed in Table 7. The recent increase to costs and metal prices falls within sensitivities analyzed for Pinto Valley. The Mine Plan is limited primarily by TSF capacity and therefore moderate fluctuations in costs and metal prices do not significantly impact cut-off grade strategy or Reserves.

Table 7: Unit Operating Cost Summary, PV3 Technical Report (2021)

Item	Units	Estimated 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

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 were based on recent operational values and 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.

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".

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 operational expenditures.

Exploration, Development and Production

For information on Capstone’s exploration and development activities, refer to the summary above, including under the headings “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 are 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 2023 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
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	0.20	347.2	0.32	0.006	365	702.5	2,119.9	4.71

Mantos Blancos Mine (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” filed January 5, 2022 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.

Project Description, Location and Access

Mantos Blancos Mine, located in the Antofagasta region of Chile, currently mines and processes sulfide and oxide ores. The mine is located 45 kilometers to the northeast of the city of Antofagasta and 67 kilometers from the Antofagasta airport and is accessed via the paved Pan American Highway. The port facilities at Antofagasta and Mejillones, and the Glencore-owned Altonorte copper smelter are within an hour’s drive of the mine site. All staff live off-site, mainly in Antofagasta. The nearest community, Baquedano, is approximately 32 kilometers from the mine site.

The Mantos Blancos property includes 135 mining concessions (115 granted and 20 in progress), covering an area of 27,236 hectares and 73 exploration rights claims (63 granted, 10 in progress) totaling 32,600 hectares, giving a total area for the property of 59,836 hectares in 208 claims. Concessions are in good standing until March 2024.

No significant factors or risks affecting access or title, or the right or ability to perform work on, the property, including permitting and environmental liabilities, are known.

There is a contract (the “**Silver Production Agreement**”) with Osisko Gold Royalties (“**Osisko**”) that gives Osisko 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 Silver Production 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 8% of the market price of the silver in cash upon each delivery and to give credit against the advance of 92% of the market price upon each delivery. The initial term of the Silver Production Agreement is 40 years beginning September 11, 2015 and can be renewed thereafter for successive 10 year periods.

Mantos Blancos entered into an agreement (the “**Southern Cross Royalty Agreement**”) with Southern Cross Royalties Limited (“**Southern Cross**”) on August 31, 2019, whereby Southern Cross paid \$50.25 million for a 1.525% royalty on the NSR of copper production at Mantos Blancos, to be paid quarterly. The royalty is for a period initially through to January 1, 2035 and may be extended by Southern Cross at its sole discretion through the duration of the mining rights. Mantos Blancos has an option to buy back and reduce the royalty amount by 50% at any time after January 1, 2023. 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.

Mantos Blancos and Mantoverde entered into offtake agreements relating to cathode production with Anglo American, both of which were amended and re-stated on August 31, 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 December 31, 2025. If this amount is not delivered by December 31, 2025, the agreements can be extended through to December 31, 2027 subject to a 20% increase in the number of

cathodes required to be delivered. The price for cathodes is determined based on the monthly average London Metal Exchange (“LME”) copper price.

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

Prior to mine development, exploration activity was completed by the Hochschild Group. In 1955, the Hochschild Group, together with other investors and CORFO (Chilean governmental industry development entity) formed Empresa Minera de Mantos Blancos S.A. Open pit mining operations commenced in 1960 with oxide ore treated through a leach plant. Underground operations ran from 1974–1996. A solvent extraction/electrowinning (“**SX/EW**”) plant was constructed in 1980 to allow treatment of sulphide ore. Anglo American acquired an initial project interest in 1980. During 2012, an expansion project to feed the leach and SX-EW plants from ores in the Santa Barbara open pit commenced. Mantos Copper, owned by Audley Mining Advisors Ltd. And Orion Mine Finance LLP, acquired Mantos Blancos in 2015.

Geological Setting, Mineralization and Deposit Types

The Mantos Blancos deposit is interpreted as a stratabound copper–silver deposit; this deposit type is also known as a Chilean mantos-style deposit.

Rock types consist of a rhyolitic dome and magmatic–hydrothermal breccias that are intruded by dioritic and granodioritic stocks and sills. The dioritic and granodioritic stockwork locally grade upwards into variably mineralized magmatic–hydrothermal breccias. Mineralized bodies, which are structurally controlled, form irregular 100–200 metre-thick lenses. Mineralization has a distinct vertical zonation, with specularite at the top, followed by oxide copper (atacamite with minor chrysocolla) and at depth, sulphides (chalcocite–bornite). A zone of lower-grade copper mineralization typically surrounds these lenses, and transitions, at depth to a pyrite-rich zone.

Sulphide mineralization is primarily disseminated and consists of chalcocite (and/or digenite), covellite, bornite, chalcopyrite, pyrite, specularite, magnetite, galena and lesser sphalerite. Oxide mineralization occurs as disseminations and fracture fills, with the most common minerals being atacamite, chrysocolla and minor malachite, antlerite, tenorite, cuprite and almagres. Silver occurs in the crystal structure of the copper sulphides and occasionally as native silver.

Exploration

District scale exploration includes geological mapping and geochemical sampling. Near-mine exploration activities include geological mapping and fault studies, together with drilling.

Recent exploration focus has been on the Rosario prospect, 15 km south of the Mantos Blancos deposit. Work completed included a geochemical sampling program on lines spaced 200 metres apart, and six lines (18.6 linear kilometres) of pole–dipole induced polarization (“**IP**”) and magnetometer ground geophysical survey. The 1,219 geochemical samples identified areas of anomalism that warranted additional work. The geophysical survey identified a number of chargeable zones and magnetic lows at depth. From this work, two areas are undergoing additional exploration, Target 1, and Target 2. Six RC drill holes (2,798 metres) tested the area in 2018, and intercepted anomalous oxide and hypogene copper mineralization.

Drilling

Drilling has been completed in support of exploration evaluations, Mineral Resource and Mineral Reserve estimates, mine planning, and geotechnical and metallurgical evaluations.

Drilling includes RC, core and sonic methods. Drilling completed from 1940–2022 includes 14,505 core holes (2,080,051 metres), 543 combined RC/core holes (60,959 metres), 997 RC holes (219,099 metres) and 449 sonic holes (20,128 metres) for a total of 16,494 drill holes and 2,380,237,242 metres drilled.

Most drilling prior to 2000 occurred in areas that were previously mined and approximately 60% of the drilling located below the December 2020 topography was drilled after 2000. Infill drilling uses a grid of 50 x 50 metres and 15 x 20 metres (on average). Mine exploration drilling relates to drilling in the immediate vicinity of, but outside the limits of, the pit, mainly to the east and west with a dip of 65–90 degrees on a grid of 60 x 60 metres (on average). To intercept true widths, drill holes are normally directed orthogonal to the mineralization or structures controlling the mineralization and depending on the dip of the drill hole and the dip of the mineralization, drill hole intercept widths are usually greater than the true thickness of the mineralization.

Logging is performed by external contractors following Mantos Blancos standards and under the supervision of Mantos Blancos personnel. Information collected includes geological, lithology, alteration and mineralization data. Core recoveries are recorded. Collar surveying is completed using high precision global positioning system (“GPS”) and total station instruments. Down hole surveys are completed by a contractor, using an SRG gyroscope with measurements taken at 10 metre intervals down hole.

Sampling, Analysis and Data Verification

Core and RC samples are taken at regular 2 metre intervals, irrespective of geology. Core is halved, and the entire sampled drill hole is sent for chemical analysis. Samples are selected from core intervals for density determination.

Samples are sent to GeoAssay, in Antofagasta for sample preparation and analysis. GeoAssay is independent of Mantos Blancos and holds ISO 9001, ISO 14001 and OHSAS 18001 accreditations.

Sample preparation methods include drying, crushing to 95% passing 2.36 millimetres, and pulverizing to 95% passing <0.104 millimetres. Total and soluble copper, and silver, are assayed by atomic absorption (“AA”).

QA/QC measures include regular insertion of CRM, field duplicate and blank sample materials prior to submission of samples to the laboratory to monitor laboratory accuracy, precision and sample sequencing. Data imported into the project database are subject to validation, which includes checks on surveys, collar coordinates, lithology data and assay data. The checks are appropriate and consistent with industry norms.

Sample security measures practised include moving RC samples and core from the drill site to the logging facility or a designated sample storage area, and tracking sample shipments using industry-standard procedures. Chain of custody procedures are followed whenever samples are moved between locations, to and from the laboratory, by filling out sample submittal forms.

Data verification is limited for historical data. A detailed analysis of the historical data was completed in 2014, and no material issues were found. Data verification in support of the current technical report included observation of drill hole locations and orientations, inspection of drill cores and comparison of those inspected cores to logs and analytical results, observation of core intake, visiting outcrops and discussions with on-site geologists, including reviewing working maps and cross-sections. External audits of the Mineral Resource and Mineral Reserve databases are regularly performed by external contractors, with the most recent audit in 2021. No issues were noted with the exploration data collected each year that would materially affect the Mineral Resource estimates in these annual resource reports. An internal annual process review is conducted for 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.

The project database is acceptable for use in Mineral Resource and Mineral Reserve estimation and can be used to support mine planning.

Mineral Processing and Metallurgical Testing

There is a long history of metallurgical testwork supporting the leach and SX/EW plant designs and ongoing operations. This work is validated by the plant operational data and production to date.

More recent testwork, in support of current life-of-mine (“**LOM**”) planning included quantitative scanning electron microscopy (“**QEMSCAN**”), to determine mineral speciation, association, and liberation; Bond ball mill work index (“**BWi**”) tests; 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; and process simulation and optimization studies. These inputs were used to develop the current geometallurgical model, which undergoes periodic external audits and validation. The results were also used to optimize the Mantos Blancos process operation, inform the future upgrade and enhancement projects, and to validate the geometallurgical models. Results indicate that the new mineral processing equipment commissioned in 2022 (e.g., Ball Mill No. 8, a new rougher flotation bank, and a new column cell) are exceeding key design expectations.

There are four main process parameters that will impact future production and hence project economics: head grade and the ratio of total copper to oxide copper; ore hardness (Bwi) and its effect on mill throughput; copper and silver flotation recovery; and flotation concentrate copper and silver grades.

Copper recovery is based upon the geometallurgical model. The information available from the metallurgical testwork and over 30 years of operation shows that the ore and mineralogy has generally been consistent, indicating that future recoveries will be similar to those in the past. Silver recovery was modelled using the following equation based on historical data: Recovery Ag (%) = 67.1 + 0.39 Ag head grade (in grams per tonne).

The mineralization at Mantos Blancos has no significant amounts of any deleterious elements that may affect the quality of the concentrate. Historically, Mantos Blancos concentrate has been very clean and there is no reason to expect that this will change in the future.

