

Director, Internal Audit

Capstone Copper

Position Specification

2023



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The Company

Overview

Capstone Copper Corp. (TSE:CS) is an Americas-focused copper mining company headquartered in Vancouver, Canada. It operates the Pinto Valley copper mine located in Arizona, USA, the Cozamin copper-silver mine located in Zacatecas, Mexico, the Mantos Blancos copper-silver mine located in the Antofagasta region, Chile, and the Mantoverde copper-gold mine, located in the Atacama region, Chile. In addition, it owns the fully permitted Santo Domingo copper-gold project, located approximately 30 kilometers northeast of Mantoverde in the Atacama region, Chile, and a portfolio of exploration properties in the Americas.

In March 2022, Capstone announced a transaction to merge with Mantos Copper (Bermuda) Ltd. Mantos was the legal acquirer of Capstone Mining, and after the Transaction, the combined entity changed its name to Capstone Copper Corp. Mantos (now Capstone Copper) has owned and operated two mines in Chile since 2015. The Mantos Blancos open-pit mine is located 45 kilometers northeast of the city of Antofagasta and the 70%- owned Mantoverde open-pit mine is located 50 kilometers southeast of the town of Chañaral. 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 continues to be a reporting issuer in Canada.

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

From the perspective of Capstone Copper Chile, the current and further years will be a transformational period with the new Mantos Blancos mill ramp-up, construction and start-up of the Mantoverde sulphide concentrator project, and future construction and integration of Santo Domingo project and Mantoverde.

Vision

Capstone's vision and purpose is to create a positive impact in the lives of their people and local communities while delivering compelling returns to investors by sustainably producing copper to meet the world's growing needs.

Key Pointers

Capstone Copper 2024 expects to increase its production by 45% to about 240,000 to 250,000 tonnes per year of copper from the two fully financed projects (Mantoverde & Mantos Blancos) in Chile. Once Santo Domingo project, also in Chile, enters production, the new company will produce 380.000 tons of copper annually.



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Operations

Pinto Valley has produced more than four billion pounds of copper and approximately 0.5 billion pounds of cathode since 1975. Pinto Valley is currently the second largest employer in the Globe-Miami area; with a total economic impact of >\$270 million per year in Arizona.

Cozamin has produced over 500 million pounds of copper and over 19 million ounces of silver, resulting in approximately \$500 million cumulative free cash flow through 2020. According to Capstone's 2021 Mine Plan Update, Cozamin is expected to produce 516 million pounds of copper from 2021 to 2031.

Santo Domingo is situated in the middle of a growing mining district. Capstone is working on updating its feasibility study and construction would be post Mantoverde. In addition, Santo Domingo contains considerable cobalt.

Mantoverde is in the Atacama region of Chile and is jointly owned by Capstone (70%) and Mitsubishi Materials Corp (30%). It is an open pit mine which will produce LME Grade A copper cathode; High quality copper in concentrate with significant gold by-product to be produced by year-end 2023.

Mantos Blancos is an open pit mine located in the Antofagasta region of Chile. The operation currently mines and processes both sulfide and oxide ores. It has 7 million tonnes per year concentrator throughput and 60,000 tonnes of copper cathode capacity.

Financial Results:

- 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.



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The Opportunity



Position

Director, Internal Audit



Reporting Relationship:

Chair of the Audit Committee

With an administrative line to the Senior Vice President & Chief Financial Officer



Location:

Vancouver, British Columbia

or

Santiago, Chile



Website:

<https://capstonecopper.com/>

Purpose of the Position

Reporting to the Audit Committee Chair with an administrative line to the Senior Vice President & Chief Financial Officer, the Director, Internal Audit is accountable for regulatory compliance and internal controls with additional focus on process improvements. The Director of Internal Audit provides vision, strategic leadership, and management oversight to the internal audit function, which enhances and protects the company by providing risk based and objective assurance, advice, and insight. Internal Audit brings a systematic, disciplined approach to the evaluation and improvement of the effectiveness of governance, risk management, and control systems and processes.

The Director of Internal Audit will use a collaborative, business-focused approach to further develop its position as a strategic business partner. This includes providing broad and deep audit, financial, business, operational, planning, and management expertise enterprise wide.

The successful candidate will be an accomplished finance leader that will establish themselves as a valued member of leadership team, gaining credibility with the Chief Executive Officer, the Finance team, the Operations team, the Audit Committee, External Audit firms and External Control Consultants.



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The Role

The opportunity will appeal to a confident finance leader, with a strong technical ability to lead and enhance Capstone Copper's internal audit function through three engagement types:

- Regulatory – Internal controls over financial reporting
- Board Agenda – fraud investigations, capital projects, specific transactions
- Management – business controls, operational reviews and deep dives

Key Responsibilities

- Plan, maintain and validate design and operating effectiveness of Capstone's NI 52-109 compliance program, including but not limited to: assessing materiality and project scope in areas of entity level, anti-fraud, business process and information technology controls, including a strong reliance on control self-assessments at the operational and functional level to develop organizational accountability for internal controls.
- Provide assessments of design and operating effectiveness, recommendations for improvement to internal controls over financial reporting, and a forward-looking risk assessment to enhance the proactive development of internal control responses.
- Managing the documentation (preparation and maintenance) internal control systems over financial reporting in areas of entity level, anti-fraud, business process and information technology controls.
- Validating design effectiveness of internal controls over financial reporting in areas of entity level, anti-fraud, business process and information technology controls.
- Validating operating effectiveness in areas of entity level, anti-fraud, business process and information technology controls.
- Provide the CEO and CFO with recommendations regarding certification of internal controls.
- Partner with the business in assisting with the development/improvement of new/existing policies and procedures at the Corporate and Operations level.
- Interact with independent auditors on control testing plan.
- Present and report out to the Audit Committee with quarterly interaction with Audit Committee Chair.
- Investigate any financial fraud related whistleblower cases
- Perform ad-hoc internal controls audits and fraud investigations as required.
- Manage outsourcing consultants on the internal control program.
- Any other projects/duties that may arise from time to time as required by the role and/or at the request of the CFO.



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Year One Critical Success Factors

The candidate will be deemed a success if they accomplish the following during the initial year:

- Develop a deep understanding of Capstone Copper and its operations, strategy, key drivers, culture, and vision for the future to ensure that the audit function is aligned.
- Establish themselves as a valued member of leadership team, gaining credibility with the Chief Executive Officer, SVP & Chief Financial Officer, Chair of the Audit Committee, the management team, and other key leaders and stakeholders early on. Demonstrate an enthusiastic, positive attitude and desire to contribute to the success of the company.
- Develop a vision for the Internal Audit area and articulate to executive management with respect to further maturing the function.
- Assess current accounting and finance processes, systems, and team, identifying areas to further enhance, automate, or create further efficiencies.
- Establish trust and respect with the team; be seen as a leader and developer of talent who keeps the team motivated and engaged. Assess current talent and organizational design and make appropriate changes as necessary.

The Candidate

Knowledge & Technical Skills

- NI 52-109 requirements and practical application thereof, Sarbanes Oxley knowledge an asset but not applicable currently.
- Demonstrated knowledge and understanding of the practical application of internal controls and related frameworks (COSO).
- Canadian and American public company reporting requirements.
- Mining industry experience preferred.

Professional & Personal Attributes

- Outstanding communications skills, written, verbal and presentation. Spanish language is an asset.
- Project management experience.
- Business pragmatism, allowing for decision making on materiality, key controls to balance technical requirements and practical realities.
- Ability to in-grain a strong internal control culture in the organization so this is seen as a value adding.
- Ability to influence and to develop support and collaboration across the organization.



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Education

- Undergraduate degree in finance, accounting, or related field.
- A Certified Public Accountant (CPA) designation is preferred.
- Certified Internal Audit (CIA) designation is an asset.

Compensation

A competitive compensation package, including base salary, bonus, and long-term equity-based incentives, will be provided.



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About Korn Ferry

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