Mineral Resources and Mineral Reserve Estimates

A total of 15,685 drill holes (2,189,677 metres), in combination with surface geological mapping, were used to generate a geological model including lithology and structure. The Resource estimate for stockpiles Dump NE and Dump NW are supported by a drilling campaign of sonic drilling (6,588 m). The database supporting the Mercedes stockpile block model includes 13,507 m of sonic drilling and 177 trench samples.

Seven geological domains were used for the estimation, defined on the basis of lithologies and major faults. Two grade envelopes were created using indicator kriging (“**IK**”); the first to separate mineralization from waste, and the second to separate low-grade copper zones from high-grade zones. Capping of outliers was applied to avoid local estimation of high grades that is not representative of the grades within the estimation domain. Samples were composited to 6 metre lengths, which reflect the selective mining unit size. Variograms were constructed and used to support the search for ellipsoid anisotropy and linear trends observed in the data. A density value of 2.60 tonnes per cubic metre was assigned.

Total copper, insoluble copper, and silver grades were estimated in a three-dimensional block model using the OK interpolation method. The kriging plan included three passes in which the search radii were increased, the sample restriction was fixed and no sample restrictions by octant were applied.

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. Mineral Resources were evaluated considering reasonable prospects for eventual economic extraction by constraining the estimates within a Lerchs–Grossmann (“**LG**”) pit shell.

The Mineral Resource estimate in Table 9 and Table 10 are reported in situ, inclusive of the Mineral Resources that have been converted to Mineral Reserves, and uses the definitions set out in the 2014 CIM Definition Standards.

The Qualified Person for the estimate is Mr. Ronald Turner. Luis Tapia Hurtado, CP CMC, Resource and Reserve Evaluation Geologist at Mantos Copper Holdings SpA, depleted the Mantos Blancos Mineral Resources for mining activities. Mineral Resources have an effective date of December 31, 2022 and reflect the surveyed topographic surface as at December 31, 2022.

Table 9: Mantos Blancos Sulphide Mineral Resources as at December 31, 2022

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)	Measured	96.7	0.74	5.82	715	18,090
	Indicated	110.0	0.57	4.32	625	15,236
	Total Measured & Indicated	206.4	0.65	5.02	1,340	33,326
	Inferred	22.5	0.47	3.25	106	2,350

Table 10: Mantos Blancos Oxide Mineral Resources – Dump Leach as at December 31, 2022

Process	Category	Tonnage (Mt) ⁽⁴⁾	Grade (% Scu) ⁽²⁾	Contained Cu (kt) ⁽⁵⁾
Mantos Blancos Oxide (Dump Leach)	Measured	22.5	0.34	77
	Indicated	97.4	0.18	171
	Indicated (Mercedes Stockpile)	1.5	0.14	2
	Indicated (NE Dump Stockpile)	57.0	0.13	74
	Indicated (NW Dump Stockpile)	8.9	0.19	17
	Total Measured & Indicated	120.0	0.21	248
	Inferred (Pit)	10.1	0.26	26
	Inferred (Mercedes Stockpile)	0.3	0.21	1
	Inferred (NW Dump Stockpile)	0.4	0.17	1
	Inferred (NE Dump Stockpile)	12.7	0.13	17

Notes to accompany Mineral Resources tables:

- Mineral Resources are reported insitu, using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Mr. Ronald Turner, P. Geo., an employee of Golder Associates.
- Mineral Resources are reported on a 100% basis. The attributable percentage to Mantos Copper Holding SpA is 99.993%.
- Mineral Resources are reported with an effective date of December 31, 2022, inclusive of Mineral Reserves. Mineral resources that are not Mineral Reserves do not have demonstrated economic viability.
- Cut-off grade:
Flotation: 0.22% Icu
Dump Leach: 0.10% Scu
- Mineral Resource pit is based on a Cu price of \$3.75/lb and an Ag price of \$20.00/oz
- Tonnes are reported on a dry basic
- Contained Metal (CM) is calculated by the following formulas:
 - CM (kt)=Tonnage (Mt) * Tcu (%) * 10 for sulphides
 - CM (kt) =Tonnage (Mt) * Scu (%) * 10 for oxides
 - CM (koz) =Tonnage (Mt) * Ag (g/t)*1000/31.1035 for sulphides.
- Flotation recovery is based on a geometallurgical model, 83.4% Tcu and 70.7% Ag as average. Dump recovery is based on operating data averaging 42.4% Scu.
- Direct mining costs average US\$1.76/t of material mined; processing costs (including concentrator, tailings storage facility and water costs) average US\$9.98/t of material milled. The general and administration (G&A) cost was not included in the optimization process . Pit slope inter-ramp angles vary from 36° to 59°.
- 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
- Tonnage and contained metal have been rounded to reflect the accuracy of the estimate and numbers may not add exactly
- Icu = insoluble copper
Scu = soluble copper
Tcu = total copper

Factors that may affect the Mineral Resource Estimates include changes to assumptions for metal price and exchange rate, inputs for the cut-off, local interpretations of mineralization geometry and continuity of mineralized zones, density and domain assignments, geometallurgy, geotechnical, mining and metallurgical recovery, the input and design parameters used in the conceptual Whittle pit design constraining the estimate, and changes to the assumptions around 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.

Measured and Indicated Mineral Resources were converted to Proven and Probable Mineral Reserves based on the December 2022 resource model following consideration of the following Modifying Factors.

The geometallurgical model was used for the total copper recovery forecast. Silver recovery was based on historical data used to generate a recovery equation. Nine geotechnical domains were defined and incorporated into the reserve LG shell. Updated operating and off-site costs, and metal prices were used. Cut-off grades were defined based on economic parameters for the two metallurgical processes. Values of 0.22% for insoluble copper and 0.10% for soluble copper were used for flotation and dump leaching, respectively. The cut-off grade varies over time according to mine and process plant restrictions. The Mineral Resource block model was considered as fully diluted. The mine plan assumes eight pit phases. Variable slope angles were used for detailed mine design, with inter-ramp slope values varying between 50–59 degrees. A slope angle of 36 degrees (natural slope angle for broken material) is used in areas with historic underground stopes and also for waste dumps. The ultimate pit and internal phase designs are based on the optimum shells and are constrained by geotechnical parameters, minimum mining widths, and other operational parameters.

The Mineral Reserve estimate in Table 11 is reported at the point of delivery to the process plant, and uses the definitions set out in the 2014 CIM Definition Standards.

The Qualified Person for the estimate is Mr. Carlos Guzmán, RM CMC, an NCL employee. Clay Craig, P.Eng., Director, Mining and Strategic Planning at Capstone, directly supervised depletion of the Mantos Blancos Mineral Reserve for mining activities to December 31, 2022.

Table 11: Mantos Blancos Mineral Reserves as at December 31, 2022

Process	Category	Tonnage (Mt)	Grade (%Tcu)	Grade (%Scu)	Grade (g/t Ag)	Contained Cu (kt)	Contained Ag (koz)
Mantos Blancos – Sulphides	Proven	65.0	0.76	0.09	6.17	494	12,884
	Probable	50.7	0.54	0.08	4.34	274	7,077
	Total Mineral Reserves	115.7	0.66	0.09	5.37	768	19,961
Flotation - %Tcu							
Mantos Blancos – Oxide	Proven	2.2	-	0.34	-	8	-
	Probable	2.4	-	0.24	-	46	-
	Total Mineral Reserves	4.6	-	0.29	-	13	-
Dump Leach - %Scu							

Notes to accompany Mineral Reserves table:

1. Mineral Reserves are reported at the point of delivery to the process plant, using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Mr. Carlos Guzman, RM CMC, an employee of NCL.
2. Mineral Reserves are reported on a 100% basis. The attributable percentage to Mantos Copper Holding SpA is 99.993%.
3. Mineral Reserves are reported with an effective date of December 31, 2022.
4. Mineral Reserves are reported at a cut-off of 0.22% ICu for sulphides (Icu = Tcu – Scu) and 0.10% Scu for oxides.
5. 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.
6. 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 \$1.84/t of material mined).
7. Processing costs average \$9.98/t of milled material, including concentrator, tailings storage facility and port costs.
8. Processing cost for material sent to dump leach is \$1.47/t.
9. Total copper recoveries average 83.1% for sulphides and silver recoveries average 79.5%.
10. Soluble copper recoveries average 42% for material sent to the dump leach.
11. Inter-ramp angles vary from 36 to 59°. The life-of-mine strip ratio is 4 to 1.
12. 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.
13. 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.
14. 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.
15. Rounding as required by reporting guidelines may result in apparent summation differences in tonnes, grade and contained metal.

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.

Mining Operations

The Mantos Blancos mine is a conventional open pit owner-operated mine and plant. The open pit operation includes one large open pit (Santa Barbara) that provides the majority of the sulphide feed for the concentrator and the oxide feed for the dump leach. Material is also sourced from four oxide leach stockpiles. Higher-grade sulphide material is sent to the plant and lower-grade sulphide material is stockpiled to be processed later in the mine life.

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 million tonnes.

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

Processing and Recovery Operations

The Mantos Blancos concentrator facility treats 7.3 million tonnes 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).

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 5.5 million tonnes 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 300 cubic metre 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 are 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. The final copper concentrate averages approximately 30% copper by weight with between 5–15 ounces per tonne silver and no penalty elements. It is therefore very acceptable to smelters.

Infrastructure, Permitting and Compliance Activities

Infrastructure

The mine is currently in operation. Infrastructure constructed on site includes the process plants, tailings dams and dry-stack tailings facility, roads, mine services area, open pit, ore stockpiles, waste rock storage facilities, water pipelines, and power transmission lines.

Electrical energy is obtained from the National Electric System (Sistema Eléctrico Nacional) through a contract with Guacolda Energía S.A. Fresh water is provided via pipelines that deliver the water to the Mantos Blancos mine. Contracts are in place for energy, water and all other mine and process consumables.

The two tailings deposition systems are within the Mantos Blancos property. 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 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 2037, 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. 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. The coarse tailings deposit will reach a total capacity of approximately 68.6 million tonnes at the end of the operation, based on a maximum deposition rate of 5.5 million tonnes per year of thickened tailings.

There are five waste rock storage facilities: 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.

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

Environmental Studies and Permitting

The MB-CDP project was submitted to the Environmental Impact Assessment System (“SEIA”) through an EIS (“DIA”) and was approved by Exempt Resolution No. 419 dated November 2, 2017 by the Antofagasta Region Evaluation Commission (RCA No. 419/2017). The approved project, which will increase the sulphide processing capacity 4.2 million tonnes per year to 7.3 million tonnes per year, includes the concentrator, tailings management and transportation system, tailings deposits, and waste dumps.

A second RCA, RCA 49/2021 approved the 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).

Baseline studies were carried out in support of the MB-CDP and tailings dam modifications. Mantos Blancos incorporated mitigation measures including dust suppression and collection and dust control on roads.

Water Management

Industrial water is provided by authorized external companies. 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

RCA 419/2017 authorizes the production increase to 7.3 million tonnes 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-CDP. 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 Chile’s Ministry of Mining, Servicio Nacional de Geología y Minería (“**SERNAGEOMIN**”) on June 24, 2019 by Exempt Resolution N°

1670/2019. The 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, the closure plan does not currently include RCA 419/2017 and RCA 49/2021. The MB Closure Plan (2019) will 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 June 18, 2021).

Considerations of Social and Community Impacts

The Mantos Blancos area of influence includes the city of Antofagasta and the community of Baquedano. 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

Over the LOM, the sustaining capital 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 stay-in-business costs). The total operating cost is estimated to be \$3,074 million for the LOM, corresponding to \$2.01/lb Cu, as summarized in Table 12.

Table 12: Operating Cost Summary

Item	Units	\$M	Estimated Life of Mine Average Cost
Mining	\$/t moved	1,436	1.67
Processing (Oxides)	\$/lb (cathodes)	74	2.58
Processing (Sulphides)	\$/t milled	1,306	10.8
G&A Cost	\$/lb (total)	243	0.16
Operations Support	\$/lb (total)	14	0.01
Total	\$/lb (total)	3,074	2.01

Exploration, Development and Production

In 2020, 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 Blancos expects 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-CDP. With the completion of the MB-CDP, Mantos Blancos is expected to have a mine life to 2037, with upside potential from the growth projects described below.

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.

Mantos Blancos Debottlenecking

Mantos Blancos underwent an operational transformation into a sustainable long-term operation since Mantos Copper's acquisition in 2015, with mine life extended from 6 years at acquisition to 17 years in 2021. Construction for the MB-CDP sulphide process plant commenced under an EPC Lump Sum Turnkey contract in 2019. The Project was 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 costs⁷ of \$1.85/lb are estimated for the first 10 years after ramp-up.

Mantos Blancos Phase II

The Mantos Blancos Phase II project considers 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, beginning in 2023, along with additional cathode production through 2032. The estimated total additional capital cost for this expansion will be determined after the engineering work is developed.

The source of material for the increased throughput corresponds to potential mineral inventory identified during pit optimization. The current Mineral Reserves estimate was constrained by the LG pit shell using a revenue factor (ratio of incremental cost to incremental revenue) 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 based on revenue factor 0.92 will be available for Phase II. An additional pushback was 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 Extension

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.

Mantoverde Mine (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" filed January 5, 2022 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.

Project Description, Location and Access

Mantoverde Mine, located in the Atacama region of Chile, currently mines and processes oxide ores. Mantoverde Holding SpA owns 69.99% of Mantoverde, and Mantos Copper Holding SpA's partner Mitsubishi Materials Corporation owns 30.00%.

⁷ This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

Mantoverde is located 150 kilometers north of the Desierto de Atacama regional airport and is easily accessible via road. The site is located 56 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.

The Mantoverde property includes 303 exploitation concessions covering 38,654 hectares and three exploration mining concessions (in progress) covering 600 ha, giving a total area for the property of 39,099 hectares in 306 concessions. Concessions are in good standing until March 2024.

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 2023.

No significant factors or risks affecting access or title, or the right or ability to perform work on, the property, including permitting and environmental liabilities, are known.

No royalties are payable on the Mantoverde operation, and no other royalties or encumbrances are currently known other than the requirement to pay the Chilean mining tax.

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 August 31, 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 December 31, 2025. If this amount is not delivered by December 31, 2025, the agreements can be extended through to December 31, 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.

Mantoverde entered into an offtake agreement with Boliden Commercial AB dated February 4, 2021 for 75,000 tonnes 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 tonnes of copper concentrates have been delivered at the contract terms, and subject to termination if production does not commence by December 31, 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 London Bullion Market Association (“**LBMA**”) prices, subject to terms stated in the agreement.

Mantoverde entered into a copper concentrate offtake agreement with Mitsubishi Materials on February 11, 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 20,000–30,000 tonnes 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

Prior to mine development, exploration activity was completed by the Anaconda Mining Company, Empresa Nacional de Minería (“**ENAMI**”), Sociedad Minera Pudahuel, Empresa Minera Mantos Blancos S.A., and Minera

Anglo American Chile (“**MAAC**”). Open pit mining operations commenced in 1995, with material treated through an SX-EW plant. Mantos Copper, owned by Audley Mining Advisors Ltd. and Orion Mine Finance LLP, acquired Mantoverde in 2015.

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 13 below.

Table 13: 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 SX-EW process. Production from Mantoverde for the period August 2015 to 2021 is provided in Table 14.

Table 14: Historical Production August 2015 - 2022

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
2022	36,301

Geological Setting, Mineralization and Deposit Types

The Mantoverde deposit is considered an iron oxide–copper–gold (“**IOCG**”) deposit. The Mantoverde deposits differ slightly from the classic IOCG model in that the deposits have high cobalt grades and no arsenic anomaly.

Mineralization is hosted in Lower Cretaceous cataclastic andesitic and intrusive rocks (dioritic porphyry). Three breccia units parallel the Mantoverde fault system. Copper mineralization extends for 2.5 kilometres in the east–west direction, 600 m north–south, and is present to at least 800 metres depth. Oxide material extends to approximately 200 m depth. In the southern half of the Mantoverde Fault there is discontinuous copper mineralization in the form of tabular bodies dominated by specularite (Mantoverde and Laura), pipe breccias (Manto Monstruo and Manto Ruso) and irregular stockwork deposits (Montecristo).

Hydrothermal mineralization styles include a 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. Hypogene mineralization at depth occurs disseminated in the specularite matrix and consists of chalcopyrite and pyrite. Oxide copper mineralization occurs as disseminations, veinlets, and patches, and includes brochantite, minor antlerite, chrysocolla, malachite and atacamite.

Exploration

District scale exploration includes geological mapping, geochemical sampling, and ground and airborne geophysical surveys (IP/resistivity, electromagnetic audio-magnetotellurics, aerial gravity and ground and aerial magnetic). Near-mine exploration activities include geological mapping and structural studies, together with

drilling. The structural mapping programs identified areas of interest where north–south and northeast–northwest structures intersect. The geophysical 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. Additional exploration potential remains within the concession holdings in the 12 kilometer corridor that extends northward along the Atacama Fault Zone between the Mantoverde Mine and the settlement of El Salado.

Drilling

Drilling has been completed in support of exploration evaluations, Mineral Resource and Mineral Reserve estimates, mine planning, and geotechnical, and metallurgical evaluations.

Drilling includes RC, and core methods. Drilling completed from 1989–2022 includes 875 core holes (247,974 m), and 3,649 RC holes (653,069 m) for a total of 4,524 drill holes and 901,043 metres drilled.

The strong structural control of the mineralized results in tabular-shaped mineralization. To intercept true widths drill holes are normally directed orthogonal to the mineralized deposit or structures controlling the mineralization. Depending on the dip of the drill hole and the dip of the mineralization, drill hole intercept widths are usually greater than the true thickness of the mineralized deposit.

Logging is performed by external contractors following Mantoverde standards and under the supervision of Mantoverde personnel. Information collected includes geological, lithology, alteration, structural, and mineralization data. Core recoveries are recorded. Collar surveying was completed using high precision global positioning system (“**GPS**”) and total station instruments. Down hole surveys are completed by a contractor, using a digital gyroscope instrument.

Sampling, Analysis and Data Verification

Core and RC samples are taken at regular 2 metre intervals, irrespective of geology. Core is halved, and the entire sampled drill hole is sent for chemical analysis. Samples are selected from core intervals for density determination.

Samples are sent to GeoAssay, in Antofagasta for sample preparation and analysis. GeoAssay is independent of Mantos Blancos and holds ISO 9001, ISO 14001 and OHSAS 18001 accreditations.

Sample preparation methods include drying, crushing to 95% passing 2.36 millimetres, and pulverizing to 95% passing minus 150 mesh. Assay packages and elements analyzed have varied over time; however, the current elements assayed for include total copper, soluble copper, calcium carbonate, gold, iron, cobalt and sulphur. The analytical method for total copper and soluble copper is AA. Gold is assayed using a fire assay, followed by AA. LECO is used to obtain calcium carbonate and sulphur values.

QA/QC measures include regular insertion of standards, field duplicate and blank sample materials prior to submission of samples to the laboratory to monitor laboratory accuracy, precision and sample sequencing. Data imported into the project database are subject to validation, which includes checks on surveys, collar coordinates, lithology data and assay data. The checks are appropriate and consistent with industry norms.

Sample security measures practiced include moving RC samples and core from the drill site to the logging facility or a designated sample storage area, and tracking sample shipments using industry-standard procedures. Chain of custody procedures are followed whenever samples are moved between locations, to and from the laboratory, by filling out sample submittal forms.

External audits of the Mineral Resource and Mineral Reserve databases are regularly performed by external contractors, with the most recent audit in 2021. No issues were noted with the exploration data collected each year that would materially affect the Mineral Resource estimates in these annual resource reports. An internal process review is completed annually at the Mantoverde 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.

The project database is acceptable for use in Mineral Resource and Mineral Reserve estimation and can be used to support mine planning.

Mineral Processing and Metallurgical Testing

There is a long history of metallurgical testwork supporting SX/EW plant designs and ongoing operations. This work is validated by the plant operational data and production to date.

Three metallurgical testwork programs have been conducted since 2005 on the sulphide (hypogene) material. Comminution testwork completed has included BWi tests, Bond rod mill work and abrasion index tests; low energy impact; JK drop weight; semi-autogenous grinding (“**SAG**”) mill comminution (“**SMC**”), SAG power index tests and evaluation of high pressure grinding rolls (“**HPGR**”). Other testwork has included mineralogy and chemical assays, rougher flotation tests; standardized flotation rougher tests; open cycle and locked cycle tests for flotation performance; assessment of tailings behaviour, including settling and rheology tests, thickening, classification, pumping loop and deposition performance; and tailings environmental characterization.

Metallurgical recovery for oxide material varies by lithology and soluble copper (“**SCu**”) content. For lithologies where the soluble copper is >1%, a single recovery value is assigned. Where lithologies have a variable soluble copper content, derived equations are used for recovery forecasts. Metallurgical recoveries developed from testwork results were used to design the sulphide plant. Recoveries will vary by type of material, broken into ten domains, and time period within the LOM plan, with average recoveries forecast of 88.20% for copper, and 70.40% for gold. Global recovery for mixed material was set at 71.9% for copper.

The testwork data indicate that the Mantoverde concentrate will be clean and free of deleterious elements. No significant quantities of deleterious elements have been identified to date.

Cobalt has been identified in the Mantoverde oxide and sulphide mineralization and has been reported in the flotation tailings. More detailed evaluations to allow cobalt to be included in the LOM process operations are warranted.

Mineral Resources and Mineral Reserve Estimates

A total of 5,028 drill holes totalling 921,458 metres were used in the geological model.

Sixteen lithology groups were modelled, defined based on lithology, alteration, mineralization and position with respect to the Mantoverde Fault. The modelling methodology used a spatial indicator approach (probabilistic model) to include all materials with an economic potential >0.10%TCu. The probabilistic modelling method was based on mineralized volumes that have a probability of >50% and a cut-off grade of 0.10%TCu. Two separate boundaries were defined between the mineral zones; the Sulphide Roof and the Oxide Floor. Samples were composited to 10 metre lengths. Outlier gold and copper values were capped prior to estimation. Density values were assigned for oxide ore, but interpolated using OK in the sulphide ore and oxide waste areas.

Total copper and insoluble copper were estimated in a three-dimensional block model using the OK interpolation method. The kriging plan included three passes in which the search radii were increased and the sample restriction criteria were relaxed. Gold was estimated, where data density permitted, using OK. Where data were insufficient to interpolate, a gold value was assigned by applying a relationship between total copper and gold.

Mineral Resources were classified using an 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.

Mineral Resources were evaluated considering reasonable prospects for eventual economic extraction by constraining the estimates within a Lerchs-Grossmann (“**LG**”) pit shell.

The Mineral Resource estimate in Table 15 is reported in situ, inclusive of those Mineral Resources that have been converted to Mineral Reserves, and uses the definitions set out in the 2014 CIM Definition Standards.

The Qualified Person for the estimate is Mr. Ronald Turner, P. Geo., a Golder Associates employee. Mr. Luis Tapia Hurtado, CP CMC, Resource and Reserve Evaluation Geologist at Mantos Copper Holding SpA, depleted the Mantoverde Mineral Resources for mining activities. Mineral Resources have an effective date of December 31, 2022 and reflect the surveyed topographic surface as at December 31, 2022.

Table 15: Mantoverde Mineral Resources as at December 31, 2022

	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	186.3	0.57	0.10	1,062	599
	Indicated	341.3	0.41	0.10	1,403	1,099
	Total Measured & Indicated	527.6	0.47	0.10	2,465	1,698
	Total Inferred	588.9	0.37	0.08	2,179	1,515
Mantoverde Mixed (Flotation) ^{(1) (3)}	Measured	38.9	0.50	0.09	195	113
	Indicated	33.0	0.38	0.09	124	96
	Total Measured & Indicated	71.9	0.44	0.09	319	209
	Total Inferred	16.5	0.30	0.06	50	32

	Category	Tonnage (Mt) ⁽⁴⁾	Grade %SCu ⁽²⁾	Contained Cu ⁽⁵⁾ (kt)
Mantoverde Oxides+Mixed (Heap Leach) ^{(1) (3)}	Measured	138.3	0.29	401
	Indicated	93.3	0.26	243
	Total Measured & Indicated	231.7	0.28	644
	Total Inferred	18.0	0.22	40
Mantoverde Oxides+Mixed (Dump Leach) ^{(1) (3)}	Measured	118.3	0.13	154
	Indicated	126.6	0.13	165
	Total Measured & Indicated	244.9	0.13	319
	Total Inferred	52.7	0.13	69

Notes to accompany Mineral Resources tables:

- Mineral Resources are reported in situ, using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Mr. Ronald Turner, P. Geo., an employee of Golder Associates.
- Mineral Resources are reported on a 100% basis. The attributable percentage to Mantos Copper Holding SpA is 99.993%.
- Mineral Resources are reported with an effective date of December 31, 2022, inclusive of Mineral Reserves. Mineral resources that are not Mineral Reserves do not have demonstrated economic viability.
- Cut-off grade:
 - Dump Leach: Oxide: $0.10\% \leq \text{SCu} < 0.17\%$ and mine=1, Mixed: $0.10\% \leq \text{SCu} < 0.17\%$ and $\text{SCu}/\text{TCu} > 50\%$ and mine=2.
 - Heap Leach: Oxide: $\text{SCu} \geq 0.17\%$ and mine=1, Mixed: $\text{SCu} \geq 0.17\%$ and $\text{SCu}/\text{TCu} > 50\%$ and mine=2.
 - Flotation: Sulphide: $\text{TCu} \geq 0.20\%$ and mine=3, Mixed: $\text{TCu} \geq 0.22\%$ and $\text{SCu}/\text{TCu} \leq 50\%$ and mine=2.
- The Mineral Resource pit is based on \$3.75/lb Cu.
- Tonnes are reported on a dry basis.
 - Contained Metal (CM) is calculated using the following formulae:
 - $\text{CM(kt)} = \text{Tonnage (Mt)} * \text{TCu (\%)} * 0.01$ for Sulphides.
 - $\text{CM(kt)} = \text{Tonnage (Mt)} * \text{SCu (\%)} * 0.01$ for Oxides
 - $\text{CM(koz)} = \text{Tonnage (Mt)} * \text{g/t Au}/31.1035$ for Sulphides and Mixed.
- Flotation recovery is based on a geometallurgical model, 90.84%TCu and 67.87% Au average for Sulphides and 73.24% TCu and 61.73% Au average for Mixed. Heap Leach recovery is 79.2% average. Dump recovery is based on operating data 39.4%SCu.
- Direct mining costs average US\$1.69/t of material mined; processing costs are based on a formula for each block depending on whether the material is sent to the heap or dump. The general and administration (G&A) cost is \$1.4/t milled. Concentrates are assumed to incur a selling cost of \$0.2756, and cathodes a selling cost of \$0.047. Pit slope inter-ramp angles vary from 26° to 60°.
- Tonnage and contained metal have been rounded to reflect the accuracy of the estimate and numbers may not add exactly.
- TCu = total copper
SCu = soluble copper

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, updates to assumptions related to geological and geotechnical characteristics (including density, domain assignments, geometallurgical and oxidation state), changes in mining and metallurgical recovery, changes to input and design parameter assumptions that pertain to the conceptual Whittle pit design constraining

the estimate and revisions to 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.

Measured and Indicated Mineral Resources were converted to Proven and Probable Mineral Reserves based on the December 2022 resource model following consideration of the following Modifying Factors. Metallurgical testwork and geometallurgical modelling are the source of the copper and gold recovery forecasts. Variable metallurgical recoveries were used for flotation, heap leach and dump leach. Heap and dump leach recoveries are dependent on soluble copper and carbonate content and the location within the open pit. Design parameters follow geotechnical zone recommendations. The deposit is separated into three spatial domains: sulphide, mixed and oxide. Cut-off grades are based on formulae within each domain, with Mixed material being routed to leach or to mill based upon ratio of SCu:TCu. Mineral Reserves are reported above the following cut-offs: 0.10SCu% (Oxide); 0.23%TCu (Sulphide); 0.23%TCu and SCu/TCu <0.5 (Mixed to Mill); 0.10% SCu and SCu/TCu >0.5 (Mixed to Leach). The annual average LOM cut-off grade using the heap leach formula would be 0.14%SCu; however, an elevated cut-off of 0.17%SCu is used in planning. The cut-off grade for the dump leach using the dump leach formula is 0.09%SCu. However, there a higher metallurgical limit of 0.10%SCu is used as the cut-off grade in mine planning. The Mineral Resource block model was considered as fully diluted. Oxide and sulphide phases will have different bench heights because different equipment has been selected for each phase type. Variable slope angles were used for detailed mine design, with inter-ramp slope values varying between 26–58 degrees. The ultimate pit and internal phase designs are based on the optimum shells and are constrained by geotechnical parameters, minimum mining widths, and other operational parameters.

The Mineral Reserve estimate in Table 16 is reported at the point of delivery to the process plant, and uses the definitions set out in the 2014 CIM Definition Standards.

The Qualified Person for the estimate is Mr. Carlos Guzmán, RM CMC, an NCL employee. Mr. Clay Craig, P.Eng., Director, Mining and Strategic Planning at Capstone, directly supervised depletion of the Mantoverde Mineral Reserve for mining activities to December 31, 2022.

Table 16: Mantoverde Mineral Reserves Statement as at December 31, 2022

	Category	Tonnage (Mt)	Grade (%TCu)	Grade (g/t Au)	Contained Cu (kt)	Contained Au (koz)
MVDP Sulphide + Sulphide Mix (Flotation)	Proven	172.2	0.62	0.11	1,067	609
	Probable	64.1	0.51	0.11	327	227
	Total Reserves	236.3	0.59	0.11	1,394	836
	Category	Tonnage (Mt)	Grade (%SCu)	Grade (g/t Au)	Contained Cu (kt)	Contained Au (koz)
MVDP Oxide (Heap + Dump Leach)	Proven	162.0	0.23	-	374	-
	Probable	59.1	0.20	-	118	-
	Total Reserves	221.1	0.22	-	492	-

Notes to accompany Mineral Reserves table:

1. Mineral Reserves are reported at the point of delivery to the process plant, using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Mr. Carlos Guzman, RM CMC, an employee of NCL.
2. Mineral Reserves are reported on a 100% basis. The attributable percentage to Mantos Copper Holding SpA is 99.993%
3. Mineral Reserves are reported with an effective date of December 31, 2022.
4. Mineral Reserves reported above the following cut-offs: 0.10SCu% (Oxide); and 0.23%TCu cut-off (Sulphide); 0.23%TCu and SCu/TCu <0.5 (Mixed Sulphide); 0.10% SCu and SCu/TCu >0.5 (Oxides Mixed)
5. Mineral Reserves are reported using average off-site costs (selling cost) of \$0.28/lb for sulphides and \$0.30/lb for oxides. The attributable percentage to Capstone is 69.993%.
6. Mineral Reserves are contained within an optimized pit shell design. 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).
7. 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.
8. Processing cost for material sent to the heap leach was \$6.28/t. For material sent to the run-of-mine dump leach, the processing cost was \$2.12/t.
9. Copper recoveries average 88.4% for sulphides and mixed, and gold recoveries average 71.2%.
10. Soluble copper recoveries average 75.0% for material sent to the heap leach and 42.5% for material sent to the dump leach process.
11. Inter-ramp angles vary from 26° to 60°. The life-of-mine strip ratio is 2.12 to 1.

12. 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 Reserve 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.

Mining Operations

The Mantoverde Mine is a conventional open pit owner-operated mine and plant. The mine plan is focused on two main areas, Celso–Manto Ruso and Mantoverde. Higher-grade material is sent to the plant and lower-grade material is stockpiled which will be processed later in the mine life.

The development case mill throughput assumption is based on hardness variability, resulting in an average throughput of 12.4 million tonnes per year of sulphide from 2023 to 2042. The mine plan assumes 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 will reach 10.9 million tonnes in 2025; the dump leach process will have an annual treatment rate of 15.0 million tonnes per year.

The mine design includes mine design parameters (such as roads, ramps, benches) and mine development based on 19 designed phases (pushbacks). A maximum of 11 phases must be kept in operation at any one time to meet the mine plan requirements.

Estimates of the equipment fleet are based on the material movement scheduled in the mine plan and the criteria used for the operating schedule.

Processing and Recovery Operations

Mantoverde has a plant production capacity of 60,000 tonnes per year of copper cathodes; current production ranges between 45,000–50,000 tonnes per annum. 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 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 million tonnes per year of sulphide feed and will produce copper concentrate. Unit process areas for the new sulphide plant will include:

- Primary crushing area (gyratory crusher and coarse ore stockpile);
- Milling SAG mill and ball mill);
- Flotation area (rougher flotation, cleaner flotation, first cleaner flotation (agitated cells), scavenger flotation (agitated cells), second cleaner flotation (column) and third cleaner flotation (column));
- Concentrate (thickening, filtration and storage);
- Tailings (Hydrocyclone cluster, thickening, transport and TSF)

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

Infrastructure, Permitting and Compliance Activities

Infrastructure

The mine is currently in operation. Infrastructure constructed on site includes the process plant, roads, mine services area, open pit, ore stockpiles, waste rock storage facilities, water pipelines, and power transmission lines. The mine is supported by an off-site desalination plant and port facilities.

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.

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;
- Expanded sea water desalination plant at the coast.

A new TSF is planned in the MVDP. Tailings will be thickened to 55% solids prior to deposition and transported about 3.5 kilometres 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 million tonnes.

Copper cathodes will continue to be shipped to Antofagasta. Copper concentrate will be shipped through Chañaral to the north and Caldera to the south.

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 litres per second to 380 litres per second.

Environmental Studies and Permitting

An EIA for the MVDP was approved by the Chilean environmental authority by Exempt Resolution N° 16/2018 issued by the Atacama Region Evaluation Commission. The RCA covered the combined sulphide and oxide mining and processing plan up to 2034 and the sulphide mining and processing up to 2042.

Mantoverde submitted a DIA for the Optimization Supply Autonomy of the Oxides Line (approved by RCA N° 119/2018) and a DIA for the Mantoverde Oxides Optimization Project (approved by RCA 132/2021).

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.

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 September 17, 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 site personnel and developed for the operation as a whole, without assigning separate costs to oxide and sulphide materials.

Expansion capital is estimated to be \$825 million between the years 2021 and 2024 (\$138.9 million for Mine Equipment, \$463.5 million for Land and Buildings, \$94.1 million for Pre-stripping, \$55.7 million for Other Fixed Assets and \$72.8 million for the TSF). Over the LOM the sustaining capital cost⁸ is estimated to be \$476 million (\$92.5 million for Mine Equipment and \$383.7 million for Other Fixed Assets including 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 million for the life of mine, corresponding to \$1.73/lb, as summarized in table 17 below.

Table 17: Operating Cost Summary

Item	Units	\$M	Estimated Life of Mine Average Cost
Mining	\$/t-moved	2,508	1.43
Processing (Oxides)	\$/lb (cathodes)	1,529	1.67
Processing (Sulphides)	\$/t-milled	1,717	7.30
G&A	\$/lb (total)	318	0.09
Other Operating Expenses	\$/lb (total)	94	0.03
TOTAL	\$/lb (total)	6,166	1.73

Exploration, Development and Production

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 the completion of the MVDP through 2030, Mantoverde is expected 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.

Mantoverde is an operating mine with an on-going exploration program that considers infill drilling campaigns and exploration programs in brownfield areas of geological interest.

MVDP Execution Plan

The proposed execution plan for the engineering, procurement and construction (“EPC”) for the new processing facilities required for the MVDP was awarded to Ausenco Limited (“Ausenco”), 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. Capstone’s team is working with Ausenco during the execution.

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 are 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, July 2022 TSF, December 2022 Process Plant (earthworks)
- EPC01 Process plant and services mechanical completion: July 2023
- EPC06 Desalination plant mechanical completion: May 2023
- EPC05 Tailings dam mechanical completion: September 2023.

Mantoverde Phase II

Mantoverde continues to analyze 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. A conceptual study is being prepared in 2023 and, pending positive results will be incorporated into a feasibility study targeted for H2 2023.

Increased throughput feed is based on material previously identified in the pit optimization (Table 14). The current Mineral Reserves estimate was constrained by the TSF capacity and therefore the LG pit shell obtained at a

revenue factor (ratio of incremental cost to incremental revenue) 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 material available for Phase II.

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, P.Eng. former Senior Vice President and Chief Operating Officer of Capstone Mining Corp.; Leslie Correia, Pr. Eng., Paterson & Cooke Canada Inc., Jenna Hardy, P.Geo., FGC, Nimbus Management Ltd.; Tucker Jensen, P.Eng., Capstone Mining Corp.; Darren Kennard, P.Eng., Golder Associates Ltd.; Garth Kirkham, P.Geo., FGC, Kirkham Geosystems Ltd.; Chris Martin, CEng MIMMM, Blue Coast Metallurgy Ltd.; Vivienne McLennan, P.Geo., Capstone Mining Corp., Josh Moncrieff, P.Geo., Capstone Mining Corp. and Humberto Preciado, PhD, P.E., Wood Environment & Infrastructure Solutions, Inc., 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 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, Location and Access

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 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 \$106,555 in 2022, \$92,869 in 2021 and \$91,942 in 2020.

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.

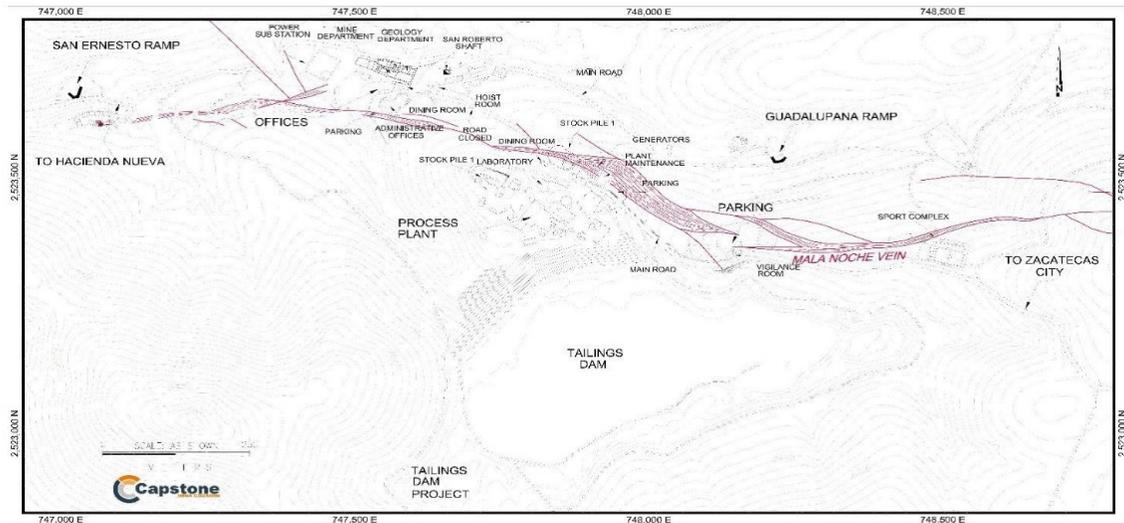
Cozamin Mine has an inspection, maintenance and surveillance program in place to ensure that its TSF continues to perform safely and as intended. Humberto Preciado is the Engineer of Record (“**EOR**”) for Cozamin’s TSF. The EOR is responsible for the design of the TSF and provides guidance on construction 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 2 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 2:
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 2021 for undertaking voluntary environmental audits that certify full compliance with Mexican federal environmental laws.

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 were 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 in 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 Jacek 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, Mineralization and Deposit Types

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.

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.

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.

Drilling

As of December 31, 2022, 1,269 diamond drillholes including 1,084 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 18,985 m in 25 HQ angled diamond drillholes, 18 from underground platforms and 7 from surface in 2022. The 2021 program comprised 42,325 m in 41 angled HQ diamond drillholes and 2,031 m in 14 angled BQ drillholes. 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, Analysis and Data Verification

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 and 85,550 samples available at the end of 2022. 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. CRM are purchased commercially and are also created from Cozamin Mine material. QA/QC procedures include real-time monitoring of quality control data, thresholds for sample failures and sample batch reanalysis, and regular monthly reporting. QA/QC 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 QA/QC 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 QA/QC samples indicated the bulk density dataset was of sufficient quality for use in Mineral Resource estimation. As of December 31, 2022 there are 52,190 bulk density measurements in the database available to estimate density.

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.

Database validation work comprises a minimum 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 2022 and 2020. 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.

Mineral Processing and Metallurgical Testing

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.

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, P.Geo., FGC, Kirkham Geosystems Ltd., an independent Qualified Person as defined by NI 43-101, is responsible for the Cozamin Mine Mineral Resource estimate. Clay Craig, Director, Mining and Strategic Planning, is responsible for the depletion of the Cozamin Mine Mineral Resource for mining activities to December 31, 2022.

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

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.

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 2022 mining activities, total 23,872 kt with an average grade of 1.43% Cu above a \$50 per tonne NSR cut-off (Table 18). The NSR formulae are stated in the table notes. Mr. Clay Craig, Director, Mining & Strategic Planning at Capstone, a Qualified Person as defined by NI 43-101, directly supervised depletion of the Cozamin Mineral Resource for mining activities to December 31, 2022. Mineral Resources are presented inclusive of Mineral Reserves. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Table 18: Cozamin Mine Estimated Mineral Resources as at December 31, 2022

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	53.4	1.23	0.40	5	698	5	2
Indicated	23,465	1.44	41.9	1.14	0.33	337	31,609	268	77
Measured + Indicated	23,872	1.43	42.1	1.14	0.33	342	32,307	273	79
Inferred	13,223	0.53	38.4	2.24	0.65	71	16,306	296	86

NOTE: Mineral Resources are classified according to CIM (2014) definitions, estimated following CIM (2019) guidelines and have an effective date of December 31, 2022. The Independent Qualified Person for the estimates is Mr. Garth D. Kirkham, P.Ge., 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 US\$) 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 operational 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 added to the MNV Mineral Resource estimate since 2017. The Mineral Resource considers underground mining by longhole stoping with 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, P.Eng., Superintendent Mine Operations at Capstone and a Qualified Person as defined by NI 43-101, using the October 2020 Mineral Resource models updated by Garth Kirkham, P.Ge., FGC. 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-stopping mining. Mineral Reserves are reported at or above a US\$51.12/t NSR cut-off in conventionally backfilled zones, a US\$56.51/t NSR cut-off in paste backfilled zones of Vein 10, and a US\$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 2020 prefeasibility study assessed the use of underground paste backfill to decrease the number of pillars needed for geotechnical stability, thereby increasing the mineral extraction ratio relative to the 2018 mine plan. Dilution and mining recovery factors are adjusted where supported by annual reconciliations, especially under conditions 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 and Mineral Reserve estimates.

Updated Proven and Probable Mineral Reserves, discounted for mine production to December 31, 2022, contain 10,610 kt at an average grade of 1.79% Cu at or above a blended cut-off between \$51.12/t and \$56.12/t NSR cut-off (fully diluted and recovered) are detailed in Table 19. Clay Craig, a Qualified Person as defined by NI 43-101, is responsible for depletion of the Mineral Reserve estimate at Cozamin Mine.

Table 19: Cozamin Mine Estimated Mineral Reserves as at December 31, 2022

Classification	Tonnes (kt)	Copper (%)	Silver (g/t)	Zinc (%)	Pb (%)	Copper Metal (kt)	Silver Metal (koz)	Zinc Metal (kt)	Lead Metal (kt)
Reserves Summary									
Proven	-	-	-	-	-	-	-	-	-
Probable	10,610	1.79	46	0.61	0.26	190	15,831	65	28
Proven + Probable	10,610	1.79	46	0.61	0.26	190	15,831	65	28

NOTE: Clay Craig, P.Eng. is the Qualified Person for the Cozamin Mine Mineral Reserve. Disclosure of the Cozamin Mine Mineral Reserves as of December 31, 2022 was completed using fully diluted mineable stope shapes generated by the Deswik Mineable Shape Optimiser software and estimated using the 2020 MNFWZ and 2017 MNV Resource Block Models. by Garth Kirkham, P. Geo., FGC. Mineral Reserves are reported at or above a US\$51.12/t NSR cut-off in conventionally backfilled zones, a US\$56.51/t NSR cut-off in paste backfilled zones of Vein 10, and a US\$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 US\$) 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 with 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 has been extracted primarily using longitudinal long-hole open stoping with unconsolidated waste fill. With the introduction of pastefill in 2023, reduced pillar requirements are expected. Studies are underway to evaluate the benefits of mechanized cut and fill, as well as transverse open stoping in areas that are greater than 7 metres wide. The mine extends for a strike length of over 2 km and Mineral Reserves extend to a depth of 1,000 m.

Processing and Recovery Operations

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.

Cozamin processes over 1.3 million tonnes per year. Production in 2022 was 24,541 tonnes of copper, 1.376 million pounds of zinc and 1.697 million ounces of silver, compared to 2021 at 24,418 tonnes of copper, 6.238 million pounds of zinc and 1.551 million ounces of silver and 2020 at 17,203 tonnes of copper, 14.587 million pounds of zinc and 1.204 million ounces of silver. In 2021, Cozamin milled 3,724 tpd compared to 3,140 tpd in 2020 after improving mine haulage using a one-way ramp.

The higher throughput was maintained in 2022 at 3,803 tpd. 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 produce 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. Concentrates are trucked to Manzanillo, Mexico. The current mine plan maintains the Cozamin Mine operations life into 2031.

Infrastructure, Permitting and Compliance Activities

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. A tailings filtering plant and a paste fill plant were constructed in 2022, which will allow for dry stack tailings deposition plan and paste backfill deposition underground commencing in 2023. Permits required to conduct on-going mining work on the property have been obtained. 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 at the mine site.

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 \$139,925 in 2022, \$0 in 2021, \$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.

Capital and Operating Costs

Life of mine capital costs estimated in the 2021 Technical Report for 2023 through 2031 are shown in Table 620.

Table 20: Capex Cost Summary, 2021 Technical Report

Cost Type	Units	Life of Mine Total
Site Sustaining Capital	\$M US	83.3
Expansionary Capital	\$M US	1.0
Total	\$M US	84.3

Sustaining Capital includes plant and site sustaining capital costs to maintain the mill, tailings, and site infrastructure; capitalized additions and replacement of mining fleet, planned component replacement costs and associated support services; and Capitalized development costs for ramp and level development to access Mineral Reserve in the LOM plan. Expansionary capital includes costs to complete the paste and filtering plant.

The life of mine operating cost for the Cozamin Mine was estimated at \$46.64/tonne milled in the 2021 Technical Report Mine Plan. These costs do not include treatment charge/refining charge and concentrate transportation. Estimated life of mine operating costs are shown in Table 621. The recent increase to costs and metal prices fall within sensitivities analyzed for Cozamin.

Table 21: Unit Operating Cost Summary, 2021 Technical Report

Item	Units	Estimated Life of Mine Average Cost
Mining Cost	US \$/t milled	27.73
Processing & Tailings Cost	US \$/t milled	11.97
G&A Cost	US \$/t milled	6.94
Total	US \$/t milled	46.64

Mine operating costs were estimated based on the mine plan and equipment list, based in 2023 US dollars. Labor and equipment costs are based on recent operational values, adjusted for projected trends in major consumable pricing, and the new process of paste backfill.

These costs do not include:

- Planned component replacement program costs, which are capitalized
- Capitalized development
- Post mining reclamation costs
- Exploration programs.

The mill operating cost estimates include all costs related to the process facilities, including the crushing plant, concentrator and tailings deposition. This cost estimate is based on actual costs at site, plus escalation related to input costs and the new process of dry stack tailings. 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.

General and administrative costs are the site overhead costs for the Cozamin operation.

Exploration, Development and Production

Cozamin's production plan is 3,800 tonne per day. Cozamin will continue to look for opportunities that will provide a pathway to increase mine production in the future to better utilize the installed mill capacity of 4,400 tonnes per day.

The 2023 exploration program includes a proposed 8,700 metres of infill drilling at the MNV-West target.

An update to Cozamin's Mineral Resource and Mineral Reserve model that will include drilling completed after October 2020 and a change to mining methods is underway for 2023. With the introduction of paste backfill in 2023, a number of mining methods will be employed, including longitudinal and transverse open stoping, and

mechanized cut and fill. Transverse open stoping will be used in areas that are greater than 7 metres wide. The cut and fill mining method will be used in the upper areas of the mine which are closer to the neighboring communities to minimize disturbances caused during blasting operations.

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 Bush. 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 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.

Project Description, Location and Access

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 2024. 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 Vela Royalties Limited (pursuant to a novation from BHP Chile Inc. in May 2015 and formerly named as BHP Billiton Royalty Investments Pty Ltd. and a subsequent transfer from South32 Royalty Investments Pty Ltd. to Vela Royalties Limited) and ENAMI, a Chilean government corporation. Capstone held a strategic relationship with KORES (as defined below) from June 17, 2011 to March 24, 2021 where KORES held a 30% interest. On March 25, 2021, Capstone entered into a precious metals purchase agreement with Wheaton, and received an early deposit of \$30 million on April 21, 2021. Additional deposits of \$260 million are expected during the Santo Domingo construction period, subject to sufficient financing having been obtained to cover total expected capital expenditures and other customary conditions, for a total deposit of \$290 million. Wheaton will receive 100% of Santo Domingo’s gold production until 285,000 ounces are delivered, then dropping to 67% of the gold production. As gold is delivered, Capstone receives payments equal to 18% of the spot gold price at the time of delivery for each ounce delivered to Wheaton, until the \$290 million deposit is reduced to zero. Payments will then increase to 22% of the spot gold price upon delivery.

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.

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 Vela Royalties Limited).

Historical exploration included geological mapping (50 km²) 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, Mineralization and Deposit Types

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 volcanoclastic 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, Analysis and Data Verification

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, 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 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. Roscoe Postle Associates Inc. (“RPA”) 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, 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.

Capstone completed an internal data verification exercise that compared a minimum of 10% of drilling data, including analytical results and magnetic susceptibility readings, from 2004 to 2021 back to source documents in 2022. No significant issues were identified.

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.

Mineral Processing and Metallurgical Testing

Metallurgical testwork has been undertaken since 2006. Two separate physical characterization testwork programs, including (SAG 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 22 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 22: Santo Domingo Estimated Mineral Resources as at December 31, 2022

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, where 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 LG algorithm and the following assumptions: pit slopes averaging 45°; 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 m³ 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 23.

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 23: Santo Domingo Estimated Mineral Reserves as at December 31, 2022

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 37.6° to 43.6°; 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.

Wheaton will receive 100% of the gold production until 285,000 ounces are delivered, thereafter dropping to 67% of the gold production.

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 off-takers.

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 24). The estimate is a Type 3 estimate according to Amec Foster Wheeler Ingeniería 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.⁹

⁹ This paragraph contains non-GAAP financial performance measures. See "Alternative Performance Measures".

Table 24: Santo Domingo Initial Capital Cost Estimate

	Area	Cost (\$ M)
<i>Initial Capital</i>	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 Capital¹⁰		378.6
Total Cost		1,890.9

Operating cost estimates are summarized in Table 25. 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 25: 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

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.

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

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 26: Summary of Santo Domingo Pre-Tax Cash Flow

Cost Item	LOM (\$ M)	\$/t milled	\$/lb Cu payable
<i>Revenue (after losses and before deductions)</i>			
Cu	7,200.4	18.35	3.11
Au	392.6	1.00	0.17
Fe	6,005.1	15.31	2.59
<i>Sub-Total</i>	13,598.1	34.66	5.87
<i>Smelting costs</i>			
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)
<i>Sub-Total</i>	(1,119.5)	(2.85)	(0.48)
<i>Operating cost</i>			
Mining	(2,619.6)	(6.68)	(1.13)
Process	(2,547.6)	(6.49)	(1.10)
General & Administrative	(402.8)	(1.03)	(0.17)
<i>Sub-Total</i>	(5,570.0)	(14.20)	(2.40)
<i>Other</i>			
Royalties	(249.6)	(0.64)	(0.11)
Closure	(102.1)	(0.26)	(0.04)
<i>Total</i>	(351.6)	(0.90)	(0.15)
Earnings before interest, taxes, depreciation, and amortization (EBITDA)¹¹	6,557.0	16.71	2.83
Construction capital	(1,512.3)	(3.85)	(0.65)
Sustaining capital	(378.6)	(0.97)	(0.16)
Undiscounted margin (cumulative net cash¹² 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).

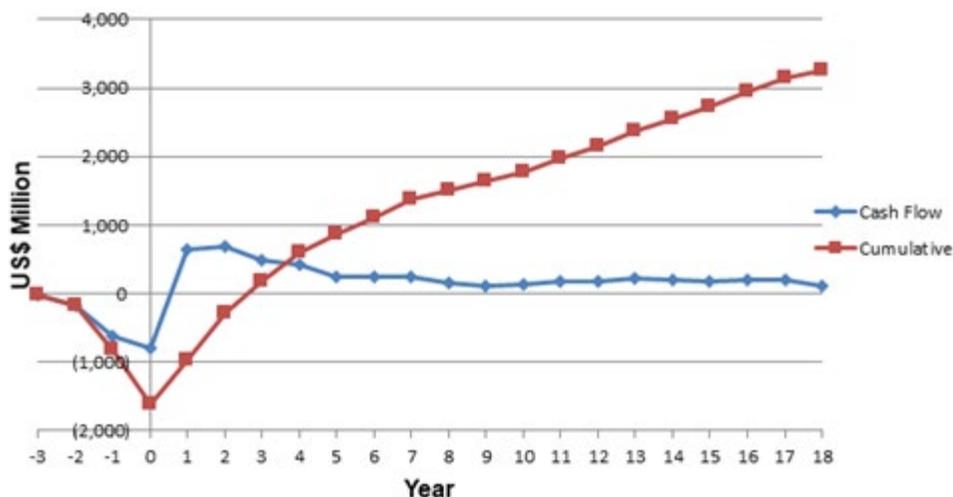
On a pre-tax basis with no discount, the cumulative cash flow is \$4,666 million. On an after-tax basis the cumulative undiscounted cash flow is \$3,250 million, the IRR is 21.8% and the payback period is 2.8 years.

At an 8% discounted cash flow rate, the after-tax NPV is \$1,032 million. A pre-tax summary table is included as Table 26. The LOM cash flow is shown in Figure 3. Cash costs are summarized in Table 27.

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

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

Figure 3: 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 27: 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
<i>Sub-Total</i>	<i>6,281.9</i>	<i>16.01</i>	<i>2.72</i>
Credits			
Au	(392.6)	(1.00)	(0.17)
Fe	(6,005.1)	(15.31)	(2.59)
<i>Sub-Total</i>	<i>(6,397.7)</i>	<i>(16.31)</i>	<i>(2.76)</i>
Adjusted Cash Cost Total	39.8	0.10	0.02

Initial construction costs are estimated to be \$1.51 billion which includes a \$197 million contingency on total costs. Sustaining capital¹³ over the LOM is estimated to be \$378 million. Total LOM operating costs are estimated to be \$5.57 billion.

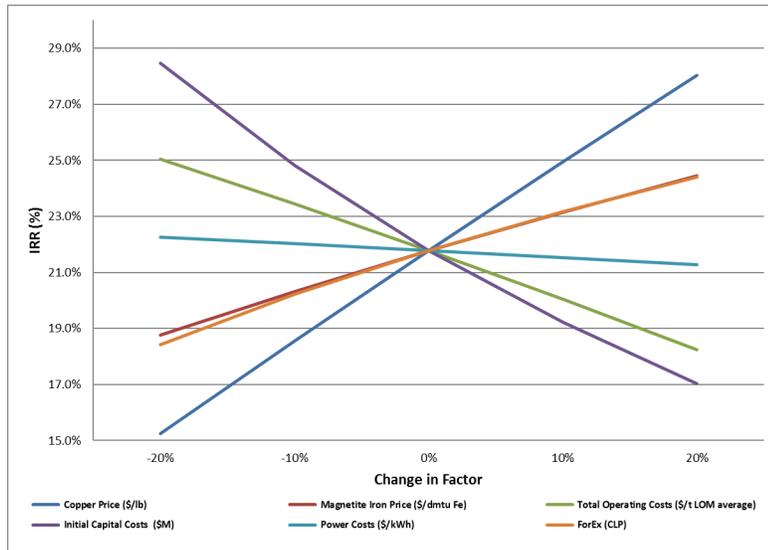
The C1 cash cost as defined by Wood McKenzie is stated below:

“C1 Cash Costs¹⁴ 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.”

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

¹⁴ This is a non-GAAP financial performance measure. See “Alternative Performance Measures”.

Figure 4: Sensitivity of IRR (Figure prepared by Wood, 2018)



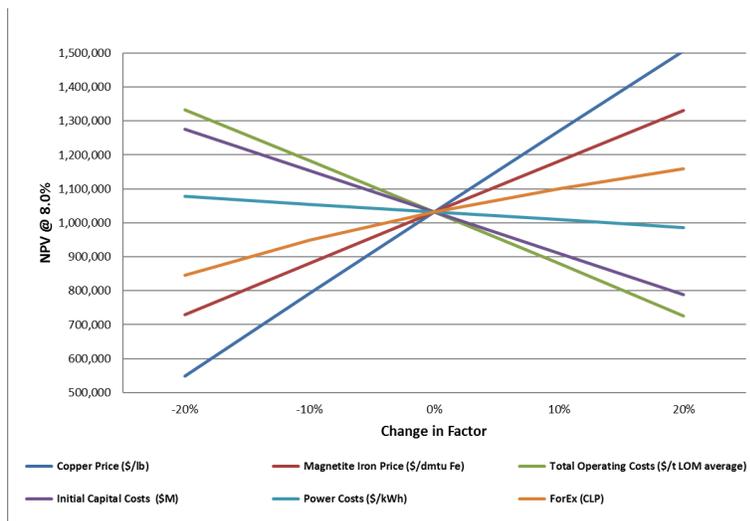
The gold and iron credits offset the operating costs over the LOM, resulting in an almost zero C1 cash cost¹⁵ (\$0.02/lb).

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 4 shows the sensitivity of the IRR and Figure 5 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.

Figure 5: Sensitivity of NPV8% (\$ x 1,000) (Figure prepared by Wood, 2018)



¹⁵ This is a non-GAAP financial performance measure. See "Alternative Performance Measures".

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 2023.

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 capital¹⁶ 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”) 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 2023.

¹⁶ 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 our operations, increased costs for asset protection or care and maintenance activities that would have a material adverse effect on our business, financial condition, results of operations and prospects. The occurrence of one or more of these events could have a long-term impact on our employee's morale, our 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 our 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'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'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's control.

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 for which Capstone Mining and Capstone Copper are each 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'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's properties and Capstone'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 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'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'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's ability to finance the exploration and development of our other properties and projects, which would have a material adverse effect on Capstone'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 has hedging agreements in place, particularly with respect to production at Mantoverde Mine 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 will depend in large part on the success of management of Capstone 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. 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'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'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. 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 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 may experience theft of its products which may impact our financial results. Capstone 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 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'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's business, financial condition, results of operation and prospects. 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'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'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's operations. Capstone 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's operations. Failure to manage relationships with local communities, government and non-governmental organizations may adversely affect Capstone'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 regulatory and 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's growth opportunities and its future revenues and cash flows. Stakeholder requirements and expectations continue to evolve, and different stakeholder groups may have varying opposing requirements and expectations of Capstone.

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 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'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'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, hydrological impacts, and mining induced seismicity. Geotechnical instabilities can be difficult to predict and are often affected by risks and hazards outside of Capstone's control, such as seismic activity and severe weather events, which may lead to periodic floods, mudslides, wall instability or an underground collapse.

Capstone'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 to meet applicable regulatory standards. Capstone continues to review and enhance existing operational 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 may have to forgo future operational expansions or invest in modified or 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 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 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'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 or a Capstone 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 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 and Capstone Copper are each an Indemnitor for Minto's surety bond obligations in the Yukon and both could be liable for the bonded obligations in the event Minto does not satisfy those obligations or if the surety requires additional or alternative security or the regulators require additional bonding amounts and Minto is unable to satisfy the new requirements. If Minto becomes insolvent or is unable to furnish a satisfactory financial guarantee to the regulators, this could result in a default to the Minto surety bond and Capstone Mining and Capstone Copper may both 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'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 has entered

into a Water Supply Agreement (as defined below) with BHP Copper, 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'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 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 of 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 pursuant to the Credit Agreement (as defined below) requires that Capstone satisfy various affirmative and negative covenants and meet certain quarterly financial ratio tests. These covenants limit, amongst other things, Capstone's ability to incur further indebtedness subject to certain exceptions. They also limit the ability of Capstone 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 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, or at all. Capstone 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's ability to access the capital markets in the future. Failure to obtain sufficient financing, or financing on terms acceptable to Capstone, 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 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 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 will be able to renew any off-take agreement at economic terms, or at all, or that Capstone's production will meet the qualitative and quantitative requirements under such agreements.

In addition, under Capstone's off-take agreements, Capstone 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's business, financial condition, results of operations or prospects.

Capstone 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 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 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'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 as all of Capstone'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 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'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'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, financial stress of banks and other credit market participants, 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's growth and profitability potential. Specifically:

- a global credit/liquidity issue could impact the recoverability of our cash and cash equivalents and 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's securities, which may impact Capstone'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'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 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 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's operations could limit Capstone's mining capacity or require Capstone to cease its mining production, and therefore have a materially adverse impact on Capstone'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'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'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's development projects.

Implementation of Capstone'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'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 to implement its expansion and development projects as planned may have a material adverse effect on Capstone'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, 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, 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's mines. There is a risk that Capstone 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's permits are subject to renewal from time to time, and renewed permits may contain more restrictive conditions than Capstone'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 from commencing, extending or expanding operations or otherwise adversely affect Capstone'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, modifications and renewals may be subject to administrative and judicial challenges by interested parties, which can delay or prevent receipt of needed authorizations. The permitting process can also vary by jurisdiction in terms of its complexity and likely outcomes.

Accordingly, permits required for Capstone'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's ability to operate economically, or may be subsequently revoked. Design, construction and operational standards for tailings storage facilities may evolve in the future, impacting our mines' ability to expand, operate, renew or modify permits and as a result, considerable capital and/or operating expenditures may be required to comply with new standards, regulations and permitting requirements. Any such failure to obtain, maintain, renew or modify permits, or other permitting delays or conditions, including in connection with any environmental impact analyses or third party challenges, could have a material adverse effect on Capstone'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 resource and mineral reserve 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'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'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'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's properties, especially where mineral reserves have been located, could result in Capstone losing a commercially viable property. Even if a claim is unsuccessful, it may potentially affect Capstone's current operations, projects or development properties due to the high costs of defending against the claim and its impact on Capstone's resources. Title insurance is generally not available for mineral properties and Capstone's ability to ensure that Capstone 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 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's properties, could result in Capstone 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 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'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 may incur material costs and liabilities resulting from claims for damages to property or injury to persons arising from Capstone's operations. If Capstone is pursued for sanctions, costs and liabilities in respect of these matters, Capstone's mining operations and, as a result, Capstone'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 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'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's financial condition. 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 500 mm. 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 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'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'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 emissions 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 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. Capstone may decide to pursue carbon reduction strategies which could result in higher operational costs or increased capital outlays. Capstone'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 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 modifications to tailings facility designs or operations, obtaining modified or additional permits, installation of additional equipment, or remedial actions and may cause material changes or delays in, or the cessation 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 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 to obtain all of the necessary services or expertise in Arizona, Mexico and Chile or to conduct operations on Capstone'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, amongst other things, to minimize the effects of land disturbance. Additionally, Capstone 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 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 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 its 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 MB-CDP and the MVDP is subject to various risks, many of which are not within Capstone'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 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'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;
- pandemics, accidents, natural disasters and equipment failures;
- adverse mining conditions may delay and hamper Capstone's ability to produce the expected quantities and qualities of minerals upon which the project was budgeted;
- conflicts with local communities, 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'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, equity partnerships or both. Capstone'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'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's mining, development and exploration activities depend on availability of adequate infrastructure. Capstone 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's customers. Any such issues arising with respect to the infrastructure supporting or on Capstone's sites, or involved in Capstone's transport activities, could adversely affect the Company's business, results of operations or financial condition.

Furthermore, any failure or unavailability of Capstone's development or operational infrastructure, including through equipment failure or disruption to Capstone's transportation arrangements, could adversely affect the production output from Capstone's mines or impact Capstone'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 does not maintain any "key person" insurance. To the extent that one or more of Capstone's members of management are unavailable for any reason, or should Capstone lose the services of any of them, a disruption to Capstone's operations could result, and there can be no assurance that Capstone 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'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 may participate in, or in ventures which Capstone 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 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 is required to comply with anti-corruption and anti-bribery laws of various countries including but not limited to, Canada, US, Mexico, Barbados, 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 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, its officers, directors, employees, contractors and third parties comply strictly with such

laws. If Capstone 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'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 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 or to other companies within the mining industry. Losses from these events may cause Capstone to incur significant costs that could have a material adverse effect on Capstone'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 97% 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 the mining operations. The labour agreement at Mantoverde was renewed at the end of 2022 and will be in effect until October 31, 2025. The current labour agreement at Mantos Blancos expires on June 30, 2023 and negotiations are in progress. In addition, contractors or subcontractors form a significant part of Mantos Blancos and Mantoverde workforce, making up approximately 38% 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 424 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 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 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 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 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 the Pinto Valley open-pit mining, operation, mill, and electrowinning facility. Once commissioned, the performance of our paste and backfill plant may not be as anticipated. There is no guarantee that the 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 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's needs for its operations. Increased competition could adversely affect Capstone'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 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 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'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 acquired a 30.0% interest in Mantoverde for \$275 million, subject to an additional contingent payment of \$20 million from Mitsubishi Materials to Mantoverde in the event Mantoverde receives approval to increase its tailings storage capacity by an additional 500,000 tonnes. In addition, Mitsubishi Materials agreed to provide a \$60 million cost overrun facility in exchange for additional offtake of copper concentrate and a subsidiary of Capstone entered into the MV Shareholders Agreement (as defined below) with Mitsubishi Materials and Mantoverde S.A. dated February 8, 2021, relating to the ongoing management of Mantoverde. As such, Capstone 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's, (ii) exercise veto rights so as to block actions Capstone believes to be in its or its subsidiaries' best interests, (iii) take action contrary to Capstone'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'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'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 organizations or other criminal organizations including violence towards the authorities. Capstone'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'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'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 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's financial condition or results of operations as reflected in its earnings reports. Other factors unrelated to the performance of Capstone 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 may be limited if investment banks with research capabilities do not follow Capstone's securities; lessening in trading volume and general market interest in Capstone's securities may affect an investor's ability to trade significant numbers of securities of Capstone; and a substantial decline in

the price of the securities of Capstone that persists for a significant period of time could cause Capstone'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 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 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 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's ability to raise equity capital in the future at a time and price which it deems appropriate. Capstone may also enter into commitments in the future which would require the issuance of additional Common Shares and Capstone may grant additional share purchase warrants and stock options. Any share issuances from Capstone's treasury will result in immediate dilution to existing shareholders' percentage interest in Capstone.

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 Directors and will depend upon Capstone's future earnings if any, its capital requirements and financial condition, and other relevant factors. Capstone 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 Fund JV Limited, Orion Mine Finance Fund II LP and Orion Mine Finance (Master) Fund 1-A LP (collectively, "Orion") own approximately 32.03% of the outstanding Common Shares and Hadrian Capital Partners Inc. owns approximately 14.51% of the outstanding Common Shares. As long as these shareholders maintain their significant positions in Capstone, they will have the ability to exercise influence with respect to the affairs of Capstone and significantly affect the outcome of matters upon which shareholders are entitled to vote. Furthermore, there is a risk that Capstone'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. Moreover, there is a risk that their significant interests in Capstone discourages transactions involving a change of control of Capstone, including transaction in which an investor, as a holder of Capstone's securities, would otherwise receive a premium for its Capstone'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) between Capstone Mining and Orion dated March 23, 2022, provided Orion maintains certain levels of ownership of the Common Shares, Orion: (i) has rights to nominate up to two individuals to sit on the Board of Directors and (ii) may demand we file one or more prospectuses or otherwise facilitate sales of Orion's shares. Orion currently has two nominees who serve on the Board of Directors. See "Material Contracts" in the AIF for further information regarding the Registration and Nomination Rights Agreement.

Sustainable Development Strategy.

We base our Sustainable Development Strategy goals and strategies on a number of assumptions, including 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 on reasonable terms; our ability to successfully implement new technology; and the performance of new technologies in accordance with our expectations.

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, 694,112,112 of which were issued and outstanding as of March 29, 2023.

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
March 2023*	66,658,907	7.09	5.48
February 2023	60,986,162	6.52	5.90
January 2023	67,452,527	6.62	4.90
December 2022	43,997,390	5.16	4.43
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

*Includes data from January 1, 2022 to March 29th inclusive.
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 Copper:
Options, RSUs, TRSUs, PSUs, TPSUs, DSUs
March 24, 2022 – December 31, 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, 2022 – March 23, 2022**

Date	Security	Grant Price	Number of Securities
17-Jan-22	Options	C\$6.17	92,758
7-Mar-22	Options	C\$6.97	672,064
Total Capstone Options			764,822
7-Mar-22	RSUs	-	554,878
Total Capstone RSUs			554,878
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			724,850
7-Mar-22	DSUs	-	65,102
Total Capstone DSUs			65,102

Date	Security	Grant Price	Number of Securities
GRAND TOTAL			2,109,652

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][2]}	Common Shares held as of March 29, 2023
George Brack ^{[3][4][5]} 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 Gallagher ^{[4][5]} 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 Meredith ^{[3][6]} 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 ^{[3][6]} 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 ^{[4][5][6]} 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
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

Name and Address	Office held with Capstone	Principal Occupation during past five years	Director Since ^{[1][2]}	Common Shares held as of March 29, 2023
Darren 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	3,173,614 ^[7]
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 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] Each director's term of office expires at the next annual general meeting of shareholders of the Company

^[3] Member of the Human Resource & Compensation Committee

^[4] Member of the Technical and Operational Performance Committee

^[5] Member of the Governance, Nominating and Sustainability Committee

^[6] Member of the Audit Committee

^[7] 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 Shares held as of March 29, 2023
Jerrold 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.	4,310,147 ^[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.	1,959,869
Wendy 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.	2,149,569
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 Randhawa	Senior Vice President & Chief Financial Officer	Senior Vice President & Chief Financial Officer since February 2020; Chief Financial Officer since January 2019;	574,536

Name and Address	Office held with Capstone	Principal Occupation during past five years	Common Shares held as of March 29, 2023
British Columbia, Canada		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.	
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.	3,835

^[1] Includes 29,280 held indirectly by Jerrold Annett.

14 – OWNERSHIP OF SECURITIES BY DIRECTORS AND OFFICERS

As at March 29, 2023, the directors and executive officers as a group beneficially owned or exercised control or direction over, directly or indirectly, an aggregate of 28,018,594 Common Shares, representing approximately 4.04% 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, 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 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 35 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 Copper's external auditors in the fiscal year ended December 31, 2022 are as follows:

Year Ending	Audit Fees ¹	Audit-Related Fees ²	Tax Fees ³	All Other Fees ⁴
December 31, 2022	C\$1,839,000	C\$9,000	C\$178,000	C\$120,000

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 2022 related to the pro forma and information circular for the Mantos Transaction.

The aggregate fees billed by Capstone Mining's external auditors in the fiscal year ended December 31, 2021 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

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 fiscal year ended December 31, 2021 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

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 2021 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, 2022; 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, 2022.

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, 2022 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 Mitsubishi Materials approval and board nomination rights in favour of Mitsubishi Materials, (iii) restrictions on transfer of Mantoverde S.A. shares, (iv) the sale of the Mantoverde Mine and (v) certain participation rights granted to Mitsubishi Materials in takeover offers, specified financings or merger transactions of Capstone.

19.2 Southern Cross Royalty

In connection with the financing of the MB-CDP, 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-CDP, 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, Mitsubishi Materials 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 guarantees 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-CDP, 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 on 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 Registration and Nomination Rights Agreement, 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 Common 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**”), the Company’s independent auditors, have prepared an auditor’s report dated February 17, 2023 on the annual consolidated financial statements as at and for the years ended December 31, 2022 and 2021 which have been filed on the Company’s SEDAR profile. Deloitte Canada is independent of the Company within the meaning of the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

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: Peter Amelunxen, P.Eng., Capstone Mining; Gregg Bush, P.Eng. former Senior Vice President and Chief Operating Officer of Capstone Mining; Jenna Hardy, P.Geo., FGC, Nimbus Management Ltd.; Ali Jalbout, P.Eng., PhD, ASA Geotech; 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.; Luis Tapia Hurtado, CMC CP(Geo), Mantos Copper Holding SpA.; Gustavo Tapia, RM CMC, GT Metallurgy; Ronald Turner, MAusIMM CP(Geo), a Golder Associates S.A.; (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.

Peter Amelunxen, Josh Moncrieff, Clay Craig, Vivienne McLennan, Colleen Roche, Klaus Triebel, Luis Tapia Hurtado 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, 2022, Klaus Triebel was an employee of Pinto Valley Mining Corp, Luis Tapia Hurtado was an employee of Mantos Copper Holding SpA. Peter Amelunxen, Josh Moncrieff, Clay Craig and Vivienne McLennan were employees of Capstone.

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 31, 2022, Capstone had **691,639,972** 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 – 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